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FOREWORD

Creativity, innovation and entrepreneurship are the keywords that drive our future. Indeed, creativity is the starting point for innovation since all innovation begins with creative ideas. In turn, innovation is the process that transforms new creative ideas into a new value, so it is the process through which an entrepreneur turns creative ideas into new market opportunities. The concept of entrepreneurship infers the continuous generation of creativity and innovation for gaining a competitive advantage, and even opening new untapped markets.

Within this process, universities and educational institutions are at the forefront of creativity, innovation and entrepreneurship since they have the capacity to advance and promote student creativity, support their innovative ideas and prepare them for their future entrepreneurial ventures. In this respect, the exchange of ideas and research findings are essential within this discourse; therefore, more and more conferences are initiated to advance these research trajectories further.

These Conference Proceedings come from The International Business Conference 2017: Creativity, Innovation and Entrepreneurship that sought to promote the ideas and research on creativity, innovation and entrepreneurship both in the Baltic region and worldwide. The Conference was organized and hosted by the Faculty of Business Management at Vilniaus Kolegija / University of Applied Sciences in Vilnius, Lithuania on April 24-25, 2017. It provided an international platform for the exchange of leading-edge ideas and research findings on the emerging approaches related to the concepts of creativity, innovation and entrepreneurship in different business sectors and fields as the key driving forces for the business of today and tomorrow. The Conference also introduced some outstanding keynote speakers in the field. Indeed, the Conference proved to be an important international networking event organized by the Faculty annually.

I would like to express great appreciation for all the Conference presenters and participants who made this Conference a great event and supported our further commitment to advance creativity, innovation, and entrepreneurship. In turn, we will continue to do our best to operate as a transitioning and transforming platform for creative business ideas and innovative approaches.

Giedrė Brazdauskaitė, Editor.
The role of educational and training institutions (first of all secondary schools and universities) in developing innovative thinking of employees became a subject of sociological research (survey) started in October 2015 in Moscow, Russia. 47 teachers of secondary schools and 28 professors of universities have already participated in it. The survey results reveal the respondents’ interest to developing innovative thinking of future employees. Most of the respondents are willing to take responsibility for making pupils and students think innovatively by means of case studies, discussions and trainings. They also recommend engaging pupils and students in extracurricular activities such as research projects and competitions. However the respondents’ recommendations cannot be fully performed due to restrictions of educational programs. That is why the first and the main step towards developing innovative thinking of future employees should be an inclusion of requirements for innovativeness in educational standards and a reconsideration of existing educational programs on their basis.

Keywords: innovative thinking, development of innovative thinking, educational standards, educational programs.

Introduction
The increase in the number of employers interested in innovative thinking of staff – the ability of the employees to generate, implement and promote new ideas and products (Batovrina, 2016) – raises the question of its development. More and more researches have come to believe (Zaripova, Lounev, Petrova, 2012; Vasiliev, 2011) that innovative thinking is a factor of professional effectiveness not only in the sphere of innovation: it is also demanded in the other areas of human activity as it allows employees to solve unexpected and difficult tasks, to adapt to changes, to make their own decisions and implement them into practice. It is also worth mentioning that innovative thinking tends to be considered as a significant factor of preventing professional burnout of employees, as a tool that helps them to stand off routine working days and a limited range of duties: thinking innovatively the employees usually find something new, and interesting, and disturbing in their daily activities, they are highly motivated and have high-flying ambitions.

All data mentioned above demonstrate the importance of targeted development of innovative thinking of employees. The aim of our study is to identify the opportunities to
solve this problem within research and educational environment framework, as well as to specify the role of different educational and training institutions in the developing innovative thinking of staff.

The concept of social environment as a factor of developing innovative thinking of employees
The concept of social environment as a driving force for developing personality and a factor that improves his or her abilities is usually viewed as a result of work of several generations of psychologists and sociologists.

The psychologists focus their attention on the impact of social relations and activities on the development of personal abilities. The most outstanding representatives of the ‘activity approach’ in psychology including L. Vygotsky, S. Rubinstein, A. Leontiev, Y. Gippenreiter, A. Asmolov believed that the development of personal abilities was carried out in the process of activity under the influence of ‘social situation of development’ (Asmolov, 2007, p. 198). Describing the social situation of development, L. Vygotsky emphasized that the environment was not a situation of development and the factor that directly determined the behavior of the person, it was a condition of performing human activity and a source of personal development: ‘the social situation of development is quite peculiar, specific for the concrete age, exclusive, unique relationship between the individual and the surrounding reality, especially the social one’ (Vigotskiy, 2000, p. 903). The significant role in developing personal abilities is played by the relationship between the individual and the so-called zone of proximal development – ‘it is the zone that is limited by the opportunities for development and education in cooperation with the others’ (Zarezhkiy, 2007, p. 100). The zone of proximal development includes social subjects significant to a particular person: these are parents, teachers, coaches, friends, and etc. They become translators of social experience and knowledge to individual at a certain stage of his or her life; they assist him or her to uncover potential abilities including innovative thinking.

The sociologists see the impact of social environment on developing personal abilities in the other way. According to them, the most important role in socialization and development of personal abilities is played by the social institutions which are family institution, education institution, science institution, culture institution and the others. The social institutions reproduce specific social environment which, being friendly, motivates individuals to disclosure and fulfill their potential. The names of social institutions determine the names of the variety of social environment that affects the process of developing personal abilities: these are cultural environment, research environment, economic environment, educational environment, etc. According to the latest studies, the research and educational environment is the key factor of developing innovative thinking of employees. It affects employees in the educational and training process; thanks to it, the most significant abilities of employees that are expected to be exploited throughout their working life are developed: innovative thinking is among them.

Educational and research environment in the development of innovative thinking of employees
The concept of ‘research environment’ is poorly represented in scientific literature. The terms ‘intellectual environment’ and ‘academic environment’ are usually used as its
synonyms. They designate the products of activity of scientific community that define ‘the reproduction of intellectual potential’ (Zakrevskaya, 2009, p. 21). It can be assumed that in comparison with the academic and intellectual environment research environment is the broader concept which is close to the concept of artistic field offered by P. Bourdieu. He treated it as a ‘place where belief in the value of art and in the artist’s ability to create this value is produced and continuously reproduced’ (Bourdieu, 1989).

Considering the research environment and the artistic field as the concepts with the close content, it makes sense to refer to its elements described by Bourdieu. This tactics may assist to identify the key components of research environment. Following this logic, it can be assumed that the structure of research environment consists of four groups of components. Firstly, it is a conglomerate of researchers engaged in scientific work and in the implementation of research projects. Secondly – the institutions of involvement (in the terminology of P. Bourdieu – ‘initiation instances’) that ensure the entry of young professionals in the research environment: these are scientific conferences, symposia, forums, etc. Thirdly, the institutions that produce knowledge and innovation: they are high schools, research institutions, training centers, laboratories, innovation infrastructure including technology parks, business incubators, innovative enterprises co-operating with the universities, etc. Fourthly, it is a group of specialized agents responsible for the popularization of scientific research, assessment of scientific results and presenting them to the wider audience. The latter component includes prominent members of the scientific community, academic authorities, university professors, various experts, critics, as well as organizations engaged in information support of innovation.

The analysis of current research in the field of philosophy and sociology of science leads to the conclusion that one of the most important components of research environment is the third one. This conclusion is, in particular, confirmed by a pronounced tendency of identification of research environment with the institutions of science reproduction. For example, A. Oleynik considers research environment as a network structure that integrates scientific schools and clubs (Oleynik, 2004). However, it should be noted that in terms of the impact of research environment on the development of innovative thinking of staff, the significant role is also played by the other components of it. In particular, the initiation instances contribute to familiarizing the employees to research and innovation activities, provide their involvement in the innovation process; the prominent representatives of the scientific community, educators, experts and critics often act as PR-agents forming a particular image of innovation-oriented activities, they make employees interested in participating in it.

The current research has shown that the key criterion of efficiency and quality of research environment is its orientation to cooperation and collaboration of the parties taken part in its creation: it is usually characterized as the ‘friendliness’ of research environment. The significance of the interaction of the parties involved in creation of research environment affected development of innovative thinking of staff is reflected in the modern concept of cooperative research environment.

The cooperative research environment is a special configuration of research environment, characterized by:
Active interaction among all its internal components (research centers, universities, innovation infrastructure, etc.) and external elements (for example, representatives of the business community);

Focus on cooperation and implementation of a special system of disseminating information, allowing each stakeholder to receive information about current research and innovation projects and work closely with the scientific community (Bosin A., Dessì N., Fugini M., Liberati D., Pes B., 2006);

Intensification of communication among representatives of scientific community, the representatives of innovative infrastructure and innovative enterprises by means of information technologies;

Active involvement of young professionals in research and innovation activities (Oliveira, 2006).

Given the marked characteristics of cooperative research environment, its positive effect on the processes of production and reproduction of knowledge and innovation and the innovative thinking of staff, more and more researchers notice the need for its development. In particular, this issue is reflected in the works by Bosin A., N. Dessie, Fyudzhini M., D. Liberati, B. Dog, G. Oliveira mentioned above. D. Coronado, M. Acosta (Coronado, Acosta, 2005), R. Huggins, A. Johnston, R. Stephens (Huggins, Johnston, Steffenson, 2008) and many others also agree with them on this issue.

The most important institution of reproduction of scientific and research environment which is high schools also plays a crucial role in shaping the educational environment defined as ‘the integrity of specially organized pedagogical conditions for the development of personality’ (Tarasov, 2011, p 133.). The influence of the educational environment on training employees for innovative economy and on developing innovative thinking of staff is declared in a lot of publications (Garipova, 2009; Dementiev, Toyvonen, 2007; Nazarova, 2010). Most authors note the special role of universities in this process. The analysis of current literature reveals the following characteristics of high schools that indicate their important role in developing innovative thinking of personnel:

- Universities are multidisciplinary innovation organizations, transmitting the experience of innovation to students;
- Universities accumulate knowledge, technique, experience, innovation from different sectors of the economy, enabling them to act as facilitators of innovation at a regional level;
- High schools are usually famous for innovative educational technologies, they provide students with free access to educational and scientific information, develop their skills required to succeed in the innovation environment;
- Education contributes to developing a special type of thinking. While studying in high schools, the students learn to perceive the innovation processes in society, to understand the tactics and strategy of innovative development, to recognize and define its place and role in the changes that take place, to reconsider their status, potential, values, motives, talents and creative abilities, to find their aims;
- Innovative potential of high schools is concerned with all kinds of resources for innovation activities and involving students in them: these are new
educational technologies, new economic mechanisms in the sphere of education, new methods and techniques of teaching and learning.

So, the analysis of current literature suggests that the high schools as key institutions of reproduction of research environment are the most important agents of developing innovative thinking of staff; they have access to the instruments of influence on innovative activity of employees. This conclusion is confirmed by the results of our empirical research with participation of professors of Russian universities.

**The role of high schools in developing innovative thinking of employees: research methodology and the main results of conducted research**

The research program was prepared in October 2015. The research participants (which are professors of Russian universities) were determined by the main purpose of conducted research – to specify the role of high schools in developing innovative thinking of personnel. We proceed from the assumption that the professors of universities, interacting with future employees from day to day, are well informed on our issue. The tasks of the study were:

- To find the reasons for including innovative thinking in the requirements to employees;
- To make the list of positions that require innovative thinking;
- To assess the role of innovative thinking in professional activity of employees graduated from the faculties where the research participants work;
- To determine the opportunities and factors of developing innovative thinking of future employees within educational and training process framework.

We selected a survey as a method of sociological research. The choice of a method led to its advantages which were concerned with the possibility of comparing the obtained data, saving time resources required for processing and interpreting the research results, and others. The tool of sociological research thus became a questionnaire.

The questionnaire for professors of universities consists of 10 questions, including the ones about:

- The inclusion of innovative thinking in a range of requirements to employees and its importance for personnel;
- Positions that require employees to think innovatively;
- The nature of innovative thinking as a human ability, its inherent / acquired nature;
- The tasks of high schools concerning the development of innovative thinking of future employees;
- The training methods which contribute to developing innovative thinking of students in educational process.

Given the necessity of surveying professors from different universities, it was decided to use the electronic form of questionnaire posted on the www.surveymonkey.com. The respondents were informed on the possibilities of access to the questionnaire by e-mail.

At the beginning of February 2017 the questionnaire was filled out by 28 professors from Moscow State University of Railway Engineering, Lomonosov Moscow State University, Financial University under the Government of the Russian Federation, Smolensk State
Inclusion of innovative thinking in the list of requirements for employees

According to 65.22% respondents, the requirement to innovative thinking of employees ought to be viewed as necessity not as a tribute to fashion. The increasing importance of innovative thinking, according to respondents, is associated with the changes in society (‘Life has changed a lot, all of us are required to orient in the new environment, to see new threats and opportunities for success’) and the needs of the economy (‘The Russian economy demands innovative breakthrough’, ‘innovations have become a factor of production, so innovative thinking is a natural requirement of the employers’). However many respondents emphasize (33.3%) that the concept of innovative thinking at the moment is blurred, all participants of the labor market invest their own meaning in it, as a result it often leads to the identification of innovative thinking with the other human abilities – for instance, ‘just an ability to think’. This situation explains why some respondents have negative attitude to inclusion of innovative thinking in the number of requirements for employees.

The participants of the survey that supported the inclusion of innovative thinking to the requirements for employees listed the main positions demanded a high level of its development. These are:

- engineers (29.2%);
- scientists (29.2%);
- teachers (25.0%);
- managers (20.8%);
- designers (16.7%).

Additionally, some respondents mentioned the possibility of using innovative thinking in any field of professional activity – ‘it all depends on the difficulty and complexity of the problem that is required to be solved: the higher it is – the higher the demand for innovative thinking’.

Development of innovative thinking of future employees as a task of education and training in high schools

According to 65.22% respondents, the development of innovative thinking of future employees is the task of teaching in high schools. This task is mainly related to the importance of innovative thinking for the professional activity of the graduates of the faculties where the respondents work (60.87% of the respondents). However the research participants see a lot of obstacles on the way of developing innovative thinking in high schools. These are:

- Professors’ willingness to be innovative (‘you first need to develop innovative thinking of professors themselves’);
- Lack of references to innovative thinking in the existing educational standards (‘the inclusion of innovative thinking in the educational standards is advisable’, but ‘there
is a risk to formalize the requirements to this competence or to substitute it to another one’, ‘the concept of innovative thinking should be clarified first’;

- Difficulties with measuring of innovative thinking (‘How to verify that it was developed?’).

Developing innovative thinking of students in high schools: the main factors and opportunities

It is surprising that characterizing the nature of innovative thinking 100,0% of the research participants confirm it is an acquired ability. It means that under the favorable circumstances each person has a chance to develop innovative thinking. The main factors that lead to developing innovative thinking of students in high schools, according to the participants of the survey, are:

- Innovative and creative atmosphere in the universities, the lack of administrative and bureaucratic barriers, the interest of high schools authorities to innovative activity of students;
- Involvement of students in extracurricular work – for instance, in performing original tasks, implementing the projects, conducting scientific research, participating in various competitions;
- High motivation and great interest of professors to the development of innovative thinking of students, the implementation of active learning methods in their courses.

The survey shows that some training methods have particular importance for the development of innovative thinking of students. They are:

- Brainstorming (mentioned by 63,64% respondents);
- Role plays and business games (mentioned by 59,09% respondents);
- Case studies (mentioned by 59,09% respondents).

The least effective methods in terms of developing innovative thinking of students turned out to be lectures, round tables, and, oddly enough, trainings. It can be assumed that the respondents associated the development of innovative thinking with the decision of practice-oriented problems; that is why the psychological techniques and exercises were considered as the secondary ones.

The education in high schools is not the only chance to develop innovative thinking of future employees. Some professors participated in the survey repeatedly stressed the need to solve this task at the earlier stages of education and training – for instance, at the secondary schools. Given the important role of schools as the institutions of reproduction of educational environment, it was decided to conduct another study which was a survey with participation of the teachers of secondary schools.

The role of secondary schools in developing innovative thinking of employees: research methodology and the main results of conducted research

The process of preparing the research program for surveying the teachers of secondary schools was almost similar to the process of developing the research program for the university professors. The questionnaire also included 10 questions. There were the ones about:

- Interpretation of the concept of ‘innovative thinking’;
The role of innovative thinking in the professional development of school graduates;
The methods affected development of innovative thinking of school pupils.

The different channels of disseminating the questionnaire among the teachers were used: these are e-mail, www.surveymonkey.com, face to face meetings.

At the beginning of February 2017 the questionnaire was filled out by 47 teachers of the secondary schools of mainly Moscow and Moscow region.

Creativity versus innovative thinking: A comparative analysis
The majority of the respondents state that innovative thinking as the competence of future employees was significantly different from creativity, only 29.41% participants of the survey believe that creative thinking and innovative thinking are synonyms. The comments on the issue given by the respondents also differ: 11.76% participants of the survey point out that innovative thinking is a kind of creative thinking (creativity), stating that the concept of creative thinking is broader than the concept of innovative thinking; 17.64% respondents suppose that innovative thinking is similar to strategic thinking, while creativity is a kind of thinking that helps in solving tactical problems; there is also a view that innovative thinking has not personal, subjective character (it can be a request of time, the requirement of the company’), creative thinking, on contrary, is necessarily personal, subjective’.

The role of innovative thinking in the professional development of school graduates
According to respondents, the role of innovative thinking in the professional development of school graduates can be generally described as positive. Only one respondent disagreed with this position: ‘In some situations innovative thinking can hurt’, ‘The examples are areas where you need and must act according to the instructions’. Presumably, these are such areas as military or civil service, health and safety, transport, and others.

Some participants of the research emphasize that innovative thinking helps the school graduates to solve the following tasks successfully: to choose a profession (mentioned by 11.76%) respondents, to speak in public (mentioned by 5.88% respondents), to find job (mentioned by 17.65% respondents).

The methods of developing innovative thinking at the secondary schools
70.00% respondents expect the educational standards to be changed. They believe that the new standards should set the requirement to develop innovative thinking at schools. To develop innovative thinking of pupils from day to day the surveyed teachers offer:

- To involve pupils in various project activities (mentioned by 47.05% respondents);
- To conduct trainings on the regular basis (mentioned by 17.64% respondents);
- To open discussion clubs for the pupils and to ensure that they work on the regular basis (mentioned by 17.64% respondents);
- To use case study as a learning method during the classes (mentioned by 11.76% respondents).
Conclusions
To sum up, it should be noticed that the educational environment in general and the educational institutions in particular have a large impact on the development of innovative thinking of staff. The highs schools and the secondary schools play the most significant role in this process: the willingness of future employees to use innovative thinking for solving professional tasks is mainly dependent on the conditions created in the universities and schools, the educational standards and programs they adopted and implemented the training methods they applied. We can assume that the development of innovative thinking of staff can also be affected by the institutions of postgraduate education – for example, by the training companies and the training institutions. Their impact on the innovative thinking of employees could be the subject of the further research.

References
DO DIFFERENCES MAKE A DIFFERENCE? THE CASE BASED ON THE CREATIVITY PLATFORM

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Abstract

Approaches supporting collaborative generation of ideas identify a significant correlation between cognitive elements of creativity (fluency, originality, flexibility and elaboration) and diversity. Ideating or/and brainstorming demand diverse and original ideas, elaboration and possibilities, risk-taking and curiosity. The framework of the research is based on the analysis of literature and qualitative research methods, i.e. comparative content analysis according to emic perspective. In the study, Creative Platform as a process model is used to facilitate creativity by bringing the shared knowledge of the diverse groups of participants into play in relation to a given task. The aim of the study is to evaluate how the dimensions of culture, educational background, gender, age, and socio-economic status influence ideation session result – creative outcome, the diversity of ideas generated. We demonstrate how the Creative Platform process model can be used to discover new possibilities, perspectives and solutions to any problems.

Keywords: group diversity, idea generation, creative platform, stimuli.

Introduction

Creativity is the ability to create, to generate diverse and original ideas, to transform some existing ideas or objects into something new. Every person has some substantial creativity potential waiting for the moment to be activated. Creativity needs some incentives and personal commitment to gain the power and to produce the change. New and original ideas germinate in a fertile soil and are harvested only after a good care and endeavor. What are the main creativity facilitators? What could enhance personal commitment in creative problem solution development processes? According to Creative Platform methodology group-work and group diversity are of great importance.

This article aims to investigate how the dimensions of culture, educational background, gender, age, and socio-economic status influence creative problem solution result. The main research question of the paper can be formulated as follows: is originality of ideas proposed by a group related to the group diversity? In order to answer the research question a challenge was formulated, the same challenge was presented in 4 independent idea generation sessions for 12 groups of participants (N=46) with different cultural and educational background, varying by gender, age and socio-economic status. All groups received the same stimuli and all the solutions to the challenge were analyzed in relation to the stimuli provided. Comparative content analysis according emic perspective was applied.

Theory

Creativity is typically defined as either the ability to produce work that is original and useful (Barron, 1988; MacKinnon, 1962; Guilford, 1967), a valued novelty (Sternberg, Kaufman, 2010) or the process through which new and useful ideas are generated (Dawson, Andriopoulos, 2014, p. 9, Kao, 1989). Although the concepts of creativity differ from person to person there are some common features that unite all the creativity definitions. These
are fluency, flexibility, originality and elaboration (Guilford, 1950; Torrance, 1974; Paulus, 2000). Fluency is ability to generate a variety of ideas and solution to the problem, across different categories and to look at the challenge or problem from multiple perspectives. Fluency requires the ability of express the idea with different word groups and sentences, keeping a thought process going and focusing the attention capacity on the challenge. Fluency emphasizes quantity of ideas over quality. (Guilford, 1950; Torrance, 1974; Byrge, Hansen, 2014). Flexibility is ability to generate a wide assortment of ideas, to cross boundaries and look at the problem or challenge from different perspectives. Flexibility is measured by number of different categories of ideas generated (Torrance, 1974; Meador, 1997; Gautam, 2012). Originality is defined as producing unexpected answers, being original in thoughts and actions, and sometimes breaking taboos of community. It expresses distinctiveness, exclusivity, and quite unlikeness. It even requires being different or being rare. Obvious ideas are not considered original (Paulus, 2000; Runco, 2014; Byrge, Hansen, 2014). Elaboration provides depth of thoughts, the degree of detail and persistence (Guilford, 1967; Byrge, Hansen, 2014; Demetrikopoulos, Pecore, 2016).

Characteristics of creativity and creative process was also described as 4P’s model to synthesize the seminal theories of creativity.) Rhodes (1961) and other researchers (Brown, 1989; Davis, 2004; Kozbelt et.al., 2010 ) have identified four P components, perspectives or dominant factors of creativity: 1. Person/ Personal characteristics (the individual that is creative). In analyzing creative individuals, researchers identify the following personality traits that are related to creative result: risk-taking, self-confidence, tolerance of ambiguity, need for achievement, proactivity, independence and openness (Dawson, Andriopoulos, 2014, Sternberg et al., 2010). 2. Processes (what the person does to be creative). Wallas lists five stages of the creative processes: preparation (when the problem is defined and deeply investigated), incubation (when the problem is left for a while, i.e. unconscious processing), intimation (when the individual gets a feeling that a solution to the problem is on its way), illumination (when ideas come unexpectedly without any effort), and verification (when the idea is elaborated and applied) (Herrmann, 1989). 3. Products (a result of the creative process). Many creativity theorists advocate that result of creativity is necessary to be considered creative (Jonathan A. Plucker, et.al., 2004; Twila Z. et.al., 1988) 4. Presence of contextual environment/ Press (the environment in which the creative process is situated). As Rhodes (1961) emphasized, creativity is a phenomenon where an individual develops new products, with implicit cognitive thinking, and where there is an environment that stimulates the creation. While some researches (Zhu, 2014; Lewis et.al, 2005), understand environment as a place, where the person or creator is or where the process takes place, Soliman (2005) argues that the environment refers to the relationship between the creators and their environments. According to this perspective, there should be an interaction and cohesion between the four P aspects. The figure below illustrates the interaction of the four P components of creativity.
Focusing on the Person component, the researchers highlight strengths and limitations of both, individual and collaborative generation of ideas. Promoters of individual brainstorming claim that there are a number of reasons for the efficiency loss in collaborative idea generation as the creators might feel uncomfortable expressing their ideas and being negatively judged (Diehl, Stroebe, 1987; Mullen, Johnson et.al., 1991). Other researchers suggest that although creative individuals generate ideas and products that are relatively innovative and useful, idea generation in groups is much more effective and creativity ultimately derives from social processes - group work and collaboration are the foundation of creativity. (Jarboe, 1999; Paulus, Nijstad, 2003).

One of the methodologies, particularly useful for idea generation sessions in groups and the one that focuses on the four P components of creativity, is the Creative Platform methodology that was upheld theoretically and practically by the thesis of dr. Christian Byrge Malmkjær Sørensen “Conceptualisation of Creativity Practices through Action Research: The case of Creative Platform at Aalborg University” and by scientific and practical activities of his colleagues and himself that were carried out on the international level. The methodology is meant to develop creativity during regular practical tasks and encourages students to contribute fully, helping each other in order to make creativity an involuntary reflex. The Creative Platform is based on the principle emphasizing that regular practical tasks develop creativity regardless of a person’s education, erudition or abilities; this can be achieved by employing four principles: parallel thinking, focusing on the task, no judgment and horizontal thinking (Byrge, S. Hansen, 2009).

The case reviews the outcome - a rich assortment of creative solutions developed under the Creative Platform methodology.

Sample and Method
This study is a part of longitudinal research. Four creative ideation sessions were organized in 2016 spring and autumn period. In total 46 participants from 8 different countries participated in idea generation sessions under the Creative Platform methodology. (see Table 1).
Table 1. Diversity of the Sample

<table>
<thead>
<tr>
<th>Date</th>
<th>Session</th>
<th>Nationality</th>
<th>Gender</th>
<th>Age</th>
<th>Socio-economic Status</th>
<th>Groups</th>
</tr>
</thead>
<tbody>
<tr>
<td>26/0</td>
<td>Teaching staff, International Week guests (8)</td>
<td>International: Lithuanian (1), Belgian (2), Dutch (2), Latvian (1), Finish (1), Italian (1)</td>
<td>Mixed: 1.1. Females</td>
<td>Mixed</td>
<td>Teaching staff</td>
<td>1.1. (4)</td>
</tr>
<tr>
<td>26/0</td>
<td>Students from Georgia (14)</td>
<td>Georgian (14)</td>
<td>All subgroups mixed</td>
<td>Young: 19-23 y.o.</td>
<td>Higher education students from various study fields</td>
<td>2.1. (4)</td>
</tr>
<tr>
<td>21/0</td>
<td>Teaching staff (8)</td>
<td>International: Lithuanian (6), Portuguese (2)</td>
<td>Mixed: 3.1. Females 3.2. Mixed (1 male and 3 females)</td>
<td>Mixed</td>
<td>Teaching staff</td>
<td>3.1. (4)</td>
</tr>
<tr>
<td>30/0</td>
<td>Teaching staff (2) Students (12th formers) (14)</td>
<td>Lithuanian</td>
<td>Mixed, mainly 17-18 y.o.</td>
<td>Teaching staff (Psychology, History), Secondary education pupils</td>
<td>4.1. (4)</td>
<td>4.2. (4)</td>
</tr>
</tbody>
</table>

Participants had no earlier experience of working together in the same groups. There was no exclusively males’ group, there were two groups of females and ten groups were mixed – constituted of females and males together. Four groups were international, four groups were constituted only of Lithuanians and four groups were constituted of Georgian participants. Four groups were basically constituted of secondary school students, four groups were constituted of higher education students, and four groups were constituted of teaching staff. Therefore, the results could be analyzed according to gender (group of females or mixed group), age or socio-economic status (teaching staff, higher education students and pupils), cultural or educational background (international groups and Lithuanian or Georgian groups).

All groups were working on the same challenge: “Rethink a bench in a park” and were provided with the same 14 stimuli (see Figure 2).
The idea generation process under the Creative Platform methodology, was controlled by two lecturers as thinking up new ideas requires focus and a very clear structure. Various exercises were given to train the participants’ fluency, flexibility, originality, elaboration and to open their creativity at the same time. Each idea generation session lasted for 90 min. starting with a few Red Carpet exercises (a ritual in which participants get onto the Creative Platform) and then a challenge presentation and idea generation individually for the first 30 min. and ending up with idea generation in pairs, selection of idea in groups, idea development in groups, and preparation for presentation (40 min.). 20 min. were devoted for the presentations. To follow the mentioned methodology, students were not allowed to use electronic devices, as mobiles phones, computers, and watches are considered to be the biggest barriers for one’s creativity.

Every group worked out a set of ideas for improving a bench in a park and proposed a flipchart presentation as well as provided all the selected ideas written on sticky notes. Then content of graphical presentation and textual description of ideas were analyzed and compared according to emic perspective (Buckley et al., 2014; Eckensberger, 2014; Zhu, Bargiela-Chiappini, 2013). Original ideas were considered to be the ones that were rare and diverse from the majority proposed by the participants. Moreover, every idea was analyzed linking it to the stimuli material.

**Results**

In 90 min. sessions all the groups presented future park benches. The improvements integrated from 2 to 6 distinct ideas depending on a group. The least applied stimuli out of 14 presented were: “if a golfer was hired to solve this challenge what ideas would he come up with” and “if a detective was hired to solve this challenge what ideas would he come up with”. The most popular stimuli were: “the solution should be implemented into the mobile phone” (5 cases); “apply the principle of covering” (5 cases); and “the solution must have
legs” (3 cases). Based on emic approach, the analysis of the results was oriented only to the participants-specific solutions without analyzing any creative solution of a bench improvement available online or in any other sources.

Four major types of original ideas were detected: a) additional original functions, b) networking solutions, c) technological improvements, d) wild and artistic solutions.

**Additional original functions:**

1) International Week guests group, constituted of 4 females from different countries proposed a park bench with an integrated mechanism producing translations and facilitating intercultural communication (group 1.1.; no direct stimulus provided – group diversity impact).

2) Higher education students from Georgia proposed a bench with massage option (group 2.3.; no direct stimulus provided – group diversity impact).

3) Secondary school pupils from Lithuania proposed a bench with the possibility to change its temperature (group 4.1.; no direct stimulus provided – group diversity impact); and the possibility to make various records of the surrounding sounds to listen to them later (group 4.4.; stimulus operating: “if a detective was hired to solve this challenge what ideas would he come up with”).

**Networking solutions:**

1) International Week guests group, constituted of 3 females and 1 male from different countries thought of a mobile phone application with the option of matching people with similar interests on a particular bench (group 1.2.; partly related to the stimulus “the solution should be implemented into the mobile phone”, partly it is a group diversity impact).

2) Higher education students from Georgia proposed a mobile phone application indicating all the free benches in the area (group 2.2.; no direct stimulus provided – group diversity impact).

**Technological improvements:**

1) The group of higher education students from Georgia (group 2.2.) came up with two original ideas: a) some innovative material while heated by the sun or moisturized by the rain producing a growing mushroom type cover (stimuli operating – “the solution should grow every day”, “apply the principle of volume”, and “apply the principle of covering”); b) some basic medical equipment integrated for measuring heart rate, blood pressure and etc. (no direct stimulus provided – group diversity impact).

2) Another Georgian group (group 2.3.) proposed a bench with wheels and a control stick to make it move in the park (stimuli operating – “the solution must have legs”, “apply the principle of speeding up”, and “if a golfer was hired to solve this challenge what ideas would he come up with”).

**Wild and artistic solutions.** This type of original solutions was dominated by pupils and higher education students:

1) Swinging tree-house type benches accessed by climbing a rope (group 4.2.; stimulus operating: a picture with Super Mario).
2) A bench should be provided with the possibility to design it with graffiti paintings (Georgian group 2.3.; stimulus operating: a picture with footprints and handprints).

3) A bench should be like a piano it should play when someone sits on it (Georgian group 2.3. and Lithuanian pupils’ group 4.4.; stimulus operating: “if a pianist was hired to solve this challenge”).

**Group diversity impact** was considered to be detected when the solution could not be related to any of stimulus provided. Both International Week guests group proposed group diversity related solutions: translation option and matching people solution. Also three Georgian groups out of four provided with group diversity related solutions (the students were mixed from different institutions and study programmes): the solution integrating some hooks to hang a bag or attach a dog while sitting on a bench (group 2.1.); medical equipment and changing color option according to the daytime and luminosity (group 2.2.); the solution with massage option (group 2.3.). Ecological solutions were proposed by teaching staff group (group 3.2.); as well as three Lithuanian pupils’ groups out of four (group 4.1.; group 4.2.; and group 4.4.). These results indicate that group diversity does matter in the cases where international teaching staff group or students from various study programmes working together.

Analyzing data, it appeared that younger groups generated more ideas, i.e. they showed higher fluency (the total number of ideas) and during the selection of idea in groups period they considered more ideas to be original than teaching staff: Georgian students selected an average of 4,3 ideas per group; Lithuanian pupils - an average of 3,5 ideas per group; teaching staff groups had an average of 3 ideas per group. It was also noticed that younger age groups proposed more developed and visualized presentations than teaching staff groups providing with more schematic and less detailed presentations. Mixing age factor in groups working on creative problem solutions could possibly improve the overall group result. Gender impact on creative group-work results should be further analyzed, since males are seldom in teaching staff groups, it is difficult to detect the impact of gender for the group-work results.

**Conclusions**

Working alone can be definitely tempting at times but group sessions propose more scope for creativity in comparison to working individually, especially if they bring together people with diverse backgrounds and experiences.

Aiming to analyze how the dimensions of culture, educational background, gender, age, and socio-economic status influence creative problem solution result, qualitative research method based on emic perspective was designed and applied for the analysis of creative ideation sessions’ results.

Some training and focus on a number of basic rules can easily enhance the results of idea generation session. The Creative Platform engages participants creatively create something together.

Cultural diversity and experience, related to the educational background and socio-economic status appeared to be good facilitators for creative results oriented group-work.
Age matters a lot for creative group-work as younger individuals due to lack of know-how to generate more crazy ideas and develop them more easily than elder ones. Therefore, better results could be obtained composing groups of different age.

The study has to be continued and other diversity criteria explored such as gender, group-size and other. It is foreseen to propose the same challenge to some control groups aiming to assess the impact of stimulation.

References


CURRICULUM DEVELOPMENT FOR STUDENTS’ CREATIVITY

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Abstract

Creativity, entrepreneurship and other innovation-related skills are important in contemporary higher education and should be developed beyond domain-specific subjects. Fostering creativity in students who will be the employees and employers of the next generation maintains the future skilled labour that can generate new ideas and technologies, bring them to the industry and implement them in the workplace. Therefore, development of the curriculum for students’ creativity plays a crucial role for the preparation of qualified human resources. Latvian tourism, a significant sector of the state economy, is seeking for graduates with domain-specific competencies and a high level of professional knowledge who will contribute to generating creative ideas and applying innovations in the industry.

The purpose of this study is to elaborate the model of tourism higher education curriculum for the development of students’ creativity. In order to attain this purpose the author has reviewed the theories on curriculum development and creativity management in the context of tourism higher education. The results of literature review have been compared with the findings obtained in a student survey held in Turiba University, the Faculty of International Tourism from February till December 2016. The research identified the high importance of creativity for the operation in tourism business. It reveals that curriculum for creativity should be focused on core meaning of creativity, understanding of creative tools and problem solving methods and their application for business practice.

Keywords: creativity, creativity management, curriculum, curriculum development, tourism higher education.

Introduction

Traditionally creativity has been viewed as an ability to bring something new and novel into some existing subject. Nowadays the concept of creativity has expanded and focused on ‘everyday’ and ‘social’ creativity which means a shift from individual genius in some fields to collaborative creativity in everyday life, with new implications for learning and education. Therefore, creativity is frequently included among key competences/competencies and the 21st century skills (UNESCO-IBE, 2013).

In conformity with the above-mentioned the European Union proposed that education and training are factors for enhancing creativity, innovation performance and competitiveness, because creativity is essential not only in art, engineering and technology, but also in entrepreneurship. Furthermore, the year 2009 had even been announced the Year of Creativity and Innovation (European Union, 2009). Moreover, it is pointed out in the OECD Innovation Strategy 2015 (OECD, 2015) that broad curricula, updated pedagogical practices and the development of tools to assess innovation-related skills are all important in initial education and beyond subject-specific expertise, tertiary education should also develop students’ creativity, critical thinking, entrepreneurship and communication skills. This also corresponds to one of the latest documents in European Higher Education Area (EHEA) where the Yerevan Communiqué (2015) among other issues highlights creativity and innovation as significant components of the two main goals of higher education in Europe. Furthermore, the recent report on higher education in Europe (The European Higher
Higher education is about helping students to develop their full potential, then helping students to understand and develop their unique creativities which are an important and worthwhile educational goal. Creativity promotes the holistic idea of ‘graduateness’ – the capacity to connect and do things what have been learnt and to apply this knowledge to learn in other situations. Furthermore, creativity may be a process of narrative-making in order to present the ‘real curriculum’ in the ways that conform to the regulatory expectations of how a curriculum should be framed (Jackson, 2005).

Since higher education is the foundation of a knowledge-based society, it is important to ensure opportunities for acquiring qualitative higher education (Latvian National Development Plan, 2012). Being creative means different things in these different contexts, so an important first step in recognizing creativity in higher education is to understand what it means in each disciplinary context (Jackson, 2005). The changes in the tourism market are boosting the industry’s need for professionals whose training really matches with the requirements and demands of the sector. This phenomenon has encouraged foundations, universities, associations, unions, businesses, and international bodies, etc. worldwide to create and provide courses for specialization in different areas of tourism at basic, intermediate and advanced levels. Latvian tourism, a significant sector of the state economy, is seeking for graduates with domain-specific competencies and a high level of professional knowledge who will contribute to generating creative ideas and applying innovations in the industry.

The question then is how to design an effective curriculum that ensures that programs meet specific domain educational needs, and that also foster creativity. The studies regarding curricula design and development according to the industry requirements have been conducted in the USA (Khan and Law, 2015), Malaysia (Saleh, Hashim, Yaacob and Kashim, 2015), Australia (Johnson, Veitch and Devianti, 2015) and the UK (Tom-Lawyer, 2015). Tourism higher education curricula facing industry development challenges have been analysed in the Czech Republic (Kiralova, 2014), Georgia (Chakvetadze, 2016) and Latvia (Luka and Donina, 2012). The connection between curriculum development and creativity has been studied recently by numerous researchers (Donnelly, 2010; Manzi, 2015; Jackson, 2014, Wike, 2013). The latest studies found that creativity in higher education could be enhanced by team creative problem-solving approach (De Villiers Scheepers and Lelani, 2015), by fostering creativity in teaching process, research, management and other activities of the university (Gaspar and Mabic, 2015), by creative leadership (Potter, 2013), by educator’s tools (Egan, Maguire, Christophers and Rooney, 2017). This paper also reviewed some of the recent studies on creativity management in organization (Amabile, 2012; Enacesku and Damasaru, 2013; Girdauskiene, 2013; Parjanen, 2012; Dean, Griffith and Calantone, 2016). Thus, the literature showed that the recommendations to curriculum development for creativity are limited to pedagogical aspects and a range of study fields covered. However, there are a lot of ideas that could be incorporated and continued. Consequently, this paper extends and combines the studies mentioned above and focuses on the management of creativity in tourism higher education.
The purpose of this study is to elaborate the model of tourism higher education curriculum for development of students’ creativity. In order to attain this purpose the author has reviewed the theories on curriculum development, creativity enhancement in higher education and management of creativity in the organizations. The results of literature review have been compared with the findings obtained in a student survey held in the Faculty of International Tourism of Turiba University. Current research is an extension of pilot study conducted in 2016 (cf. Perederenko, 2016).

Curriculum development

The term ‘programme’ and ‘curriculum’ are also used interchangeably, wherein curriculum is often used to describe a wider conceptual process and context. And curriculum design has often been used interchangeably with the term curriculum development. (O’Neil, 2015). Various understandings of the term ‘curriculum’ by higher education specialists have been illustrated in the research by Fraser and Bosanquet (2006):

- The structure and content of a unit (subject);
- The structure and content of a programme of the study;
- The students’ experience of learning;
- A dynamic and interactive process of teaching and learning (Fraser and Bosanquet, 2006).

According to the Glossary of Curriculum Terminology in the simplest terms, ‘curriculum’ is a description of what, why, how and how well students should learn in a systematic and intentional way. The curriculum is not an end in itself but rather a means to fostering quality learning. The curriculum is the inventory of activities implemented to design, organize and plan an education or training action, including definition of learning objectives, content, methods (including assessment) and material, as well as arrangements for training teachers and trainers (UNESCO-IBE, 2013).

This is in line with the term applied in the current study referring to the overall plan or design for a course and how the content for a course is transformed into a blueprint for teaching and learning which enables the desired learning outcomes to be achieved (Richards and Nunan, 1990). Curriculum takes content from external standards and local goals and shapes it into a plan for how to conduct effective teaching and learning. It is thus more than a list of topics and lists of key facts and skills. It is a script of how to achieve the outputs of desired student performance, in which appropriate learning activities and assessments are suggested to make it more likely that students achieve the desired results (Wiggins and McTighe, 2006). Before teaching any discipline, the content for teaching should be planned. Once the content has been selected it then needs to be organized into teachable and learnable units as well as arranged in a rational sequence. The result is a syllabus.

Developing and articulating the mission of the program results in the formulation of a curriculum: “A general statement of the goals of the course that articulates the intended outcomes of the program” (Richards and Nunan, 1990). Those goals can be used to form the basis for specific descriptions of the intended outcomes. The specified objectives for the class result in the development of a syllabus: "A syllabus is essentially a job specification, and as such it should set out clearly and precisely what is to be done, and the standards or criteria to be met by those who do it" (Johnson and Freeman, 2001).
Recently, interest in graduate employability has increased, consequently it has become a key indicator for institutional comparison. Employability makes graduates more likely to gain employment and be successful in their chosen occupations, which benefits themselves, the workforce, the community and the economy. Both inclusive curriculum design and the process of embedding employability are intended to promote effective teaching and learning. An inclusive design for employability involves thinking about the diversity of the ways students manage self, others, information and the task and ensures that all students are enabled to develop their own set of achievements (Morgan and Houghton, 2011).

Broad theoretical frameworks are used to design and organize the curriculum according to certain principles and criteria. For example, the product model that emphasizes plans and intentions, and the process model that focuses on activities and effects (O’Neil, 2015). Other examples include subject-centred (e.g. traditional or discipline-based curriculum), learner-centred, and problem-centred models. No model is ideal and no model may suit a full programme (ibid, 26). However, identifying and being consistent with these models will help support cohesion and clarity of approaches for the programme.

One of the researchers studied deep and integrated the definitions of the curriculum term was Zogla (2006). She illustrated how academy and industry affect on five curriculum elements: study content, study process, teaching methods, assessment and evaluation and teachers’ qualification.

Later Lattuca and Stark (2009) advocate that a useful framework for all curriculum stakeholders is the use of the concept of an ‘Academic Plan’, which focuses on the planning process. They highlight that the plan is done in the sociocultural context. Therefore their model is titled ‘Academic Plans in Sociocultural Context’ (ibid, 29). This includes eight elements:

- Purposes;
- Content;
- Sequence;
- Learners;
- Instructional Processes;
- Instructional Resources;
- Evaluation;
- Adjustment.

Some aspects of their model correlate with inclusion curriculum design model proposed by Morgan and Houghton (2011) based on consider how student inclusion can be best integrated into each component of the programme. The model includes nine elements:

- Aims – combining all goals of the curriculum;
- Assessment – content, different types of assessment;
- Objectives – includes the broad content and teaching intentions for a curriculum including experiences or opportunities provided for students to acquire new skills;
- Learning activities – covers activities that may be influenced by the teacher and involve students working independently, either alone or in groups, outside the learning environment;
- Learning outcomes – covers what students will be able to do at the end of the course and demonstrate in the assessment;
- Module – sometimes referred to as a course or unit, it contributes to a wider programme or programmes of study;
- Programme – the overall structure for a qualification that is made up of modules, courses or units of the study;
- Syllabus – covers the module’s content;
- Teaching and learning materials – covers the resources used to deliver the curriculum, provide relevance and ensure access for all students;
- Teaching methods – to cover activities developed and delivered by the teacher undertaken in face-to-face or online contexts (Morgan and Houghton, 2011).

Many of the curriculum design models discussed here are based on a theoretical framework and process. They provided a frame of reference for the present study, which attempts to contribute to tourism curriculum that can be applied for enhancement of students’ creativity. This study employed concepts and processes from each of the models discussed while extending the criteria focus on creativity to meet the needs of contemporary tourism higher education. As creativity is an essential part of the current study theoretical framework includes the review of creativity researches in higher education.

**Creativity in higher education**

Creativity in education was studied mostly from pedagogical perspective. In the context of this study theories on creativity enhancement in higher education have been collated with theories on innovation and creativity management in organizations. Therefore, creativity in the context of the current research is closely related to competence in general and to competence of creative employees as it was studied by Girdauskiene (2013). She states that it consists of knowledge, abilities, skills, talent and other personal features. It continues Seltzer and Bentley (1999) study regarding the balance among the skills, abilities and complexity of tasks directly affecting creativity in individual level. It is argued that special abilities of creative employees can be developed by learning or by setting proper environmental conditions.

Difference between teaching creatively and teaching for creativity has been explained by Jeffrey and Craft (2004) in the National Advisory Committee on Creative and Cultural Education (NACCCE, 1999) report. The report appears to have anticipated this problem in that it recognizes that there is a close relationship between the two terms. It states clearly that ‘teaching for creativity involves teaching creatively’ (ibid, 90) and notes that, students’ creative abilities are most likely to be developed in an atmosphere in which the teacher’s creative abilities are properly engaged (ibid). Similarly, Oldham and Cummings (1996) in organizational creativity research proposed that supportive leadership and leader’s own creative example are positively related to employee creativity.

The teachers also enacted those teaching for creativity principles (NACCCE, 1999), as follows: (a) encouraging students to believe in their creative identity, (b) identifying their creative abilities and (c) fostering creativity by developing some of the common capacities and sensitivities of creativity such as curiosity, recognizing and becoming more knowledgeable about the creative processes that help foster creativity development and
providing opportunities to be creative. Likewise, the significant creativity management researcher Amabile (2005) states that organizational leaders and managers must begin to think of human motivation at work, diversely skilled members, interpersonal trust, commitment to work, and communication between work group and supervisor and also about strong orientation towards new ideas and innovation.

Further, classrooms that integrate creative capacities will be part of a radical change in the current education climate. Peters (2009) defined characteristics of educational capitalism, which rely on technology, global communication, and open access. Access to funds, materials, facilities, and information also supports creativity (Amabile et. al., 2005). The development of students’ creative thinking capacities is an essential component of a globally competitive workforce and shape technological development. Better understanding of pedagogical strategies for developing students’ creativity stands to improve problem-solving and systems thinking abilities that are essential in an economy transitioning from manual labor to knowledge work (Friedman, 2000). Online education, corporate virtual development, access to online publishing, and open-source software are all elements of this new educational capitalism (Peters, 2009). This type of climate should certainly apply to education, as well. Creativity training usually includes some training in techniques which promotes divergent thinking. Amabile and Mueller (2008) write that expertise, creative thinking skills, and motivation, when mixed together, identify the level of creativity within an individual. The expertise component includes memory for factual knowledge, technical proficiency, and special talents in the target domain.

The Creative Problem Solving program, sometimes called the ‘Parnes-Osborn model’ was developed by Parnes and colleagues (Matthews, 2007). It consists of six stages of creative problem solving: mess finding; fact finding; problem finding; idea finding; solution finding and action planning. Most researchers agree that ongoing creativity requires more than individual idea generation. The idea selection process, idea evaluation and implementation are critical to success commonly used in studies of innovation in firms. According to Hargadon and Bechky (2006), the literature on creativity in organizations is less concerned with action and interaction at the collective level than creativity at the individual level. Collective creativity occurs when social interactions between individuals trigger new interpretations and new discoveries of distant analogies that the individuals involved could not have generated by thinking alone.

Another researcher who stressed the importance of classroom environment in increasing the creative potential of graduates was Fatt (2000). He provides the guidelines (ibid, 745) how to include regular feedback, initiate brainstorming, and market new ideas. He highlighted the access to invigorating instruction and research, healthy competition, discovery trips as critical conditions for student creativity. In addition, new courses in innovation and entrepreneurship, critical and intuitive thinking, science, customer service, humor, the arts, and cultural awareness will also increase creative encouragement in the curriculum (ibid, 747-750). These ideas correspond to interactive conception of creativity. So, the possibility for employees to interact with people from different departments could provide information that is beneficial for the generation of ideas. In particular, information from employees with more diverse expertise provides connections to more remote facts and perspectives (Styhre and Sundgren, 2005).
Sawyer (2006) continued the topic and also stressed the importance of the lecture structure, curriculum design, and teacher education. Besides that he specified that lecture should include improvisation and collaboration, rather than scripted plans, to meet individual needs. It coincides with Schraw, Flowerday and Lehman (2001) who concluded how teachers determine when and to whom to provide choices, as well as why they give certain choices, how they can increase student creativity. Educators perceive that providing choices to students in the classroom increases student creativity, although primary reasons for innovation were in the areas of student motivation, engagement, and interest. Furthermore, according to Parjanen (2012) organizational factors such as open, flexible structures, decentralized decision-making, and low hierarchical levels favor creativity in organizations. Author supposes that it also true for creativity in higher education.

Concerning curricula design, Sawyer (2006) recommended the inclusion of inquiry and project-based designs, appropriate software, and providing scaffolding for flexibility. Geist and Hohn (2009) support this idea that creativity is fostered when the arts are integrated into the curriculum, when teachers provide authentic encouragement rather than empty praise when developing student's creative potential. In particular, diversity in group composition provides potential for innovation (Enacesku and Damasaru, 2013). Innovations involve the challenge of enabling renewal based on diversity and facilitating the integration of knowledge in a creative way. Job characteristics that relate to creativity, including complexity, autonomy, variety, and feedback, also support creativity at the work place. In turn, Clark (2008) also reported on a curriculum model of companion courses for students in which technology and graphics education teachers were teamed with algebra and biology teachers. The author supposes that integration of creativity and creative notions into tourism higher education also will be beneficial for the development of students' problem solving skills.

Additionally, teachers' epistemological view, motivation, and goal orientation related to instructional practices can foster student creativity (Hong, Hartzell, and Greene, 2009). Certain characteristics have an effect on teachers' abilities to foster creativity. Dean, Griffith and Calantone (2016) suggest that an organizational climate that is considered safe and encourages risk-taking is important in motivating individuals to take initiative. Initiative plays an important role in the innovation process: individuals with initiative are more likely to take an active approach to work, to go beyond what is formally required in their jobs and to have the persistence to follow their creative ideas through to implementation (ibid, 41). These characteristics are the teacher's orientation toward learning, personal motivation for creative work, and the teacher's beliefs about the nature of knowledge and learning. This emphasizes the role of teaching methods used to implement education curricula which has to be taken into an account when elaborating the model for governing creativity processes in higher education curricula.

Tsai (2013) reviewed several educational programs to determine the main components of effective creative training. Earlier Lau, Ng, and Lee (2009) found that several creative-thinking techniques were used for promoting creativity and they categorized these approaches into five groups: (a) identifying and mapping attributes (e.g., mapping notes or critical analysis), (b) making possibilities (e.g., brainstorming), (c) changing and shifting
perspectives (e.g., divergent thinking), (d) making associations and analogical thinking (e.g., lateral thinking), and (e) probing emotion and the subconsciousness. Dineen, Samuel, and Livesey (2005) suggested creativity in learners is encouraged by four conditions: (a) supportive, student-centered environments, (b) non-hierarchical teaching styles, (c) teaching methods and tasks, and (d) assessment systems. Flexible structures are also often more conducive to open and effective organizational and interdepartmental communication. On the other hand, some level of stability, clarity, and coordination is needed. If formal mechanisms are absent, communication comes to depend solely on the discretionary and ad hoc effort of the organization members, which may not be sufficient (Kloudova and Chwaszcz, 2011). These have to be considered when designing the creativity management model for university studies. These approaches have to be analyzed and elaborated for the final model design.

Lately, Jackson (2005) combined principles for promoting student creativity and elaborated the guidelines for helping teachers develop their capacity to encourage students to learn more creatively and to design a curriculum that nurtures creativity:

- **Teacher conceptions of teaching and learning.**
  Jackson (ibid, 19) explained this point as conceptions and perceptions that support creativity in students’ learning, view teaching itself as a learning process and the role of the teacher as actively engaging students in creation of their own vision for working with problems. The main idea of these conceptions is based on stimulating students’ motivations for learning and causing their interest in challenges rather than from the threat of assessment. This is in line with the findings of Hong, Hartzell, and Greene (2009) discussed above.

- **Sharing understandings and conceptions.**
  Jackson (2014) supposes the curriculum design to fostering students’ creativity should be supported by a shared understanding of the different meanings of creativity by educators for the particular learning contexts.

- **Developing teachers’ knowledge and skills.**
  This point continued the statement of NACCE report (1999) that teaching for creativity is better developed if supported by the engagement of teacher’s creative abilities.

- **Mapping that already exists.**
  Strategies for fostering creativity should be created when mapping existing ideas is done.

- **Progression to independence.**
  A well-designed curriculum will prepare students for learning creatively, equip them with a range of tools, and encourage them to use and adapt these tools and work towards independence (Jackson, 2005).

- **Openness to choice and negotiation.**
  Teachers introduce the tools (concepts, strategies and information sources) and then have students practise them on problems and situations that they choose/identify. This requires teachers to be flexible and adaptable in their approach and facilitate students’ decision-making. These characteristics of making higher education a more creative learning place are also consistent with Sawyer’s (2006) ideas.

- **Novel tasks.**
- **Developing students’ knowledge about creative learning processes.**
The development of skills in creative thinking is particularly important in enabling students to think freshly and differently about their problem-working situations (Jackson, 2014). This point goes in a tight hand with the development of learning-to-learn competence.

- **An emphasis on learning for understanding rather than learning for extensive content mastery.**
  It means covering less material but going deeper to understand the domain and to motivate for self-study.

- **Knowledge and capability/learning transfer.**
  Being able to use knowledge, skill and behaviours developed in one context in another context is an important component for creativity (Jackson, 2014).

- **Personal accounts of learning to promote reflection and further learning.**
  The capacity to record, describe and evidence learning and the process of learning are central to metacognition. They encourage learners to recognise their own learning as it emerges and to make claims of understanding and achievement. There is a clear relationship between this aspect of creativity and personal-development planning and other self-regulating behaviours.

- **Openness to innovation and change.**

- **Assessment.**

Consequently, some tools and techniques for management creativity in organizations correlate to methods for enhancement creativity in higher education. Thus, by the combination of these ideas it could be designed an appropriate base for management creativity in higher education. Based on the curriculum models discussed and approaches and guidelines for management of creativity the author elaborated the background of the curriculum model for tourism higher education (refer to Figure 1).

*Figure 1. Background of the curriculum model for students’ creativity.*

Source: created by the Author
It illustrates the main elements of curriculum and their objectives where creativity could be incorporated. The most important attributes of creativity for incorporation into the model have been identified from the student survey in Turiba University.

**Research methodology**

Turiba University is one of the largest private educational establishments not only in Latvia but also in the Baltic States. Turiba is the first institution in the Baltic States that has been accredited by the UN World Tourism Organization. The tourism programmes of the University have been awarded the TedQual certificate. Furthermore, Turiba is a member of European and International Associations in Higher Education and has more than 80 partner institutions across the Europe. The questionnaire was randomly distributed in Turiba University among students of tourism programs (EQF level 6, 7 programs) from February till December 2016. The total amount of local and international students studying at the Faculty of International Tourism in the study year 2016/2017 was 726 (International Department, 2017). 235 completed questionnaires have been collected.

The research design was created to enable eliciting answers to the research questions:

1. What creativity attributes are important for operating in tourism business?
2. How creativity attributes could be managed to a higher level in the tourism programs?

The following creativity attributes have been elaborated from the literature review (cf. Perederenko, 2016):

- Initiative to creativity - an individual’s willingness and motivation to challenge assumptions and take initiative;
- Understanding creativity - ability to look at the big picture of creativity;
- Applying creativity - being creative in an environment that tears down personal barriers to creative thinking and being motivated to be creative in his/her own interest areas;
- Domain-specific creativity - the skills to find creative solutions based on specific industry knowledge;
- Motivation - the ability to find new way to motivate employees or colleagues;
- Time management - the skills to use more efficiently manager’s time;
- Customer orientation - the ability to appeal to customers’ wants and needs;
- Opportunity identification - the ability to identify new product-market opportunities;
- Openness to changes - the ability to accept changes and deal with the changes;
- Inventiveness - the ability to generate new ideas, solutions, find new production and marketing methods, etc;
- Project development - the skills to project development;
- Divergent thinking - the ability to see different aspects of a problem, the ability not to get stuck on a set of rules to solve a problem;
- Critical thinking - the ability to recognize gaps and contradictions in existing knowledge;
- Synthesis - the ability to combine concepts to find creative solutions;
- Association - the ability to generate new ideas by looking actively for associations among concepts, the use of brainstorming to make associations;
- Communication - to propose new ideas regularly through communication and the ability to persuade others that creative ideas generated are valuable;
- Experiment and combination - the ability to find the best creative solution by experimenting and combining objects;
- Intuitive decision making - the skill to take decisions based upon judgment with limited formal information;
- Creative problem solving - the ability to find innovative ways of dealing with major problems.

Thereby these attributes have been converted into the questions of the questionnaire (Saunders, Lewis and Thornhill, 2009). Apart from general information about the respondents, the questionnaire consisted of three parts: the importance of creativity in tourism industry, creativity enhancement and students’ self-evaluation. Each part contained 19 Likert scale questions asking to evaluate creativity attributes from 1 (very low) to 5 (very high). The sample was composed by local (52.8%) and international students (47.2%) studying Tourism and Hospitality Management (47.6%), Event and Leisure Management (26.0%) and Strategic Tourism Management (26.4%) programs. Five groups by the highest level of education completed were targeted: secondary school/gymnasium/vocational school (28.1%), college (38.3%), bachelor level (26.4%), master level (6.8%) and even doctoral (0.4%). Four groups were determined in terms of work experience: less the one year (32.8%), from 1 to 5 years (48.9%), from 6 to 10 years (16.2%) and more than 10 years (2.1%).

Quantitative research software SPSS Statistics 22.0 has been applied for data analysis based on descriptive and inferential statistics analysis provided by Curwin and Slater (2007). In order to reveal the differences and similarities between the samples opinion non-parametric tests were applied due to the not normally distributed data (Baggio and Klobas, 2011). Data validity and reliability was verified by Cronbach’s Alpha test.

**Results and Discussions**

Firstly, the students evaluated the importance of creativity attributes for operation in tourism. The results of evaluation (means and modes) are presented in Table 1 (refer to Table 1). The further analysis shows the importance of creativity attributes for operation in tourism according to the students’ opinion. Seven attributes have got the maximum value in most cases (modes 5) which conforms to ‘very high’ in Likert scale. Another eight attributes were evaluated as highly important (modes 4). The rest have got the medium rate (modes 3). No attribute has been evaluated as being of a low importance. On average the evaluation of the importance of creativity is almost high (3.9377).

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Mean</th>
<th>Median</th>
<th>Mode</th>
</tr>
</thead>
<tbody>
<tr>
<td>initiative to creativity</td>
<td>4.0681</td>
<td>4.0000</td>
<td>4.00</td>
</tr>
<tr>
<td>understanding creativity</td>
<td>4.2766</td>
<td>4.0000</td>
<td>5.00</td>
</tr>
<tr>
<td>applying creativity</td>
<td>4.3234</td>
<td>5.0000</td>
<td>5.00</td>
</tr>
<tr>
<td>domain-specific creativity</td>
<td>3.8298</td>
<td>4.0000</td>
<td>3.00</td>
</tr>
<tr>
<td>motivation</td>
<td>4.4723</td>
<td>5.0000</td>
<td>5.00</td>
</tr>
<tr>
<td>time management</td>
<td>4.0340</td>
<td>4.0000</td>
<td>5.00</td>
</tr>
</tbody>
</table>
The students marked the Motivation (mean 4.4723, median 5.00) as the most significant attribute for tourism industry. This result conforms to several researches discussed. One of them was conducted by Schraw, Flowerday and Lehman (2001). They pointed that educators can increase students’ creativity by stimulating student motivation, engagement, and interest. Later, Hong, Hartzell, and Greene (2009) stressed the importance of teacher’s orientation toward learning and personal motivation for creative work. Additionally, this is in line with the first point of Jackson’s guidelines (2014).

Other findings which correlated with the literature review are high ratings of Initiative to creativity (mean 4.0681, modes 4.00), Understanding of creativity (mean 4.2766, modes 5.00) and Applying creativity (4.3234, modes 5.00). They are reflected in the first three characteristics of Making higher education a more creative place (ibid).

The Importance of Communication (mean 4.4000, modes 5.00) has already been highlighted by Fatt (2000) in his guidelines for curriculum design and later by Sawyer (2006). Except Communication Fatt (2000) also mentioned Customer orientation (mean 4.2213, modes 5.00) of the curriculum. Friedman (2000) and Matthews (2007) independently from each other stressed the importance of Creative problem solving (mean 4.1957, modes 5.00).

In order to test data validity and reliability Cronbach’s Alpha test by SPSS software was applied. Cronbach’s Alpha test verifies a very high validity and good internal consistency (α = 0.897) as well as high data reliability (α = 0.893-897).

Kolmogorov-Smirnov Z test was applied to determine empirical distribution. The results of the test showed that the data do not have normal distribution as p-value = 0.000 which is < 0.05. Therefore, non-parametric tests were chosen for further data analysis.

The difference between the opinion of two groups - local and international students was tested by Mann-Whitney U test. Unlike the pilot study (cf. Perederenko, 2016) the data indicated that there is a significant difference between the opinions of the groups compared in terms of thirteen attributes: p-value = 0.000 – 0.017, which is < 0.05. The majority of the attributes have been evaluated by local students (mean rank 127.49 - 145.69) much higher than international ones.
than by international (mean rank 87.06 - 107.12). Then Mann-Whitney test has been applied again to check the difference of work experience between these two groups. The analysis identified that local students are more experienced (mean rank 132.25 – 137.75) both in general and in tourism than international (95.94 – 102.08). Thus it could be a reason for higher evaluation done.

Next, the data were examined by Kruskal Wallis test according to four categories: the highest level of completed education, the general work experience, work experience in tourism and the study program (Baggio and Klobas, 2011). The findings show that there is no significant difference between the opinions of the students from different programs (p-value = 0.96 – 0.944). The results for Tourism Strategic Management, Tourism and Hospitality Management and Event and Leisure Management study courses could be generalized.

According to the highest level of the previous education there is not significant difference between the opinions of vocational school, college, bachelor and master graduates. Significant difference was found in the rate done by PhD degree students’ rate for Divergent thinking and Communication. But, there is only one respondent and this could be a reason for such a difference.

Finally, it is found that students’ work experience has the influence on their opinion regarding the importance of Motivation, Customer orientation, Synthesis, Association and Creativity problem solving as significant difference has been discovered. The respondents having less than one year working experience rated those attributes much lower than others. It could mean that these aspects of creativity are closely related to operational skills. Higher work experience in tourism relates to higher evaluation of Understanding creativity, Domain-specific creativity and Customer orientation. These findings could mean that creativity in tourism industry has some peculiarities and specification of the marketable creativity should be studied deeper.

Summarizing all the findings, comparing them and combining with the results from the literature review the author created the curriculum model for student creativity in tourism higher education (refer to Figure 2). It is illustrated how creativity could be incorporated into tourism programmes.
Conclusions
The results of this study show the high importance of creativity for different fields of study and especially for tourism higher education. Some of creativity attributes are directly related to the operational skills and should be enhanced to a higher level. The review and improvement of the curriculum is expected to foster the creativity in the courses. Results analysis revealed that the most important creativity attributes for operation in tourism industry are Motivation, Initiative to creativity, Understanding creativity, Domain-specific creativity, Applying creativity, Communication, Customer orientation and Creative problem solving. In the frame of current study it means that curriculum for creativity should be focused on core meaning of creativity, proposition of new ideas regularly through communication, understanding of creative tools, tourism industry specifics, customers’ wants and needs, new ways for motivation colleagues, problem solving methods and their application for business practice. Based on these research findings the author have presented a conceptual model for the development of curriculum for creativity.
management. The author supposes that if implemented, the model will input more benefits to managing and improving the quality of higher education processes. In addition, this study determined effective approaches and guidelines for creation of more creative atmosphere in higher education institutions. The specifics of creativity in tourism need to be studied further. A further research is expected to cover the aspects missed in the current study. They are faculty administration, attendance of facultative and extra courses and other parts of university life.

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STRESS IMPACT ON CREATIVITY:
THE ROLE OF TASK FEEDBACK FOR GENERATION Z

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Abstract

There has been mixed results in studies on stress and creativity, with some studies finding no difference when adding stress to activities. Generation Z doesn't remember life without the basics of 21st century life: internet, smartphones etc. Their creativity is assisted by many wonderful inventions made through technology. Marketers have been carefully studying generation Z for many years now, observing their preferences and finding that they have a very different relationship with creativity than their elders. "Compared to any generation that has come before, they are less trusting of brands," says Emerson Spartz, CEO of the digital media company Dose. "They have the strongest filter because they've grown up in an era where information was available at all times."

The aim of this article is to review scientific literature and to analyse stress influence on creativity-in the context of knowledge potential. To achieve this goal the following objectives were set: to analyse the concept of knowledge about stress, to analyse the importance of creativity, to clear up characteristics of stress levels, to review scientific literature critically from the perspective of creativity concept, to conduct a research in Generation Z and to discuss the research results. The generalised findings of the questionnaire are presented in the article, as well as the applied methods of scientific literature analysis, abstraction and synthesis.

Keywords: generation, stress, creativity, organisational environment.

Introduction

The purposes of this study were to explore whether or not (a) a relationship existed between stress and creativity and (b) the relationship between generation Z and creativity was moderated by the type of stress for creative work, and/or by any stress experienced in creative pursuits. An additional purpose was to analyse the relationship between stress and creativity.

Creativity is the cornerstone of modern noticeably company’s success. Global business world not only brings wider opportunities, but also major challenges related to stress. Both are discovering new challenges and difficulties arising with best-conduct organizations that are able to deal with the emergence of new challenges and a changing global uncertainty. The ability to think in original and new, yet unexplored, spheres of use is modern and successful organization foundation.

Creativity improves the search for new solutions, whether it is the creation of a new organization strategy, new product development and new and innovative ways to keep one step overtake their competitors. Innovation, which is inseparable from the creative application of organizational philosophy, promoting creativity and unknown market niches research is not only organizational possibilities range expansion, but also the productivity of which is to promote new and innovative solutions to the problem.
Leading the usage of creativity is the key to reach new heights in the business world, which is constantly expanding, changing and facing new and unknown challenges.

Over the past few decades, the proposed definitions of creativity have changed from one-dimensional to multidimensional planes and have transitioned from the cognitive to the affective domain. Important theories of creativity have emphasized that multiple components must converge for creativity to occur (Csikszentmihalyi, 1999). Accordingly, we have included both cognitive and affective factors (emotion, and stress hormones) in this study to investigate how they may influence creativity. According to the creative cognition approach (Ward, Smith, & Finke, 1999), which serves as an important basis for experimental studies on the cognitive process of creativity, working memory (WM) plays a critical role in the creative process. Researchers have also recently suggested that creativity is the result of continuously repetitive processes of WM that are learned as cognitive control models in the cerebellum.

According to Runco (2007a), both positive and negative moods are found to facilitate creativity, but positive mood appears to be a more reliable facilitator of creativity. Runco reviewed earlier research that suggests positive moods facilitate performance on Remote Associates Test, insight problems, and word association tasks. Negative moods might help with category fluency, but it is not clear why. A recent study by Bass et al. (2011) found that angry moods led to initially higher creativity that declined over time. Bass et al. explained that an angry person uses an unsystematic and unstructured approach to creativity and tends to switch from one thought category to another, which likely activates remote concepts stored in memory, and, as a result, thinks divergently.

**Analysing the concept of knowledge about stress**

It can be assumed that three main factors would affect mental capacity: knowledge, skills and affect. Knowledge is influenced by: 1) the structure of knowledge: this depends on how the knowledge is structured and organized for efficient storage and retrieval; for instance, experts are often found to process a large chunk of knowledge that is highly structured; 2) the availability of cognitive resources: according to information processing theory, past knowledge is believed to be retrieved from long term memory and to be held in working memory for use (Atkinson & Shiffrin, 1968). Any factor that affects the availability of working memory, therefore, will affect knowledge activation.

Skills refer to the thinking styles, thinking strategy or reasoning methods. Table 2 shows essential design skills for design activities. With skills, knowledge can be expanded and the right knowledge can be identified to solve a problem.

Affect refers to emotion, and any mental state associated with feeling such as tiredness (Salovey & Sluyter, 1997). Affect is also determined by personality, attitude, belief, motive and stress. Affect will determine how much of one’s knowledge and skills can be effectively used in solving a problem.

Some of these proposed factors have also been discussed by other researchers such as Chakrabarti (Chakrabarti, 2006), McKim 1980 (McKim, 1980), Perkins (Perkins, 1988), and Torrance (Torrance, 1965) although not in the same manner and not in a theoretical
framework. They consider motivation, knowledge and flexibility in thinking as the most influential factors in creativity.

Figure 1. Factors affecting mental capacity: mental stress is positively related to workload and negatively related to mental capacity.

Figure 1 shows the relationship between workload, mental capacity and mental stress. Depending on the mental capacity, the mental workload which is the workload perceived by an individual can be higher or smaller than the actual workload. The mental workload will then determine the mental stress. The level of mental stress, in turn, affects designer’s creativity performance. Mental capacity cannot be viewed in separation. Facing different design problem, could exhibited different mental capacity.

Figure 2. Relationship between creativity and mental stress.

Tang & Zeng, 2009 hypothesize that the level of mental stress is positively related to workload and negatively related to mental capacity. Workload can be defined as an external load assigned to a person whereas mental capacity is the person’s ability to handle the external load. The amount of external workload is the most direct source of mental stress. A greater workload may trigger a greater mental stress. This workload can be associated with the complexity of the problem. Moreover, it is not uncommon that the same workload may trigger different mental stresses on different individuals and the same workload may trigger different mental stresses for the same individual under different circumstances.
The relationship among negative emotions, stress and creativity

Many systematic empirical studies have examined the relationships between the valence of emotion and creativity (Zenasni & Lubart, 2008); many studies have found that negative emotions enhance creativity. More recently, a three-dimensional theory, developed by Baas et al. (2008), has been proposed to explain the relationship between emotion and creativity. The three dimensions proposed are valence (positive vs. negative), level of activation (activating vs. deactivating), and regulatory focus (promotion vs. prevention). It has also been reported that high levels of negative emotions and arousal can decrease the production of original ideas (Zenasni & Lubart, 2008). Moreover, De Dreu, Baas, and Nijstad (2008) argued that activating moods (e.g., angry, happy) lead to more creativity than do deactivating moods. Therefore, a negative emotion with a high level of activation may decrease the performance of creativity. Emotional states that are related to a promotion focus (e.g., anger, happiness) will lead to an expanded attentional scope and therefore facilitate creative performance, whereas emotional states that are associated with a prevention focus (e.g., fear, relaxation) will generate a more constricted attentional scope and therefore impede creative performance (Baas et al., 2008).

Cortisol may influence creativity. Corticotrohin-releasing hormone (CRH) is critical to behavioral and neuroendocrinological adaptations to stress; it is the neuropeptide primarily responsible for HPA axis activation. It has been suggested that one of the most consistent behavioral correlates of CRH system activity is the manner in which an individual approaches novel and unfamiliar events (Barr et al., 2008). Novelty is a critical indicator of creativity (Mayer, 1999).

The findings of previous studies (De Dreu et al., 2008) suggest that stressors increase arousal, which enhances the use of creative thoughts and motivates persistence toward finding solutions. Moreover, stressors may enhance engagement in focused problem-solving strategies, leading to enhanced creativity. Alternatively, some researchers have proposed that stress may be related to creativity in a curvilinear fashion (Byron et al., 2010). Byron et al. (2010) conducted a meta-analysis of experimental studies and found that the effect of stressors on creative performance depends on the severity of the stressor and the type of stress that is induced.

Generation Z

Researchers and others who have written about Generation Z have found it difficult to classify this generation precisely. Some say that it began as early as 1991, which makes the oldest member now 23 years old. Others argue the generation began as late as 2001, making the oldest 13. The discrepancy is based on differing assumptions about start and end points for the preceding Generations Y and X and the Baby Boomers. For this article, we will assume that Generation Z includes young people up to high school seniors (Postnick-Goodwin, 2010).

Generation Z Goes to College features findings from an in-depth study of 1,200 Generation Z college students from vastly different higher education institutions across the United States. Authors Corey Seemiller and Meghan Grace found that Generation Z students:

- Describe themselves as being thoughtful, loyal, compassionate, open-minded, and responsible.
- Have repeatedly received the message that they must be entrepreneurial, and comfortably adopt that mentality.
- Name education, employment, and racial equality as their greatest concerns, more so than immigration, climate change, and the legalization of marijuana—issues they believe are receiving the nationwide attention they deserve.
- Are often disengaged from political participation and take little interest in running for public office, preferring not to participate in what they view as a dysfunctional political system.
- Are very career-minded, having seen adults around them lose their jobs—in the midst of high unemployment rates—and experience home foreclosures.
- Are intimately aware not only of troubles and traumas happening in the lives of family members and friends, but of communities around the world.
- Have a “thoughtful worldview” and want to engage in service that has a tangible and lasting impact on systematic and structural problems.
- Are “we-centric” and are generally motivated by a desire to help and please others. They want to advocate and work on behalf of something they believe in.
- Are willing to take personal risks if they believe they have more to gain. (Loveland, E 2017).

The generations are not sharply divided, but their characteristic features are adequate for the whole age-group in general. Professional literature use different names for depicting the categories of the generations and their time-categorization are also sometimes differently defined (although it does not influence the basic characteristics). In the followings you can find the classification we used in our research.

Characteristically, we can differentiate 6 generations which are shown in chronological order:
- Veteran generation (1925 - 1946)
- Baby boom generation (1946 - 1960)
- X generation (1960 - 1980)
- Z generation (1995 - 2010)
- Alfa generation (2010 +)

A question should be put why it is necessary to deal with the topic. Why do we need to examine the behaviour of generations and their characteristics? Why do we need to think about an emphatic challenge, how these newer generations at workplaces of earlier generations can be fitted? The older generations have doubts about the younger ones every time and the often cited expression is ‘these youngsters of today’. (It is not a positive opinion accent.) To tolerate the conventional differences among generations is insufficient nowadays.

Although the traditional HR activities have developed in methodology a lot recently, they remained at their original fields, such as recruitment, employing, performance evaluation, developing motivation and payment systems, career management, etc. The requirements of the youngest generations rewrite these activities radically. Not only the mentioned fields, but their tools mean challenges for the HR. New and previously not used solutions should be
used such as developing satellite workplaces, hot desk, shared desk, open space, break out, mobile centre, green HR, activity based working, developing business partners, etc. All these activities strongly relate to the behaviour of the above mentioned new generations and to the changes in the requirements. Market competition, staying alive and the need to get and to share knowledge mean significant stress towards the direction of change, which will become the basic principle of the competitive operation in the future. The HR fields have to be prepared for these challenges. Table 3 represents an extract of the necessary changes depicting the features, which are important from the aspect of the present research. Of course the HR challenges will not stop at this level. Further theoretical and practical examinations are necessary in order to adapt the present changes to the corporate practice. The table summarizes the most important HR challenges, which have been in the focus since the new generations appeared at the workplaces.

It aims to show that the methodology which supports collaboration and knowledge sharing in these critical areas can be successfully realized if the characteristics of different generations are kept in focus.

Generation Z: Generation Z has the features of „net generation“ due to highly developed digital era, which they were born into. They were also characterized as „Facebook-generation“, „digital natives“ or sometimes „iGeneration“ (Tari, 2011). The norms of generation Z are different from the norms of the previous generation. Words, slangs and expressions used by generation Z are quite strange to their parents and the two parties sometimes move apart. As generation Z was born into the world of technology and they feel good in that world, thus it is primarily important for them to be surrounded by that environment. They are always online on any technical device virtually, with no stop. It can be seen through their actions, as well which are in connection with their technical environment and which can appear as a tool or as a milieu in their life. Other forms of socialization are very difficult for them. Compared with generation Y, the generation Z is not aware of the concept of struggling. They are practical, rather intelligent than wise and they like to take the lead as they are brave. They are more impatient and more agile than their predecessors and they look for new challenges and impulses continuously. They are not afraid of continuous changes and due to the world of internet they possess much information, but just to a certain extent. To solve problems, they try to find the solutions on the internet (Tari, 2011).

The Forbes Magazine has made a survey about generation Z in North and South America, in Africa, in Europe, in Asia and in the Middle East. 49 thousand youngsters were asked (Dill, 2015). On the basis of the results it can be said that Z generation is the first real global generation. High-tech is in their blood, they have grown up in uncertain and complex environment which determines their viewpoint about work, studying and the world. Arising from their habit, they have different expectations in their workplaces. We can speak about a careerist, professionally ambitious generation, but their technical- and language knowledge are on a high level. Therefore, they are excellent workforces. Employers have to prepare to engage Z generation with regard to speaking to them efficiently, to fit them into the community, the organizational culture and to make them effective employees in the digital age (Elmore, 2014).
Table 1. Challenges of the HR in the light of different generational characteristics Source: Bencsik & Machova, 2016.

<table>
<thead>
<tr>
<th>Baby-boom</th>
<th>X generation</th>
<th>Y generation</th>
<th>Z generation</th>
<th>Incentive/motivation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motivation</td>
<td>Promotion opportunity, new paths, fixed workplace</td>
<td>Status, materialism</td>
<td>Individual freedom of movement, opportunity to make decisions, competition, self-realization</td>
<td>Immediate remuneration, freedom, non-commitment</td>
</tr>
<tr>
<td>Performance evaluation</td>
<td>Fact based, correct, based on the past</td>
<td>Future-oriented, active participation, goal setting, career planning</td>
<td>Future-oriented, direct feedback, discussion, talent management</td>
<td>Own limits not recognised, self-confident, values and self-image is distorted</td>
</tr>
<tr>
<td>Training, learning, development</td>
<td>Traditional education system, experience, holistic</td>
<td>Flexible, shorter learning time, trainings, mimicry, interactive, flexible, just in case</td>
<td>Rapid, individual, based on IT, alternative, just in time</td>
<td>Based on interest, informal learning</td>
</tr>
<tr>
<td>Conflict management</td>
<td>Avoids or deals with</td>
<td>Willing to compromise</td>
<td>Opposes</td>
<td>Provokes conflicts, but either does not follow through or reacts aggressively</td>
</tr>
</tbody>
</table>

It is worth taking a look into the family background of future colleagues, key personnel and managers whilst carrying out the more familiar HR processes such as training, the manager selection process, skills management and career planning (Bencsik 2010). Building and maintaining an atmosphere of trust where collaboration, knowledge sharing can thrive, considered as the key factor to company success and competitiveness, all depends on the behaviour of those who have either experienced, or indeed never felt, the power of trust.

**Generations at Workplaces**
From 1966, when the Torrance Tests of Creative Thinking were first administered, through the mid-1980s, creativity scores in children increased. Then, in 1998, they fell sharply. Scores on tests of empathy similarly fell sharply, starting in 2000, likely because of both a lack of face-to-face time and higher degrees of narcissism. Not only does the new generation appear to lack the kind of empathy that allows them to feel concerned for others, they also have trouble understanding other points of view intellectually. The new generation grew up watching reality TV shows, most of which are basically documentaries about narcissists. Now they have trained themselves to be reality TV-ready.

**Hiring Generation Z**
Based on analysis and an Internet article (Trunk, 2011), here are five ideas to prepare your recruiting strategy for Generation Z:
- Update basic standards constantly. Baseline hiring practices and requirements need to stay current in the areas of education, life experience (age), juvenile issues, and even minor drug use.
- Think mobile. Generation Z buys products based on battery life, and they interact with their favourite brands based on mobile applications. What this means is that facilities will need to recruit this generation via mobile devices. Generation Z reads and writes in the space of a small screen (Johnson, 2012).
- Forget e-mail. To Generation Y, e-mail is a slow and inefficient way to communicate. To Generation Z, e-mail is intolerable. To reach Generation Z, facilities need to use social media tools. This generation wants to see content right now. They are confident with being seen and known, and do not feel the need to hide behind anonymity.
- Forget outdated ideas about college degrees. Generation Z is the first to experiment with do-it-yourself education on a large scale. This means many of them will avoid paying absurdly high prices for degrees; they feel that it makes more sense to skip college. It is likely that members of Generation Z were homeschooled as children and, for them, formal, overpriced education is a waste. They will usually be self-starters who are well-educated (though informally) via the Internet. Today, the majority of homeschooling is not for religious reasons, but because the parents want their children to be independent thinkers.

In general, Gen Z preferences are more a "hybrid" of the Millennial and Gen X cohorts, 8x8's research discerned. The majority of Gen Z workers polled by the firm said they want a physical workspace (57%) combined with the ability to work remotely (48%) and have flexible hours (73%). Additionally, when asked about the types of communications tools they want to use, the majority of Millennials want tools that will save them the most time. Adversely, Gen Z wants to use tools that are the most effective, even if it takes more time, demonstrating a desire to do a job well versus quickly. When it comes to traditional workplace tools, Gen Z brings what 8x8 defined as "balance" between high-tech Millennials and older Gen Xers. Less than 20% of Gen Z respondents to 8x8's poll said they are likely to use traditional Gen X tools like email or land lines for work. But on the flip side, Gen Z is the least likely of every generation to use Millennial favorites like messaging and chat apps in the future workplace. Smartphones are the exception (no surprise here) and are quickly becoming a hub of communication for all generations, but especially for Gen Z. When asked which device they used to take the survey, twice the amount of Gen Z respondents (62%) used a smartphone over Millennials (31%) and Gen X (28%). (Kilcarr, 2016)

**Research**

In this study, all experimental tasks and data collection were conducted via research papers. 125 generation Z respondents were included to test the validity of the experimental tasks and time control. Finally, 104 respondents (39 males and 65 females) with a mean age of 19.78 years (SD 1/4 2.75 years) participated in the formal experiment. They were randomly assigned to complete the informed consent form that affirmed that their completion of the survey was entirely voluntary and that all responses would remain anonymous.

This study, the Timing-based Creativity Task was employed to evaluate the participants' creativity. The test includes fast result-based creative problem solving tasks. Developed
using model, that consists of 3 situational tasks based on timing, in which the goal is to create a word from 3 given letters in one minute. A not creative answer received 0 points, and a creative answer received 10 point. The highest total score attainable was 30 points (10 points in each) based on fluency and originality. The findings of this study support the notion that there is no direct cause-and-effect relationship between stress and creativity.

It is not easy to explain why the traits of creativity and level of stress were not correlated, particularly since the results of the present study, consistent with earlier studies, showed that the tendency for positive affect to be correlated with creativity. Not surprisingly, the relationship between creativity and mood seems to be as complex as the temperament of the classic tortured artist. A reliable finding in psychological research is the association between bipolar disorder and creativity (Rybakowski and Klonowska 2011). Although not a part of this study, it is reasonable to wonder if the mood swings experienced by creative people might frequently rise to a clinical-level imbalance such as bipolar disorder. Often manic states are related to high productivity followed perhaps by depressed moods. It is unclear from the literature whether or not regulating emotions via psychotherapy or medication might reduce productivity of highly creative individuals suffering from a bipolar disorder.

**Conclusions**

Creativity is a complex process that can occur under happy or sad circumstances, positive or negative affect, stressful, or more relaxed environments. There may also be individual differences in the way people respond to creative tasks—with some responding better under stress than others. Clearly, more research is needed to clarify the role of individual differences in creative work.

The aim of the research was to examine the characteristic features, which emerge in case of the youngest generations in the labour-market and what challenges their different behaviour mean in the workplace environment during the cooperation of more generations, stress and creativity.

Entrepreneurship is inseparable visible between creativity and entrepreneurship, the ability to develop the business. Important is the ability to follow and develop and use different creative adaptation schemes. In literature you can see the need for early preparation of creativity before it is adapted to work.

**References**


**SOCIAL MEDIA: changing way of communication in creative organizations**

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**Abstract**

As innovation seems more and more for business success, companies of all branches are searching for increasingly new methods to unfold to their innovative capabilities, one of such innovation was Social networking and Social media. Social media has driven all organizations in all branches for business success in recent time. It is more than obvious that Social media like Facebook, Twitter, Skype, YouTube etc, are extensively used for collaboration, communication and decision making in creative organizations. This paper reviews literature on Creativity, Social Media and Creative Organizations. An analytical approach has been adopted using various articles to identify the need of innovation and creativity in today’s world and how the innovation of social networking is changing business activities around us. Study shows that Social Media has vital role in both Macroeconomic and Microeconomic level, from the macroeconomic perspective, innovation is related with economic growth and well-being of society in competitive business world. This study shows that world’s top organizations presence on social media is increasing and Social media tools also enable employees and executives to communicate freely among themselves as well as talk directly with their consumers. This can help them with collaboration and innovation.

**Keywords:** creativity, innovations, social media, creative organizations.

**Introduction**

Social Media is the hottest topic to discuss nowadays. Over the past decade social media is playing an important role in different aspects of consumer’s behavior, the internet and its related technologies make what we know today’s as a social media possible and prevalent. Everyday social media expands, more and more individual and organizations join online community (Dryer, 2010).

Although there is still some fear and seems potential danger within organizational communication, the new media influence both the traditional media and the way of behavior of media users. For organizational communication, this change has enormous affects, for one thing, Internet can’t be ignored and new media is not ignoring but pushing the replace and accept it later (Holtz 2006). Like traditional media channels, new media have advantages and disadvantages but professional must evaluate them properly to get a maximum benefit in their organizations (Berger, 2008).

Social media has provided organizations with opportunities for management of customer relationships, innovation, improved operations within the organization, and leadership. In last one decade the usage and popularity of social media has grown up, social media and its massive popularity have revolutionized not only organizations but also marketing practices such as advertising and promotion (Hanna, Rohn and Crittenden, 2011). The present world of globalization is characterized by rapid changes and increased complexity, uncertainty and competition. It is indispensable for organizations to adapt in their external environment and
to remain competitive. Adaptability and competitiveness is intimately related with their creativity and capacity to innovate (Varis, M. & Littunen, H., 2010).

"It took radio 38 years to reach 50 million listeners. TV took 13 years to reach 50 million users. The internet took 4 years to reach 50 million people. In less than 9 months, Facebook added 100 million users." (Tuten, Solomon 2015).

**Concept of Social Media, Creativity and Innovation**

There are many definitions of social media according to different media experts and researchers. The Oxford dictionaries [20], define social media as "websites and applications that enable users to create and share contents or to participate in social networking".

The most frequently used definition for social media is "online platforms that people use to share their ideas, experiences, perspectives and communicate with each other" (Kahraman, 2010). According to Dann and Dann (2011) Social media is based on connections between relationships, people and organizations. Furthermore, Tuten and Solomon (2015) described following four zones of social media.

![Figure 1. Social media zones (Tuten and Solomon 2015, p 8).](image)

In reality, social media provide the opportunity to connect with customers using richer media with a greater reach (Thackeray et al., 2008). The interactive nature of these digital media not only allows sellers to share and exchange information with their existing or prospective customers, but also allows customers to share news and views with one another. Organizations have the opportunity to shift relationships with consumers from dialog to conversation, in which consumers engage in meaningful relationships with one another and with the organizations (Hlavinka and Sullivan, 2011; Lipsman et al., 2012; Mangold and Faulds, 2009).

On other hand, Creativity was defined in various ways in the fields of business, literature, arts, science and so on. It does not necessarily mean to create something totally new out of nothing. In fact, according to the findings of Hargadon (2003), every creative act has one thing in common, i.e. ‘doing new things with old things.’ “Innovation,” on the other hand, refers to the implementation of creativity into “big idea” or creative ideas (Govindarajan
Drucker described innovation as “the act that endows resources with a new capacity to create wealth” (Drucker, 1985, pp30-36).

Creativity is a process starts with preparation, proposal and implementation of development new and better solution, which later, leads to organizational productivity, it is rate of output per unit of input, measured by per worker or number of hours worked. However, creative organizations give high importance on knowledge and imagination. They tend to be committed to experimentation and innovation. The climate in such organizations is vibrant and conductive to learning. Entrepreneurship is demonstrated in leadership where managers’ task is to promote changes and adaptation. Rewards to employees are based on their expertise and initiatives. Such organizations put strategic importance on fast growth and attainment of new resources. Google and General Electric- GE can be a good example reflecting the qualities of a creative organization. The old-style hierarchical company often discouraged innovation, especially when large number of employees work under order of top management.

According to Gundry et al. (1994), a creative organization inside of organization, the three pillars of creativity action are Education, Application and Environment. This exhibit can be followed as:

![Three pillars of creative action](image)

Figure 2. Three pillars of for creative action. Source: (Gundry et al. 1994).

A creative organization is one that to be made of all three pillars to gather within organization; education, environment and application. Through education, staff members will be trained, in theory, trained staff members can come up with new creative ways of solving problems, staff member must be prepared with creativity and understanding tools, and environment which supports this will lead to the application of these creative ideas, leading to more innovative processes and ideas. The key issue here is that for this model to work, it requires all three key sectors to be implemented within an organization. Due to the recent economic climate disturbance all around the world, it would not be wrong to say that companies top management are much less willing to risk financial gains for risk taking in the form of creative ideas. The organization may comprise of well educated workers who are trained in creative thinking, but if the work environment does not for them to apply their ideas then innovation will never occur.
Current Importance of Social Media in Creative Organization

Nowadays, internet and online communities have transformed prospective consumers, existing consumers, societies, and organizations with widespread easy accessible information, that makes better social networking and enhanced communication abilities and no doubt this enhancement provide great importance and financial support for commercial activities. Social media channels are inexpensive, user-friendly, scalable internet, and mobile-based technologies that allow for the sharing of user-generated material (Sigala and Marinidis, 2009). In last one decade the usage and popularity of social media has grown up, social media and its massive popularity have revolutionized marketing practices such as advertising and promotion (Hanna, Rohn and Crittenden, 2011).

An infographic created by Leverage [23], to highlight the facts about some of most popular social sites: (infographic in words): “Pinterest has 70 million users; users are 20% male and 80% female. Twitter has 289 million active users, Microblogging social site that limits posts to 140 characters, 9100 tweets happen every second. Facebook has 1.5 billion monthly active users, Mobile is Facebook’s cash cow – 1.31 monthly active mobile users, Mobile ad revenue makes up 76% of all ad revenue ($2.9 billion in Q2 of 2015) and users share 1 million links every 20 minutes Instagram has 300 million active users, Social sharing site all around pictures and now 15 second videos. Google+ has 300 million active users, Social network built by Google that allows for brands and users to build circles. LinkedIn has 380 million users worldwide, Business oriented social networking site, Brands that are participating are corporate brands giving potential and current associates a place to network and connect, 79% of users are 35 or older”.

McKinsey Global Institute tracked 1,500 companies and their use of social technologies between 2006 and 2015; the study is based on Enterprise 2.0 tools and Enterprise Social Network- ESN. In 2006, a very low number of enterprises, around 10% of businesses had adopted an Enterprise Social Network. This had doubled by 2008 and doubled again by 2011. This adoption was increasing by only 10% by 2014 and flattening further since. 70% adoption is forecast by the end of 2017 around the world (Jacques, 2015).

Social network and Blogging increased from 15% to 65.5% between 2006- 2015. Video sharing was a close second, increasing from 20% to 60% between 2006-2012, then it levelled off. Wiki and podcast also increased from 20% to 40% between 2006-2012, then it levelled off.

Enterprises using ESN innovation gains positive effect on their problem solving, improved productivity and revenue. Organizations that have adopted an ESN generally resolve problems faster and increase time-to-innovation by 31% on average, such organizations productivity increased to 15% and due to high productivity such organizations got 10% more revenue as compare to non-adopter. More than 66% organizations are using ESN, 35% organizations are using ESN because their competitors had and 25% of employees said they use an ESN because their colleagues do. ESNs also help boost employee engagement. Companies with 9 engaged employees for every disengaged employee experience 147% higher earnings and a 20% increase in staff retention.
Mckinsey study also suggested that hardware, software, storage, licensing, maintenance and upgrade costs can also be reduced – by as much as 80%. ESNs help employees to stay up-to-date with relevant information and share knowledge more easily. Study suggested that organizations without ESNs spending 20% more daily working time on looking for information as compare to 13% with ESNs users. This information can be easily shared with other staff which can reduce the need of meetings up to 25%.

**Social Media in Lithuania**

According to TNS annual survey on media 2015 [25], Facebook, YouTube and Google+ are the top social media channels in country.

<table>
<thead>
<tr>
<th>Social Media channel</th>
<th>% network users</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facebook</td>
<td>97.6</td>
</tr>
<tr>
<td>YouTube</td>
<td>91.0</td>
</tr>
<tr>
<td>Google+</td>
<td>33.5</td>
</tr>
<tr>
<td>Instagram</td>
<td>17.9</td>
</tr>
<tr>
<td>Spotify</td>
<td>12.4</td>
</tr>
<tr>
<td>Twitter</td>
<td>11.4</td>
</tr>
<tr>
<td>LinkedIn</td>
<td>9.3</td>
</tr>
<tr>
<td>Pinterest</td>
<td>9.0</td>
</tr>
<tr>
<td>Tumblr</td>
<td>5.2</td>
</tr>
</tbody>
</table>

The latest data available from Lithuanian Statistics department [19] shows that in Lithuanian organization (with more than 10 employees) presence online increased in recent years. In 2015, 77% enterprises were online as compare to 73% in year 2014. Other data can be as followed for year 2015:

- 42 % organizations used social media for business purpose
- 36 % organizations have Facebook account
- 14% organization have account on YouTube and Picasso
- 9% organizations are using Twitter
- 33% organizations are using social media for marketing/ sales purpose
- 26% organizations are using social media for customer services
- 13% organizations are using social media for contacting their customers for feedback on products/ services and for some new innovative ideas
- 13 organizations are using social media channels for collaboration with other business partners
- 17 % organizations are using social media for searching the new staff.

In Lithuania, small and medium enterprises are relatively more sensitive to compete in digital world as compare to their larger and stronger counterparts. Eurostat [6] data suggested that Lithuanian SMEs are among the leaders of digital transformation in the EU. They operate in a supportive digital environment, benefiting from the developed digital infrastructure. Most of them make full use of various digital technologies such as website, social media and e commerce tools.
Social Media Strategy for Organizational Communication

This study shows that social media is playing an important role in organization. With the birth of web 2.0, human life has changed, today, consumers can access internet anywhere and share their views (positive or negative), ideas, and feelings with family, friends and rest of social community members. For this reason, creative organization should develop a social media strategy, in simple words strategy is to make sure all social media channels are in alignment with organization goals. Social media strategy consists of same elements as communication, goals, target audience, content, communication pillars, channels, tools, competitors. Taneja et. al.(2014), suggested that it is hard for organizations to make a transition from just talking with customers to making them have an impact on their businesses. Wilson et. al.(2011) analyzed more than 1100 companies in different industries around the globe and conducted in-depth interviews with 70 executives who were leading social media initiatives.

Study suggested following four social media strategies and practices.

1- The “predictive practitioner.”
It works well for businesses that want to avoid uncertainty and to deliver results that can be measured with tools. An example of this strategy is a website that enables brainstorming with customers and suppliers. In such a type of website there is the ability for companies to ask for opinions or suggestions for product/services. To encourage participation in opinion expression, companies in exchange can propose discounts, presents or for example, award participants with points from which later on participants get presents.

2- The “creative experimenter.”
Companies take this approach when there is a need to eliminate uncertainty or find ways to improve the company’s functions. The aim of this approach is to listen to customers or employees on platforms such as Twitter, Facebook. Social media help to raise expertise in the company.

3- The “social media champion.”
This involves initiatives for predictable results and it may depend on close collaboration across multiple functions and external parties. For this approach it might require joint efforts among marketing and communication of customers. By having many followers of a brand, it is possible to further increase even more the number of followers by making and announcing contests, by giving even better context of posts and more useful information.

4- The “social media transformer.”
This approach enables large-scale interactions that extend to external stakeholders, allowing companies to use the unexpected to improve the way they do business. By creating internal social media of a company it is possible to provide updates on employees’ status, activities as well as information about relevant communities, business projects, customers and partners interactions. It quickly establishes collegiality and knowledge sharing among new geographically dispersed teams.

Conclusions
To conclude it, this study shows that social media is playing an important role in creative organizations in today’s world. Social media simplified the development of a “powerful global discourse” (Berger, 2008), the distance between consumers and businesses is
reduced due to social media; not only organization but also consumers can explore their desire shops, products or services 24/7 and share with rest of the world any time anywhere. Creativity plays a key role in innovation since it helps to define problems, solve them and even sometimes anticipate them. Past study done by Andrea et all (2015), World Economic Forum [30] and Economic Co-operation and Development- OECD [20] studies suggested that a part from organization perspective, Innovation has positive and direct linked with the economic growth, improvement in living standards and a country’s competitiveness in the international market place. One such innovation was Social networking and Social Media. Simply posting online ads, news, creating a social network site, or hosting a blog isn’t enough. Successful social media strategy can be really meaningful if organizations genuinely involve and contribute themselves within organization and with the consumers. The great challenge for future is development of organizational structures in financial turbulence and process that are flexible enough to meet the communicative demand in the era of social media.

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APPLICATION OF COACHING FOR THE DEVELOPMENT OF WOMEN ENTREPRENEURSHIP SKILLS

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Abstract

In recent years there has been a huge interest amongst practitioners and researchers in female entrepreneurship in Lithuania. Lithuanian Government has also started several initiatives on helping women to start their businesses, however most of them included practical seminars, but not the tools helping women to develop entrepreneurial mindset and improve personal skills. As coaching has become a very popular management and personal development tool amongst business owners, it is also considered an effective tool for personal and professional development of women entrepreneurs. It is realistic and adjustable to their true needs, expectations and business context. The purpose of this article is to review the literature and find out if there is an impact of coaching towards the development of female entrepreneurship. This article is based on a systematic analysis of theoretical literature, general and logical analysis. The obtained results have shown that coaching can have an impact on entrepreneurship, but the research question raised is may coaching be used as a tool for female entrepreneurship development.

Keywords: female entrepreneurship, coaching, personal development, entrepreneurship development.

Introduction

The exploding interest in owning or starting a small business has resulted in increasing numbers of new entrepreneurship development seminars and workshops in Lithuania. During most of those seminars and workshops women are given various tips and tools on how to start and run a business, but they are not given a chance to develop personal skills, that are needed to become a successful entrepreneur.

Recent years have witnessed a huge increase in the popularity of coaching in Lithuania. This method provides us with opportunities to form creative teams, as well as develop independent individuals with good decision making skills, foresee one’s potential and be able to accept responsibility for the outcomes. Coaching is a tool for personal and business development and it has been used widely as a management tool worldwide and also considered as a new and modern tool for the development of female entrepreneurship.

This article aims to analyse the impact of coaching towards the development of entrepreneurship competency elements and clearing limiting beliefs as well as the overall positive impact of entrepreneurship.

Women entrepreneurs in this study verified their perceived value from coaching experiences and reinforced the benefits of coaching on clearing limiting beliefs that stops them from being great entrepreneurs. Participants in the study reported that coaching is seen as a positive experience in the development of their entrepreneurship competency.
Literature Review: Female Entrepreneurship

Gender differences in business development and entrepreneurial activity are well documented in the literature (Gatewood et al., 2003; Reynolds et al., 2004). Studies show that almost twice as many men as women become entrepreneurs, and that these differences are not confined to Lithuania (Acs et al., 2005). Despite this, the number of women entrepreneurs has increased over recent years (De Bruin et al., 2006).

Entrepreneurship can be seen as a relatively new area of academic interest, emerging only in the mid 1980s, when England's economic theorist R. Cantillon defined entrepreneurship as the process of bearing the risk of buying at certain prices and selling at uncertain ones (Gineitienė, 2003) L. A. Collins et al. (2006), bringing together various sources of entrepreneurship research, has identified 3 key entrepreneurial qualities: internal motivation, entrepreneurial skillset and the ability to develop new activities. According to the author, the motivation includes the need to lead and win, an ability to take risks, internal self-control, clearly defined values and tolerance of uncertainty. Entrepreneurial skillset feature includes vision of new opportunities, positive thinking, the ability to learn from failure, creative and intuitive problem-solving. New activity involves personal abilities that are closely related to the organisation of business and management. It is the assumption of the risk, conflict management, business planning, management skills, etc.

For the study purposes in this article, entrepreneurship is defined as “a characteristic of a person covering psychological, social, cultural, and spiritual capacities, such as risk tolerance, creativity, expertise, work, development, the pursuit of the qualitative result and other features that all together allow creating the management phenomenon.” (Collins et al, 2006; Oganisjana and Koke, 2012; Juozaitienė, Stapokienė, 2003)

Family and a woman's role in society has been considered to be the biggest obstacle to women's career and entrepreneurship for many years, because a woman has a maternity leave, therefore there is a delay in her professional career when she gives birth to children and grows them. Sometimes women have to make such breaks when one needs to take care of elderly family members or relatives. It makes a big impact on the continuation of the professional career of women, in particular when a woman returns to work after maternity leave, because it is believed that at the time the woman loses part of her competencies. Upon return from maternity leave, women often notice the changes in the organization, and as a result, women are offered a lower position. In addition, in spite of the achievements in the field of education and gender equality in the labour market, women's employment opportunities are still limited by the fact that women have a disproportionately high responsibility for family and home, and low work life balance, compared to men. (Stankūnienė, 2005). This trend has also been discussed in "Working Lithuania" initiative, which was supported by the new Lithuanian social model. The author of the article and other participants in this initiative discuss about this issue and advocate that women indeed are afraid to come back to work after maternity leave because they are worried about being offered a lower job position or inability to perform both family and work duties. (Working Lithuania, 2015)
Obviously, because of these stereotypes, economic and social impact, women are struggling to overcome challenges and obstacles to start a business too. Most common issues, related to female entrepreneurship in EU are (Jong, 2013):

- Women accounted for only 31% of the 40.6 million entrepreneurs in the EU in 2015. This leads to slow economic potential growth for EU countries.
- Women entrepreneurs tend to operate in smaller businesses; usually go solo; tend to concentrate on sectors that are considered by financiers to be less profitable; tend to have lower growth and turnover compared to male-owned businesses.
- Women entrepreneurs tend to self-assess the level of innovation of their own businesses lower than male counterparts.
- Women entrepreneurs tend to start off with less capital, borrow less and use family, rather than debt or equity finances. They also have fewer chances to get financial grants for their businesses due to domestic circumstances – mostly because of career breaks they are finding it hard to accumulate a good credit history.
- Women tend to have smaller networks and this reduces the rate of their business growth.
- Social, cultural and stereotypic norms and beliefs often stop women from starting their own businesses.

**Entrepreneurship skills development**

Galloway et al. (2005) argue that entrepreneurship education requires significant knowledge, skills and attitudes of concurrency, which recognise the entrepreneurial management theories and practices of synergistic relationships. These authors distinguished the skills that are important to business creation and development: initiative taking, organizational skills, good communication, problem-solving skills, perseverance, self-confidence, creativity, leadership skills, and ability to work in teams as well as independently, negotiation skills and financial management skills. The capacity of business management consists of planning, decision making, marketing, and accounting. Personal entrepreneurial competences include an internal control, risk-taking and innovation. Rae (1997) argues that entrepreneurship development requires communication skills, persuasion, creativity, critical thinking and evaluation negotiation skills, leadership, problem-solving, social networking and time planning.

Due to inequity between genders, there is a value placed on female entrepreneurship development and it includes:

- The economic knowledge (concepts, economic systems, economic factors, the international market, the State role in the economy);
- Financial literacy (financial services, personal financial management);
- The development of personal qualities (leadership, personal management);
- Social skills (communication skills, teamwork, communication, ethics, conflict management);
- Information and communication capacity;
- Career planning (analysis of the situation; the capacity necessary for career, education).
Women’s entrepreneurship in practice

It has been noticed, that in recent years specific policies or programs to promote women in business have been developed in Lithuania, as well as in EU. Although these initiatives were focused on business development, none of them concentrated on entrepreneurship competency development exclusively, at least in Lithuania. As discussed in literature review, entrepreneurship is a personal trait, and ongoing initiatives have been more focused on the provision of business knowledge and how-to tools (such as taxes, registration, finance, management etc.).

During a review of the documents and initiatives in the European Union it can be said that, entrepreneurship development, however, is targeted and purposeful. There are clear guidelines and operational ground rules on how to promote female entrepreneurship, but it lacks a perspective that entrepreneurship is not just running a business; it is also a skillset and competency.

Coaching

The concept of coaching is interpreted differently: some authors stress the more personal and professional development training; others consider coaching being a sort of psychotherapy. In the case of one or the other, coaching is a process that helps a person to discover an inner potential, helps to achieve goals and to find positive solutions. Coaching is a method of education, a way of creating a path to achieve goals for a person or group of people, and also to acquire new skills. Coaching is also widely used as a management tool in organizations that helps to empower employees’ personal development, learning, communication and competence. Recently, coaching has become particularly popular. Coaching is becoming attractive because of its potential to help find a way out of the situation both in personal life and profession and making the right decision (Jatkauskienė et al., 2008).

Positive psychology has provided some structure for the foundation of coaching and is the science at the heart of coaching (Kauffman, 2006). A. Adler, individual psychology practitioner, says that we are responsible for our decisions, for own actions and behaviour. The author draws the attention to the person who influences the world and the same is applied to the relations between human beings. (Kietavičienė, 2011). The role of the coach in positive psychology is to prompt the coachees to use their existing strengths to capitalise on what energises and pulls coachees forward towards goals and ultimately towards optimal functioning (Kauffman, 2006).

Coaching is defined as a process that is focused on raising a coachee’s personal awareness through creating solutions and action plans that will enable them to attain their goals. This in turn facilitates maximising the personal and professional development of coachees. There is a number of methods in which coaching is practised that can be categorised under the headings of executive, business, and personal or life skills coaching.

Zeus and Skiffington (2002) described executive coaching as an individualised approach where in a one-to-one relationship executives are assisted to develop professional effectiveness and performance.
While acknowledging that the boundaries between executive coaching and business coaching are somewhat unclear, the emphasis in business coaching is on issues of ‘operational mastery’ such as business rejuvenation and growth, and improving the working atmosphere and morale of staff (Zeus and Skiffington, 2002).

The emphasis in personal or life coaching is on the individual outside of an organisational context, although there may be an overlap where work concerns are discussed. Personal coaching is a series of conversations that are related to the coach’s learning and progress in life, which focuses on helps the coach to create positive change in his/her life (Starr, 2012).

All theories also emphasize that coaching is a process and it is hard to see the result right away. Although it is not a therapy, very often you can see one’s change in thinking, actions, behaviour and improved skills after working with a coach for a longer period.

**Coaching and Entrepreneurship Skills Development**

There are, however, limited studies in the area of coaching and entrepreneurs and how these two interact. The value of coaching entrepreneurs has been discussed by Devins and Gold (2000) who found that some entrepreneurs were initially not sure about coaching as a development tool. However, Devins and Gold (2000) found that entrepreneurs (managers) of small firms reported ‘a high level of satisfaction’ following a coaching sessions which had an emphasis on improving their entrepreneurial skills and a process of problem solving.

In the scientific literature review there were no specific models found that could prove the direct correlation between coaching impact on entrepreneurship skills, but as discussed above, coaching can be used in three different forms (executive, business and personal). Different coaching types distinguish different opportunities: coaching can be used in teams, groups or individually. However, the start of the implementation of coaching in developing entrepreneurship skills it is very important to accurately describe to coachees what is seen as coaching. This is necessary to achieve objectives. Each person is different, they grow and live in different environments, and therefore the same technique may not work for all. Misiukonis (2013) discusses a variety of techniques, which are made up as a concrete action that would lead a person to think, to act, and to ensure the personal changes in the assumptions used in certain problem areas. It is important that coaching would be seen as a tool, which helps to develop and grow, rather than just as a problem solving tool. Otherwise, coaching can be understood as an aid to the poor team, group or personal capacity, so the people will resist instantly. Audet and Coutet (2012) argue that, in any case, in order to develop their entrepreneurial skills by using coaching, the person has to be willing to change. It is identified as one of the factors in the success of entrepreneurship development.

Leimon et al. (2011) claim that the women’s entrepreneurship coaching has to be excluded because the gender differences are obvious and the most common recurring themes in developing women’s entrepreneurship are:

- Trust
- Cooperation and dating
- Role models (personal leaders)
Leimon et al. (2011) also examined, that women should be offered different coaching interventions due to psychological differences on how women and men perceive leadership, business ground rules as well as common stereotypes. It has been noted that in US and UK there are fast growing trend that many women startups are working with same gender coaches in order to develop the entrepreneurship skills. In summary, it can be said that coaching can be applied to the development of women's entrepreneurship skills. Looking from the psychological side, women are guided by intuition and emotions, but nevertheless, coaching can be used in the business context too.

Based on literature review it can be said that coaching can support a woman to achieve the desired results of their personal development and the success in competitiveness, flexibility, management efficiency, the ability to make decisions, and other characteristics of the entrepreneurial person. Therefore, the following research question can be raised: can coaching be used as a female entrepreneurship development tool?

**Conclusions**

This research review’s purpose is to help the reader understand different aspects of female entrepreneurship and coaching. This is significant because there is a trend to increase women entrepreneurship. There has been much research and discussion conducted on female entrepreneurship, obstacles they face to start their own businesses and how entrepreneurship skills can be developed. More research and testing is required to gain a better understanding of how coaching can help women to overcome those challenges and also improve their entrepreneurship skills.

To answer the proposed research question, I would use quantitative methods. The sampling frame would consist of any women who have tried coaching and started a business within 5 years, which would produce a group of women that possibly had a positive effect of coaching in developing their entrepreneurship skills. I would use the data of the qualitative research results of the Entrepreneurship Competence Framework (Bacigalupo et al., 2016), also known as EntreComp, that identified the main entrepreneurial competency elements. This would allow analyse if those elements were improved or developed by coaching and if it had any effect on female entrepreneurship and can be used as a tool for female entrepreneurship development.

**References**


ENTREPRENEURSHIP CHALLENGES IN THE INTERNATIONAL BUSINESS

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Abstract

International business has confronted entrepreneurs with international business environments that are basically different from their home countries’. International entrepreneurship is seeking value creation, resource stretching or leveraging and the opportunities through a risk seeking behavior, which is proactive and innovative. International entrepreneurship is recognized as an important factor in economic growth. International entrepreneurship is a new concept. Over the last 15 years, there were lots of searching for doing business in international markets. This was aimed at finding unique opportunities, attracting more customers or gaining an advantage on their competition.

Keywords: entrepreneurship, international business, product, entrepreneur

Introduction

Entrepreneurship is a factor of production, which involves a person’s ability to combine capital, labor and natural resources to organize business for innovation, profit and the risk of assets. Entrepreneurship is a leadership and organizational skills necessary for the company (business) owners who wish their employees would make more necessary goods and provide different services. This is a personal way of thinking and social, managerial and other expertise knowledge into their everyday life, that is, specific skills, providing the opportunity not only to organize their own business, but also to assume the risk for the decisions made. The objective of this article is to analyze entrepreneurship in the international business context.

Entrepreneurship concept

Entrepreneurship refers to congenital and acquired human characteristics, which allow to think innovatively, actively and risky. The innate qualities are attributed to personal intuition, reaction, self-confidence and many other traits, while the acquired ones - all the qualities that a person acquires in learning and practice processes. The main entrepreneurial qualities are these: initiative, self-confidence, critical thinking and evaluation, risk taking, the need to pursue, the tendency to control the situation, innovation (creativity), the desire to be independent, perseverance and leadership (Strazdienė, 2009).

The word entrepreneurship is derived from the English word "entrepreneurship". This concept is associated with payment, rediscovering the possibilities to self-realization and economic or social value creation. Entrepreneurship is much more than an economic process and is associated to the new business formation process. Entrepreneurship is a social process, which deals with social and cultural conditions. Entrepreneurship is the most important element for economic progress and it is shown in different ways: a) by identifying, assessing business opportunities; b) by creating new firms; c) by driving the
economy forward through innovation, competence, job creation- and by generally improving the wellbeing of society.

<table>
<thead>
<tr>
<th>Author</th>
<th>Definition</th>
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</thead>
<tbody>
<tr>
<td>Kuratko And Hodgetts (2004)</td>
<td>“Entrepreneurship is a dynamic process of vision, change, and creation. It requires an application of energy and passion towards the creation and implementation of new ideas and creative solutions. Essential ingredients include the willingness to take calculated risks in terms of time, equity, or career; the ability to formulate an effective venture team; the creative skill to marshall needed resources; and fundamental skill of building solid business plan; and finally, the vision to recognize opportunity where others see chaos, contradiction, and confusion.”</td>
</tr>
<tr>
<td>Santhi and Kumar (2011)</td>
<td>Entrepreneurship is the act of being an entrepreneur, which can be defined as &quot;one who undertakes innovations, finance and business acumen in an effort to transform innovations into economic goods&quot;.</td>
</tr>
<tr>
<td>Kritikos (2014)</td>
<td>„Entrepreneurship is important to economic development. The benefits to society will be greater in economies where entrepreneurs can operate flexibly, develop their ideas, and reap the rewards. Entrepreneurs respond to high regulatory barriers by moving to more innovation-friendly countries or by turning from productive activities to non-wealth-creating activities. To attract productive entrepreneurs, governments need to cut red tape, streamline regulations, and prepare for the negative effects of layoffs in incumbent firms that fail because of the new competition.”</td>
</tr>
<tr>
<td>Amiri and Marimaei (2012)</td>
<td>Entrepreneurship is a driver of competitive advantage. Entrepreneurship is viewed as a key competency creativity and innovation. Entrepreneurship has been recognized as being of fundamental importance for the economy in every country. The entrepreneurial process involving all the functions, activities, and actions associated with the perception of opportunities and creation of organizations to pursue them has generated considerable academic interest.</td>
</tr>
<tr>
<td>The Babson College</td>
<td>Entrepreneurship is “a way of thinking and acting that is opportunity obsessed, holistic in approach, and leadership balanced.” Students in their entrepreneurship program “develop a broad-based entrepreneurial skill relevant to any organization—start-up, established, and for and not-for profit—industry.”</td>
</tr>
<tr>
<td>Kaur and Bains (2013)</td>
<td>„Entrepreneurship requires certain strategic skills for profitable functioning. Entrepreneurship Development Institute of India, Ahmadabad, identified certain factors which are required by entrepreneur to give the success to the business as well as to the economy of the country. These factors are initiative, see and act on opportunities, persistence, knowing, concern for high quality of work, commitment to work contract, persuasion, efficiency orientation, systematic planning, problem solving, self-confidence, assertiveness, use of influence strategies, monitoring and concern of employee welfare. Entrepreneurial competency thus becomes...&quot;</td>
</tr>
</tbody>
</table>
Entrepreneurship as the process of creating value by putting together a unique package of resources to exploit an opportunity. Entrepreneurship is the ability to create and build something from practically nothing. It is initiating, doing, achieving, risk-taking, and building an enterprise.

Explanatory dictionaries indicate that this concept is the ability to take action, most often at the risk of their own financial resources. Perhaps the most accurate Lithuanian word for entrepreneurship could be a person, possessing the features of the entrepreneur. There are different opinions about what features should a businessman have. We can mention only a few characteristic features of an entrepreneur: able to create and develop organizations, combine things in a new way, actively explore the possibilities, solve problems of uncertainty, identify market gaps and loopholes and take appropriate actions.

It appears that the entrepreneurial concept for different people can mean different things. Even the experts still do not agree on the definition of the word. The entrepreneurship phenomenon was explored by the famous Austrian economist Joseph Schumpeter who concluded that the entrepreneurial creative concept includes the identification and development of the things listed below: new products, new production methods, new markets, and new forms of organization.

Entrepreneurship term is now widely used in the management literature. This term usually refers to new ideas and creative development in the context of large organizations. The entrepreneur is one who is willing to bear the risk of a new company if there is a significant chance for profit. Others emphasize the entrepreneur’s role as an innovator who markets his innovation. Entrepreneurs develop new goods or processes that the market demands and are currently not supplied. Entrepreneurship advantages and disadvantages are provided in the table (Kritikos, 2014).

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entrepreneurs boost economic growth by introducing innovative technologies, products, and services.</td>
<td>Only a few people have the drive to become entrepreneurs.</td>
</tr>
<tr>
<td>Increased competition from entrepreneurs challenges existing firms to become more competitive.</td>
<td>Entrepreneurs face a substantial risk of failure, and the costs are sometimes borne by taxpayers.</td>
</tr>
<tr>
<td>Entrepreneurs provide new job opportunities in the short and long term.</td>
<td>In the medium term, entrepreneurial activities may lead to layoffs if existing firms close.</td>
</tr>
<tr>
<td>Entrepreneurial activity raises the productivity of firms and economies.</td>
<td>A high level of self-employment is not necessarily a good indicator of entrepreneurial activity.</td>
</tr>
<tr>
<td>Entrepreneurs accelerate structural change by replacing established, sclerotic firms.</td>
<td>Entrepreneurship cannot flourish in an overregulated economy.</td>
</tr>
</tbody>
</table>

Storey (1994) classified the key internal factors that influence the firm growth under identifiable categories. He suggested the following components: an entrepreneur, firm, and
strategy. Storey identified the key elements to each component and admitted that all components should be combined appropriately to achieve the firm’s growth.

<table>
<thead>
<tr>
<th><strong>Entrepreneur</strong></th>
<th><strong>Company</strong></th>
<th><strong>Strategy</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Motivation</td>
<td>Age</td>
<td>Workforce Training</td>
</tr>
<tr>
<td>Unemployment</td>
<td>Sector</td>
<td>Management Training</td>
</tr>
<tr>
<td>Education</td>
<td>Legal form</td>
<td>External equity</td>
</tr>
<tr>
<td>Management experience</td>
<td>Location</td>
<td>Technology</td>
</tr>
<tr>
<td>Number of founders</td>
<td>Size</td>
<td>Market positioning</td>
</tr>
<tr>
<td>Prior self-employment</td>
<td>Ownership</td>
<td>Market adjustments</td>
</tr>
<tr>
<td>Family history</td>
<td></td>
<td>Planning</td>
</tr>
<tr>
<td>Social marginality</td>
<td></td>
<td>New products</td>
</tr>
<tr>
<td>Functional skills</td>
<td></td>
<td>Management recruitment</td>
</tr>
<tr>
<td>Training</td>
<td></td>
<td>State aid</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td>Customer concentration</td>
</tr>
<tr>
<td>Prior business failure</td>
<td></td>
<td>Competition</td>
</tr>
<tr>
<td>Prior sector experience</td>
<td></td>
<td>Information and advice</td>
</tr>
<tr>
<td>Prior firm size experience</td>
<td></td>
<td>Exporting</td>
</tr>
<tr>
<td>Gender</td>
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</tr>
</tbody>
</table>

**Entrepreneurship in international business**

As stated by Wach & Wehrmann, international entrepreneurship (IE) has become a very popular research field since its emergence in the late 1980s as well as its intensive and influential bloom in the mid-1990. Internationalisation generally refers to any type of cross-border activities of firms (Dülfer & Jöstingmeier, 2008; Wach, 2014) and entrepreneurship is about “identification and exploitation of entrepreneurial opportunities” focusing on innovation, novelty and value creation (Volkmann et al., 2010).

**Table 4. Entrepreneurship in international business**

<table>
<thead>
<tr>
<th><strong>Author</strong></th>
<th><strong>Definition</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Yeung (2002)</td>
<td>Transnational entrepreneurs as businesspersons who take specific proactive action to overcome inherent problems and difficulties associated with international business activities. Their action, however, is both facilitated and constrained by ongoing processes of institutional relations in both home and host countries. These institutional relations may be defined by the social and business networks, in which these transnational entrepreneurs are embedded, political-economic structures, and dominant organisational and cultural practices in the home and host countries</td>
</tr>
<tr>
<td>Oviatt and McDougall (1994)</td>
<td>They provided a theoretical base for the study of international new ventures, which they defined as business organizations “that, from inception, [seek] to derive significant competitive advantage from the use of resources and the sale of outputs in multiple countries”</td>
</tr>
<tr>
<td>Hessels (2008)</td>
<td>International entrepreneurship as a field of research involves research into entrepreneurship in multiple countries (cross-country comparisons of the nature and extent of entrepreneurial activity) and research into cross-border entrepreneurship (international activity of small and medium-sized enterprises (SMEs) and new ventures)</td>
</tr>
<tr>
<td>Muller (2004)</td>
<td>Cross-border entrepreneurship has become a more widespread</td>
</tr>
</tbody>
</table>
phenomenon in the past decades. Traditionally, multinational enterprises (MNEs) were mainly responsible for flows of international trade and foreign direct investment (FDI), which are the prime driving forces of globalization. However, the recent increase in international trade and investment flows stems mainly from firms that used to focus primarily on domestic markets and not from firms that already are global players.

<table>
<thead>
<tr>
<th>Author(s)</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roudini and Osman</td>
<td>International entrepreneurship is as one of the important stand researches in entrepreneurship on the role of organizational capabilities of the firm performance that has been induced and renewed.</td>
</tr>
<tr>
<td>(2012)</td>
<td></td>
</tr>
<tr>
<td>Oviatt and McDougall, (1995).</td>
<td>International entrepreneurial firm (IEF) as a business organization that takes from inception or very shortly thereafter an innovative, proactive, and risk-taking and risk-sharing behavior to create value by growing and managing its business in multiple countries</td>
</tr>
<tr>
<td>Oviatt and McDougall, (2000).</td>
<td>Entrepreneurship is a topic of interest to academics, business people, and governments around the world. So, of course, is international business. Entrepreneurs do conduct business internationally. Yet the paths of research on the two topics have intersected too infrequently. Research in international business has focused most often on established, large multinational companies, and entrepreneurship researchers have focused primarily on venture creation and the management of small and medium-sized businesses within the domestic context.</td>
</tr>
</tbody>
</table>

International business began to take shape already in the sixteenth century, it had started to affect the age of discovery. International business from its beginnings to the present day has overcome many changes: social, political, economic and technological. These changes were because of computerization and telecommunications development. In the twentieth century international business became very important for all countries, without which none of larger companies could imagine their business. Successful participation in the international market can provide excellent opportunities or taking advantage of all its benefits – the increased products and services, the quality, cheaper labor and capital resources. International business faces many problems that arise due to the nature of the business. For example, employee motivation is a universal management problem. However, issues such as the promotion of employees within the international mobility of people and the relationship of foreign multinational companies arise only when a company is involved in international business. Attention is drawn to the progressive development of international business process of the company. International business is not a one-day and one-time jump in international waters. It is a long and gradual process of increasing the withdrawal of national markets and increasingly becoming dependent on how the operations are carried out abroad. The company's international activities development means going more "in depth" when carried out more and more transactions requiring a national border crossing. More and more transactions are started in one country and finished in another. Not only the same number of activities in foreign countries is growing, but also a variety of activities is increasing. For example, the establishment of an international business firm is often limited to the foreign market using the export service. Experienced companies often tend to invest their funds in productive operations.

The international business growth and its development are determined by a series of interrelated factors that brought the production and marketing of globalization:
1. The development of computer technology and telecommunications has led to the rapid exchange of information and ideas across national borders, which allows the user to learn more about foreign goods. It is a satellite and cable television distribution, and in particular the Internet, the emerging global demand for certain goods and services. Global telecommunications companies’ objectives allow managers to coordinate the actions of the staff in the preparation, implementation production and sales in many companies.

2. Many governments have consistently reduced investment and trade barriers, which open new markets for international companies. Many Eastern European countries have adopted legislative acts, stimulating trade and foreign investment.

3. There is a unification and integration worldwide trend. For example, in European countries (the Maastricht agreement on the creation of the European Union in 1993.) there is the creation of uniform goods, services, capital and labor resources market.

Entrepreneurs exist in the context of their particular geography; it could be their local, national, or even supranational economy and society. Resources and infrastructure is known as the entrepreneurship ‘ecosystem’. The Global Entrepreneurship Index is an annual index that measures the health of the entrepreneurship ecosystems in each of 137 countries. It ranks the performance of these against each other. This provides a picture of how each country performs in both the domestic and international context. The GEDI methodology collects data on the entrepreneurial attitudes, abilities and aspirations of the local population and then weights these against the prevailing social and economic ‘infrastructure’ – this includes the aspects such as broadband connectivity and the transport links to external markets. This process creates 14 ‘pillars’ which GEDI uses to measure the health of the regional ecosystem (Global Entrepreneurship index (2016)).

Table 5. 2017 Global entrepreneurship index rankings.

<table>
<thead>
<tr>
<th>Rank</th>
<th>Country</th>
<th>Per capita GDP international $ (WB)</th>
<th>GEI score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>United States</td>
<td>52676</td>
<td>83.4</td>
</tr>
<tr>
<td>2</td>
<td>Switzerland</td>
<td>54933</td>
<td>78</td>
</tr>
<tr>
<td>3</td>
<td>Canada</td>
<td>42104</td>
<td>75.6</td>
</tr>
<tr>
<td>4</td>
<td>Sweden</td>
<td>45533</td>
<td>75.5</td>
</tr>
<tr>
<td>5</td>
<td>Denmark</td>
<td>44005</td>
<td>74.1</td>
</tr>
<tr>
<td>6</td>
<td>Iceland</td>
<td>42487</td>
<td>73.5</td>
</tr>
<tr>
<td>7</td>
<td>Australia</td>
<td>42149</td>
<td>72.5</td>
</tr>
<tr>
<td>8</td>
<td>United Kingdom</td>
<td>37451</td>
<td>71.3</td>
</tr>
<tr>
<td>9</td>
<td>Ireland</td>
<td>42012</td>
<td>71</td>
</tr>
<tr>
<td>10</td>
<td>Netherlands</td>
<td>46241</td>
<td>67.8</td>
</tr>
</tbody>
</table>

Conclusions
Entrepreneurship may influence a country’s economic performance by creating new products, services, methods and production processes to the market. International entrepreneurship is dealing with social, economics, politics, technological and cultural environments. International entrepreneurship is beneficial, if the company’s sales are declining in domestic markets it can sell in international markets. The entrepreneur seeking to satisfy foreign customers has to produce high quality products; therefore, the
entrepreneur not only produces quality products in international markets but also in national markets. Internationalization of business is teaching entrepreneurs how to cultivate the habit of customer relation management. Being global will make the entrepreneur react sensitively towards his customers – domestic clients and adopt a more respectful attitude towards foreign habits and customers.

References
USER GENERATED VALUE FACTORS IN E-BUSINESS

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Abstract

The aim of this research is to acquire an overview of the factors of users’ generated value in decision-making to use e-business (shop online), and envisage future perspectives of e-business. This research reveals the factors, which stimulate online purchasing behaviour by analysing users’ generated value factors. The article provides future tendencies of e-business users based on the expert survey. The research raises a research problem which is the speed of change of the e-user behaviour in response to the lack of scientific researches that could help to understand e-user behaviour in e-business and online shopping.

The framework of the research is based on the analysis of the literature, and qualitative research methods. The qualitative study was based on an interview of 9 experts (e-business developers) by asking them structured open-ended questions aiming to determine the factors, which stimulate e-consumers to shop online, based on personal experience. This helped to assess the expert opinion towards the factors affecting e-users’ decision, and their look into the future perspectives.

This research examines theoretical aspects of e-commerce as a part of e-business and presents user characteristics (demographic, social) of online buying. The obtained empirical findings demonstrate that such factors as convenience, simple approach and better pricing have influence on e-business users. The performed expert survey revealed that the price of goods or services offered online is understood as a complex of consumer reviews, recommendations and experience with that product/service, while less demands are projected towards product presentation, search mechanism, delivery and payment, when users are offered a safe, fast and convenient shopping process.

Keywords: e-business, e-commerce, user value, online shopping.

Introduction

E-business is a phenomenon gaining greater prominence and a rapidly developing process, which is becoming an integral part and future of the consumers’ life. Understanding what influences online shopping and what kind e-user behaviour stimulates shopping are the key tools of competition in a virtual space.

Companies are interested in developing e-business, because it helps to get more innovative, it means to get more profit. E-business is becoming an integral part of a traditional business. For the development of e-businesses, companies can reach potential customers worldwide. Scientific issue of this article can be defined as a speed of change of the e-user behaviour in response to the lack of scientific researches that could help to understand e-user behaviour in e-business and online shopping. Without knowing factors driving online shopping, it is difficult to develop the e-business itself, it is difficult to determine, what is needed to achieve and what criteria should be assessed by e-business.

The aim of this research is to acquire an overview of the factors of users’ generated value in decision-making to use e-business (shop online), and envisage future perspectives of e-business.
There have been set the following objectives for the above mentioned aim to be achieved:

1. To analyze scientific literature, which discusses the viewpoint towards e-business and user generated value.
2. To carry out a survey of e-business experience and future tendencies by qualitative study based on an interview of 9 experts (e-business developers).
3. To provide suggestions and recommendations on how to improve user generated value factors in e-business.

This research reveals the factors, which stimulate online purchasing behaviour by analysing users’ generated value factors. It also offers an overview of the factors, which have negative influence on promotion of online shopping, and benefits received through shopping online. The article provides future tendencies of e-business users based on the expert survey.

**E-business quality and value**

For the development of e-business, companies can reach potential customers worldwide. It creates a competitive advantage (Luqman, Abdullah, 2011). In Europe in 2012 e-business grew by 19 %, reaching 311.6 billion profit (E-commerce Report, 2013). In order to create a competitive advantage, e-business must focus on quality, but there are no definition of it. E-business practice is defined clearly, but little is known about the e-business quality. In scientific literature, there is not worded definition of e-business quality. Meanwhile, e-business concepts can be found many. It is described as information, products and services purchasing and selling through computer networks (Kalkota, Whinston, 1996; Koronios, Xu, 2005); the business, which in order to benefit themselves and customers using information management and business infrastructure, develop, distribute or facilitate the use of products and services, primarily through the electronic communication and other tools (Sodžiutė, Sūdžius, 2006, p. 14); business transactions and enterprise business organization using information technology for data transmission network environments (Hedman, Kallinge, 2003).

In terms of value, that e-business provides to the user, it can be expressed by the following formula, which arises definition of quality (Chen, 2001):

**User value: (service) (quality) (price) (time)**

- **Service** – e-business provides the following options to the consumer: an interactive and personalized communication, speed and accuracy of a higher ability to track and measure the capacity, 24 hours communication, customer-centric business model, instantaneous communication with the user.
- **Quality** – e-business improves and adjusts the user experience by providing better information about the products and services, enabling users to form communities, that provide valuable feedback about the service, the quality of goods.
- **Price** – e-business can sometimes reduce the price.
- **Time** – e-business can reduce the execution time.

Jelassi, Enders (2005) extensively described the user’s understanding of the value and introduced concepts such as “user benefits”, “value”, “value creation”. The relationship between these concepts can be seen at the Figure 1.
Combining different e-business and e-business quality definitions, there could be stated, that quality of e-business is feature, value that is expected from the business, which uses information technology infrastructure to increase business efficiency and provide a basis for new products and services. The definition of value is analyzed and described in scientific articles and sources. E-business value is defined as the difference between the benefit received by the consumer and the cost needed to produce the product (Jelassi, Enders, 2005). After analyzing the definition of e-business value and e-business quality, it can be concluded that both these definitions are connected. Since e-business value is a very broad term, and the definition of e-business quality is not defined clearly, it can be inferred, that e-business quality is a part of e-business value.

**User generated value factors**

In terms of e-business quality (focusing on the purchase of goods and services in electronic shops) there could be identified two important questions (Mohanty, Seth, Mukadam, 2007):

- What are the dimensions of quality, features that attract users to the website and make them come back again?
- What are the steps to carry out for the business to ensure, that their websites would differ from their competitors, so that users could be sure that they are getting greater value from them?

It is important to focus attention on the customer's perspective, highlight the key requirements to ensure customer satisfaction (Mohanty, Seth, Mukadam, 2007). It is argued that customer satisfaction is based on the following aspects:

- Easy to use (Website Design)
- How does the website look like?
- Costumer confidence (How is guaranteed?)
- Direct resources (ability to offer and deliver products and services)
– Bridging services (how is interacting with customers and maintaining their loyalty?).

There are three types of requirements that must be met by e-business in order to fit the needs of customers. There are performance-expected, basic-must requirements that the user immediately expect these requirements to be fulfilled by e-business and delight-excitement features, that creates an additional, more satisfaction to the customer. Currently, user orientation is the basis for achieving business goals. It is believed, that interacting with users helps to expand the profitable business opportunities (Basha, Dhavachelvan, 2011).

Orientation to user is especially important in online shopping, which is one of the most important components of e-business. Scientific literature presents the analysis of various aspects of users’ online shopping behaviour. Some authors examine the factors stimulating online shopping by comparing them with the factors stimulating shopping in conventional stores (Park, Lee, Chung, 2013; Clemes et. al., 2014) or on the contrary, what users find irritating or what discourages online shopping (Sam, Sharma, 2015; Vosa et al., 2014), yet others concentrate on the user behaviour and shopping process in a virtual environment (Lai et al., 2014; Suki, 2013; Hsu et al., 2014; Karimi, 2015) or study the factors influencing shopping decisions depending on the category of goods (Sam, Sharma, 2015; Dai et al., 2014; Schultz, Block, 2015) or gender (Zhang et al., 2014; Frank et al., 2014).

There is a number of factors affecting e-business and online shopping. There are also multiple attempts to sort them into specific groups. Cheah et al. (2014) grouped them into the channel characteristics (which includes quality of services, associated risks and trust characteristics of online shopping) vendor and product characteristics (which includes special offers and price discounts) and consumer characteristics (which includes personal, social and psychological characteristics and online purchasing experience). Suki (2013) had singled out the factors of online marketing environment, factors associated with product characteristics, familiarity factors and promotional offers. Meanwhile, Zhang et al. (2014) established the cognitive trust aspects, which include competence, benevolence and integrity, and their influence on online shopping. Gong et al. (2013) grouped the factors into five clusters: consumer characteristics, product characteristics such as price and product type, merchants and intermediate characteristics, environmental influences and medium characteristics.

He, Bach (2014) attributed factors into the following groups: Perceived Risk (which includes privacy, system security, fraudulent behaviour, credit card security and products problem), Shopping Motivations (which includes price, discount first publish, service quality and advertisement), Experience (which includes accessibility, professional advice, website design, multi-terminal and payment method), Service Quality (where it is expected to provide good introductions of products, provide some other choices about the product, reliability, pre-sales service, after-sales service), and Trust (where it is expected to provide saleable product, professional skills, correct introduction, payment security, and website security).
Panda, Swar (2014) singled out associated risks in the form of Anxiety: personal information privacy, product guarantee, easy product-return policy, payment security, possibility to examine the product before purchase, service reliability, interaction and trust; Ease of Use: shopping convenience, easy shopping process, product comparison while shopping and user-friendliness of service; Usefulness: saves time, availability of different brands, shopping enjoyment and visual appeal; and Price: purchase at lower prices and discounts.

The Internet has brought the free access to information. Information is obtained much faster, but there are problems related to information security and data quality maintenance (Ding, 2008). In terms of e-business quality stressing the importance of quality, there could be added the system and the quality of services as an important element (Sun, 2010):

- The quality of information - website content, the completeness, clarity, format. The user can get the right information about the product supplier.
- System quality - defines e-business systems desired characteristics: usability, reliability, feedback, availability, timeliness.
- Service quality - fast responsiveness, reliability, empathy, focusing on consumer in sales of goods or services.

There could be emphasized not only the information and data quality importance in e-business, but also the importance of safety and security (Iqbal, Khan, Naseer, 2013).

**Research on e-business experience and future tendencies**

*Methodology.* An expert qualitative opinion survey was carried out in which nine e-business experts were interviewed. There has been chosen qualitative research method, because qualitative research adopters argue that in this way the data obtained further information about the object rather than from quantitative studies. The experts have personally been given a questionnaire; there was a direct interaction about the form-related issues.

Selected exactly this number of experts, because it is an acceptable number of experts in the methodological assumptions formulated in classical test theory. The theory states, that the aggregate decisions reliability and decision-making (in this case, the expert) number links quickly extinguishing a nonlinear relationship (see Figure 2). There is evidence that the aggregate expert assessment modules with equal weights in small group of experts, judgments and assessments do not yield high expert group decision evaluation and accuracy (Baležentis, Žalimaitė, 2011).
There could be seen that the accuracy of the estimates and judgments are sufficiently large, when the number of experts reaches 9. After this number, rising of accuracy is slight so 9 experts is enough to get precise information.

Research results. Following the expert survey and systematisation of data, there had been distinguished the following future factors, which will stimulate e-business and online shopping from the user generated value perspective. First important factor is quick and convenient delivery of goods (logistics). The future is linked to the drones, which might change traditional logistics and existing postal services. Experts stressed out simple, convenient and secure purchasing process. It will require less input of data and will allow making a purchase with one click of a button. This process will involve application of biometric data, which will encourage payments via mobile devices and special adapted software and solutions.

Experts defined that the most important user generated value can be gained through reasonable and transparent pricing. This will involve creation of even smarter analyzers, which will consider both prices of goods at a given time and their comparison. Recommendation systems will become increasingly popular and will display the number of consumers who purchased the product. This algorithm will expedite users’ decision to purchase goods - the system will help them to quickly add item to the shopping basket. The dynamic pricing algorithm will receive a wide application, which, alongside with user behaviour and user characteristics, will also analyze the prices of specific goods. As a consequence of this, goods of regular popularity with available higher reviews will cost less in e-shops, while the price of less popular goods will be relatively lower. The ability to personalise the needs of users will have a significant impact on future trade. Personalised information based on the algorithms forecasting a buyer's behaviour, which could help users to see offers only when the discount is applied to the product of their interest and is low enough to suit their expectations.
Conclusions
Analysis of scientific literature, which discusses the viewpoint towards e-business and user generated value shows that e-business value is a very broad term, and the definition of e-business quality is not defined clearly, it can be inferred, that e-business quality is a part of e-business value. After theoretical analysis it can be concluded that orientation to user, users’ characteristics, data and information security can be called as the most important user generated value factors in e-business.

According to the qualitative research involving experts, future of users shopping online is related to protection of personal data and an even higher dependency of users on internet, interference, increased reliability of users on internet, safe and simple payment procedure, changed logistics of goods (where goods will be delivered with the help of drones), detailed and appealing presentation of goods and user personalization.

The characteristics established by this survey could assists e-business developers in forming a targeted marketing strategy, and to determine and eliminate major obstacles in creating a convenient e-business attractive to users. Online shops can allocate valuable business resources in order to evaluate and apply knowledge about online user behaviour, future technological innovations and changes. This research involves apppellative conditions, and the obtained findings are not necessarily typical of all areas of e-enterprise. Thus, it would be useful to perform studies in the future to determine the differences of the factors, which affect online shopping, depending on the e-business area, services offered and product range.

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APPLICATION OF LEAN PROCESS IMPROVEMENT METHODOLOGY IN HIGHER EDUCATION

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Abstract

During the last decade researchers and practitioners are increasingly more involved in a discussion on creative application of lean model in different organizational settings. Contemporary environment of higher education institutions is becoming challenging and many institutions confront the problems of fluctuating support from the state. Recent changes in demographic situation and competition among the institutions raise the challenge to the authorities of higher education institutions of how to innovatively improve quality and at the same time not to heighten but even to reduce the costs of education. In this context, attempts have been made to transfer lean principles and practice to the higher education sector. Purpose of the article is to evaluate the opportunities and limitations of lean in higher education on the basis of analysis of theoretical and empirical works relating to lean application in higher education institutions and also on the basis of the experience of study program leaders applying lean methods in the process of improving the quality of studies. Research is based on the analysis of theoretical assumptions, secondary data and cases of application of lean principles in higher education institutions. It was found that the main spheres where lean can be creatively applied are customer value analysis. Contemporary higher education institutions and students in the process of interaction have the opportunity to creatively discover new value dimensions. Lean principles obligate higher education institutions to create the systems of studies enabling them to pull the required value.

Keywords: higher education, lean, value, improvement.

Introduction

Societal institutions, including higher education institutions, are built to large extent on “institutionalized myths” and behavior in the institutions is determined not by considerations of technical efficiency and effectiveness but by the need and desire to comply with accepted beliefs, rules, and norms. Survival of one institutional option over others is likely to please some social actors more than others. These actors are motivated by self-interest, also by their values and cultural beliefs, which arise in a context of existing institutions (Meyer, 2006).

European higher education has its roots in religious institutions. This suggests an internally focused higher education organization that reflects the values and expectations of the inner actors, their networks and coalitions (faculty, teachers), who determine academic degrees, curriculum, and requirements based on their disciplinary and pedagogical expertise. It is their responsibility to set and uphold the standards for higher education with vigor and determination. Any demands of outer stakeholders can anytime be declared as groundless (Balzer, 2010).

However contemporary environment of higher education institutions is becoming challenging and many universities confront the problems of fluctuating support from the state. There is a growing trend to view higher education not as a societal good but as personal choice, therefore the numbers of students also fluctuates. The society demands
greater public accountability for the money invested, also some business and political leaders see higher education simply as training for the job (Balzer, 2010).

In this context attempts have been made to transfer lean principles and practice to the higher education sector. Lean is one of the world’s most influential management ideas often conceived as a combination of good operations management and effective people management that enables an organization to implement process improvement and thus increase their efficiency and quality (Womack et al., 1990).

The main idea of Lean is the emphasis on the value, which is defined by the customer and expressed in cost, quality, variety and time. As some scholars note, nowadays students have a choice - instead of going to a local moderately expensive university with mediocre teaching or perhaps no university at all, they could pursue their studies from home, free of charge or paying a small fee, attending to lectures from leading world science authorities within different subjects at any rate of study (Isaksson, et al., 2013), i.e. some universities applying contemporary organizational and educational methods can provide significantly more value than others.

This is in high contrast to widely accepted concept of the higher education institution which is mainly based on tradition. A mainstream prescriptive discourse suggests that lean is diffusing into higher education environments, providing a much-needed rethink of traditional ways of working and stimulating radical performance improvements. However extension of lean principles to higher education was not so much widespread and fast as it could be expected taking into consideration the development of commodification in various spheres of the society.

Purpose of the article is to evaluate the opportunities and limitations of lean in higher education on the basis of analysis of theoretical and empirical works relating to lean application in higher education institutions and also on the basis of the experience of study program leaders applying lean methods in the process of improving the quality of studies. This research is based on the analysis of theoretical assumptions, secondary data and cases of application of lean principles in higher education institutions. Therefore the paper contributes to the debate by analyzing opportunities and limitations of application of lean principles in the sphere of higher education institutions (in education and research).

**Principles of lean applicable to higher education**

Lean is a generally understood as business improvement philosophy in the manufacturing industry and performance improvement intervention in a number of other industries such as services, health care, construction and, of course, education (Alagaraja, 2014). Lean manufacturing is one of the initiatives that many major businesses across the globe have been trying to adopt in order to remain competitive in an increasingly competitive global market. Lean philosophy originated in Japan from Toyota production system. The essential concept of lean is in concentrating to highlight the added and non-added value process/activities, which can help in improving the efficiency of production lines by expenditure of resources for a goal and service or end product except waste (Kang, Manyonge, 2014). The main principles of lean were most clearly defined by Womack and Jones (Womack et al., 1990; Womack, Jones, 1996; Womack, Jones, 2003).
The critical starting point for lean thinking is value, which is expressed in terms of a specific product (a good or a service, and often both at once) which meets the customer's needs at a specific price at a specific time, variety and quality. But who specifies the value? In the post Second World War period value was specified by the engineers and managers of the companies. Designs with more complexity produced with ever more complex machinery were asserted to be just what the customer wanted and just what the production process needed. Doubts about proposed products were often countered with claims that "the customer will want it once we explain it", while product failures were often explained away as instances where "the customers weren't sophisticated enough to grasp the merits of the product" (Womack et al., 1990; Womack, Jones, 1996; Womack, Jones, 2003).

However such an understanding consequently led to misunderstandings between producers and customers. As the opposition to the above described thinking lean philosophy starts with completely different assumptions and a conscious attempt to precisely define value through a dialogue with specific customers. This is uneasy task partly because most producers want to make what they are already making and partly because many customers only know how to ask for some variant of what they are already getting. They simply start in the wrong place and end up at the wrong destination. Then, when producers or customers do decide to rethink value, they often fall back on simple formulas - lower cost, increased product variety through customization, instant delivery - rather than jointly analyzing value and challenging old definitions to see what’s really needed. Therefore, according to the lean philosophy, searching for fundamentally new capabilities that will permit organizations to create value in unimagined dimensions might enable to substantially increase sales. They should find a mechanism for rethinking the value of their core products to their customers. Contemporary customer wants to pay just for what he really needs, but not always for what can be technically produced (Womack, Jones, 2003). This is undoubtedly true for the customers of contemporary higher education institutions.

The second principle of lean is identification of value stream. The value stream is the set of all the specific actions required to bring a specific product (whether a good, a service, or, increasingly, a combination of the two) through the three critical management tasks of any business. Value stream analysis will almost always show that three types of actions are occurring along the value stream: (1) many steps will be found to undoubtedly create value; (2) many other steps will be found to create no value but to be unavoidable with current technologies and production assets (they are called type one muda); (3) many additional steps will be found to create no value as perceived by the customer and to be immediately avoidable (type two muda). Value stream is based on the principle of measurement. Just as activities that can’t be measured can't be properly managed as the activities which can't be precisely identified, analyzed, and linked together can’t be challenged, improved (or eliminated altogether), and, eventually, perfected (Womack et al., 1990; Womack, Jones, 1996; Womack, Jones, 2003).

Once value has been precisely specified, the value stream for a specific product fully mapped by the lean enterprise, and obviously wasteful steps eliminated, it's time for the next step in lean thinking - value-creating steps flow. We are usually all born into a mental world of "functions" and "departments," a commonsense conviction that activities ought to
be grouped by type so they can be performed more efficiently and managed more easily. In addition, to get tasks done efficiently within departments, it seems like further common sense to perform like activities in batches. However batches, as it turns out, always mean long waits as the product wait the department's changeover to the type of activity the product needs next. This approach keeps the members of the department busy, all the equipment running, and “justifies” high-speed expensive equipment. Actually, it's not true, but it is hard or impossible to see. It appears that things work better when you focus on the product and its needs, rather than the organization or the equipment, so that all the activities needed to design, order, and provide a product occur in continuous flow. In order to make value flow it is essential to focus on the actual object - the specific design, the specific order, and the product itself and never let it out of sight from beginning to completion. This obliges to ignore the traditional boundaries of jobs and departments or even organizations (Womack, Jones, 2003).

The next principle of lean is pull. The essence of it is clearly expressed in the following: don't make anything until it is needed, and when it is needed then make it very quickly. That is, you can allow the customer to pull the product from you as needed rather than pushing products, often unwanted, onto the customer (including inner customer) (Womack, Jones, 2003).

And the last principle of lean is perfection. As organizations begin to accurately specify value, identify the entire value stream, make the value-creating steps for specific products flow continuously, and let customers pull value from the enterprise, something very odd begins to happen. It dawns on those involved that there is no end to the process of reducing effort, time, space, cost, and mistakes while offering a product which is ever more nearly what the customer actually wants. Suddenly perfection, the fifth and final principle of lean thinking, doesn't seem like a crazy idea. Because the four initial principles interact with each other in a virtuous circle. Getting value to flow faster always exposes hidden waste in the value stream. Dedicated product teams in direct dialogue with customers always find ways to specify value more precisely. Perhaps the most important spur to perfection is transparency, the fact that in a lean system everyone can see everything, and so it’s easy to discover better ways to create value. What's more, there is nearly instant and highly positive feedback for employees making improvements, a key feature of lean work and a powerful spur to continuing efforts to improve. Perfection becomes infinity. Trying to envision it (and to get there) is actually impossible, but the effort to do so provides inspiration and direction essential to making progress (Womack et al., 1990; Womack, Jones, 1996; Womack, Jones, 2003).

All five principles may be used in higher education institutions seeking to improve the quality of education and science. But question arises to what extent and how that could be done concretely, what opportunities and limitations arise across the path?

**Opportunities of lean in higher education**
Scholars find that although lean as a powerful business process improvement strategy has been around for over ten years, its applications in the context of higher education institutions are still in their embryonic stages (Isaksson, et al., 2013; Radnor, Bucci, 2011). However, it has to be admitted that many universities and colleges have already benefitted
from lean projects in a number of service areas including admissions, the administration of research funds, hiring, and nearly any functional area where multi-step processes can be simplified and focused on the needs of the users served by the organization (Balzer, 2010).

Considering opportunities of lean application in higher education institutions it is important to have in mind managerial efficiency and effectiveness aspects. Efficiency is essentially a comparison between inputs used in a certain activity and produced outputs. Thus efficiency is more related to inner intermediate organizational processes. Effectiveness refers to the connection between inputs, outputs and more general, second layer type objectives or outcomes. According to this definition, while outputs from tertiary education are graduated students or published papers (efficiency), outcomes to which these outputs in principle concur may be higher productivity, employability, innovation, or economic growth (effectiveness) (Aubyn et al., 2009).

Lean can be applied for both efficiency and effectiveness improvement; everything depends on the scope of lean project. When efficiency is concerned we speak about inner customers and inner values. In case of effectiveness – the purpose is final value of the customers of higher education, i.e. value of education and value of science products. In any case the starting point is the link between the continuous improvement projects and the strategic objectives of the higher education institution. It is important to select those projects which are directly aligned with strategic goals of the organization (Antony et al., 2012).

Many universities and colleges apply lean just for administrative processes improvement, however some are going beyond that improving core processes relating to their main purpose and ultimate value provided by higher education.

For example, the authors of this paper, seeking to increase effectiveness of the study processes, analyzed the value of the studies as it is understood by the main category of the university stakeholders and customers – students using group discussion method. The analysis indicated that beyond the professional and generic competencies and the diplomas, which are considered to be formal purposes of studies, the following were very important components providing value from the perspective of the students:

- Career after studies (employability, freedom to choose job, self-reliance in work, possibility to change job or even profession if necessary);
- Ability to create, participate and use the network of professionals;
- Ability to establish yourself in the community of professionals;
- Meaningful time spend during the studies (as opposition to wasted time watching television, wondering in supermarkets or performing routine jobs in organizations);
- Learning to oppose constructively (against bureaucracy, injustice, lawlessness in the society in general).

These aspects of value of the studies are usually not on the formal curriculum of studies, however they are much important for the majority of students of the university. The students attend university also due to the above indicated aspects of value. Therefore from the perspective of the university seeking to attract and maintain more students it is not sufficient to predefine value for the students in the description of study programs, but it is reasonable to pay more attention to value of studies as described by the students
themselves or even to invent new value dimensions in the dialogue with the students. It is evident that lean principles obligate higher education institutions to create the systems of studies enabling to flexibly react to changing needs of students enabling to pull the required value. The same is true concerning the value of science, which has also not to be pushed by the universities and colleges towards some possible consumers of it, but should be pulled the stakeholders which really need it.

Considering the principle of value stream, it has to be noted that very perspective topic relating to lean application in higher education is waste elimination. Usually higher education institutions tend to define their purposes and strategy in abstract terms (for example: we shape the future generations, we do the science, which will improve well-being of the society), which justify their existence in the eyes of the public. The institutions usually do not to think much about waste, which is imbedded in all the processes not creating sufficient value to the main clients of the institutions.

In this respect Kang analyses the waste in higher educational institutes with respect to the three fundamental elements i.e. students, research and staff. The main sources of waste in higher education institutions analyzed by Kang are: overproduction, waiting, transportation, over-processing, excess inventory, defects, and excess motion. This can provide the basic framework for other process improvement implementations in higher educational institutions (Kang, Manyonge, 2014).

Isaksson, Kuttainen, and Garvare (2013) indicate the following types of waste the analysis of which is the most promising in the institutions of higher education: (1) Inventory - frontloading (storing) of knowledge which is supposed to be used much later. The problem with attending theoretical courses like mathematics that are supposed to be used much later is that much of the acquired learning is not retained in memory and therefore becomes waste; (2) Waiting - waiting for entry, for courses, for exams, for teacher feedback, for paper review, acceptance, publication etc. This could be the most important waste in education and in research; (3) Over-processing - in the research process the peer review system could lead to over-processing. With different reviewers having aspirations to keep high standards on all levels this could lead to lengthy non value adding waiting; (4) Overproduction - an example is university education without employment opportunities. Research papers mainly for the purpose of merits. One interpretation could be that doing things not asked for by the customer are seen as over-production; (5) Defects - course throughput and failed articles. Under-production or not doing things needed could be interpreted as defects.

Balzer identifies five different types of waste in higher education institutions (Balzer, 2010): (1) People waste. It refers to the category of waste that occurs when universities fail to capitalize fully on the knowledge, skills and abilities of employees and work groups. Five specific groups of people waste can be identified: waste of goal misalignment, of incorrect assignment, of waiting, of motion, of non-optimal processing; (2) Process waste. It refers to the cluster of wastes that occurs due to shortcomings in the design or implementation of university processes. Twelve specific process waste can be identified: waste of ineffective control, of variability, of tampering, of nonstrategic effort, of unreliable processes, of non-standardization, of sub-optimization, of poor scheduling, of work-arounds, of uneven flow, of checking, of correcting errors; (3) Information waste. It refers to the category of wastes
that occurs when available information is deficient for supporting university processes. Five specific types of information waste can be identified: waste of information translation, of missing information, of information loss due to hands-offs, of irrelevant information, of inaccurate information; (4) Asset waste. It refers to cluster of wastes that occur when the university does not use its resources (human, facilities, and materials) in the most effective manner. Four specific types of asset waste can be identified: waste of overproduction and inventory, of unnecessary transport, of fixed assets, of overburdening people, equipment and facilities; (5) Leadership waste. It refers to higher order level of waste that allows other forms of waste to remain hidden or continue. Four specific types of leadership waste can be identifies: waste of focus, of structure, of discipline, of ownership.

Some scholars analyzing waste in higher education institutions conclude that might have to be looked from a national perspective and not from a University perspective since it could be that the main waste created resides in the overall system (Isaksson, et al., 2013). Therefore there is an opportunity for finding it there. Thus systemic analysis of waste in higher education institutions is much promising endeavor enabling to give valuable ideas for the process improvement.

Analyzing lean higher education in comparison to traditional higher education Balzer finds the following advantages and opportunities for lean (Balzer, 2010): (1) Lean is a comprehensive and all aspects encompassing approach to institutional change and improvement. Other approached such as TQM, statistical process control, team building, process engineering, responsibility centered budgeting, management centered budgeting, goal setting and others attempt to improve one aspect of institution reducing the likelihood that intervention will succeed over time (Balzer, 2010). Trying to improve a process in isolation when problems occur can sub-optimize the overall performance of our end-to-end process (or system) unless we have a good understanding of the impact of adjusting or improving a sub-process within a process (Antony et al., 2012); (2) Lean higher education respects and balances the needs of the institution with those of its employees. The goal of lean is to create flow and to eliminate unnecessary activities that overburden employees and contribute no value to a process designed to benefit students. Improving the flow of the process relieves employees of unnecessary and unproductive tasks thereby allowing them to reinvest this time in a new ways that add value to existing university processes. This enriches their jobs and enhances their own satisfaction and performance. In this way, both university and employees benefit creating a climate of trust and mutual support. Work in an organization where value is made to flow continuously also creates the conditions for psychological flow (Balzer, 2010; Womack, Jones, 2003); (3) Lean offers practical tools for implementing change and improvement having the purpose of perfection. Over the years, lean practitioners have accumulated a number of techniques that may be readily applicable for use in higher education settings. The availability of standardized tools makes it easier to implement lean with confidence (Balzer, 2010). For example very important are the methods, techniques and procedures for establishing value of the products or services provided by the university or college to certain categories of clients. The concept of voice of the customer is among the most important (Yang, 2008).

Thus there are considerable evidences supporting the extension of lean principles and practices to higher education. Lean principles allow open the opportunity to changing power
structures of the higher education institutions, which are taken by the academic elites hiding behind the slogans of traditional higher education. Only teachers and scholars who are able to understand and fulfill the changing value of the customers of higher education institution should be employed. However this is a real challenge for the institutions.

**Limitations of lean in higher education**

Considering the limitations of lean in higher education we should again start from the customer value. The first question which arises is following: is it possible to clearly define the value from the point of view of the clients of higher education institutions, i.e. can value of studies and value of research (science) could be stated by students and customers of research? The attempts are worth efforts. However analyzing the value relating to studies it can be implied that higher education will always retain the broader and complex mission of empowering critical citizenship, not just preparing for the job and profession. And in respect to research and science, in majority of cases stakeholders and clients can’t clearly articulate what concretely they want. This situation is related to the position of science in the society and the nature of science itself. In the majority of cases it creates the condition of impossibility of ordering concrete fundamental research to answer concrete questions, i.e. predefining the value of the research. Therefore the first obstacle to lean in higher education is difficulty in determining customer value.

One more important aspect in this respect is the sphere of academic work itself, which is a very emotive thing, teaching, it is about showing personality and getting ideas across and engaging with people. Therefore the idea of leaning that process is alien to a lot of the academics. They did not tolerate lean due to its over emphasis on measurements (Thirkella, Ashmana, 2014). The issue of resistance may develop from the unique nature and social tradition of universities. Many academics view their professional autonomy as the essence of their occupation – the principle reason why they became professors and researchers (Thirkella, Ashmana, 2014). According to Ferlie and Geraghty (2005), universities are different from commercial and even other public organizations because they produce knowledge rather than goods or service. Indicators of success in higher education are different than for private sector businesses.

Value in higher education can’t be sought using predefined methods application of which could be measured. Thus it could be implied that lean is not so much suitable for highly complicated creative industries and jobs, but readily can be applied for routine and repeatable jobs and spheres of organizational functioning. This may be the reason why lean, were it was applied, usually lacks the commitment from the staff of the higher education institutions. Some scholars investigating the problem even claim that the outcome of lean from a human resource management perspective was increasing absenteeism and stress and deterioration in the quality of working life (Thirkella, Ashmana, 2014).

However the resistance of academics has not to be accepted as it is but studied carefully. It is evident that higher education institutions are also organizations which have their own inner politics and many academics have their own positions and privileges. Therefore some resistance could be rooted not in lean itself but in the fact that lean makes all the processes, which fall under the scope of lean projects, transparent, including those concerned with the usage of time, money and other resources which are formally devoted for the purposes
students and science, but informally may be used for private purposes of some prevailing groups of higher education institutions.

Beyond issues of resistance there were also problems of lean in coherence and coordination. Many elements of what a university delivers draw on participation from a variety of functions across the institution (Thirkella, Ashmana, 2014). Thus one more limitation is related to experienced inability to concretely identify value stream and assure flow of value in the system of higher education which is highly complicated. It is widely known and accepted that teaching and science must interact in the higher education institutions; it is possible to prepare abstract value flow maps connecting teaching and science. However the problems start on the concrete level where such questions of how and how much the research projects implemented by the professors are related to what they teach to students. We have to admit that these issues require further investigation.

One more organizational aspect could be considered to be limitation of lean in higher education. In many countries public services are currently designed to be capacity-led, and hence there is limited or no ability, or willingness, to influence demand, or to re-use freed-up resources to grow the business (Osborne, Kinder, 2011; Radnor, Osborne, 2013). Therefore many higher education institutions and the organizational culture prevailing in them are oriented not towards cost reduction and customer value increase, but to attracting public money and spending it. Thus they usually see the value not in that they create for the customers, but their existence itself. To paraphrase Descartes “We exist, therefore it is valuable for the society”.

Conclusions
The main principles of lean - customer value definition, identification of value stream, value-creating steps flow, pull and perfection – provide a good opportunity for higher education institutions to rethink their operations and improve quality of education and science. Lean, comparing to other organizational change methods, is a comprehensive and all aspects encompassing approach to institutional change and improvement. It respects and balances the needs of the institution with those of its employees. Lean offers practical tools for implementing change and improvement having the purpose of perfection.

The main spheres where lean can be successfully applied are customer value and waste analysis. The most important idea regarding the value provided by higher education institution is that it can’t give absolute value, but surely can give a great value if focuses its efforts. Many aspects of value of the studies are usually not on the formal curriculum; however they are much important for the majority of students. Therefore from the perspective of the university seeking to attract and maintain more students it is not sufficient to predefine value of the students in the description of study programs, but it is reasonable to pay more attention to value of the studies as described by the students themselves. Contemporary higher education institutions and students in the process of interaction have the opportunity to discover new value dimensions. Lean principles obligate higher education institutions to create the systems of studies enabling to flexibly react to changing needs of students enabling to pull the required value.
The main limitations of lean in higher education are difficulty in determining customer value, the uniqueness of the sphere of academic work itself, resistance of academics, immeasurability of some creative processes which are essential for higher education, inability to concretely identify value stream and assure flow of value in the system of higher education which is highly complicated. Due to that lean has limited breadth of application, in respect to functional areas and activities, and limited depth of application, in respect of indicating change to working practices and measurable outcomes. There is a greater focus on rapid improvement and project based activities around one or several operations, which are redesigned, but not always re-visited or monitored for longer periods. There is less of a focus on developing a lean culture, which is no less relevant in quality improvement efforts. However it has to be admitted that lean is still in the early days of its application in higher education. This means that there is still a lot of opportunity and much that can be learnt from other public service and private organizations.

References
Isaksson, R., Kuttainen, C., Garvare, R. (2013). Lean higher education and lean research. 16th Toulon – Verona Conference; Faculty of Administration, University of Ljubljana, Slovenia; 29-30 August, 2013.
EXPLORATION OF CREATIVITY IN ACCOUNTING DOMAIN

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Abstract

The aspiration to be creative worldwide seems nowadays to be compulsory in any field of economic activity related to business practice. Although discussions of creativity root back at least to Plato and Aristotle, the creativity in its modern meaning has been the subject of scientific research just since the call for structured investigation by the president of the American Psychological Association J.P. Guilford in 1950. Thus over the ensuing sixty-plus years creativity research has respectively spanned in different fields of social sciences connected with business theory and practice. However, there is still a lack of research on creativity in the context of accounting domain. The purpose of the paper is to explore understanding and assessing of accounting related creativity. Thus, the paper analyses the concept, definitions and assessing approaches of creativity with regard to accounting practice having been introduced in relevant international resources. Furthermore a coherent research on perceptions of accounting of professional bachelor programmes’ students – those are currently studying at Business Management Faculty of Vilniaus Kolegija/ University of Applied Sciences – with regard to their inherent creativity and other influencing elements of the perceptions is presented. Finally, the paper provides conclusions, limitations and insights for feasible research.

Keywords: accounting, creativity, creative accounting, inherent creativity, perceptions of accounting.

Introduction

The aspiration to be creative worldwide seems nowadays to be compulsory in any field of economic activity related to business practice. Although discussions of creativity root back at least to Plato and Aristotle, the creativity in its modern meaning has been the subject of scientific research just since the call for structured investigation by the president of the American Psychological Association J.P. Guilford in 1950. Thus over the ensuing sixty-plus years creativity research has respectively spanned in different fields of social sciences connected with business theory and practice. However, there is still a lack of research on creativity in context of accounting domain. Moreover, there are no known Lithuanian studies, which specifically investigated perceptions of accounting – with regard to their inherent creativity and other influencing elements – of the students in business and management study fields of Lithuanian HEIs (“Studijų,” 2010).

The purpose of the paper is to explore understanding and assessing of accounting related creativity. Accordingly, the main objectives of the paper are:

– To analyse the concept, definitions and assessing approaches of creativity with regard to accounting practice having been introduced in relevant international resources;
– To accomplish a research on perceptions of accounting of professional bachelor programmes’ students – those are currently studying at Business Management Faculty of Vilniaus Kolegija/ University of Applied Sciences – with regard to their inherent creativity and other influencing elements of the perceptions.
– Thus, in successive parts the relevant international resources related to objectives of the paper are reviewed as well as design, methods and results of the research are
discussed. Finally, conclusions, limitations and insights for feasible research in the study area are provided.

**Conception of Creativity and Accounting Stereotypes**

In order to understand processes involved in assessing accounting related creativity, it is a logical necessity to look into constitution and determination of creativity. Though discussions of creativity root back at least to Plato and Aristotle, the creativity in its modern meaning has been the subject of scientific research just since the call for structured investigation by the president of the American Psychological Association J.P. Guilford in 1950.

Thus over the ensuing sixty-plus years creativity research has respectively spanned in different fields of social sciences connected with business theory and practice. With reference to relevant international resources on business related creativity, it is true to say that the concept of creativity is not unambiguous. This enables a variety of definitions those are typically descriptive of activities resulting in (Hillier, 2008):

- Producing or bringing about something partly or wholly new;
- Investing an existing object with new properties or characteristics;
- Imagining new possibilities that were not conceived of before;
- Seeing or performing something in a different manner from that which we previously thought possible or normal.

In common, numerous definitions of business related creativity are convergent to the following: “The ability to produce original and unusual ideas, or to make something new or imaginative” (“Cambridge”, n.d.).

Amabile (1998) has argued that business creativity is not mere expression of highly original ideas. To be creative, an idea must also be appropriate – useful and actionable. It must influence the way business gets done – by improving a product, for instance, or by opening up a new way to approach a process. In order to enhance creativity in business, three components are needed:

- Expertise (technical, procedural, and intellectual knowledge);
- Creative thinking skills (how flexibly and imaginatively people approach problems);
- Motivation (especially intrinsic motivation).

Besides, broadly conceived business creativity is essential to all successful business ventures and can benefit every function of any business organization. Nevertheless, critical mass of managers commonly holds a rather narrow view of the creative process in business. Amabile (1998) reported that about 80% of the time when managers were asked, if there was any point they didn’t want creativity in their companies, the answer was “accounting”. Business creativity, in their opinion, is typical just in marketing and R&D but not in the accounting department – or really, in any unit that involves systematic processes or legal regulations. Presumably, this view is grounded on the “traditional accountant” or “beancounter” stereotype, i.e. a cynical lay opinion that accounting work is extremely dull, boring, number-fluent, excessively fixated with money, rule-based, obsessed with details, personally and socially inept. Thus, fostering creativity in accounting work is unnecessary, even worse, it is an impediment to its successful execution (Bryant, Stone, & Wier, 2011;
Baxter & Kavanagh, 2012). Notwithstanding the mentioned belief is unsound. For instance, double-entry system of accounting as well as activity-based accounting once emerged as accounting created invention whose impact on business has been positive and profound. In fact, there are more similar evident accounting paradigms.

Another major accounting stereotype has been referred to as a “business professional”. As a result internationally the general public en mass believe that some professions (including the accounting domain) are not permitted the privilege of really and truly creative thought and behaviour. That is precisely why the “creative accounting” phenomenon nowadays is commonly associated with fraudulent accounting tricks of unethical “business professionals” and is treated contradictory to genuine creativity (Amabile, 1998; Jeacle, 2008; Hillier, 2008; Carnegie & Napier, 2010; Bryant, Stone, & Wier, 2011; Baxter & Kavanagh, 2012). “Creative accounting” is widely understandable as the exploitation of loopholes in financial regulations in order to gain advantages or present figures in a misleadingly favourable light (“Oxford,” n.d.). To prove the pervasion of this view Bryant, Stone, and Wier (2011) conducted an Internet search for the term “creative accounting.” After omitting sponsored links (n=4) and hits unrelated to accounting (n=8), two coders independently classified the first 45 hits. Those hits consisted of 42 websites and 3 book titles: 39 of the hits (or 86.7%) related to the above given definition of “creative accounting” as a deception; 6 hits (or 13.3%) linked to small business accounting and consulting services. Consequently, accounting stereotypes commonly evoke cynicism and enhance unfavourable perceptions of accounting and the position of creativity in the domain.

Noticeable Prior Research
A substantial body of research, including Saemann and Crooker (1999), Byrne and Willis (2005), Bryant, Stone, and Wier (2011), Baxter and Kavanagh (2012), McDowal, Jackling, and Natoli (2012), has examined students’ perceptions of accounting as such and (or) in connection with influences on their choice of academic major, career decision, etc. Therewith Saemann and Crooker (1999) analysed relationship between students’ inherent creativity, perceptions of accounting, and interest in the domain. For this purpose they applied the Creative Personality Scale (hereafter the CPS) developed by Gough (1979) and composed the research instrument to measure perceptions of accounting profession (hereafter the PAPI). The PAPI comprises 36 pairs of adjectives representing opposing “creative or creativity friendly” versus “traditional or stereotypical” views on the scope of accounting work. Therefore, inter alia, Saemann and Crooker (1999) discovered that regardless of their inherent creativity, students tended to find accounting less attractive or interesting (pro rata more boring, dull, monotonous and tedious) if they stuck to traditional perceptions about structure and solitude of the domain. A differential factor in attracting creative individuals was in views of the receptiveness and precision of accounting. Perceptions of accounting as accurate, challenging, conforming, detail-oriented, mathematical, planned, practical, repetitive and thorough served to decrease interest in accounting for more creative individuals.

The CPS and the PAPI combination has been internationally applied in a number of differently purposed subsequent studies involving examining students’ perceptions of accounting, finance, economics (Worthington & Higgs, 2003; Worthington & Higgs, 2004; Byrne and Willis, 2005; McDowal, Jackling, & Natoli, 2012).
CPS and the PAPI in the carried out research are delivered in the following parts of the paper.

Research Design
The objectives of the research were to ascertain how professional bachelor programmes students – those are currently studying at Business Management Faculty of Vilniaus Kolegija/ University of Applied Sciences – perceive accounting in the context of their inherent creativity and accounting stereotypes, and to determine the main influencing elements on these perceptions.

The data used in this research was collected via a survey instrument completed by full-time students enrolled in Professional Bachelor of Business degree (hereafter Business), Professional Bachelor of Management degree (hereafter Management) and Professional Bachelor of Marketing degree (hereafter Marketing) at Business Management Faculty of Vilniaus Kolegija/ University of Applied Sciences. The survey instrument was filled in by the students who have not had to study scheduled accounting courses by the end of autumn term 2016-2017 striving to eliminate the impact of the mentioned courses on the existing students’ perceptions of accounting.

The survey instrument consisted of three main parts. The first part covers a range of demographic and other significant personal information. For instance, the students were questioned about accomplishment and enjoyment of prior study of accounting (if relevant) as well as work experience in accounting field.

The second section of the survey instrument collected information on the students’ inherent creativity, as relevant present-day desirable dimension of their personality. The CPS developed by Gough (1979) was used for this purpose. The CPS contains a checklist of 30 adjectives. Possible scores on the CPS range from -12 to +18 with a higher score indicating a more creative individual. Surveyed students were requested to tick all adjectives that they felt best described their own personality.

The third section of the survey instrument inquired the students about their perceptions of accounting. Mainly it is comprised of the PAPI composed by Saemann and Crooker (1999). It includes 36 pairs of adjectives representing opposing “creative or creativity friendly” versus “traditional or stereotypical” views on the scope of accounting work. The students were asked to tick an appropriate number on the 5-point scale between each pair of adjectives to express the strength of their opinion in the particular direction. Nearly half of the pairs were reverse coded. Besides, the students were asked to indicate various influences on their perceptions of accounting.

Appliance of the CPS and the PAPI in the survey instrument enabled making certain comparisons with particular results of prior studies (Saemann & Crooker, 1999; Byrne & Willis, 2005; Baxter & Kavanagh, 2012; McDowal, Jackling, & Natoli, 2012).

Research Methods and Findings
Table 1 provides the descriptive statistics on demographic data of the population of 315 surveyed students. Note: all illustrations are composed by the author based on the
exploratory data. Therefore 212 students (or 67,3%) were enrolled in Business, 42 students (or 13,3%) – in Management and 61 student (or 19,4%) – in Marketing studies.

Table 1. Descriptive statistics on demographic data of surveyed students

<table>
<thead>
<tr>
<th>Gender</th>
<th>Male</th>
<th>21-25</th>
<th>&gt; 25</th>
<th>Female</th>
<th>21-25</th>
<th>&gt; 25</th>
<th>Other</th>
<th>21-25</th>
<th>&gt; 25</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>16-20</td>
<td></td>
<td></td>
<td>16-20</td>
<td></td>
<td></td>
<td>16-20</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business</td>
<td>63</td>
<td>13</td>
<td>1</td>
<td>118</td>
<td>15</td>
<td>-</td>
<td>1</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Management</td>
<td>8</td>
<td>5</td>
<td>-</td>
<td>27</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Marketing</td>
<td>15</td>
<td>3</td>
<td>2</td>
<td>40</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>86</td>
<td>21</td>
<td>3</td>
<td>185</td>
<td>18</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>1</td>
</tr>
</tbody>
</table>

The majority of students in the population were: female (203 or 64,4%); aged between 16 and 20 years (185 or 58,7%); of Lithuanian citizenship; and studying Business (133 or 42,2%). It should be noted that 2 students (or 0,6% of the population) were: other gender; one aged between 16 and 20 years, another above 25 years; both of non-Lithuanian origin; and studying Business. Due to insignificant number of the other gender students in the population further in the research, their data was not separately analysed.

In total 15 students (or 4,8% of the population) experienced some prior study of accounting. 13 students (or 86,7% of surveyed students with some prior study of accounting), including all 6 female students (or 40% accordingly) were studying Business. 12 students (or 80% of surveyed students with some prior study of accounting), including 7 male and 5 female students, were aged between 16 and 20 years. Average level of enjoyment of prior study of accounting was 3,27 on the 5-point scale. It is worth mentioning that Baxter and Kavanagh (2012) reported the same average level of students’ enjoyment of prior study of accounting. The vast majority of the population (304 students or 96,5%) did not have any work experience in accounting domain.

According to the performed frequency analysis of the students’ inherent creativity, Table 2 lists the mean CPS scores of surveyed students. The mean CPS score in total for all surveyed students was 3,81. It is similar to the mean CPS scores of 3,62 (survey 1) and 3,77 (survey 2) in Saemann and Crooker (1999). Thereby it is fairly higher than the mean CPS score of 2,82 for surveyed non-accounting major students in Baxter and Kavanagh (2012).

Table 2. Mean CPS scores of surveyed students.

<table>
<thead>
<tr>
<th>Gender</th>
<th>Male</th>
<th>Female</th>
<th>Overall</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business</td>
<td>4,62</td>
<td>3,64</td>
<td>4,02</td>
</tr>
<tr>
<td>Management</td>
<td>4,15</td>
<td>2,24</td>
<td>2,83</td>
</tr>
<tr>
<td>Marketing</td>
<td>3,80</td>
<td>3,73</td>
<td>3,75</td>
</tr>
<tr>
<td>Total</td>
<td>4,42</td>
<td>3,46</td>
<td>3,81</td>
</tr>
</tbody>
</table>

It is evident from Table 2 that both in total and in each particular degree of study the mean CPS scores for male students were higher than those for female students. Therewith the mean CPS score of 2,24 for female students enrolled in Management was 1,9 time lower than for male students in the same degree and more than 1,5 time lower than those for female students enrolled in other degrees. However the mean CPS score of 3,73 for female students enrolled in Marketing was nearly equal to the mean CPS score of 3,80 for male
students enrolled in the same degree. Herewith carried out independent-samples t-test showed the existence of statistically significant differences (p<0,05) between the mean CPS scores of surveyed male and female students in total.

Figure 1. Distribution of individual CPS scores of surveyed students.

Figure 1 demonstrates the shape of distribution of individual CPS scores of all surveyed students. Frequency analysis prosecuted on the students’ individual CPS scores data enables pointing out that the individual SPS scores’ histogram is about normally distributed with positively skewness 0,194 and standard error of skewness 0,137. Thus individual CPS scores range from minimum -5 to maximum +14 with mode 2, median 3, mean 3,81 and standard deviation 3,55. Relevant differences in the shapes of distribution of individual CPS scores of the students enrolled in particular degrees of study were not found.

Figure 2 shows the total numbers and percent of surveyed students who indicated various influences on their perceptions of accounting. The most common reported influence is the Internet (225 or 71,4%), followed by accountants they know (152 or 48,3%), books (143 or 45,4%), broadcasting (127 or 40,3%) and teachers (125 or 39,7%).

Figure 2. Distribution of influences on perceptions of accounting of surveyed students.

This is slightly different from the findings by Byrne and Willis (2005), and Baxter and Kavanagh (2012). The first study indicated that the studied subjects at school were of the most important influence, followed by the influence of factual media, teachers, fiction
media and parents. The other study revealed that teachers (50.4%) were the most influential, further followed by school subjects (40.6%), the internet (36.9%), accountants they knew (35.9%) and books (32.6%).

Examining the students’ perceptions of accounting Saemann and Crooker (1999), Byrne and Willis (2005), McDowal, Jackling, and Natoli (2012) have found that the measurement of 36 variables indicated in the PAPI is an inexpedient analytical undertaking. Consequently, it was a need to reduce the number of variables not to compromise the integrity of the study. Thus, each group of scholars employed an exploratory factor analysis with the principle components extraction method. Moreover, in each case the factors were selected according to prior theoretical notion and previous empirical research on perceptions of accounting.

Byrne and Willis (2005) identified respectively 4 below mentioned perception of accounting factors and 31 pair of their corresponding more conceptually coherent variables. The internal reliabilities of each factor were estimated using Cronbach’s Alpha and ranged from 0.71 to 0.81: Definite – 0.71; Boring – 0.81; Precise – 0.73; Compliance driven – 0.74. These values are acceptable for scales of such kind length and type. The first factor, Definite, comprises such pairs of adjectives as ambiguity–certainty, abstract–concrete, intuition–facts, effectiveness–efficiency, dynamic–stable, unpredictable–routine, conceptual–analytical, alternative views–uniform standards. Right-hand adjectives reflect the concrete factual nature of accounting. The second factor, Boring, is represented with such pairs of adjectives as interesting–boring, fascinating–monotonous, exciting–dull, absorbing–tedious, prestigious–ordinary, variety–repetition. Right-hand adjectives represent boredom aspects of accounting. The third factor, Precise, denotes such pairs of adjectives as imprecise–accurate, verbal–mathematical, decision making–record keeping, superficial–thorough, spontaneous–planned, easy–challenging, overview–details, novelty–methodical. Right-hand adjectives outline precise nature of accounting work. The forth factor, Compliance driven, spans such pairs of adjectives as innovation–compliance, new ideas–established rules, creative solution–cut & dry, flexible–structured, adaptable–inflexible, changing–fixed, originality–conformity, extrovert–introvert, people oriented–number crunching. Right-hand adjectives outline rules driven frame of accounting. Then separate variables were created for each of the factors using the combined average scores of the individual variables comprising each of the factors. A higher score of the particular factor (in the range from 1 to 5 with neutral average 3) indicates that students view accounting pro rata more definite, boring, precise or compliance driven. Byrne and Willis (2005) reported following total mean scores of the determined factors: Definite – 3.91; Boring – not provided; Precise – 4.12; Compliance driven – 3.65.

Identical factor analysis approach was applied in the study undertaken by McDowal, Jackling, and Natoli (2012). They investigated four abovementioned factors with the same pairs of variables on purposive students’ population. The internal reliabilities of each factor estimated using Cronbach’s Alpha ranged from 0.67 to 0.82: Definite – 0.75; Boring – 0.79; Precise – 0.67; Compliance driven – 0.82. Herewith the scholars reported the following total mean scores of the explored factors: Definite – 3.64; Boring – 3.56; Precise – 3.68; Compliance driven – 3.53.
In pursuance of consistency with the preceding factor analyses (Byrne & Willis, 2005; McDowal, Jackling, & Natoli, 2012), the same four factors with idem pairs of variables were explored in this research. The internal reliabilities of each factor as well were estimated using Cronbach’s Alpha and ranged from 0.74 to 0.86: Definite – 0.78; Boring – 0.74; Precise – 0.86; Compliance driven – 0.79. Table 3 submits appropriate mean scores of the various explored factors of perception of accounting. The calculated internal reliabilities and total overall mean scores of perception of accounting factors fairly compare with those reported by Byrne and Willis (2005) and McDowal, Jackling, and Natoli (2012).

Table 3. Mean scores for perception of accounting factors.

<table>
<thead>
<tr>
<th>Degree</th>
<th>Gender</th>
<th>Definite</th>
<th>Boring</th>
<th>Precise</th>
<th>Compliance driven</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business</td>
<td>Male</td>
<td>3.49</td>
<td>3.29</td>
<td>3.56</td>
<td>3.29</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>3.78</td>
<td>3.43</td>
<td>3.92</td>
<td>3.62</td>
</tr>
<tr>
<td></td>
<td>Overall</td>
<td>3.68</td>
<td>3.38</td>
<td>3.79</td>
<td>3.49</td>
</tr>
<tr>
<td>Management</td>
<td>Male</td>
<td>3.49</td>
<td>3.15</td>
<td>3.37</td>
<td>3.09</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>3.98</td>
<td>3.36</td>
<td>3.73</td>
<td>3.73</td>
</tr>
<tr>
<td></td>
<td>Overall</td>
<td>3.83</td>
<td>3.29</td>
<td>3.62</td>
<td>3.53</td>
</tr>
<tr>
<td>Marketing</td>
<td>Male</td>
<td>3.46</td>
<td>3.54</td>
<td>3.60</td>
<td>3.31</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>3.66</td>
<td>3.55</td>
<td>3.73</td>
<td>3.41</td>
</tr>
<tr>
<td></td>
<td>Overall</td>
<td>3.59</td>
<td>3.55</td>
<td>3.68</td>
<td>3.38</td>
</tr>
<tr>
<td>Total</td>
<td>Male</td>
<td>3.48</td>
<td>3.32</td>
<td>3.54</td>
<td>3.27</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>3.79</td>
<td>3.45</td>
<td>3.85</td>
<td>3.59</td>
</tr>
<tr>
<td></td>
<td>Overall</td>
<td>3.68</td>
<td>3.40</td>
<td>3.75</td>
<td>3.47</td>
</tr>
</tbody>
</table>

As it is seen from Table 3 all displayed mean scores of the explored factors were higher than 3 which is the midpoint on the perception variable scale with the range from 1 to 5. Moreover, all calculated mean scores of males were lower than those of females as in each enrolled degree as in total. Conducted independent-samples t-tests allowed to reveal statistically significant differences in the mean scores of the perception factors between appropriate sub-groups of males and females. There were no statistically significant differences (p>0.05) only in the mean scores of Boring factor between males and females both in separate degrees and in total. However there were statistically significant differences (p<0.05) in the mean scores of Definite, Precise and Compliance driven factors between males and females as in Business and Management solely as in total. Noteworthy there were no statistically significant differences in mean scores of all perception of accounting factors between males and females in Marketing. Therefore, these results in overall suggest that the surveyed students, despite their gender or chosen degree of study, in the mass held traditional stereotypical perceptions of accounting. And it is critical that 300 students (or 95.2% of the population) had not experienced any prior study of accounting.

Further analyzing the factors of students’ perception of accounting, several separate multiple linear regressions were deliberated on each of the four perception factors and some of various clusters of independent variables bases on explored demographic data, inherent creativity scores and influences on perceptions of accounting of surveyed population. Finally, the regressions with such statistically significant independent variables as Gender, Internet, Accountants they (surveyed students) know, Books, Work experience,
and Individual CPS score were composed for each of the four perception of accounting factors (see Table 4).

Table 4. Regression estimates of the effects of independent variables on perception of accounting factors.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficients</th>
<th>Definite</th>
<th>Boring</th>
<th>Precise</th>
<th>Compliance driven</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>$b_0$</td>
<td>3,210</td>
<td>3,214</td>
<td>3,117</td>
<td>2,834</td>
</tr>
<tr>
<td>t-statistic</td>
<td>17,214*</td>
<td>16,610*</td>
<td>14,232*</td>
<td>15,432*</td>
<td></td>
</tr>
<tr>
<td>Gender</td>
<td>$b_1$</td>
<td>0,270</td>
<td>0,121</td>
<td>0,293</td>
<td>0,334</td>
</tr>
<tr>
<td>t-statistic</td>
<td>3,037*</td>
<td>1,317</td>
<td>2,811*</td>
<td>3,818*</td>
<td></td>
</tr>
<tr>
<td>Internet</td>
<td>$b_2$</td>
<td>-0,016</td>
<td>-0,070</td>
<td>0,282</td>
<td>0,054</td>
</tr>
<tr>
<td>t-statistic</td>
<td>-0,164</td>
<td>-0,684</td>
<td>2,452*</td>
<td>0,558</td>
<td></td>
</tr>
<tr>
<td>Accountants they know</td>
<td>$b_3$</td>
<td>0,276</td>
<td>0,241</td>
<td>0,128</td>
<td>0,216</td>
</tr>
<tr>
<td>t-statistic</td>
<td>3,152*</td>
<td>2,654*</td>
<td>1,241</td>
<td>2,507*</td>
<td></td>
</tr>
<tr>
<td>Books</td>
<td>$b_4$</td>
<td>-0,222</td>
<td>-0,253</td>
<td>-0,321</td>
<td>-0,054</td>
</tr>
<tr>
<td>t-statistic</td>
<td>-2,421*</td>
<td>-2,663*</td>
<td>-2,983*</td>
<td>-0,597</td>
<td></td>
</tr>
<tr>
<td>Work experience</td>
<td>$b_5$</td>
<td>-0,258</td>
<td>-0,300</td>
<td>-0,171</td>
<td>-0,312</td>
</tr>
<tr>
<td>t-statistic</td>
<td>-2,387*</td>
<td>-2,669*</td>
<td>-1,347</td>
<td>-2,922*</td>
<td></td>
</tr>
<tr>
<td>Individual CPS score</td>
<td>$b_6$</td>
<td>0,018</td>
<td>0,028</td>
<td>0,020</td>
<td>0,013</td>
</tr>
<tr>
<td>t-statistic</td>
<td>1,475</td>
<td>2,147*</td>
<td>1,366</td>
<td>1,025</td>
<td></td>
</tr>
<tr>
<td>Adjusted $R^2$</td>
<td>0,083</td>
<td>0,071</td>
<td>0,063</td>
<td>0,076</td>
<td></td>
</tr>
<tr>
<td>F-statistic</td>
<td>5,721*</td>
<td>4,977*</td>
<td>4,542*</td>
<td>5,300*</td>
<td></td>
</tr>
</tbody>
</table>

* $p<0,05$

Definite, Boring Precise, Compliance driven – mean score of the appropriate perception factor.
Gender – 0 = Other; 1 = Male; 2 = Female.
Internet, Accountants they know, Books, Work experience – 0 = No; 1 = Yes.
Individual CPS score – CPS score of each surveyed student.

As it is evident from Table 4, no independent variable that serves statistically significant explanatory variable for each of the four perception factors was ascertained. Gender is significant explanatory variable for three perception factors excluding Boring. This is in accordance with the fact that statistically significant differences were not estimated in the total mean scores of Boring factor between males and females. Only the top three reported influences on surveyed students’ perceptions of accounting (see Figure 2) and such influence as work experience indeed appeared to be acceptable explanatory variables for the composed regressions for each of the perception factors. Accountants they know, Books and Work experience are statistically significant explanatory variables for some three non-identical perception factors of the four ones. Moreover, Internet is significant explanatory variable for the only perception factor Precise. Individual CPS score is a significant explanatory variable for the only perception factor Boring. Considering the positive sign of the Individual CPS score coefficient in regressions for all the four perception factors, suggests that in the mass more creative students perceive accounting being more boring, definite, precise and compliance driven. This finding is similar to that of Saemann and Crocker (1999) described in the relevant part of this paper reviewing noticeable prior research.

Therefore, the following elements, substantially influencing students’ perceptions of accounting, were identified: gender; books (or broadly print media); accountants they know; work experience, Internet (or broadly digital media); and their inherent creativity.
Conclusions

With reference to the relevant international resources on business related creativity, it is true to say that the concept of creativity is not unambiguous. Broadly conceived business creativity is essential to all successful business ventures and can benefit every function of any business organization. Nevertheless, critically many managers and the general public en mass commonly hold a rather narrow view of the creative process in business. Presumably, this view is related to such accounting stereotypes as “traditional accountant” and the “business professional”. Consequently, accounting stereotypes evoke cynicism and enhance unfavourable perceptions of accounting and the position of creativity in the domain.

A substantial body of research has examined students’ perceptions of accounting as such and (or) in connection with influences on their choice of academic major, career decision, etc. Thus, for the purpose of the research, Saemann and Crooker (1999) applied the CPS and composed the PAPI. In the sequel, the CPS and the PAPI combination has been used worldwide in a number of differently purposed studies involving examining students’ perceptions of accounting, finance, and economics. Appliance of the CPS and the PAPI in this research enabled making certain comparisons with particular results of prior studies.

The accomplished research allowed to ascertain how the surveyed students perceived accounting in the context of their inherent creativity and accounting stereotypes, and to determine the main influencing elements on these perceptions. Briefly, both in total and in each particular degree of study the mean CPS scores for male students were higher than for female students. Independent-samples t-test showed the existence of statistically significant differences between the mean CPS scores of surveyed male and female students in total. The most common reported influence on students’ perception of accounting is the Internet, followed by accountants they know, books, broadcasting and teachers. This is somewhat different from the findings of other relevant prior studies. In pursuance of consistency with conducted factor analyses in the preceding studies, the same four perception of accounting factors – Definite, Boring, Precise, Compliance driven – with idem pair of variables were explored in this research. The calculated internal reliabilities and total overall mean scores of perception of accounting factors fairly compare with those reported in other relevant studies. Moreover, all calculated mean scores of males were lower than those of females as in each enrolled degree as in total. Therefore, the factor analysis results in overall suggest that the surveyed students despite their gender or chosen degree of study in the mass held traditional stereotypical perceptions of accounting.

Finally, the regressions with selected statistically significant independent variables were composed for each of the four perception of accounting factors. No independent variable that serves statistically significant explanatory variable for each of the four perception factors was ascertained. Considering the positive sign of the Individual CPS coefficient in regressions for all the four perception factors, this suggests that in the mass more creative students perceive accounting being more boring, definite, precise and compliance driven. This finding is similar to the findings of other relevant studies. Therefore, the following elements were identified as substantially influencing students’ perceptions of accounting: gender; books (or broadly print media); accountants they know; work experience, Internet (or broadly digital media); and their inherent creativity.
Limitations
The data reported in the paper is subject to several limitations. First, the survey was taken at the faculty of only one university of applied sciences with unequal number of students enrolled in particular degrees of study. It may influence the reliability of results of frequency, factor and multiple linear regression analyses in particular degrees of study. Second, all measures were self-reported by the surveyed students. It is possible that some of the students may knowingly reported inaccurate or embellished information. However, the survey was conducted under anonymity, which should help reduce the risk of bias.

Insights
There are several opportunities for feasible further study arising from the limitations and results of this research. In order to reduce the risk of bias, the research issues would benefit from further replication. In addition, it is expedient to undertake a longitudinal study of the surveyed population in order to assess how the accomplished scheduled accounting courses do influence perceptions of accounting of the same students already surveyed before they actually had to undertake the mentioned courses. Finally, it is purpose to expand the research by including the students enrolled in accounting major and (or) similar to the study degrees explored in this paper at other Lithuanian or foreign HEIs.

References
ELECTRIC VEHICLE: DISRUPTIVE INNOVATION AND FITTING VALUE CHAIN

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Abstract

Over the next couple of decades, about a quarter of the world's population will likely move from a per capita income of under $10,000 a year to an income of between $10,000 and $30,000. This means that the world's automotive fleet will shift from one billion cars to two billion. A powerful answer to problems anticipated with this forecast, is the electric car.

The confidence is growing at present that electric vehicle could constitutes a great new industry with a big opportunity for entrepreneurs and, indeed, for developing countries to take a dominant position in a rising sector of economy. One of the critical determinants for using of this chance is the appropriate policy of governments and businesses.

Therefore, the aim of this paper is consideration of possible model of such policy and analyze, with the business modeling focus, of the evolution of new technology's disruptive impact on society. The research methodology is based on the concept of disruptive innovations, developed by the Clayton M. Christensen. As a result, it is shown that start-up firms will be able to enter the electric cars' market through creation of new value networks, based on new products whose performance will be lower than that of "tailpipe" automobiles, but exceed the requirements of some specific segments.

Keywords: disruptive innovations, business models, electric vehicles.

Introduction

The world energy consumption will increase enormously in the coming decades: the amount of additional energy resources needed in the nearest future will be greater than all the energy that the world consumed in 1970 (Yergin, 2011). Increasing economic wealth, the growing standards of living and billions of people moving out of poverty, all have contributed to this growing thirst. Over the next couple of decades, people in developing countries - about a quarter of the world's population - will likely move from a per capita income of under $10,000 a year to an income of between $10,000 and $30,000, the tendency, which will be reflected in much greater need for energy.

As the result, energy efficiency is already one of the main priorities for a world economy. Investment in new processes, factories, products and, especially, new vehicles, all will be instrumental in responding to the challenge of achieving greater energy efficiency. How effective will be such investments? The innovations - the sources in promotions of energy generation and consumption, require not only sound scientific and technical judgments, but consistent responses of entrepreneurs to the new challenges, their collaboration and long-term philosophy. It is safe to say that the main question of the effectiveness of these investments concerns existence of the relevant entrepreneurial policies, rather than existence of the relevant technology per se.
Electric vehicle and associated problems
At the dawn of the 21st century, several factors influenced the interest of researchers and businessmen to the electric vehicle. The main impulse was Haagen-Smit’s discovery in 1948, that the real source of environmental pollution in the urban areas was emissions from incompletely burned gasoline. Rising oil prices stimulated interest to the electric vehicles too. The additional factor of these days is also a concern about climate change: transportation is responsible for about 17 percent of CO2 emissions (Nichols, 2011).

The electric car is powered by electricity, which does not necessarily have to be oil and, therefore, it unplugs transportation from turbulence in the oil-exporting world. The treatment of electric vehicles reduces pollution and offsets the carbon emissions that precipitate climate change. Simultaneously, electric vehicles provide a powerful answer to the great puzzle of how the world can accommodate the future anticipated moving from one billion cars to two billion.

But in order to electric cars to have an actual impact on the world’s auto fleet in terms of numbers, we need to find answers on minimum two questions: 1. Can they deliver the performance that is promised at a cost that is acceptable? 2. Will consumers choose to make them a mainstream purchase? The results will have enormous significance in terms of both economics and geopolitics, because the electric vehicles could constitute a great "new industry" with potential for leapfrog to leadership in the global marketplace. This is a big new opportunity not only for companies, entrepreneurs and investors, but the additional chance for developing countries to take a dominant position in a new growing sector of world economy. If batteries will win the race with the internal combustion engines and turn to the "new oil", the winners in battery know-how and production can capture a decisive new role in the global market - and all prizes associated with this.

Practically there are two basic types of electrically powered vehicles. One is a battery-operated electric vehicle, which operates only on electricity and is charged from an electric socket. The second is the hybrid electric vehicle that combines a conventional internal combustion engine propulsion system with an electric propulsion system. After running for some distance on electricity and when the battery runs down, the combustion engine of hybrid electric vehicle takes over, recharging the battery or directly providing power to propel the car.

Both types of electric vehicles have the same core element - the battery. Therefore, the moving toward electric cars requires a significant technological advance in batteries. Up to nowadays, basic battery of the auto industry was the lead-acid battery. However, in the 1970-1980s, researchers discovered that lithium could provide the root for development of a new rechargeable battery. The oil crises of the 1970s sparked interest to the electric car and stimulated the development of this new type of battery for it. But then the price of oil went down and the attention to the electric cars was fold.

However the work on lithium batteries could be put to very good use for another big need. In 1991, Sony took the lead and introduced lithium-ion batteries in consumer electronics. These smaller, more efficient batteries enabled laptop computers to run faster and longer on a single charge. And lithium batteries were decisively important for something else. They
made it possible to shrink the size of cell phones enormously, and thus powered the cell phone revolution.

In theory, the greater density of lithium batteries, combined with their lower costs, could make them a more viable and competitive battery for electric vehicles. But that was all in theory; road-testing of the idea needed the presence of entrepreneurs – enthusiasts of electric-cars. Among first of them were Al Cocconi, Californian businessmen and two Silicon Valley entrepreneurs - Eberhard and Musk. They organized the production of the electric cars using some thousand melded off-the-shelf lithium-ion batteries of a laptop transformed into a formidable super-batteries.

But the battery is only half of the equation; the other half is infrastructure with ability to deliver electricity into the car reliably and with sufficient speed and convenience. Some entrepreneurs tried to decide this problem through usage of appropriate business models. One of them was launched by Shai Agassi, a young software executive. His company wouldn't make the cars. Instead it would own the batteries that it would lease to motorists. It would also establish, in place of gas stations, new "battery stations" into which motorists would drive when the battery ran down. There an attendant would swap out the battery and replace it with a recharged battery. For motorists his concept is intended to be the functional equivalent of pulling into a gas station and filling up. However, it has many challenges; the one of them is lack of standardization in battery size: producers of electric vehicles are likely to compete on the size, weight, and range of their batteries.

How fast can an electric-vehicle future happen? On a global basis, estimates for new-car sales in 2030, depending upon the scenario, range between 10 percent and 32 percent of total annual sales (Groode, Tillemann-Dick, 2011). Under the most optimistic of the scenarios, the penetration of such vehicles, measured by total number of electric cars of both type in the global fleet, would be 14 percent.

What are disruptive technology and disruptive innovation?
The progress sufficiently will depend on the policy environment for acceleration of innovations, in addition to the success of scientific and technological research. As the result, the entrepreneurial strategy based on the recommendations for management of innovations' launching, will be instrumental for further progress. In our view, the methodology developed by Clayton M. Christensen - “disruptive technologies”, briefly considered below, presents an interesting framework for developing the relevant policies.

The term disruptive technologies was coined by Clayton M. Christensen and introduced in the article Disruptive Technologies: Catching the Wave (Bower, Christensen, 1995). In the sequel, his vision evaluated from technological focus to a business modeling focus and Christensen replaced the term disruptive technology with disruptive innovation. The reason of this was recognition that few technologies are intrinsically disruptive in character and rather we have the innovative businesses that enable the technologies to create the disruptive impacts.

Christensen’s theory explains the dynamics of innovative business and has the ambition of the tool, developed for management of innovation at a firm, or policy level. He used the
term to describe innovations that create new markets by discovering new categories of customers. They do this partly by harnessing new technologies but also by developing new business models and exploiting old technologies in new ways. He contrasted disruptive innovation with sustaining innovation, which simply improves existing products. A sustaining innovation targets those demanding, high-end customers, who want products with better performance than previously available.

Accordingly to Christensen, a disruptive is an innovation that helps create a new market and value network. In contrast, its opposite a sustaining innovation only evolves existing ones with better value. For example, the automobile was a revolutionary technological innovation, but simultaneously, it was not a disruptive innovation, because early automobiles were expensive luxury items that did not disrupt the market for horse-drawn vehicles. But the mass-produced automobile already was a disruptive innovation, because it changed the transportation market fundamentally. In his book, The Innovator’s Dilemma (Christensen, 1997), C.M. Christensen identified following critical elements of disruption (see chart on Figure 1):

- A rate of improvement that customers can fully use, or absorb. On chart this is presented by the dotted line.
- A rate of improvement that goes beyond what customers can fully use, or absorb. The pace of technological progress very often outstrips the ability of customers to use it. On Figure 1 the diapason of this rate's changing is confined by the two solid lines.

![Figure 1](image)

The disruptive innovations do not attempt to bring better products to established customers in existing markets. Instead, they introduce products and services that are not as good as offered products, but create the new value networks for the new class of customers.

Disruptive innovations usually find their first customers at the bottom of the market: as unproved, often unpolished, products, they cannot command a high price. Incumbents are often complacent, slow to recognize the threat that their inferior competitors pose. But as
successive refinements improve them to the point that they start to steal customers, they may end up reshaping entire industries. Therefore, there is good reason to think that perhaps the most surprising disruptive innovations will come from bottom-of-the-pyramid entrepreneurs who are inventing new ways, and that the pace of change will increase, as computer power increases and more things are attached to the internet, expanding its disruptive influence into new realms.

Two kinds of disruptions have potential for stimulation of the new value networks. The first, so-called the *new-market disruptions*, excite the needs in customers by virtue of abilities of their products, for example affordability, or simplicity of ownership. The second – the *low-end disruptions*, target customers who do not need the full performance valued by customers at the high-end of the market. Instead, they feature low-cost models that pick off least attractive customers of existed markets.

In view of Christensen, low-end disruption occurs when the rate at which products improve, exceeds the rate at which customers can adopt the new performance of the product and it overshoots the needs of certain customer segments. At this situation, a disruptive technology may enter the market and provide a product with lower performance than the existing ones, but with some features exceeding the requirements of the specified consumers (lowest line (pink) in a Figure 2). Correspondingly, the company-disruptor, user of this situation, gains a foothold in the market.

Once the disruptor has obtained "operational space", in the sequel it seeks possibilities to improve its profit margin. For this, it needs to enter the segment where the customer is willing to pay a little more for higher superiority (medium quality line (green) on Figure 2). To ensure sufficient class in its product, the disruptor needs to innovate. After a number of appropriate innovations, the disruptive technology meets the demands of the most profitable segment of the market and the "old" product is squeezed into smaller markets (most demanding line (blue) in Figure 2).
In compliance with Christensen, the standard segmentation of markets by definite attributes of products or customers does not offer confident assertions of what features, functions, and positioning will cause customers to buy a product of disruptive technology. By his vision, the customer “hire” products to do specific “jobs” for him/her and managers must segment markets to mirror this outlook. Knowing what "job" a “hired” product can do, gives innovators a much clearer road map for improving their products from the customer’s perspective.

Thereafter, the companies which launch predictably successful products will be that ones, who will target their products not at the customers, but at the circumstances in which customers, find themselves in certain conditions. This segmentation can be used for determination of the point of entry for a new-market disruption in the future. Using this “jobs-to-be done” attitude can help innovator come to market with an initial product that is much closer to what customers ultimately discover that they value.

From this point of view, which primary customers are most likely to become the solid foundation upon on the innovator can build a successfully growth business? There are four elements of a pattern that managers can use to find ideal customers and market applications for disruptive innovations. These elements are:

- The target customers are trying to get a job done, but because they lack money or skill, a simple, inexpensive solution has been beyond reach.
- These customers will compare the disruptive product to having nothing at all. As a result, they are delighted to buy it, even though it may not be as good as other products available at higher prices to current users with deeper expertise in the original value network.
- The technology that enables the disruption might be quite sophisticated, but disruptors deploy it to make the purchase and use of the product simple, convenient, and foolproof, enabling people with less money and training to begin consuming.
- The disruptive innovation creates an entire new value network. The new consumers typically purchase the product through new channels and use the product in new venues.

**Electric vehicle as disruptive innovation**

As an example of exploit of Christensen's concept of commercialization of the innovation, consider a presence and future of the electric vehicle, as commercial product. In accordance with him, the first step in managing of the proper process would be the asking a series of questions: Who are and who will be an electric car buyers? How far can electric vehicles go on a single charge/refill? What about total cost of ownership of electric car comparing with internal combustion engine? Does it change the automotive market's traditional value chain? Does the electric car a disruptive threat to companies making gasoline-powered automobiles? Finding of right answers on them involves definition of current mainstream market needs, analysis of alterations of performance improvement demanded in it and the performance progresses supplied by the technology of electric vehicles. Only after this may we use Christensen's methodology and decide is the electric vehicle descriptive innovation or not.
At the end of 2012, total worldwide electric vehicle stock numbered over 180,000. As Figure 3 shows, there has been an increase over the previous years of both cumulative electric vehicle sales and the number of vehicle models being offered (CleanEnergyMinisterial, 2013). The figures show a strong correlation between sales and product variety. Only 2-3 electric vehicle models on the market were widely available to consumers in 2010, which increased in 2012 to about 6-8 electric vehicle models widely available to the general public. This suggests that more electric vehicle models coming to market will result in more choices for the consumer, and could further increase sales. It is significant to note that the lack of consumer choice resides on the market till now: only 20 or so offers consist of compact and sub-compact pure (battery) electric cars, and midsize plug-in hybrid sedans.

Approximating of these data shows that for reaching the goal of 5.9 million in annual sales of electric vehicle in 2020, the market would need to grow by 72% compounded each year. Meeting this target will be huge challenge, but the data show that sometimes the rate sufficient exceeded this indicator. For example, as 2012 came to a close, total sales number was approximately 113,000, a more than doubling of the market that was 45,000 in 2011.

Undoubtedly, price plays a crucial role in penetration of electric vehicle's market. According to a survey taken for the Financial Times, around three quarters of American and British car buyers have or would consider buying an electric car, but they are unwilling to pay more for an electric car (Reed, 2010). This survey showed that 65% of Americans and 76% of Britons are not willing to pay more for an electric car than the price of a conventional car.

The disparity between prices of electric vehicles and their equivalent gasoline vehicles now is noteworthy. The current corps of electric cars are mostly priced between $30,000 and $40,000. That makes electric vehicles considerably more expensive than comparably equipped small to midsized gas-powered vehicles. For example, the Honda Fit and Ford Focus can be had for less than $20,000. However, cost comparisons usually fail to consider a
number of factors including a luxury feel and amenities that far exceed what’s found in those cheaper gas models.

Electric cars are significantly more expensive than conventional gasoline vehicles mainly due to the cost of their lithium-ion battery pack (National Research Council, 2010). Today it is clear that a progress in battery technology is absolutely essential before electric vehicles can be commercially viable. Fortunately, battery prices are coming down about 8% per annum with mass production, and are expected to drop further (Loveday, 2011).

Prior to 2012, dedicated battery packs cost about $700–$800 per kilowatt hour, while battery packs using small laptop cells (Tesla Motors’s battery technology) had a cost of about $200 per kilowatt hour. Based on the three battery size options offered for the Tesla Model S, Stenquist estimated the cost of automotive battery packs between $400 to $500 per kilowatt-hour (Stenquist, 2012). The similar figures are reported by American Council for an Energy-Efficient Economy: the battery costs came down from $1300 per kilowatt hour in 2007 to $500 per kilowatt hour in 2012. The U.S. Department of Energy had set cost targets for its sponsored battery research of $300 per kilowatt hour in 2015 and $125 per kilowatt hour by 2022.

For batteries’ potential industrial costs in 2020, Figure 4 looks at the projected compound annual growth of the learning rate, which describes the reduction in cost of batteries through economies of scale. The International Energy Agency (IEA) estimates a learning rate of 9.5% which compares with Deutsche Bank’s more conservative 7.5%, albeit at a lower starting cost point. As a point of comparison, laptop batteries developed at a rate of 15% in the 1997-2012 period (CleanEnergyMinisterial, 2013). It is significant to mark that the cost reductions of batteries with higher production volumes already allow plug-in electric vehicles to be more competitive with gasoline engine vehicles (Khan, 2013).

![Figure 4](source: IEA, US DOE, Deutsche Bank.)
Beyond batteries there is additional opportunities to diversify the R&D scope for bringing down overall electric vehicles costs. Other opportunity areas include vehicle light weighting, which can extend a vehicle's electric range. Advancements in electric-drive systems can also differ cost reductions through fully integrating motors and electronics, using wide bandgap semiconductors, and non-rare earth motors.

In the long term, large-scale electric vehicles adoption will be conditional on total cost of ownership evolution compared to internal combustion engine alternatives. A study published in 2011, by the Belfer Center, Harvard University, found that the gasoline costs savings of plug-in hybrid electric vehicle over their lifetimes do not offset their higher purchase prices. The study compared the lifetime net present value at 2010 purchase and operating costs for the US market with no government subsidies (Lee, Lovellette, 2011). The study estimated that a plug-in hybrid electric vehicle is $5377 more expensive than a conventional internal combustion engine, while a battery electric vehicle is $4819 more expensive.

But assuming that battery costs will decrease and gasoline prices increase over the next 10 to 20 years, the study found that BEVs will be significantly cheaper than conventional cars ($1155 to $7181 cheaper). Plug-in hybrid electric vehicles will be more expensive than battery electric vehicles in almost all comparison scenarios, and more expensive than conventional cars unless battery costs are very low and gasoline prices high. Savings differ because battery electric vehicles are simpler to build and do not use liquid fuel, while plug-in hybrid electric vehicles have more complicated powertrains and still have gasoline-powered engines.

The very important parameter from cost of ownership's point of view is distance a car can travel on a single charge or fill up. This limit is constantly evolving with technological improvements of recent years and today varies from about 60 to more than 200 miles for battery electric cars on the market. Greater distance for battery cars tends to come with higher costs, because the vehicle requires a larger battery pack. But the picture with plug-in cars is different from this. The Chevy Volt, the first plug-in hybrid on the U.S. market, gets about 35 miles on electricity alone, and can travel up to 375 additional miles on its gas tank before being recharged and/or refueled.

The conventional gasoline vehicle today can travel on a single fill up to around 400 miles, i.e. the gasoline powered cars have better abilities now, then the electric vehicles. But according to the Bureau of Transportation Statistics, the average American drives about 30 miles per day. This is already well under the maximum range of the battery and plug-in electric cars on the market. The technological improvements in the future, will sharply enhance the distance an electric car can travel on a single charge and correspondingly, will influence directly on comparing of economical efficiencies of electric and gasoline cars.

The one from the major indicators of economical efficiencies - cost per kilometer to fuel an electric vehicle by now is approximately one-third to one-quarter the cost of gasoline. This is not related only with low cost of electricity, electric cars don’t have exhaust systems and don’t need oil changes. An electric vehicle has only around five moving parts in its motor, compared to a gasoline car that has hundreds of parts in its internal combustion engine, so
the maintenance cost is reduced too. The mileage-related cost of an electric vehicle can be mainly attributed to the battery pack's potential replacement with age too, and calculation of one of economical efficiencies of transportation, requires assigning of monetary value to the wear incurred on the battery (U. S. Environmental Protection Agency, 2014).

With using, the capacity of a battery decreases. However, even an 'end of life' battery which has insufficient capacity, has market value as it can be re-purposed, recycled or used as a spare. The Tesla Roadster's very large battery pack is expected to last seven years with typical driving and costs $12000 when pre-purchased today. Driving 64 km per day for seven years or 164500 km, leads to a battery consumption cost of $0,1174 per 1.6 km or $4,70 per 64 km (U. S. Environmental Protection Agency, 2014). The now-defunct company Better Place provided another cost comparison when it anticipated meeting contractual obligations to deliver batteries, as well as clean electricity to recharge the batteries, at a total cost of $0,08 per mile in 2010, $0,04 per mile by 2015 and $0,02 per mile by 2020 (Better Place. 2010).

But the information above is not enough for characterization of electric vehicles as disruptive innovation. They will be disruptive only in the case of finding of electric vehicles on a path of improvement that, someday, makes them competitive at least in the part of the mainstream market. To assessment of suitable chances of this, we need to review the performance improvement demanded in the market versus the performance improvement that electric vehicle technology may provide, in parallel with feasible changes in value chains, initiated by its development.

Appropriate analyze shows that for some reasons, for example, the limiting on the usefulness of powerful cars imposed by traffic laws, the trajectories of performance improvement demanded in the market now are relatively flat. Demographic, economic, and geographic considerations also limit the increase in commuting miles for the average driver to less than 1 percent per year. At the same time, the performance of electric vehicles is improving at a faster rate—between 2 and 4 percent per year, suggesting that the technology of electric vehicles is moving ahead at a faster rate than the trajectory of market’s needs. Already it offers to customers a set of attributes that differ from those, which are forming a value network for the gasoline-powered cars' market. Therefore, further technological advances probably will move electric vehicles on a leading position in the mainstream market, where they can successfully compete with the gasoline powered cars.

For assessment of chances for promoting electric vehicles on mainstream market, it is needed the estimation of present and future of suitable business environment. As a new technology with its own ecosystem, the rise of electric vehicles is challenging business models and spawning new ones – from infrastructure to charging service solutions, from original equipment manufacturers' offerings to grid management applications. These business models help the industry to mature, provide the foundation for further electric vehicles adoption and underlines the fact that electric vehicle is disruptive technology by itself.

A novel end-to-end value chain introduced by the shift of transportation towards electric
mobility, is presented in the Figure 5 (McKinsey, 2014). As for every challenge and new consideration that arises from the new technology, there is an opportunity for the creation of new, or enhancement of existing business models along this value chain. Incumbents of the traditional automotive value chain as well as new entrants are testing new approaches and models to meet the needs of the new value chain and take advantage of the emerging markets for new applications and services.

![Figure 5](image-url)  
*Source: McKinsey*

Beyond their obvious roles as developers and manufacturers of alternative powertrains themselves and the associated battery packs, incumbent manufacturers and new entrants are working on some new business models:

- **Vertical original equipment manufacturer's offerings.** Some car manufacturers, Tesla for example, are looking into playing a role beyond car production and becoming active on the infrastructure side.

- **Battery leasing.** Some are experimenting with the concept of battery leasing, with additional benefit to consumers to replace batteries when needed and not have to worry about its durability and long-term performance.

- A critical enabler of the scale-up of electric vehicles adoption is the improvement of the charging infrastructure, systems and data management and we can see companies experimenting with appropriate business models.

- **Charging point services (installation and maintenance).** There is an increasing number of companies that install charge points at home or at the office and provide maintenance services.

- **Operating charging infrastructure.** Similar to operating petrol stations, there might be a business case in operating charging infrastructure.

- **Battery swapping.** Battery swapping could be a quick recharge alternative for electric vehicles drivers.

- **Navigation software and apps related to charging infrastructure.** Since electric vehicles infrastructure is still not widely available, their drivers need to actively seek out not just the location of charging stations but also the type of station compatible with their vehicle.

- **Charging services (payment, access, and registration).** To charge, it is often necessary to have an account with an electric vehicles charging service provider. This service provides customers with an radio-frequency identification (RFID) pass for identification and operates a back-office with payment and billing systems.
New business models such described, provide the foundation for further electric vehicles adoption and incumbents as well as new entrants, are trying to find a profitable position in this emerging playing field.

**Product and marketing strategy for electric vehicle**

All information above convinced that electric vehicle is a disruptive technology. What should be the early product of this technology and strategy for its promotion on the market? According to Christensen's theory, the evolution in a product’s life cycle is driven by the phenomenon of performance oversupply. The first waves of disruptive products cannot initially be used in mainstream applications, because they do not satisfy the basic performance requirements of respective market.

In the beginning of life cycle, we have situation when the performance provided by disruptive new technology and its product exceeds the actual needs of the market. At the starts the market's door is open only in front of that innovative products, which are simpler, less expensive, and more convenient than existed ones. Indeed, now we have performance oversupply occurred in autos and new base for product competition on the automotive market, where customer's choice will shift away from traditional measures of functionality toward such attributes as are reliability and convenience. Therefore, the competitive designs of the first generations of the electric vehicles, could be characterized by simplicity and handiness. They will be incubated in an emerging value network and market segments, where these characteristics of product are important.

Further in accordance with Christensen, no one can learn from market research what the early market(s) for disruptive technology will be. The useful information may be created only through expeditions into the market, through testing and probing, trial and error, by selling real products to real people, who pay real money. Consequently, the appropriate business plan must be a plan for learning, not for executing a preconceived strategy.

Therefore, the managers responsible for development of electric car's and appropriate business model, must instruct their engineers to design a product platform in which features, functions, and styling changes can be made quickly and at low cost. This statement will be augmented by understanding that historically, disruptive innovations very seldom involve absolutely new technologies and product. Rather they consist of components built around proven technologies and put together in a novel product architecture that offers to the customer a set of features never available before.

**The special program for TP-GTU.**

In the Technological Park of the Georgian Technical University(TP-GTU), there are some programs, coordinated efforts of small businesses – tenants of TP-GTU. The one of them is designed as "route map" for that enterprises supported by TP-GTU, which would like to participate in development of value chain for electric cars: design and producing of them, services for specialized electric vehicles, etc. The main part of this program envisioned supporting of production of two such innovative products: school electro-bus and small electro-truck, usable for carriages on short distances inside of towns.
The requirements to the qualities of both of these products and the future conditions of their exploitations, are fully responding to the general necessities of the first generations of disruptive technologies' products briefly described above. Namely, both types of vehicle are put to use in relatively easy conditions: their exploitations will be held only a few hours per day, the requirement to the time of the charge's retention in batteries will be small, etc. The main features demanded from these vehicles are high reliability and easy maintenance, unlike of regular transportation demands such as speed, capacity to cover big distances without charging placed usually to the developed electric cars.

It will be important that the manufacturing of these products shall be relatively easy and cheap, accessible even for small companies. The recycling is recommended as fraction of producing processes, with utilization of cars' used components like are the second hand break systems, old bodies and chassis, elements of transmission systems, etc. They are accumulated in Georgia in huge amount, due to the significant importing of the chip used cars from Europe and USA in the resent years. After appropriate testing and repairing, these "second-hand" appliances will be fairly suitable for assembling of both types of mentioned unpretentious electric cars.

For purposes of realization of this program, some of the small companies - residents of the TP-GTU, will be selected in view of their potential for contribution in solving of the appropriate scientific, technological and entrepreneurial problems. Involved businesses will have skills and experience, needed for finding innovative solutions in transportation systems and attendant services, such are repairing of used batteries packs, their interchanges, organization of charging points, etc. Overall responsibility for the program's implementation will be carried by the Coordinating Body, created by Administration of the TP-GTU. The trial manufacturing of the new products will be organized in the production unit of the "Institute of the Electromachinery Technology", that is the part of GTU's educational and researching system.

We believe that the organization of the program's accomplishment in such a way, will be the key factor to its success, and allows us to accumulate the experience of improvement of an integrated approaches to management of the complex and multidimensional projects, in which the potential of disruptive technologies will be consolidated with the flexibility and dynamism of the small enterprises, and used for successful research, development and production of an innovative products in Georgia.

**Conclusions**

Electric vehicles shares now are below 1% in most major markets, mainly due to high costs. At the same time, there has been considerable progress in the global market, which suggests a relatively positive outlook. Electric vehicles continue to open up a variety of consumer segments not considered possible in the past, but the challenges facing them are complex and necessitate coordinated effort amongst all relevant stakeholders. This paper analyzed applicability of the concept of disruptive innovations to the process of the development of electric vehicles and their penetration on the market. Found data showed that we have all elements typical to the process of "maturing" of disruptive innovations: selected clusters on the automotive market with stable demand on electric vehicles, evolution of the total cost of ownership compared to gasoline car alternatives, permanent
reduction of battery pack costs, etc. Therefore, the full range of general recommendations suitable for the process of growing innovative products, were be applied in TP-GTU to the development of program with aim to coordinate of proper efforts of some small firms – its tenants. Additionally, the program reflecting the results of this investigation, indicates some business models connected with charging infrastructure, power sector, cars and components and recycling services, suitable for incumbents and new entrants of electric automotive market.

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THE POTENTIAL OF HOTEL INNOVATION INCUBATORS: THE PERSPECTIVES OF OPEN INNOVATION, CROWDSOURCING AND CO-CREATION

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Abstract

Various approaches, methods and concepts are used for managing and advancing innovation as it is considered essential to creating competitive advantages. As businesses are gradually moving away from traditional business models, they are becoming bolder, open and more inclusive in their approaches to innovation. Today hotel industry is highly competitive; therefore, it is highly motivated to advance and promote new innovations to gain stronger market positions and create outstanding, experiential brands. One of the promising approaches to advancing hotel innovation is creating innovation incubators like the case of Marriot’s Innovation Lab, where visitors are welcomed to an “incubating” space for inputting their ideas and feedback on potential hotel design, guestrooms, meetings spaces, and other hotel-related concepts. In turn, their feedback and contribution creates a source for constant innovation, potential new concepts and ideas for the future creation and development of hotel services and experiences. This paper analyses the potential of hotel innovation incubators from the perspectives of open innovation, crowdsourcing and co-creation. Despite that these concepts are highly interrelated; their dynamics play an important role in assessing the variety and possibilities of different modes of participatory innovation, especially within the context of innovation incubators.

Keywords: hotel industry, hotel innovation, innovation incubators, open innovation, crowdsourcing, co-creation.

Introduction

Various approaches, methods and concepts are used for managing and advancing innovation as it is considered essential to creating competitive advantages in hospitality industry. Today businesses are becoming bolder, more courageous and more inclusive in their approaches to innovation. Indeed, many new innovations in hospitality context urge hotels and other hospitality-oriented businesses to advance and promote their new innovations to create outstanding and experiential brands. This quest has led to the emergence of a term “prosumer society” where some consumers are viewed as pro-activists not only in the consumption but also in the production of products, services and experiences (Ritzer and Jorgensen, 2010). Some researchers find more evidence that consumers want to have a say in co-shaping their own experiences (Prahalad and Ramaswamy, 2004). Within the context of new evolving communication and social media possibilities, consumers use their new power to share their opinions, complain, negotiate, endorse, interact and co-create experiences (Cova and Dalli, 2009).

In contributing to the wider debate within the context of this new emerging paradigm, recent research has introduced numerous terms related to “extracting” consumer opinions and co-creation possibilities. For instance, researchers have conceptualized prosumption (Ritzer and Jurgenson, 2010), co-production (Etgar, 2008), co-creation (Prahalad and Ramaswamy, 2004), as well as the notions of working consumers, collaborative innovation, consumer agency and consumer tribes (Cova and Dalli, 2009). Despite the emergence of new research
insights in the field, existing terminologies are rather fluid and they are often used interchangeably; therefore, it is quite complicated to make clear differentiations and boundaries between different concepts. Indeed, some researchers argue that open innovation, crowdsourcing and co-creation are only part of a much larger social change and the beginning of a completely new economy (Rifkin, 2014).

One of the promising approaches to advancing hotel innovation is creating innovation incubators like the case of Marriot’s Innovation Lab, where visitors are welcomed to an “incubating” space for inputting their customer ideas and feedback on potential hotel design, guestrooms, meetings spaces, and other hotel-related concepts. Their feedback and participatory contribution creates an ever-changing lab for constant innovation, experiencing ideas and exploring new concepts for further implementation and future projection (Designs on the Future – Big Ideas Become Reality at Marriott Hotels’ New “Underground” Innovation Lab, 2013). So in turn, their feedback and contribution creates a source for constant innovation, potential new concepts and ideas for the future creation and development of hotel services and experiences. This paper analyses the potential of hotel innovation incubators from the perspectives of open innovation, crowdsourcing and co-creation. Despite that these concepts are highly interrelated, their dynamics and differences play an important role in assessing the variety and possibilities of different modes of participatory innovation, especially within the context of innovation incubators.

Assessing the Potential of Innovation Labs and Incubators

Marriot’s Innovation Lab could be regarded as an “incubating” space for inputting consumer ideas and feedback on potential hotel design, guestrooms, and other hotel-related concepts. This lab is located beneath the company’s headquarters in Maryland. It is a floor-to-ceiling white space that offers a clean slate for anyone – whether employee, customer, designer, researcher or architect – to manipulate and make his mark. Upon entry to the Innovation Lab, guests enter a gallery filled with projected images on walls that introduce presentations of Marriott’s newest designs. Visitors to the space become a part of the design and testing process for guestrooms, great room lobbies, meetings spaces, food & beverage concepts, etc. (Designs on the Future – Big Ideas Become Reality at Marriott Hotels’ New “Underground” Innovation Lab, 2013). Indeed, Marriot’s Innovation Lab could be considered as a living lab of innovation.

The very concept and practice of living labs is still emerging. Living labs have become an established tool for testing and developing new products or services with users in real-life environments (Leminen et al., 2012; Veeckman et al., 2013). Some authors indicate that living lab concept in practice was strengthened during the EU aim to become a competitive, innovation-based economy, especially during the Finnish European Union Presidency in 2006. Since then, research programs have been using living labs as a methodological tool to connect research to public and private stakeholders with citizens in order to co-create and co-design products and services to improve the quality of life in cities (Edwards-Schachter et al., 2012). According to the European Commission, four "P's" became the focus of collaboration: public–private–people–partnership (Schuurman, 2015).

The review of literature suggests that in living labs, the innovation processes generally consists of four main phases: 1) exploration, 2) design, 3) implementation, and 4) test and
evaluation (Almirall et al., 2012). The design process in living labs is always viewed as a co-creative process in which many stakeholders should be involved to influence the innovation in focus (Krogstie, 2012). This interaction often takes place in a physically co-located arena where the team can jointly design ideas, concepts, and prototypes by means of different methods and tools (Bergvall-Kareborn et al., 2009). On some occasions, some of the process is carried out online.

The Perspective of Open innovation

Today businesses are increasingly seeking to source knowledge and know-how beyond their boundaries since competitive advantage often comes from leveraging the discoveries of others or tapping into the wisdom of the crowd. The paradigm of open innovation infers creating and innovating with external stakeholders like consumers, partners, suppliers and the greater audiences. In this respect, an “open” approach to innovation takes advantage of internal and external source of ideas.

The very concept of open innovation infers a new paradigm of approach in innovation openly by including the external sources. For many years innovation was viewed as a closed and even secret process of a company; however, today more and more businesses realize that the best answers could be found outside since your employees and even experts cannot provide you with the best answers and especially with “out-of-the-box” solutions. This new thinking and business approach opens completely different possibilities for businesses to innovate and generate new ideas and solutions. Some authors define open innovation as a paradigm that assumes that firms can and should use external ideas as well as internal ideas, and internal and external paths to market, as the firms look to advance their technology (Chesbrough, 2003). It is the use of purposive inflows and outflows of knowledge to accelerate innovation. In this respect, open innovation is an inclusive, social way to solve complex issues and improve processes as it suggests more connected and productive interaction with broader groups of stakeholders.

The Perspective of Crowdsourcing

Crowdsourcing occurs when businesses outsource their projects or ideas to the public via an open call by seeking to tap into the knowledge of a wider crowd. The input of the crowd is sourced from a large and undefined group of people. In this regard we could discuss the concept of collective intelligence. Collective intelligence or wisdom of the crowd aims to collect large amounts of information and aggregates it to gain a complete picture of a topic based on the idea that a group of people is often more intelligent than an individual (Howe, 2008). In this respect, the essence of crowdsourcing is to acknowledge that not all the talented people work for you; hence, crowdsourcing brings more perspectives, insights, and visions to an innovation process.

The term crowdsourcing was developed by Jeff Howe in his article “The Rise of Crowdsourcing.” In his article, he describes the concept as a combination of the terms “crowd” and “outsourcing” and analyses examples such as Threadless, iStockphoto and InnoCentive (Howe, 2006). Indeed, examples of crowdsourcing could be seen in LEGO’s use of crowdsourcing to develop new models (Schlagwein & Andersen, 2014), Dell’s use of crowdsourcing for their IdeaStorm initiative (Di Gangi & Wasko, 2009), and Procter and
Gamble's Connect+Develop program, which has been relying on external sources for more than half of its innovation tasks (Huston & Sakkab, 2006).

Today the concept of crowdsourcing is quite wide and its definition undergoes many nuances and divergences. In a more generalized approach, crowdsourcing can be viewed as a special form of outsourcing processes via an open call by a large number of participants using information and communication technologies. Nevertheless, the concept of crowdsourcing could be viewed from different perspectives. For instance, crowdsourcing has been defined as the ability to gather a large group of people around your brand and get them working to develop products and/or solutions (Sheehan, 2010) or as a generalized term that embraces a number of approaches based on the integration of a large and open crowd of people (Geiger et al., 2011). For example, some researchers indicate that marketing companies are utilising crowdsourcing as a means for individuals to design and create their own content and products as opposed to already existing in-house projects. The bulk of the literature on crowdsourcing comes from business, creative industry, and popular accounts that have a tendency to mirror the logic of capital (Whitla, 2009). Yet, some researchers define crowdsourcing more specifically as “a type of participative online activity in which an individual, an institution, a non-profit organization, or company proposes to a group of individuals of varying knowledge, heterogeneity, and number, via a flexible open call, the voluntary undertaking of a task. The undertaking of the task, of variable complexity and modularity, and in which the crowd should participate bringing their work, money, knowledge and/or experience, always entails mutual benefit. The user will receive the satisfaction of a given type of need, be it economic, social recognition, self-esteem, or the development of individual skills, while the crowdsourcer will obtain and utilize to their advantage what the user has brought to the venture, whose form will depend on the type of activity undertaken” (Estelles-Arolas et al., 2012).

With the rise of the Web 2.0, crowdsourcing has reached its peak of application by opening numerous involvement processes, such as crowd wisdom and collective intelligence, user generated content, crowd voting and crowdfunding initiatives (Howe, 2006). For instance, crowd voting utilizes the thoughts of the crowd as it utilizes the crowd’s judgment to organize information often the one created by the crowd itself (Howe, 2008). In similar way, online social community members can be utilized for validating new product ideas and/or design like liking Youtube videos or Pinterest pictures. Currently, many organizations do not have sufficient insights regarding how the crowd can be engaged in innovation processes; therefore, the understanding of crowdsourcing is in its infancy.

The Perspective of Co-creation
Some researchers define co-creation as an active, creative and social process, based on collaboration between producers and users that is initiated by the firm to generate value for customers (Prahalad and Ramaswamy, 2000, 2004). While Prahalad and Ramaswamy were among the first to introduce the notion of co-creation, a wide body of research has contributed to advancing the theoretical foundations and current understanding of the concept of co-creation (Edvardsson, Enquist, & Johnston, 2005; Vargo & Lusch, 2004, 2006; Cova & Dalli, 2009). These studies have analysed the diverse roles of consumers in the consumption, production and interaction with businesses and have added to a more differentiated view of the concept.
While open innovation suggests active collaboration between different organisations and the sharing of intellectual property, co-creation relates more specifically to the relationship or a productive engagement between an organisation and a defined group of its stakeholders, usually its customers. While crowdsourcing is people creating a great idea for you, co-creation is about people working with you to make a good idea even better. This means that value does not automatically exist in products and services, but for value to emerge, experiences need to be co-created by consumers themselves (Payne et al., 2008). Furthermore, crowdsourcing is distinct in that it mainly focuses on the collective rather than the individual, whereas co-creation primarily focuses on the individual’s involvement in creating a better value of a product.

Co-creation is also a way of enhancing customer engagement by directly involving them in the company’s value creation and product development processes; therefore, co-creation is a customer-centric approach based on the principles of putting consumers first and recognizing them as the starting point of experience and value creation (Vargo & Lusch, 2004). This approach is built on two main foundations as it (a) involves the consumer’s participation in the creation of the core offering and (b) the value can only be created with and determined by the user in the ‘consumption’ process and through use (Vargo & Lusch, 2006). On the other hand, the term of co-creation is also at its infancy and it keeps developing in its scope. This has led to the emergence of a wider definition scope of co-creation relating it to a collective, collaborative and dynamic process that occurs not only between companies and consumers but also among connected consumer communities and stakeholders (Baron & Harris, 2010; Baron & Warnaby, 2011).

The Implications of Open Innovation, Crowdsourcing and Co-Creation in the Tourism Industry

One of the first researchers who examined the application of open innovation, crowdsourcing and co-creation within the hospitality industry was Menzel (2011). Some authors argued that creating a unique experience involves both customer participation and a connection which links the customer to the experience (Shaw, Bailey, & Williams, 2011); therefore; involving customers in the creation of a travel arrangement helps tailoring the service to the customers’ particular needs and creates a unique experience. Today online booking engines and websites that allow customers to post their opinions and reviews about tourism service companies are not only a helpful co-creation tool for customers, but also an important source of marketing information about customer experiences for companies (Shaw, Bailey, & Williams, 2011). It could be further argued that today online communities operate as permanent agents of quality control and instantly report the shortcomings of service companies in online platforms. Thus, the travel experience of a single customer is accessible to multitudinous community members and, subsequently, shapes their future purchase behaviour (Grissemann & Stokburger-Sauer, 2012). The tourism industry has huge potential to apply the potential provided by open innovation, crowdsourcing and co-creation; however, the key question is how to optimize this process to its very best.

In order to assess the potential of open innovation, crowdsourcing and co-creation within the context of living labs, or to be more specific, within the context of hotel innovation
incubators, it is necessary to take into consideration what processes or stages should be analyzed in order to develop better tools and approaches to take advantage of participant-driven innovation. For instance, participants could be viewed for a consumption involvement point of view. Within this context, there could be a distinction among consumer involvement stages as pre-consumption stage, consumption stage, and post-consumption stage.

– *The pre-consumption stage*. Web technologies allow customers to collect information, connect with other people, and share information about specific travel experiences (Shaw et al., 2010). Recent research highlights that the more customers are involved in the pre-arrangement of their service package, the higher their willingness-to-pay for the package (Grissemann & Stokburger-Sauer, 2012). The pre-consumption stage infers that hotel innovation incubators could take better advantage not only of their consumers, but also involve potential consumers into their “incubator” testing experiences. Furthermore, even the non-consumers could be involved into this process in order to determine what could attract them and how. The well-thought analysis and research of the pre-consumption stage could potential deliver greater insight into better hotel product development.

– *The consumption stage*. In the consumption stage, the customer creates and determines value, whereupon the experience of using a good or service and the perception are essential for value determination (Vargo & Lusch, 2006). For instance, when a service is provided in a hotel (e.g., a new in-room service), the guest is always available for the input of ideas and evaluation. The consumption stage is a key stage for hotel innovation incubators to test their ideas with existing clients and see their immediate input.

– *The post-consumption stage*. This phase infers the post-experiences of hotel clients and their judgment. The post-consumption stage infers that hotel innovation incubators could take better advantage of consumer experiences afterwards, especially when the consumers gain a general post-travel experience and can assess their experience at large.

**Conclusions**

This paper analyzed the potential of hotel innovation incubators from the perspectives of open innovation, crowdsourcing and co-creation. Despite that these concepts are highly interrelated, their dynamics and differences play an important role in assessing the variety and possibilities of different modes of participatory innovation, especially within the context of innovation incubators. This paper contributes to a deeper understanding of open innovation, crowdsourcing and co-creation as co-evolving elements of participatory innovation and an emerging paradigm of innovation at large. Indeed, these emerging new concepts and terms are very fluid and exist at their infancy since their further development and elaboration depends on the context of new evolving communications, social media innovations and approaches. Nevertheless, as innovation incubators are supposed to strive to be at the leading edge of concept application, they may serve as powerful drivers and advancers of open innovation, crowdsourcing and co-creation in practice.

Nevertheless, this process of applying new concepts of innovation to practice requires much systemic research and practical considerations. It could be concluded that the more businesses and innovation incubators will pursue to create tools and guides to apply open
innovation, crowdsourcing and co-creation into creating new products or improving the existing ones, the more this emerging field will open new opportunities for larger progress and more impressive consumer experiences.

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COHESION PROGRESS OF SMART GROWTH INDICATORS
IN THE EUROPEAN UNION

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Abstract

The objective of the study is to evaluate the progress of the main smart growth indicators in the EU according to the economic cohesion concept during 2006-2015 period. The main smart growth indicators are mentioned in EUROPE 2020 strategy: investment in research and development (R&D); employment rate; population obtaining tertiary level education (or equivalent). For the analysis all EU Member States were divided into groups in two ways: (a) by accession EU: new Member States (EU-13) and old ones (EU-15); (b) by economic development level counted by GDP per capita in PPP: highly developed, medium developed and less developed countries. After it aggregate values of the indicators were counted for the all mentioned groups. Research results can’t be unambiguously considered: in some cases, positive cohesion progress of the smart growth indicators doesn’t depend on time of accession into EU or economic development level.

Keywords: smart growth, investment, R&D, employment, education, cohesion.

Introduction

The capacity of regions to innovate depends on many factors: the business culture, the skills of the workforce, the existence of effective education and training institutions, innovation support services, technology transfer mechanisms, R&D and ICT infrastructure, the mobility of researchers, business incubators, new sources of finance and local creative potential. Good governance is also crucial.

The statistical data for the last years shows lower economic growth in the EU than in its main competitors. One of the main reasons is productivity gap caused in part by low level of innovations (this means lower level of investment on R&D, insufficient use of technologies, difficult access to innovations in some sections of society), problems in education system (this means poor reading skills of children, too many young people leaving education without qualification, qualifications often fail to match labour market needs) and ageing population (this means population is ageing in higher rates than in other parts of the World, fewer people in work have to support higher number of pensioners).

The European Commission launched a new 10-year economic strategy, called Europe 2020, to boost European economy and promote a smart (developing an economy based on knowledge and innovation), sustainable (promoting a more resource efficient, greener and more competitive economy) and inclusive (fostering a high-employment economy delivering social and territorial cohesion) growth, based on a greater coordination of national and European economic policy. The initiative wants to overcome the weaknesses of the Lisbon strategy and paving the way for the creation of new jobs and a better quality of life.
All mentioned lets to recognize goal of this research. So main goal is to determine smart growth concept and indicators and analyse progress of those indicators according to cohesion point of view.

Such objectives were put forward on purpose to reach appointed goal:
- to describe smart growth concept;
- to determine main smart growth indicators;
- to present research methodology;
- to make research results overview.

The Concept of Smart Growth
Understanding of smart growth meaning differs in different countries. In the USA smart growth first of all is associated with sustainable development. Smart growth seeks to reconcile the competing demands of regional development, namely community integrity, economic development and environmental protection (Gibbs, 2008). According to the US Environmental Protection Agency “Smart growth is development that serves the economy, the community and the environment”. For Anderson (1998) “smart growth recognizes the connections between development and quality of life. It leverages new growth to improve the community. ... It also preserves open space and many other environmental amenities.” So for US the consensus of smart growth is seemingly built on tripartite concerns for community, environment and economy.

The EU faces its own problems which are various from the US (Platje, 2013): lower levels of investment in R&D and innovation; insufficient use of information/communications technologies; difficult access to innovation in some sections of society. For example, European firms currently account for just a quarter of the 2 trillion EUR global market for information/communication technologies. Moreover, slow implementation of high-speed internet affects Europe’s ability to innovate, spread knowledge and distribute goods and services, and leaves rural areas isolated.

In addition to this, there are many problems in educations system. First of all, some 25% of European school children have poor reading skills. Secondly, too many young people leave education/training without qualifications. Thirdly, qualifications often fail to match labour market needs. Moreover, under a third of Europeans aged 25-34 have a university degree (in comparison 40% in the US, over 50% in Japan). At last, European universities rank poorly in global terms: only 2 rank in the world top 20.

Also EU population is ageing in higher rates than in other parts of the World. That’s why as Europeans live longer and have fewer children, fewer people in work have to support higher numbers of pensioners, as well as fund the rest of the welfare system. The number of over-60s is now increasing twice as fast as it did before 2007 – by some 2 million a year instead of 1 million previously.

All mentioned causes formed current EU development strategy called Europe 2020. This strategy sets out a vision of Europe’s social market economy for the 21st century and puts forward three mutually reinforcing priorities:
- smart growth: developing an economy based on knowledge and innovation;
– sustainable growth: promoting a more resource efficient, greener and more competitive economy;
– inclusive growth: fostering a high-employment economy delivering social and territorial cohesion.

As it can be seen in EU smart growth comes nearby sustainability and inclusiveness and it can’t be equated to them like it is in USA. Smart growth in EU starts from the Smart specialization concept. Smart specialization concept appeared as an answer to searching new, more sustainable growth concepts and is still developing. Smart specialization is an alternative to a policy that promotes investment across several areas and sectors irrespective of a region’s industrial structure and knowledge capacity. According to Mempel-Śnieżyk (2013) there are new and old approaches to achieving competitiveness by region (Table 1).

<table>
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<tr>
<th>Old approaches answer</th>
<th>New approaches answer</th>
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<tr>
<td>– Identifying old markets and try to enter them e.g. nanotechnology, biotechnology</td>
<td>– Identifying your assets, including your existing cluster base</td>
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<tr>
<td>– Failure to succeed in intensely competitive market without unique assets</td>
<td>– Actively pursue opportunities in areas adjacent to current strengths and leading towards higher value added</td>
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<td>– Long term development of sustainable competitive advantages</td>
<td>– Long term development of sustainable competitive advantages</td>
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Smart specialization is an important policy rationale and concept for regional innovation policy. It promotes efficient, effective and synergetic use of R&D investments and supports Member States and regions in diversifying and upgrading existing industries and in strengthening their innovation capacity.

Many researchers agrees (Macnaghten et al., 2012; Mempel-Śnieżyk, 2013; Bal-Domanska, 2013; Hurduzeu and Lazar, 2016; Ulnicane, 2016;) that smart specialization is about placing greater emphasis on innovation and having an innovation-driven development strategy in place that focuses on each region’s strength and competitive advantage. It is about specializing in a smart way, i.e. based on evidence and strategic intelligence about a region’s assets and the capability to learn what specializations can be developed in relation to those of other regions.

Moreover smart specialization places greater emphasis on innovation and focuses scarce human and financial resources in a few globally competitive areas in order to boost economic growth and prosperity. That’s why according to Mempel-Śnieżyk (2013) smart specialization is crucial for the actual effectiveness of research and investment in innovation.

Furthermore smart specialization concept emerged from a spatial sectoral lines of thinking, but it increasingly shifted towards addressing regional growth issues as fundamental building blocks of national and European growth issues. In order to make the smart specialization logic applicable to a regional context, the proponents (McCann and Ortega-
Argiles, 2013, 2015) of the concept interpreted the idea of a domain in terms of that of a region, and applying the smart specialization logic in this manner.

Also it should be mentioned that the smart specialization argument highlights the importance of the relevant size of the domain, whereby size relates not to aggregate gross domestic product (GDP), but to the range of the relevant sectors or activities in which new technological adaptations can most likely be applied and which can best benefit from knowledge spillovers (McCann and Ortega-Argiles, 2013, 2015; Pugh, 2014).

Summarizing analysis of smart specialization and smart growth concepts it can be concluded that smart growth in EU (the same as by Europe 2020 strategy) is supported by three goals:

1) increase the overall level of public and private investment in research and development (R&D) up to 3% of EU GDP and ensure better conditions for R&D and innovation,
2) improve the employment rate for the population aged 20–64 up to 75%, mainly by means of enhancing larger numbers of women, youth, the elderly, low skilled workers and legal emigrants entering the job market,
3) provide a better level of education by cutting the percentage of young people dropping out of the education system to below 10% and take up efforts resulting in at least 40% of the population aged 30–34 obtaining tertiary level education (or equivalent).

These indicators will be used for current paper’s analysis. To fully complete theoretical part of article it must be remembered that all further empirical analysis is based on cohesion point of view (the close connection between smart growth, smart specialisation and cohesion is recognized by many researches, for example, by Barca (2009), David et al. (2009), Bachtler et al. (2012), Antunes et al. (2015), McCann and Ortega-Argiles (2015), Solly (2016)). This means it is important to shortly describe cohesion definition.

In economic literature (Chan et al., 2006; Hulse and Stone, 2007) definition of cohesion is not a simple concept and can be interpreted in different ways. For some, it means the territorial and social relations stability; for others, the process of convergence between regions and social groups, moreover, some scientists even narrow the concept till employment opportunities and preferred living standards. Cohesion policy’s aim can be to equilibrate regional and social disparities within the transparent redistribution of GDP, employment, etc. Or cohesion can be directed to the maximal contribute from regions and social groups to the country’s economic performance and so on.

Author considers that cohesion definition must contain two main attributes: first of all, cohesion means equilibration of disparities; and, secondly, mutual development of all cohesion subjects.

Thus, the concept of cohesion is very close to the term convergence. However, it should be emphasized that the concept of cohesion, by definition, is more complex than convergence. Entirely, according to the difference of goals it can be said that convergence can be characterized by static position, while cohesion’s nature is more dynamic and does not have terminal goal. In other words, cohesion, as the process does not end, and it is based on the
principle of continuous development. In contrast, ultimate convergence can be achieved. Moreover convergence achievement not necessarily means development of all system operators.

**Research Methodology**

Research methodology includes grouping of EU Member States, choosing periods of time, choice of indicators and indicators’ counting methods.

Object of research is social cohesion progress of EU Member States. For that purpose two grouping models are presented in this paper. First one means grouping of all EU Member States into two groups by their joining to alliance aspect (figure 2): Old Member States (EU-14) which joined union before 2004 and New Member States (EU-10) which joined union in 2004.

![Figure 2. EU Member States grouped by their joining to alliance period. Source: made by author.](image)

This grouping is in line with popular concept of two-speed Europe (Gogas and Kothroulas, 2009; Dabrowski, 2010; Hadjimichalis, 2011). As it can be noticed there are 14 countries counted as Old Members (except of Luxemburg) and 10 countries as New Members (except of Romania, Bulgaria and Croatia) in mentioned model. This is so because most statistics of Luxemburg is much higher than other EU countries’ (for example, Luxemburg GDP is almost 3 times higher than EU average) and it perverts results. Other three mentioned countries joined EU after 2004. Furthermore Romania and Bulgaria statistics is usually much worse than other ten new members. In case of Croatia there is a lot of missing statistical data for elder periods of time.

Second grouping model is based on multi-speed EU idea. All mentioned 24 EU countries are divided into four groups by their economic development level. Allocation criterion is Gross Domestic Product (GDP). Comprehensible that it is used conditional value of GDP. This means GDP per capita according to purchasing power parity compared with EU average level.

The last mentioned grouping was made with statistic data analysis computer program SPSS using clustering function according to 10 years (2006-2015) GDP.
So the first group of countries is counted as highly developed (H-7): Austria, Belgium, Denmark, Finland, Ireland, Netherlands and Sweden, – countries which GDP level (counted as average for analysed period) is around and higher than 110% of EU average level. The second group of EU members is named medium developed (M-7): Cyprus, Greece, Italy, Malta, Portugal, Slovenia and Spain, – countries which GDP is between 110% and 80% of EU level. The third group is low developed (L-7) countries: Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland and Slovakia, – countries which GDP level is under 80% of EU average. The last group considered from three biggest EU economies – gross economies (G-3): Germany, France and United Kingdom. These countries’ GDP level is around 110-120% of EU average. (figure 3)

Figure 3. EU Member States grouped by their economic development level.
Source: made by author.

Next step is to determine period to analyse. In this article, analysed timeline is 15 years (from 2001 until 2015). This timeline is divided into three periods: (a) I period between years 2001 and 2004 – time before biggest EU enlargement; (b) II period includes years from 2005 till 2008 – time of both after EU enlargement and economic growth; (c) III period after year 2009 – time of economic recession and unstable recovery.

Choice of research indicators was made by Europe 2020 strategy’s guidelines according to analysis above. There were three main indicators chosen:

1) public and private expenditures in research and development (R&D), counted as percentage of GDP;

2) employment level of population aged 15-64, counted as percentage of total population;

3) tertiary or equivalent level education achieved by population aged 24-65, counted as percent of total population.

Regarding the indicators’ counting method, it must be mentioned that indicators are counted as conditional values. It means EU-28 value was taken as a base (EU-28 equals 100%) and current country’s value recounted proportionally to this.
Next step is data grouping. All indicators were counted by simplified standard deviation formula:

$$V = \frac{1}{n} \sum_{i=1}^{n} (C_i - x)$$

where $V$ – grouped value, $C_i$ – country indicator’s value, $X$ – EU base value (100% for GDP; current value for risk-of-poverty), $n$ – number of countries in group.

**Research results overview**

Although analysed indicators of smart growth (expenditures for R&D, employment rate and tertiary education level) are quite different, some common tendencies of their progress can be recognized. First, every indicators’ values for old Member States (EU-14) are always better (higher) than EU average (EU-28). In line with it, new Member States’ (EU-10) indicators’ values are always worse (lower) (figure 4). The same principle is correct if countries are divided into groups by economic development level: indicators’ values for more developed Member States (H-7 and G-3) are always better then EU-28 and indicators’ values for less developed Member States (M-7 and L-7) are mostly worse (figure 5).

*Figure 4. Simplified standard deviation of analysed indicators [(A) expenditures for R&D; (B) employment rate; (C) tertiary education level] for old Member States (EU-14) and new Member States (EU-10) in 2001-2015. Source: made by author.*
Secondly, cohesion progress of all mentioned indicators less depends on timeline partition into before and after EU enlargement (in 2004). Instead of this, cohesion process is more influenced by economic recession (in 2008-2009). Moreover, cohesion (or convergence) is clear in times of economic growth. Together, cohesion progress stops or even divergence appears in times of economic difficulties.

![Figure 5. Simplified standard deviation of analysed indicators (A) expenditures for R&D; (B) employment rate; (C) tertiary education level) for groups of EU Member States divided by economic development level (H-7, M-7, L-7 and G-3) in 2001-2015. Source: made by author.](image)

Finally, cohesion progress picture depends on countries’ grouping method. If EU Member States are divided into groups by their accession time (before or in 2004: EU-14 and EU-10) convergence can be faced for almost all analysed time except of the last 3-5 years when it mostly stopped or divergence appeared. It seems different if countries are divided into groups by economic development level (more developed H-7 and G-3 and less developed M-7 and L-7). Positive cohesion progress is truthful for all four groups of countries during economic growth period (from 2001 till 2008). However, strong divergence between more and less developed countries’ groups can be recognized after 2008. Especially obvious divergence process is in case of H-7 and M-7 groups.
Conclusions
Concept of smart growth differs in different countries. In USA smart growth is associated with sustainable development. In EU smart growth goes nearby sustainable growth and inclusive growth.

Smart growth concept includes three main components (and corresponding indicators): innovations (investment in R&D), education (tertiary educations level) and employment (employment rate).

Smart specialisation concept is crucial for smart growth implementation. Smart specialisation is about two main ideas: innovation-driven development and addressing regional growth.

Empirical research revealed some general tendencies truthful for all analysed indicators. Each indicator’s progress level depends on countries economic development level. Aggregate values for more developed countries’ groups (EU-14, H-7 and G-3) are always higher than EU average (EU-28) and aggregate values for less developed economies’ groups are mostly lower EU-28.

Cohesion progress of all indicators less depends on timeline partition into before and after EU enlargement in 2004. Instead of this, cohesion process is more influenced by economic recession (in 2008-2009). Cohesion is clear in times of economic growth and its progress stops or even divergence appears in times of economic difficulties.

If EU Member States are divided into groups by their accession time (before or in 2004: EU-14 and EU-10) convergence can be faced almost all analysed time. If countries are divided into groups by economic development level positive cohesion progress is truthful for all four groups of countries during economic growth period (from 2001 till 2008). However, strong divergence between more and less developed countries’ groups can be recognized after 2008. Especially obvious divergence process is in case of H-7 and M-7 groups.

References


Abstract

This paper deals with the questions of trust regarding the dimensions of social responsibility. Trust is regarded as a key concept for business sustainability. The central role of this paper is given to the presentation, discussion and evaluation of a qualitative interview research carried out in the context of 2014-2020 European Union development funds provided for Hungary, focusing on aspects of trust and mistrust and the social relationship between represented (beneficiary or client) and representative (trustee). I intend to challenge the research results with new concepts of trust showing the interrelations between social systems and their environment in constructing and maintaining sustainability.

Keywords: social responsibility, trust, sustainability, deliberation, society, communication, corporate, development, European Union, business.

Introduction

What I am really interested in concerning the aspects of corporate social responsibility, is the social world, notably, the widely understood significance of communication within and for business, that, with its own dynamics, structures, systems and subsystems — and with the interrelations of these systems and their environment — construct and maintain society and business world.

Both explicitly and implicitly the central role of my essay is given to rational public deliberation, especially to its online form. I consider the characterisation of trust a crucial notion. I tend to base my conceptualization of public discourse on the theoretical frames provided by Jürgen Habermas’s discussion on public sphere. The reason why I see a determining parallel between Habermas’ model and the governing logic behind the analysed public consultation is the idea of participatory democracy that lays behind the study of public sphere in which public opinion in transformed into political action. Through my threefold research — the comparative analysis — with the methodological help of discourse analysis — of two online public consultations in the topic of the use of 2014-2020 development funds, and the qualitative interview research functioning as a backup survey I intend to discuss questions and to prove or confute statements (1) concerning the relationship between online consultations and the space for inclusive public deliberation; (2) networks of interest created through online consultations; (3) online interaction generating greater trust between representatives and represented; and the (4) quality of online discussion, moreover (5) the role of online public consultation sphere in such government and citizen relationships where the probability of personal encounter is rather low; and (6) relationships towards time and space. Finally I plan to draw conclusions of the lessons of a public consultation concerning both business and social matters.
Functions of Trust
According to Luhmann the function of trust is to reduce complexity in social life (Luhmann 1979: 71). It is indisputable that the objective world is more multi layered than any system, as Luhmann discusses systems need to reduce complexity in order to operate as systems (Luhmann 1979:32). The diversity of reality as a whole it’s too complex to allow for the possibility of getting to know it soundly and to allow for controlling it mechanically. With increasing complexity the need for assurances such as trust, grows accordingly (Luhmann 1979:13). This notion goes parallel with the basic need for having confidence in one’s own expectations and believes, and to be able to practice self-control in order to realize one’s desires (Luhman 1979:4). The author questions how trust can reduce complexity, and insists on the ‘raison d’etre’of both functional and intentional strategies. The functional strategy regards trust as a system-internal prescience of disappointment of expectations (ibid:79).
Luhmann expresses a counter-opinion against intentional strategy by asserting the misinterpretation of “that stable structures with persons could be founded on unstable structures within their environment” (ibid:79).

Opposed to Luhmann’s argumentation I suggest to discuss another approach that links an intentional explanation with a perspective focusing on the issue of intersubjective validity. 

The need for performative certainty (Habermas 2003:253) and the need to differentiate between things are the reason why we need to trust our acquaintance and why we requisite validity. Luhmann’s notion at some point contrasts the need for knowledge and expels the probability of having knowledge at all. A major distinction between Luhmann and Habermas concerning the discussion, lays in the question whether such reduction of complexity should be systems-based functional or intentional and validity based. In the following I will elaborate on the intentional validity-based reduction where experimental analysis of trust and its social allocation is always in connection with validity claims. Although trust is often regarded as taken for granted or as an implicit premise, it can be explicitly verified through empirical research following the strategy that “whatever can be meant can be said” (Searle 1988: 19-20). Consequently, it can be emphasised that whatever can be trusted can be claimed to be trustworthy. Trust should never be totally based on knowledge, reflectivity is also needed in order to be able to trust our knowledge – according to the epistemology.

Knowledge and Trust
Individuals participating in social discussions or those being part of an institution might face the dilemma, when to trust and when to mistrust. Knowledge can reassure trust or mistrust if it is considered as justified true belief. We normally expect participants of rational deliberation to be able to prove their notions to themselves and to their counterparts (Brandom 1994). Brandom’s enunciation is also applicable to the substantiable feature of trust or distrust.

Silently demonstrated trust or confessed trust are not identical notions. Trust declaration and knowledge claims are alike in the sense that they are candid and need to be justified. Knowledge can function as the basis of creating additional trust or mistrust. Appulsing with ignorance, uncontrollability, insincerity, reason for declaring trust can be found. This form of powerless trust can be named cognitively naive trust, that in fact stands for all declared trust we encounter, as it cannot be totally proved. It can be argued that trust and mistrust are intertwined by asymmetrical relationship, as trust cannot be secured in knowledge, on
the other hand mistrust can be fixed in exact knowledge, even though declarations of mistrust can also be mistaken.

In a given deliberative, social or business action situation four essential elements can be differentiated: the situation itself, to whom we ascribe trust, the trust that is predicated, furthermore, that to which/whom trust is assigned. Trust can be attributed to functionality, system, individuals, structures, controlling mechanisms, propositions, knowledge, presupposition, and to social actions as well. According to Weber, in order for an action to become social, the individual acting in his/her subjective understanding of the action, takes into account, relates to, and orients him/herself towards other individuals’ actions (Weber 1978:4). We must surmise some trust not only in regards of instrumental actions, but also in connection with social action, in relation to other individuals, before these actions can be carried out (Gambetta 1988:219). In case of successful social actions, trust generates trust, therefore trust can either be regarded as a prerequisite of social action, or as a product of it. For interaction with instrumental or social actions trust is a requirement, in case trust is replaced by mistrust cooperation between individuals becomes impossible.

The Undesirable Situations
Thomas Hobbes described the state of nature, a world without trust, as “solitary, poor, nasty, brutish and short” (Hobbes 1985:186). This condition is envisaged, as finding its seed-plot in self-preservation, realized as self-defense. Thus, making self-preservation and self-defence a natural right, a norm, and a condition. A natural state, although created only for the sake of argument, is an unwanted state, among other reasons, because of the lack of trust.

The sociologist Talcott Parsons stated that double-contingency is a fundamental condition for all social action, which is the result of our non-acquaintance of future situations. Double-contingency occurs when participant A’s actions depend on participant B’s and vica versa. Double-contingency therefore results in indecisive and unstable social relations, which in fact is capable of baffling social action. Future oriented actions in such cases are often uncertain and unpredictable. Coming from this inherent insecurity and unpredictability individuals are unable to trust one another’s actions. (Parsons, 1989).

The neoclassical economic theory \(^1\) declares that actors on the market, similarly to homo oeconomicus only focus on maximising their personal benefit. They know everything, and are capable of doing everything, but finally are only interested in their own profit, regardless of other actors. Profit maximisation, with the assumable existence of an invisible hand on the market, should gear all workforce, goods, service exchange to function without defaults. Similarly to state of nature, actors strive for personal benefits, without profound care for others’ needs. As Hartmut Rosa points out, societies based on market economics face challenges of accelerating social processes which have negative effects on those subsystems incapable of social acceleration (Rosa 2003).

One common feature in the above mentioned three theories – Thomas Hobbes’ model, Talcott Parsons’ double contingency, or the neoclassic economic theory – is characterised by individualism. The outcomes of these situations are rather predictable, at the same time

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1 My discussion on neoclassical economics is based on the assumptions of E. Roy Weintraub (2007).
2 The term was first used by Thorstein Veblen in his 1900 article of "The Preconceptions of Economic Science".
mirroring why trust among individuals – and between state and individual – is difficult to be accomplished. As a result, unless structurally created mistrust between institution and individual is repealed, social stability does not become feasible. The other common characteristic feature of the mentioned models is that they describe individuals’ freedom and autonomy as a result of other individuals’ uncertainty and uncontrollability. Social interaction is often characterized by social scrimmage, as individual freedom is expected to be realized through the demolishing of others’ freedom. The state of nature and citizen revolt are all consequences of such thread, which implies that the above discussed models are all undesirable state for the actors of social sphere. Culture, common knowledge, norms, beliefs, family structures, optimally functioning institutions, community collaboration are all tools for avoiding the realization of the state of nature, double contingency and boundless mistrust. In reality there is a conjugation between acting according one’s own interest and in favor of that of the community. This is the reason why public consultations – and the lessons detracted from them – can be useful, operating in a well-functioning state.

Trust created in light of expectations

There is a widely acknowledged scientific agreement about trust as being a concept related to expectations. It is linguistically possible to rephrase all sentences containing trust with expectation, however the reverse is not always possible, because only the expression “trust” has a positive value-laden nature. On the other hand, the value-free expectations can be described as: ”The basic stuff or ingredient of social interaction, being the basic stuff of the physical world. Expectations are the meanings actors attribute to themselves and others as they make choices about which actions and reactions are rationally effective and emotionally and morally appropriate. All social interaction is an endless process of acting upon expectations, which are part cognitive, part emotional and part moral” (Barber 1983:9).

Expectations and trust function as a sort of self-revelation, concerning whom we trust during our social interactions and whom not. The unknown and strange is usually less trustable than the well-known. Erving Goffman draws parallel between social self-revelation and relationship to trust, in connection with stage actors: ”It is apparent that if performers are concerned with maintaining a line they will select as team-mates those who can be trusted to perform properly. Thus children of the house are often excluded from performances given to guests for a domestic establishment because of children cannot be trusted to behave themselves, ie: to refrain from acting in a way inconsistent with the impression that is being fostered” (Goffman 1959: 95-96).

Trust is needed in order to secure social action when we confront non-clarity, insecurity and lack of knowledge. Trust grants continuous social action, while mistrust intermits it. Trust as legitimacy is something that cannot be officially controlled; trust is always determined by the other. Expectations presuppose future trusts, as an emotional function, they can either be complied or thwarted, but always kept on a normative ground. The most essential function of norms is to abrogate double contingency by reciprocally stabilizing normative expectations in light of mutual knowledge. Apology and forgiveness on the other hand, functions as trust rebuilding social construction.
Changes in the concept of trust as social capital in Hungary

Beside Luhmann’s abstract categories of trust discussed in the previous part it is worth mentioning the fundamental notions declared by Francis Fukuyama (1996), who approaches social trust from the perspective of national cultures in order to predict the underlying features that bolster social and economic prosperity. Although, looking at societies from an economic view he declares that only those with a high potential of social trust will be able to bring about the large-scale business organizations that are needed to compete in the new global sphere. Based on this idea introduces countries classified as high-trust societies (like Japan, Germany, the United States) and low-trust societies (like France, southern Italy, Hong Kong, Taiwan, South Korea), the latter being explained with extremely strong family bonds that thwart trust outside the immediate family which hinders the creation of large-scale enterprises. It is questionable whether tested on a larger scale it would end up the same result. Even among the countries Fukuyama examines, he neglects the vital economic contribution of the small and medium-sized firms.

In modern societies we can observe the emergence of two types of models: one builds on social capital, trust and solidarity while the other sees the financial capital, fiscal aspects as primary. The first model, which was basically the vision of the founding fathers of the European Union, especially that of Robert Schumann’s considers the compliance with moral principles and social norms fundamental, built on trust, solidity, the functioning of a strong civil society, in other words on the strengthening of social capital. Numerous researches in the past decades show that social capital is a real capital, its reinforcement is a more reliable basis of economic prosperity than any fiscal model.

The defining of social capital has four major approaches: anthropological, sociological, economical and political. The anthropological view states that cooperation, community and trust are people’s major needs. During the past centuries these needs were not questioned rather toned-up, communities considered to be functioning as individuals’ life frame. Due to industrial developments and urbanization, that occurred in the past three centuries the cooperation and community concept of modern and postmodern societies’ had to be reformulated.

The sociological approach originates from the phenomena of social norms and human motivation and describes the significance of trust, mutuality, and community networks from this perspective. For the definition of social capital from a sociological viewpoint the works of Coleman (1988) and Bourdieu (1986) can be considered fundamental. Both of them emphasize the significance of correlation between different forms of capital. Among the Hungarian sociologists the works of Andorka Rudolf (1996) are seen as essential.

The economical approach accentuates that cooperation and trust are crucial economic factors. Since it is not my aim to examine the effects of social capital on economy in this paper, I do not intend to elaborate on this approach.

In political studies it is highlighted that the strengthening of social capital is vital for the affirmation of democracy, social solidarity and sustainable development. A major difference between social capital and financial or human capital can be detected in the fact that it is
not the characteristic of an individual’s property but that of a social community. Therefore we can speak about the social capital of a country, region, city, thus being an ecological not an individual peculiarity. According to its definition social capital is such an investment which aims at developing group identity, Jane Jacobs referred to it as the “value of networks” (Jacobs, 1961:138). Decades later the term regained its popularity serving as focus of a World Bank research programme and major element of mainstream intellectuals’ writings, among others Robert Putnam (2000) made significant research in the topic of social capital. Friendship, trust, common norms and aims can be considered such investments that foster social cooperation through which they serve better economic efficiency. Evidently, most descriptions declare trust as the basics of social capital, however it is questionable, whether trust is the result of a strong social capital or it is its core element. No matter whether we characterise it as reason or as cause it is undeniably a major feature of social capital. Within social capital we can differentiate between three dimensions: bonding (referring to strong family ties) bridging (concerning bridges between colleagues and distant friends), linking (in regards of networks between different social groups) (Skrabski & Kopp, 2007:15 own translation).

According to the OECD’s 2001 study the measuring of social capital is still not in an advanced stage. The applied scientific instruments use trust, mutuality and participation as main indicators. These scientific instruments examine attitudes, opinions, and behavior patterns. Concerning attitudes and opinions the role of cultural factors are significant, therefore based on such surveys only prudent intercultural conclusions can be drawn.

In Hungary the representative Hungaro study researches have dealt with the concept of social capital, among others involving trust as a key element. These studies were carried out for several years: in 1988, 1995, 2002, 2006 (Kopp et al, 2008:34). Based on Putnam (1993:22) social capital was defined along three dimensions, such as trust or distrust concerning the social environment, help offered by others or given to others, moreover, help received by civil organization or commitment towards such an organization. The social indexes were defined as trust, competitive attitude and participation in civil organizations.

According to an international research (OECD: 2001) the highest rate of trust can be found in the Scandinavian countries: 65% of Norwegians and 60% of Swedes declare that co-citizens are trustful, thus only 35% of Norwegians and 40% of Swedes can be considered as socially distrustful. According to a recent OECD civic engagement survey (OECD, 2015) people in Sweden are highly engaged in politics – 86% voted in the last parliament election. Another significant data from the mentioned survey is that among OECD countries Australians feel the strongest sense of community, 92% report they have someone they can rely on.

According to a TÁRKI survey 7 out of 10 Hungarians trust at some level in their colleagues, distant friends, while the rest of the population trust the mentioned group slightly. However, the general trust level of the Hungarian society is rather low, 56% stating they do not trust anybody (Tárki: 2009& 2013).

Voter turnout is defined as the percentage of the registered population that voted during the surveyed election. Another significant data from the mentioned survey is that among OECD countries Australians feel the strongest sense of community, 92% report they have someone they can rely on.

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\[^4\] Voter turnout is defined as the percentage of the registered population that voted during the surveyed election.

\[^5\] According to the same study voter turnout in Hungary was 62% in the most recent election, while the OECD average being 68%.

\[^6\] High voter turnout is a measure of citizen’s participation in policy making process, which is an essential element of trust in government that is necessary for social cohesion and well-being.
In the changing societies of the Central-Eastern European region, the level of trust – in general towards all the actors of society – is significantly lower than in Western-European countries, and particularly lower compared to the Scandinavian Countries. Distrust and corruption have a close connection with each other. In this respect in Hungary the statements like “one cannot be prudent enough”, “one cannot be careful enough” are considered very important by research subjects (Kopp: 2008 own translation). It is questionable however that trust without circumspection would be a realistic approach under our conditions, or it is rather the consideration of social reality.

According to the Hungarostudy researches the level of distrust has changed a lot in the past decades. While between 1995 and 2002 it has decreased, it increased significantly between 2002 and 2006 and since then to nowadays onwards. The level of impairment and distrust has increased significantly as well, which refers to the severe moral state and mentation. Interestingly, trust in family relationships and friendships have not decreased significantly, which indicates the viability of the Hungarian society (Utasi, 2002:21). Comparing different countries Fukuyama (1996) has proved that economic prosperity is closely related to the strength of social capital. Surveying only the Italian provinces Putnam (2000) arrived to the same conclusion. The mentioned changes in the social capital indexes have a significant role in Hungary’s economic prosperity likewise.

Distrust in our contemporary Hungarian society

For discussing the current Hungarian situation I take as reference Ronald Inglehart’s researches, who collects the World Value Survey results since 1981 in order to classify among two dimensions the attitudes and their changes present in each country. According to them the value structure of societies can vary among traditional and modernized/secularized value, on the other hand it can differ based on material or self-expression dimension. In case of Hungary concerning self-expression value it has “closed” characteristics, while concerning secularized-rational values the ”rational” is typical. (Inglehart, 2005: 257). Based on Keller (2009:77) Hungarian way of thinking is far away from the core western culture, nearing the orthodox culture. Hungarians based on the dimensions of self expression compared to Western-European countries can be featured as follows:

- we consider civilian and political rights less important
- the daily political activity is of a lesser significance for us
- we barely tolerate otherness
- self-fulfillment is of little relevance
- we do not trust others

As a result of the European comparative research four such dimensions were specified that can characterize the Hungarian community relations (based on Tóth: 2009):

- Hungarian society lacks trust
- social inequality is barely tolerated
- the judgement of corrupt behaviour is uneven
- the tax rate of state services are in general underestimated, therefore the expectations towards it are higher than the state’s possible performance.
Based on the survey results Hungary can be put into the lower middle group in comparison to other European countries concerning the amount of trust towards institutions. It is worth differentiating between trust in general and trust towards institutions, concerning the latter one Hungary has even worse results than the Western-European countries. In general, as I have already mentioned in this part, Scandinavian countries can be typified with the highest amount of trust, while post-socialist countries have the lowest amount. Among the Swedes, Danish, Finnish, Swiss and Dutch the amount of trust towards others and each other is between 50-70%, while in case of Cipriots, Portuguese, Romanians, Serbians, Slovaks, Latvians, Moldavians, Polish and Greek the amount is below 20%.

According to a 2009 Gallup research that was carried out in 120 countries of the world, surveying future aspects of certain nations and countries Hungary was ranked 117 (out of 120) in regards of their vision concerning the future. 34 % of Hungarians considered their future hopeless, while only 10% of Polish, 7,5% of Germans, 3% of Austrians, 0.8% of Danish, 0.6% of Dutch and 0.5% of Norwegians had the same dark vision about their own future. A 2011 Pew Global Attitudes Project research – the most current that is at my disposal containing data about Hungary – has also detected that Hungarians are the most pessimistic among Central-Eastern European countries. 77% of Hungarians declared that they do not trust their current political system, and only 15% felt satisfied concerning their own life, while this rate (satisfaction in relation to own life) in Russia was 35%, in Poland 44%, in Czech Republic 49%.

In Hungary the social-economical status of the individual has a great effect on his/her level of general trust towards others. Those with higher educational level tend to be more trustful (54% declare they trust people in general). Compared to Western-European countries even individuals with higher educational level tend to trust their co-citizens less. Trust towards foreigners in general is very low (depending on what kind of knowledge we have about that individual or social group). (Bernát, 2009:23). One certain trust factor is age, Hungarians tend to trust more in elderly than in young people – all age groups agree on this. At the same time they apt to distrust rich and trust poor, while distrusting atheists and trusting religious citizens (Tóth, 2009:263).

Concerning public confidence, the level of trust is dramatically low in relation to parliamentarians, bankers, journalists. According to the 2009 research on a 10 point scale Hungarian citizens give a score of 2 for political institutions, concerning the press and the legal system the given score is 3.5. Among public institutions, the State Audit Office of Hungary, the Hungarian National Bank, the Police are relatively trustable, but still under the average – medium – rate (Tóth, 2009:265).

The Hungarian results are not only low in regards of general trust but also in regards of participatory elements of social capital – Hungarians are inclined to socialize the least amount of time with their neighbours among European countries. Also concerning assistance given to other people and engagement in civic organizations Hungary is in the bottom group – the former one being specifically the lowest rate among European

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7 In our region only the Serbians and Czechs have a lower level of institutional trust.
countries, while the latter being the third lowest, preceding Romania and Bulgaria (Giczi-Sík, 2009:70).

Akerlof and Shiller (2009:34) stated that the fact whether we trust others or not is in interconnection with the view we form about them, concerning their expected behaviour towards us in a similar trust situation. Low trust level against public institutions is in close connection with the image we form about them, namely citizens are not convinced about the operational cleanliness of these organizations, they suppose institutions might be contaminated by corruption. In fact, according to citizens in Hungary all institutions are corrupt at some extent. The worst situation can be detected in business sphere and concerning political parties, but the Parliament, public media, central government fall under similar perceptions. The opinion is slightly better about local councils, public health, police and the court (based on TÁRKI economic culture research). Among the World Value Survey countries Hungarian citizens are the most convinced concerning the approach that the actors of economy can only grow rich at each other’s expense. Compared to the rest of the European countries in Hungary revenue disparity is relatively small, even though citizens feel that revenue disparity is huge (Tóth, 2008: 493).

The same research has been carried out in 2013 as well (examining the level of trust and the value structure of the Hungarian society), which got the following findings: (based on TÁRKI research, 2013)

- the value structure of the Hungarian society did not undergo significant changes
- the general level of trust is still low, however there is a slight improvement concerning institutional trust
- the expectation towards state functions is lower, however trust concerning welfare actions of the state has improved.

In general, it can be stated that in Hungary the lack of trust is significant. Interestingly, while Hungarians condemn transgression, they do think that citizens in general are norm-breakers. Lack of trust is not only present in relation to co-citizens but towards public institutions as well. Since the 1990 the majority of the population claims that it is impossible to grow rich in this country in a fair way, moreover progression is only possible through violating rules. In international comparison it can sharply be detected how malformed the view concerning active (through hard work) and passive (through personal networks) social progression is in Hungary. Among the European Union member states it is Hungarians who consider the most important family ties and social networks, while the least amount of citizens agree that good education and hard work can be a means of progression as well (Lannert 2009:145). According to Hankiss (2009:56) the deficiencies of the Hungarian value structure can be explained with the late civilization, with the more than four hundred years of colonization, and the continuous faults committed by the elite.

**The background of a public consultation as a sphere of rational deliberation**

In the following, I tend to elaborate on the public consultation initiated in the topic of the use of 2014-2020 development funds by the Deputy State Secretariat of Cohesion Policy Communication of the Government of Hungary. The research plans to underpin and implement the concepts and findings of rational deliberation, trust and mistrust between
government bodies and citizens. I am also interested in, whether a public consultation can reach all segments of society, or only a politically interested and socially active few.

My survey is accomplished with the help of discourse analysis, which is a promising way of research used by scientists worldwide. I know that discourse analysis does not work with initial hypothesis, but rather carries out an analysis and draws conclusions based on what the researcher has found. I also plan to do the same. My four hypothesis reflect my curiosity concerning the topic, it does not mean that it has any initial effect on the way I carry out my discourse analysis. I chose this method because it describes social actions through language in the most accurate way.

As for the analysis of the comments’ text I follow the 10-step methodological logic set up by Chilton (2004) and Schneider (2013) in their discussion about discourse analysis. As a first step Schneider mentions the importance of establishing a context, meaning to understand where the material comes from and in which social and historical context it was produced. Moreover, to get to know whether the analyzed material is a response to a major event or not and how it was received at the time of publication. Concerning my analyzed document, the content comes from commenters, potential beneficiaries of the European cohesion funds – individuals and professional organizations likewise. Both the social and historical context in which the texts appear is significant, since it is the first time for Hungary to compulsorily carry out such a public consultation in order to be able to submit the Partnership Agreement to the European Commission. Therefore it can be stated without a doubt that the analysed material is a response to a major event, at the time of its publication it was well received and awaited by the commenters – by those contributors who decided to express their opinion.

Scope of the research

The object of my first analysis are the incoming comments for the 8 Operational Programmes, received within the framework of a public consultation initiated by the Deputy State Secretariat of Development Policy Communication, aiming to the most effective way of using the 2014-2020 development funds, that Hungary receives from the European Union. The first online public consultation took place between 19th November and 16th December, 2013. Both professional organizations and citizens who felt being affected by the use of development funds were invited to take part in the public consultation. I decided to analyse this consultation because the first reactions arrived from civil citizens, which were also used, and reflected by professional organizations (that deal with the distribution and exertion of cohesion\textsuperscript{8} funds). In the table below (Table 2.) I show the name and number of received comments that were at my disposal (and therefore constituted the scope of my analysis).

\begin{table}[h]
\centering
\begin{tabular}{|l|l|}
\hline
\textbf{Name of the Operational Programme} & \textbf{Number of received comments} \\
\hline
Hungarian Fisheries Operational Programme & 36 \\
Environmental and Energy Efficiency Operational Programme & 202 \\
Human Resource Development Operational Programme & 171 \\
\hline
\end{tabular}
\caption{own resource}
\end{table}

\textsuperscript{8} I use the term cohesion fund as synonym of development fund in this context.
For the analysis of the comments, in order to gain the necessary information I constructed the following discourse analysis categories:

1. expression of emotion;
2. mentioning trust in connection with policy making institutions;
3. reference to scientific resource, statistics;
4. expressing own opinion;
5. the application of encouraging expressions, the ones that encourage for taking action;
6. comments referring to a policy’s social aspect;
7. emphasise of own identity (personal benefit from an operational programme over its social benefit);
8. expressions concerning respect vs. solidity (first of all in language usage, in connection to government bodies).

I also determined scales on which I have marked these categories: positive vs. negative; strong vs. weak; active vs. passive. I considered a concept positive, when it had a positive connotation (eg. love, satisfaction), while I considered a notion negative when it referred to a negative connotation (eg: hate, dissatisfaction). The difference between strongness and weakness varied in context of the stress of the expressed opinion (whether it dominated the flow of discussion or not), and the determination of active or passive depend on the type of noun the commenter used (me vs. you, me vs. the government, me vs. the EU). Table 1 in the appendix shows an extract of the applied table.

The second public consultation that I plan to examine in order to be able to compare the outcomes of the two consultations, took place between 7th to 25th November, 2014. The research and discourse analysis of the incoming comments was carried out using the same methodology as in case of the firstly analysed public consultation. During this period of time one more Operational Programme was issued at request of the European Commission, but for the sake of comparability I do not plan to deal with it. On the other hand, the Environmental and Energy Efficiency Operational Programme was not released for public discussion this time. Moreover the Hungarian Fisheries Operational Programme was issued for public discourse between 13th-28th May 2015 (its reason being the late revision on the European Union’s side). Despite these changes, I still find the two public consultations comparable, and applying the same methodology I plan to implement their comparative analysis.

Table 2. presents the name of the Operational Programmes and the number of received comments. Source: author.
Summary
During the two-fold research, with the comparative analysis of the two consultation phases it became obvious that the expression of online public opinion has an effect on offline policy making. Based on the eight categories and the three-scale determination that I set up for my discourse analysis after the comparison of the two surveyed public consultations it can be asserted that expression of emotion (both negative and positive) has significantly been reduced (with almost 50%), which means that the Operational Programmes’ texts became more objective, more concrete, more professional, most of the reflected discrepancies have been eliminated, therefore commenters had a more neutral (emotion free) attitude towards them. The mentioning of trust is a recurring motive, in the second public consultation phase, first of all as a result of the better quality of the Operational Programmes’ texts, and the amendment of the new texts with all the previous suggestions. Reference to scientific resource also shows a growing tendency, mainly due to the more and more professional level of comments, and the increasing amount of involvement of professional organizations, as a consequence of this expression of own opinion (opinion without any reference to the OP’s priorities, or without any consideration of its specific content elements) shows a decreasing number.

Encouragement or call to take action shows no significant difference, (even some decrease can be traced) mainly because of the implementation of previously expressed public opinion. Comments focusing on the specific policy’s social aspect signify a slight rise. Emphasis of own identity has fallen down to its half thanks to the bigger amount of involvement of professional organizations, and network of organizations. As the idioms expressing trust has increased respectful parlance has emerged, and reference to solidity has disappeared.

For the above mentioned inquiry I used the methodological help of discourse analysis based on the 10-step logic set up by Chilton (2004) and Schneider (2013). After presenting the data found during my discourse analysis, I devoted a section to the description of the finding concerning the varying proportion between the number of individual commenters and that of the organizations. We can definitely state that these differing discursive positions led to differences within the surveyed dimension. Concerning the interest relations can be declared that especially in case of the first consultation phase there was no formal interest relation between the actors of the public consultation. However, from the second consultation phase it can be more obviously concluded that the posts can rather be seen as a formal type of communication, a lobby activity.

Following the analysis of the comments and the behaviour of the commenters I turned to discuss how the texts of the Operational Programmes have been changed as a result of the public consultation. After the scrutiny of the OP’s texts I have realized that there were significant modifications in them due to the individual and organizational comments.
From the result of this comparative analysis, and the survey of the Operational Programmes’ texts it can be concluded that expression of public opinion through public consultation has affected in a great deal the text of the Operational Programmes’ final version. Policy makers incorporated contents in the texts that were initiated by the public, by this strengthening the view that public sphere functions as a controller of government decisions. It can also be stated that online consultation in general provides space for inclusive public deliberation. Moreover, online consultation generated networks of interest. As a result it facilitated greater trust between public and government representatives. The online discussion itself mirrored a high quality of deliberation through respectful parlance.

In the following section, which I count as the third part of my research, I plan to elaborate on the results of the qualitative semi-structured interviews that I carried out both with policy makers and with potential beneficiaries of the development funds, who commented on the texts of the Operational Programmes.

The background of a public consultation as a sphere of rational deliberation

In the third part of my research, beside the comparative analysis of the two previously discussed public consultations, as a back-up survey I intend to discuss the results of an ongoing qualitative interview research, in the framework of which semi-structured interviews were carried out with the preparatory team members of the public consultation (with all the 7 members who worked on the realization of this public deliberation), and also with 8 members among the participants (the commenters) of the public consultation. The commenters – as interview subjects – were selected with random sampling, and I tried to have at least one commenter among those that contributed to both phases of the consultation, and I also tried to have them from each Operational Programme. The major aim of the qualitative interview research was to reassure or confute the results of my online analysis, moreover to find out whether the initial expectations of the preparatory team members have met the actual outcomes of the public consultation, whereas I was also interested in the role of online public consultation sphere in such a government and citizen relationship (as discussed in part 2.4), where the probability of personal encounter is rather low. According to my hypothesis the possibility of public consultation, especially its online version has changed to a great extent the structure of social communication between represented and representative, and the relationship towards time and space.

The interviews that I used were crucial in methodological terms for a deeper understanding of the empirical data. Furthermore, these discussions offered a more thorough interpretation on how different governmental and interpersonal processes developed further policy texts, namely the texts of the Operational Programmes. I had no problem in approaching interviewees, as I worked for several years in the field of development policy I had direct contact to most of the policy workers, or I had no difficulty in contacting them through the official way. All my interviews (15 in number) were carried out personally in a face-to-face format.
The results of the semi-structured interviews

From the semi-structured interviews it turned out that the preparatory team members expected a lot more public activity, based on their initial calculations deduced from Western-European best practices.

"We checked the amount of comments received for similar public consultations in France, Germany, Belgium and the Netherlands, and deduced a number that should be valid for Hungary on a proportional bases. That number, taking into account the number of inhabitants was approximately 10,000. The actual amount of received comments (the highest amount was 202, for Environmental and Energy Efficiency Operational Programme in the first round of the consultations) were far below our expectations" (quotation from a preparatory team member).9

Despite the little activity, they were satisfied with the fact that commenters took their task seriously, gave valuable contribution, and all of the suggestions and ideas could be incorporated in the revised policy texts: "We consider it as a success, however that citizens gave valuable comments, most of them concentrating on the priorities and the general scope of the document" (quotation from another preparatory team member). They had a positive feeling about the growing trust and respect between them and the deliberating citizens, as a result of the online public consultation.

Concluding the third phase of my research it can be declared that the qualitative interview has reassured the findings of the discourse analysis. The interviewed commenters felt that their opinion expression has transformed the texts’ content to a great deal, their suggestions – underpinned by scientific research data – were incorporated into the specific Operational Programmes’ final version. From this derives that public sphere functions as a controller of government decisions. In general, it can be reassured that online consultation provides space for inclusive public deliberation, by generating networks of interest. Although the interviewed policy makers confirmed they expected greater public activity, the online discussion itself. My hypothesis concerning that online public consultation has changed to a great extent the structure of social communication between represented and representative has been proved. Commenters in their research interviews confirmed that the expression of emotion is especially arduous. Concerning relationship towards time and space they mentioned their endeavor to abolish distance and to demolish the lack of time and space dimension into virtual dimension.

Conclusions

My constantly repeated initial assumption concerning that online public opinion formation has to a great extent affect on offline policy making and inclusive public deliberation results to greater trust between represented and representative could be detected throughout my dissertation. By the end of the research it becomes clear that we can definitely talk about novelty from a technical viewpoint (the emergence of the Internet, digital technical inventions and media literacy being present in the 21st century and all the cyber possibilities provided by it), on social and social communication level there have also been changes concerning the way of expressing public opinion. The desire for having a word into decision

9 Quotations are own translations from the original Hungarian interview.
making processes affecting our lives, and shaping the possible outcomes towards a more favourable end is still as strong as it was in times of the ancient Greek rhetoricians who created the agora as a possible public sphere.

My research has proved that trust is not only a key notion in social life (in government-citizen relationship), but it can also be considered a necessary element for sustainability in business life.

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Civic Engagement Survey (2015) OECD document


IS THE CORPORATE SOCIAL RESPONSIBILITY IMPORTANT IN ENSURING THE QUALITY OF LIFE?

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Abstract

The research on ‘corporate social responsibility’ and ‘quality of life’ as separate topics are at the top in all the world over the past decades. The purpose of this paper is to explore the role of corporate social responsibility to ensure the quality of life. Research methodology: analysis and synthesis of scientific literature and previous studies. Results and research implications: The business enterprises should start caring about the future and ‘today’ but not ‘tomorrow’ to ensure and enrich the quality of life. It is necessary to learn the good practices of other countries in order to encourage the business and society to behave socially responsible.

Keywords: corporate social responsibility, quality of life, sustainable development.

Introduction

Over the past decades the scientific research on quality of life (QoL) and corporate social responsibility (CSR) are at the top in all the world. These issues are analysed by variety of scientific disciplines (including sociology, psychology, policy, management, economics and others) separately and there is growing the number of researches linking the QoL to CSR.

According to the modern concept of sustainable development, the quality of life is the result of the interaction of social, economic and environmental factors. Moreover, the corporate social responsibility covers the same three pillars which are closely related.

Individuals mostly link their personal quality of life with financial indicators (income and expenses). If a person has a job and earns ‘enough” money, he/she perceive his/her quality of life as a positive one. The questions still remain:

– What is the minimum of that ‘enough”?
– Does the business satisfy the workers’ needs to earn ‘enough” money and permit them to feel dignified in the society? Or maybe only socially responsible business tries to do that?
– What really is the quality of life? How to evaluate it correctly? And many others.

So the purpose of this paper is to explore the role of corporate social responsibility to ensure the quality of life.

The objectives of the paper are:

– To disclose the theoretical background of quality of life and corporate social responsibility.
– To identify the link between corporate social responsibility and quality of life.
The theoretical background of quality of life and corporate social responsibility

To start with, it should be identified that the analysis of scientific researches shows that there are still no united definitions of the concepts ‘quality of life’ (it should be noticed that there are used and the following synonyms as ‘wellbeing’ or ‘wellness’, what can sometimes lead to misunderstandings, especially in translating concepts into other languages; sometimes are used and ‘satisfaction with life’, ‘life satisfaction’, ‘happy life’ or even ‘happiness’, what are only the parts of quality of life) and ‘corporate social responsibility” (as well as ‘socially responsible business’ and many others). There are a lot of tries to define them and explain their importance.

The indicators of quality of life were introduced instead of Gross Domestic Product (GDP; while GDP is very useful for measuring market production expressed in money units and providing an indicative snapshot of an economy at a given time) to express the economic performance and social progress of how well-off the members of a society are. As it is described in the J. Stiglitz, A. Sen and J.P. Fitoussi Report ‘Measurement of Economic Performance and Social Progress” in 2009, citizens’ material living standards are better monitored by using measures of household income and consumption (Eurostat, n.d.).

Mostly the quality of life describes the essential living conditions, which include the necessary living conditions for the individual's physical, mental and spiritual development: quality of nutrition, housing, environment the person lives and works, and other means for normal everyday needs, but it should be noted that not identical to them. Also, the quality of life is not the same as standard of living, as various income and consumption rates are only one of many aspects of quality of life (the standard of living is the material satisfaction degree; and the quality of life is not only economic needs, but also non-economic ones, which can be attributed to the health conditions, personal security, culture, education level and so on). Thus, the quality of life is a much broader concept than the living standards and/or living conditions (Servetkienė, 2013).

Moreover, it is stated that the quality of life is a political and economic ideal, which means providing not only the essential needs, but also the desired wellness of society: economic prosperity, social security, adequate health care, maintenance of the natural environment and others (Rakauskienė, 2011). But the high quality of life is not necessarily the result of successful economic development, as the subjective quality of life is more closely connected with the dominant personal characteristics and perception of life events (Stevenson & Wolfers, 2008).

Discussing the corporate social responsibility, it is mostly perceived synonymously with morality, ethics of business, the responsibility of companies, environmental protection, socially responsible investment, responsible supply chain management, green marketing, corporate citizenship, ethical consumption and so on.

The initiatives of corporate social responsibility are valued differently from the society and the business’ angles. Sometimes, the CSR is recognised by society only as a complex issues of public relations campaign ‘declaring more than acting’ in order to avoid the need to take concrete promises into actions. As a result, the CSR initiatives are generally equated as only
philanthropic activities: charity, financial support to children foster and retirement homes, sponsorship for the festivals.

World practice shows that the corporate social responsibility is associated with the companies’ benefits (Friedman, 1970), but it has impact on welfare of society too. CSR enhances the reputation of the company, increases the competitiveness in the market, encourages investment. One of the most widely applicable and acceptable way is to invest into social and environmental areas in order to get benefits in future. There are tried not to do any harm to the environment, in case that the harmful effects not always could be repaired and it is very costly process.

By the way, corporate social responsibility means the dialogue between business companies and stakeholders (shareholders, employees, business partners, clients, government, local community and society) (Pedersen, 2006). As a result at companies should be shifted from a hierarchical “top-to-bottom” to modern one-level (horizontal) management model, when all stakeholders are included into the process of decision making (Laurinavičius & Reklaitis, 2011).

It is a pity that companies link the socially responsible activities to the environmental aspects the most: using the electricity and the heat efficiency or substituting with renewable energy sources; sorting and managing the waste; installing the information repositories in order to avoid the ‘paper’ document archives and so on. But this is not enough. Business must care more about other stakeholders, especially the workers, who are important players in creating products and in this case generating the profit. The business should share the dividends not only with shareholders, but with workers too.

By the way, socially responsible business more often than those that follow the primeval traditions ensure successful business prospects as they gain a competitive advantage both in the local and in the global markets, as a result their earnings grow up in the long term. Such positive results encourages companies to change their business policies – make a contribution to scientific research, participate in solving economic, ecological and social problems in order to decrease the adverse effects on environment and the tensions in society.

The methodological approach: the link between corporate social responsibility and quality of life
Quality of life encompasses both objective factors (e.g. command of material resources, health, work status, living conditions and many others) and the subjective perception one has of them and depends significantly on citizens’ priorities and needs. Measuring quality of life for different populations and countries in a comparable manner is a complex task, and a scoreboard of indicators covering a number of relevant dimensions is needed for this purpose. Based on academic research and several initiatives, the nine dimensions have been defined as an overarching framework for the measurement of quality of life (Eurostat, n.d.). The following conceptual model (see Figure 1) shows which dimensions of quality of life are impacted by activities of business and could be improved by corporate social responsibility.
In general, the corporate social responsibility covers all three dimensions: economic, social and environmental (González-Rodríguez, Díaz-Fernández & Simonetti, 2015), the same as quality of life indicators do (Bakar, Osman, Bachok, & Ibrahim, 2016).

The concept of economic quality of life reflects the link of the quality of life with the material well-being (mainly income). Income is an important for subjective individual quality of life to the extent that it is related to the priority needs and satisfying life choices various alternatives (Kahneman, 2003). Both objective and subjective quality of life indicators are being evaluated in individual and societal levels (see table).

<table>
<thead>
<tr>
<th>Table 1. Levels of Quality of Life</th>
<th>Objective</th>
<th>Subjective</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Individual level</strong></td>
<td>Objective living conditions (e.g. income)</td>
<td>Subjective well-being (e.g. satisfaction with income)</td>
</tr>
<tr>
<td><strong>Societal level</strong></td>
<td>Quality/liveability of society (e.g. income disparities)</td>
<td>Liveability of society (perceived importance of income disparities)</td>
</tr>
</tbody>
</table>

Source: According to Pukelienė & Starkauskienė, 2011.

It should be emphasized that societal level of objective quality of life indicators is not only the sum of individual level indicators, but it is worth to examine and compare the disparities.

Working, earning money, spending them on basic and extra needs are like a non-ending rat circle which is experienced by everyone. Even the joke ‘Happiness is not about money, but their quantity’ makes sense. So, it is not enough for individuals to have a job position, it is
relevant to be satisfied with work conditions (some experts explore the quality of life at work) and income (expenditures on basic and extra needs, and savings) too.

The role of corporate social responsibility to ensure the quality of life has wide number of expressions and application areas:

- ensuring the staff with the safe and healthy working conditions and the opportunities to learn and improve their skills;
- the inclusion of employees (or their representatives) to the decision-making processes;
- forming the better conditions (agreement on appropriate working conditions for both parties (e.g. schedule, frequency of breaks and other issues); vacations (e.g. annual, educational, maternity and paternity), terms of redundancy) than those are provided in the Labour Code; paying relevant salary (sharing the dividends from the part of the profit);
- effectively and responsibly using the natural and energy resources (not only to satisfy the needs of current generations but also not to reduce the abilities of future generations to satisfy their own needs) and widely using renewable energy sources, such as solar, wind, water, geothermal energy, heat and energy from sorted waste treatment;
- energy and heat production from garbage, waste and biomass could resolve the problem of waste disposal and contribute to the reduction of climate change effects and thereby ensure the growth of welfare for present and future generations) to solve the issues of energy exclusion and climate change problems;
- providing consumers with safer products and services and giving the right and clear information about the composition of the production, informing about the possible side effects;
- developing socially responsible marketing (promoting socially responsible decision-making process and abusing weaknesses of individual social groups).

Modern companies that seek to ensure the successful development of business cannot ignore the stringent legal requirements, the growing needs of partners and the growing public interest in the companies’ activities, its impact on the environment, quality and safety of production. By the way, business should not forget that the society is one of the main stakeholder groups despite the fact if they are the workforce and consumers of that company or are not; and business can affect the quality of life both directly and indirectly.

**Conclusions**

It is said, that corporate social responsibility to business cost a lot, but the author of this paper strongly believes that this is a cheapest way to save the environment and to ensure quality of life to today and future generations. The emphasis on promotion of corporate social responsibility is necessary right now. Moreover, it is necessary to learn the good practices of other countries in order to encourage the business and society to behave socially responsible. Moreover, the society should be more active to reach better future and increase their quality of life. Deeper investigation of the impact of corporate social responsibility on concrete dimensions of quality of life is needed.
References
THE ANALYSIS OF INTERNATIONAL BUSINESS MANAGEMENT MODELS 
AND THE ASSESSMENT OF THEIR SUITABILITY FOR THE 
INTERNATIONAL BUSINESS OF LITHUANIA

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Abstract

The purpose of research is to analyze the international business management models of various world countries, to identify their similarities and differences and to determine what specific features of these models could be applied to Lithuanian international business. The research methods used are comparative analysis of scientific literature, statistic data and empirical analysis.

The importance and peculiarities of international business in the context of globalization, the theoretical basics of main international business management models, i.e. American, European and Japan models are discussed in the article. American and Japanese models are usually considered as opposite poles, whereas the European business management model is a link incorporating the features of both models. However, it should be noted that the USA and Japan are unified geographical and socio-cultural units, where business traditions are perceived in a similar way in any geographical location of the countries. Europe differs significantly in this respect - over the centuries the countries developed as isolated units and became distinctive. The article analyzes of various types of European international business management models’, emphasizing their regional peculiarities.

Lithuanian enterprises collaborate with subjects of many countries, which differ in historical, traditions, political, social and other aspects. Thus Lithuanian enterprises use various types of business management models, emphasizing their regional peculiarities. This paper analyzes the similarities and differences of business management models that are used by international companies in Lithuania. Using the results of this empirical research analysis, the recommendations in the international business management area are proposed for companies in Lithuania.

Keywords: international business, business management model, globalization, international business management.

Introduction

Intensifying globalization and increasing international trade stimulate the growth and expansion of international business in many regions of the world. Improving systems of logistics and order-processing as well as decreasing obstacles to international trade create increasingly favourable conditions for the expansion of various types of business in the foreign countries, which is not restricted to trading internationally, but also transfers production and service activities to the foreign markets.

International business, which has been quickly developing in recent decades, is becoming an increasingly attractive field of expansion not only for big multinational corporations, but also for small companies which, thanks to the improving means of communication, are able to attract customers more easily and thus become part of the global market rather than being closed and limited to one country.
In the conditions of intensifying international business and increasing competition between companies working in the international market, properly chosen model of international business management becomes increasingly vital for success. This model determines numerous processes of company’s activity which influence its end-result. Therefore it becomes important to investigate theoretical aspects of formulating and implementing international business models in various business enterprises and analyse practical principles of applying various models, assessing both their advantages and disadvantages.

International business is characterized by its sensitive reaction to various cultural, economic, political, social, ecological, legal and other factors related to the markets, business services and other processes necessary for international business, which determine not only its success, but to a large degree the very possibility to conduct commercial activity on the international level.

In expanding company’s activities on the international level, a question arises which business model would suit best in various markets and in various types of activities, taking into account the company’s experience, business philosophy, strategy and opportunities. In order for a chosen business model to be optimal and enable the company to achieve the best results, it is necessary to evaluate the environmental factors which influence the business as well as the capabilities of the company itself.

Lithuanian companies are increasingly penetrating international markets in search of expansion opportunities, because the internal market is rather limited and cannot ensure successful business. Besides, opportunities for business development in the foreign countries thanks to the unified economic space of the EU encourage to exploit the existing free market opportunities expanding the scope of activity.

This article analyses the advantages and disadvantages of international business management models. Based on the experience of Lithuanian enterprises we seek to highlight the major aspects determining the choice of business management models in international business. Such study is of relevance to the enterprises trying to expand to the international markets and looking for an appropriate business management model.

International business has long been regarded as a prerogative of large corporations. However, in today’s world, with rapid development of various means of communication and emergence of new markets and market niches, small companies also become important members of international business.

The issues related to international business were investigated and are being investigated by a number of authors, i.e., Bernard at all. (2007), Carbaugh (2008), Cassilas at all.(2010), Cavalcante at all. (2011), Harzing (2012), Hofstede (2001), Jenny (2011), Lazonick (2010), Oliver (2001), Peng (2009) and others.

**Characteristics of business management models**
Diversity of the world’s cultures motivates us to look for universal ways of collaboration between business participants. On the global scale one can discern three major media of business management, which share the same basic models of communication, contract-
making and maintaining relationships, etc., based on the identical mutual understanding of the business principles. These are:

- American school of management.
- European school of management.
- Japanese school of management.

These three schools of management distinguished by many experts of international business are often analysed as the three separate models of understanding business and relations between businesspeople. American and Japanese business traditions are often distinguished as two opposite poles one of which one (American) is characterizes by individualism and competition while the other (Japanese) – by the sense of community and corporation.

The European business school, on the basis of which business management principles are formed, is regarded as an intermediate version possessing the characteristics of both Japanese and American business management models.

As pointed out by Richardson Global (2012), although the development of American business school, like the entire business culture of that region, was based on the European traditions, the management principles, which evolved on a separate continent, were distinguished by the specific treatment of certain management principles and by the general attitude towards business. Specifically in America evolved the system of subjugating workers’ individualism to the company’s common goal, which determined the total orientation of the employees’ activities to the personal results and strict formal control at all levels. In Japan, on the contrary, cultural traditions determined collective and informal relationships as well as the exceptionality of employee’s age in the context of work quality. Europe, being the cradle of American culture and quite distant from the Japanese traditions, in the process of its social development created a specific attitude to management, having characteristics of both America and Japan.

In the general publications of international business research usually the two opposite management models are analysed: American and Japanese, while mentioning that the European business model is an intermediary link possessing the features of both models. But we must also bear in mind that both USA and especially Japan are rather uniform geographical and socio-cultural units, which have similar understanding of the business tradition in any geographical part of these countries. In this regard Europe is different: countries which evolved individually throughout the centuries have developed specific features which have to be taken into account while analysing business management models of various regions.

Organization of international business largely depends on the chosen organizational management structure (linear, functional, guild, matrix), which determines how functions and responsibility of the participants in international business will be distributed. The organizational structure of management (composition of the staff and departments and their interrelations) objectively develops with the changing make-up and content of management work, the emergence of new works of this character, i.e. with the process of sharing management work. Organizational management structure determines the strategy of company’s activities, work methods used, ways and directions of competence
Organizational structure of a company is closely connected to the degree of management centralization towards which a company orients itself. Both centralisation and decentralization are characterized by certain advantages and disadvantages, which emerge in various situations depending on the type of activity and ongoing business processes.

Centralized management of a company, which is based on taking all decisions at the highest level, allows controlling all the separate aspects of company’s activity more strictly, but creates favourable conditions for a more bureaucratic management structure to develop, which prolongs decision-making and slows down company’s expansion. Decentralized structure, which is based on local management and decision-making, is more flexible and creates conditions to react more quickly to changes in the markets or competitors’ actions, however it creates a threat of company’s activities not corresponding to its general strategy and policy and separate structural divisions deviating from the planned long-term development goals.

Depending on the company’s goals and strategy in the international arena, various types of international business enterprises can be formed, specifying their involvement in global trade and business management methods used. Usually in the scientific literature international companies are divided into four groups:

- International companies
- Transnational companies
- Multinational companies
- Supranational or global companies

International company is the most simple type of international business enterprise. It is an ordinary national enterprise which develops its activities not only inside a particular county but also beyond its borders. It buys raw materials and ready-made products abroad and exports part of its production (not necessarily end-product). In the balance sheets of such international company import and export operations appear. In the expansion of its activities, international company feels an objective necessity to maintain close relationships with foreign partners, because it improves supply and shortens ways to the foreign markets. In such companies the property diffusion manifests itself, i.e. various types of company’s representations are founded, its stocks are sold abroad. The process of internationalization is happening – the company’s capital spreads internationally.

In transnational companies the controlling interest is possessed by the shareholders from two or more countries. Besides, this company in its international activities deals not only with import but also with export. It creates industrial and commercial branches abroad. However, all the strands of managing these subdivisions lead to one parent company located in one particular country. The number of transnational company’s branches increases, its activity becomes increasingly diversified. A necessity arises to divide company’s management between several countries and thus it transitions into a new stage of internationalization.
Multinational company is a certain form of organizing and regulating economic relations on the international level. The main distinguishing features of a multinational company are the following:

- It possesses one or several banks, the purpose of which is to serve and control the company’s financial activities;
- Consolidated balance, which is obligatory even to the companies which are legally independent from the parent company;
- Constant and diverse relations to the government institutions;
- Turnover higher than one billion dollars a year;
- Net profit – higher than 50 million dollars per year;
- Occupation – more than 50 thousand people.

Supranational (global) company is usually the largest and possesses the most complicated organizational structure. The shareholders of such enterprises come from various countries. It is practically impossible to divide supranational (global) enterprise into national characteristics.

D.Sullivan (1998), who analysed organizational structures of various international companies, has distinguished three types of their organization:

- According to their products for local and foreign markets.
- According to global market products.
- According to the geographical territories.

In the first case organizational structure can be divided into two main parts: 1) subdivisions organized according to the products of local market and 2) export subdivisions, organized according to countries and products. According to D. Sullivan (1998), it is appropriate to use this organizational structure for the companies which concentrate their activities on the local markets while foreign markets are merely a source of additional income for them. In such case, the main attention is directed to the local market and only one division in the company’s headquarters is devoted to representing foreign markets.

If a multinational company has many product lines which are sold globally, then it makes sense to organize its structure according to the products of the global market. In such a case, the position of a line manager (e.g. commercial director) is founded in the company’s headquarters, the function of which is to coordinate subdivisions responsible for the sales of a particular global product. Organizational structure organized according to the principles of a global market is effective only if the company’s production is realized in various countries and there is no single market where sales would be concentrated.

The third type of organizational structure – organization according to geographical territories – is advisable when company’s products are sold in various countries of the world, but the product is not unified or the sales volumes and specifics is very different in various markets. In such a case it is best to organize sales divisions which would specialize in concrete regions, which would allow ensuring the knowledge of and adaptation to the specifics of each region.
To sum up, it can be said that the choice of organizational structure depends on the scale of the company’s international trade, product range, the level of penetration to various markets and other factors, determining the advantages of one or other model.

While analysing the characteristics of business management models, it is also important to pay attention to company’s prevalent management style, which determines the type of decision-making. Usually three types of management styles are distinguished: autocratic, democratic and liberal. This traditional classification, although done in the context of changing organizations, is still often applied in determining the style of management and decision-making.

Autocratic style is characterized by the tendency of decision-making by a single person while addressing not only the most complex, but also relatively simple problems. The dominant method of management is giving commands. Autocratic managers do not value their subordinates’ autonomy and constantly try to impose their views. They try to strictly control the subordinates’ work and every stage of their activity. This style simply encourages passivity of the staff, and although it provides speed and unity, it becomes increasingly inefficient and unacceptable. In the international business, where significant flexibility and the ability to quickly adapt to the realities of the local market is essential, this type of decision-making can lead to loss of competitiveness for the company’s failure to timely and properly respond to changes of the environment.

A representative of democratic style manages people without applying gross pressure, but by responding to the employees’ abilities and respecting them. He encourages the employees’ initiative, gives them opportunity to work independently. Most of the questions are decided by means of consultations and discussions. Democratic style of work enables workers to more precisely realise the essence of the question they are trying to solve, to use their intellectual and professional potential and gives them the opportunity to improve. However, democratic style may not be acceptable in all business cultures, therefore the possibilities of using it should be in harmony with the local cultural and social habits.

Liberal style is characterized by the manager’s hands-off approach to his subordinates’ work. The liberal manager usually does not demonstrate his status of a leader, because he is unsure about his competence. A liberal avoids giving orders and controlling the subordinates. The employees, having a large freedom of action, use it at their own discretion, raise their own goals and implement them. This style can be especially successfully applied where the work is individual and creative.

Comparison of the theoretic principles of the main international business management models

European business management model is considered to be the oldest and the most complicated compared to other regions of the world. Traditionally, European business management model has been related to the Japanese and American models. Management models of the major European countries (UK, Italy, Germany and France) are intermediaries between the Japanese collectivism and American individualism. Taking into account the geopolitical context, it is obvious that British business management model is closer to the principles of American business school, while those of Germany, France and Italy are closely
According to R.Lesiem ir F.Neubauer (1993), the above description of European business management models is controversial, especially in the case of France and Italy. If the affinity of British and American management models is obvious and recognized by many management theorists, similarly German management traditions are in global context close to those of Japan, French and Italian schools, which are rather different from both German and British models, cannot be unambiguously related to either USA or Japan. Nevertheless, according to the classification provided by R.Lesiem and F.Neubauer (1993), French and Italian management schools are closer to the Japanese model than to the American one.

In spite of the connections of European management schools to the Japanese and American management traditions, European management specifics has developed not because of other countries’ influence, but in the context of centuries-long European economic, cultural and social development (Boudreaux, 2008). As Kwintessential (2012) points out referring to the theoretical studies of R.Lesiem and F.Neubauer (1993), the European business management model, which is complicated and many-sided, can be divided into four types:

- **Pragmatism**, the main claim of which is that all knowledge is acquired through experience.
- **Rationalism**, based on deductive management methods, ignoring subjective experience.
- **Holism**, focusing on intuitive management and based on a systemic approach.
- **Humanism**, focusing on human relations and the close mutual links.

On the basis of these management cultures it is possible to characterise European management principles in various countries and regions. However, despite the fact that R.Lesiem and F.Neubauer (1993) quite accurately delineate the distribution of different management models in territorial respect, it should be considered that modern Europe, in which the free movement of goods and people is assured, is becoming increasingly assimilated and the discussed management models are increasingly converging.

In any case, in business it is important to understand the business partner’s way of thinking, cultural habits and customs (Harzing, 2012). Therefore, the analysis of business management model types makes it easier to distinguish the essential features of international business management in different regions. The examination of the business management models revealed a striking geographic distribution among them. In Germany and Scandinavian countries the prevailing styles are pragmatism, rationalism and holism, which are based on cold logic, positivistic thinking, hierarchical management and formal communication both within an organization and with external entities.

Humanism, which is prevailing in Latin countries, reflects the general culture of the population of that region. Humanism, as a form of business management, distinguishes itself by the sense of community, close relationships, often based on kinship, patriarchal structure of the business organization. The Scandinavian case is exceptional - in this region various business management styles are distinguished (except humanism), which results in a
unique combination of Scandinavian business approach to business and their ability to adapt to different foreign cultures.

European business management model cannot be described in detail by one-dimensional types. Given the culture of different European regions, considering the specifics of economic development, political and social attitudes, one can discern various business management model dimensions that characterize the prevailing business practices in the individual regions.

International business research specialists, analysing various business management models, divide Europe into four regions, which have different styles of doing business. Given the fact that the above-mentioned four major European countries represent major European cultures, Europe can be divided into the western, eastern, southern and northern regions with certain specific business management principles influencing the practices of international business in that region.

European regions according to the business culture can be characterized in the following way:

- Pragmatism, related to Western European culture;
- Rationalism – to Northern European;
- Holism – to Eastern European;
- Humanism – to Southern European.

According to the links of these business philosophies with Europe’s geographical regions, one can characterize the habits of businesspeople in each region and their attitudes to various business processes.

According to the described types of business management models one can define the main characteristics of European management, which reflects the managers' approach to the management principles, organization of work and so on. This approach not only characterizes the personal characteristics of directors, but also allows one to evaluate the basic philosophy of the executives in managerial activities that result in organizational performance specifics and can have a decisive influence on the nature of the organization's activities. The experts engaged in cross-cultural studies note that the western region is dominated by business management based on experience and empiricism, with a focus on sales and transaction functions. The idea of a free market is most acceptable namely in the West, the spread of which is determined by a pragmatic approach to business.

In the Northern Region business management is realized by strictly defined administrative procedures, mostly valuing professionalism and ability to think. In this region comprehensive operational control and hierarchical division are considered important, government-regulated market ideas dominate.

The Eastern region, which is dominated by the industrial approach to business, particular emphasis is on business development, perceiving it as a continuous technological development. Therefore, in this region attention is focused on production (its quality). In the
Eastern region the most acceptable are social market ideas, based on holistic approach to business.

In the Southern region the sense of community and family relationships are particularly emphasized. Therefore the management of an organization is dominated by the HR function – maintaining of good relations between employees and business partners is given a particularly high priority. In this region hierarchical structure is not very significant. Here the relationships between the members of an organization are much more complicated, more resembling matrix management.

Richardson Global (2012) specialists investigating the classification and essential characteristics and regional peculiarities of European business management systems link them to the prevailing management culture in a specific region:
- managerial (leadership) culture in the North;
- business (entrepreneurial) culture in the West;
- community (collective) culture in the South;
- work (technical performance) culture in the East.

It is natural, that managerial (leadership) culture is dominated by financial functions - in this culture the most important thing in business is financial planning, company performance, financial indicators. All these mentioned factors are treated as the basis of business performance and the main objective of the organization’s activities.

Business (commercial) culture is dominated by commercial functions - the entrepreneurs of Western European region focus their attention on successful commercial transactions. This region is dominated by the view that commercial transactions are the backbone of business, so they should be the focus.

Communal culture focuses on social functions. Here the most important things are mutual relations and loyalty between employees and business partners. The representatives of this business culture are prepared to sacrifice organization’s results for the sake of better relations.

In the culture of work (technical performance) all the attention is focused on the technical functions. Here the purpose is not to plan the organization's financial results or to achieve the maximum efficiency in commercial transactions, but the main focus is on technological development. The representatives of this culture will always be committed to providing their business partners with the most possibly improved, technologically finished product.

After analyzing the theoretical aspects of international business management models it can be stated that in international business the choice of management models is influenced by many different factors associated with a particular region’s cultural, social, political or economic characteristics, as well as with company’s internal culture, activities and philosophy. Depending on the combination of a number of factors, the companies form company-specific, individual international business management models that best suit their operational conditions and allow to achieve the best results. Companies new to international business can rely on the experience of other companies, or, taking into
account the theoretical research, try to create a unique business management model that would ensure a competitive advantage in foreign markets against the existing players.

The diversity of theoretical solutions for international business management makes it possible to form various non-typical business management models. Therefore, in the context of analysing international business management models of various countries in the process of globalization, it is important to study the international business management solutions prevailing in practice.

**Generalization the experience of applying international business management models in the Lithuanian enterprises**

This section of the article summarizes the experience of international business enterprises operating in Lithuania while choosing and shaping the business management model. It is based on the analysis of the theoretical aspects of international business management models which we have carried out. The empirical study was conducted using a structured interview method, which allowed us to gather more detailed information, based on the experience and competence of the experts participating in the study. They studied 20 Lithuanian companies of different sizes, successfully operating in the international business from 4 to 20 years. The survey involved competent experts from the firm’s managerial staff. The main activities of the surveyed company are production (agricultural, food, wood processing and furniture), trade and logistics services, its main markets are the EU, Russia, Belarus and Ukraine. The comparison of the factors influencing the choice of international business management models used by Lithuanian companies, their characteristics and management model was performed from several perspectives:

- by the type of activity - production, trade and services;
- by company size - large, medium and small enterprises;
- by region - Central European, Western European and Eastern European. The latter is considered as a space outside of the EU in the east of Europe.

The study used a structured interview method to collect detailed information, based on the expertise and competence of the experts participating in the study. The study assessed the following features of an international business management model:

a) the philosophical orientation (holism, humanism, pragmatism, rationalism);

b) the school of Management (American, European, Japanese);

c) the organizational structure (linear, functional, matrix);

d) the degree of centralization (centralized, decentralized, mixed);

e) the type of decision-making process (authoritarian, democratic, liberal);

f) the ownership and control (international, transnational, multinational, supranational).

It was found that in the case of commercial enterprises, the most commonly used was the decentralized international business management model, forming organizational structure on the functional or matrix basis. The dominant form of ownership and control is international company, which is guided by the provisions of European school of management. However, a trading company uses a range of philosophical orientations in international business and one cannot distinguish from them one or more which would be
predominant. Meanwhile, the nature of the decision-making process can be clearly identified— it is dominated by the democratic or liberal approach.

Service enterprises are dominated by the mixed model of international business management, basing organizational structure on the functional relationships. According to the ownership and control the international form is prevalent. However, it is difficult to assess the prevailing school of management, because part of the models used can be attributed to the Japanese management school, while almost an equal part— to the European one. According to the philosophical orientation, here prevail holistic and humanistic management models, while the decision-making process is usually democratic. In the case of production companies, it is difficult to identify the prevailing trends in the management models. However, here clearly dominates the European school of management and democratic decision-making process.

Large companies usually prefer a mixed decentralized management model based on functional or matrix organization structure and the democratic decision-making method. Their philosophical orientation is holism or humanism. Here prevails international form of ownership and control and the European school of management. In the case of medium-sized enterprises dominates decentralized management model, which is based on the functional organizational structure, international form of ownership and control and European school of management. In assessing the philosophical orientation and the type of decision-making process, it is difficult to distinguish the prevailing direction. In the case of small businesses, it is difficult to discern dominant trends. It can only be stated that international form of ownership and control tends to dominate here and the decision-making process is based on democratic principles.

Companies operating in Central Europe follow European school of management and use liberal method of decision-making. Organizational structure is functional, form of ownership and control—international. However, we failed to discern the prevailing business models according to the degree of centralization and philosophical orientation. Companies operating in Western Europe are most frequently decentralized, based on international form of ownership and control and use democratic decision-making method. Business management models of Lithuanian companies operating here follow the European school of management. Companies operating in Eastern regions are based on the functional organizational structure and internationalist business ownership and control form. These companies are dominated by the European school of management and democratic decision-making process.

The choice of international business management models by the Lithuanian enterprises was influenced by uneven factors. Business model choice made by trading companies was mainly influenced by the company's management model for the domestic market, the company's management models in other markets, the macroeconomic environment and market structure, as well as financial capacity of the company and the management models used by customers. The choice of business management model in service businesses was mostly affected by the structure of the market, as well as management models used by customers, the company's financial capacity, macroeconomic market environment and the general business culture dominating in the country.
The choice of business management models by large companies was mainly determined by the management models used by customers, the company's financial strength, market structure, the macroeconomic environment, company management models in other markets and the company's management model for the domestic market. Meanwhile, the business model choice among the medium-sized companies was determined by the macroeconomic market environment. From the obtained data we could not reliably identify factors influencing the choice of business management models by small companies.

The business model choice by companies operating in the Central Europe was mainly influenced by a company's financial strength, market structure and the prevailing business culture. Meanwhile, in the Western Europe-based companies the greatest impact on the business model of choice was made by the macroeconomic environment of the market and the prevailing business culture. From the obtained data it is difficult to reliably estimate the factors influencing the choice of business management models by the Lithuanian companies operating in Eastern European region.

**Conclusions and recommendations**

1. Properly selected company's business model gives it a competitive advantage in the industry and allows obtaining higher profits than its competitors. In global terms, there are three main distinct business management schools, dominated by the same basic principles of communication, contract-making, maintaining relations etc., which are critical for business: the American, the European and the Japanese School of Management, on the basis of which international business management models develop.

2. In contrast to the American and Japanese business management models, the business management model of Europe cannot be described in detail by one-dimensional types, one must take into account the different cultural regions, considering the specifics of economic development and different political and social attitudes.

3. Since Lithuanian international business enterprises have business relations with various countries in the European Union and beyond, they use a variety of international business management models, assessing the specifics of concrete countries in the cultural, economic and social spheres.

4. The experience of Lithuanian international business enterprises suggests that in the Lithuanian companies involved in international business dominates decentralized management model, which is based on the functional organization of business and the provisions of European business management school. According to the philosophical orientation Lithuanian international business enterprises are dominated by pragmatism, humanism and holism, and according to the decision-making process one can most commonly encounter democratic or liberal models.

5. Lithuanian international businesses enterprises are focused on the free market as the prevailing economic idea, their activities are commerce-based, maintaining mostly competitive relationships with other organizations.
6. In view of the results, one can distinguish the following main factors determining the choice of international business management model: the macroeconomic market environment, market structure, foreign experience of the operating units, the prevailing business culture in the country, the company's financial strength and management models used by the customers.

Based on the examination of Lithuanian business practice, we offer the following recommendations for the Lithuanian companies intending to expand their business in the international markets.

1. It is appropriate for commercial businesses to use a decentralized model. While forming a functional or matrix organizational structure it is advisable to focus on the management of European school and to follow democratic or liberal approach to the decision-making process. For the manufacturing companies it is appropriate to focus more on the democratic approach to decision-making process and to form linear or functional organizational structure. Meanwhile, for the service companies it is appropriate to choose a mixed centralization and functional organizational structure and to assess the potential for the implementation of the Japanese management model principles in addition to dominating European model.

2. For companies that intend to expand into the Central European region, it is appropriate to use a centralized or decentralized model. While forming functional organizational structure it is advisable to focus on the European school of management, coordinating it with rationalism and holistic philosophies and selecting the liberal decision-making model. For the businesses oriented to Western European markets is more useful to implement a on organizational structure based on the decentralized, linear or functional management, which is predominantly based on the business philosophies of pragmatism and rationalism.

3. For large companies which intend to expand internationally, it is advisable to focus on holistic and humanistic philosophies of expression and democratic decision-making. Meanwhile, for the medium-sized companies liberal decision-making process, coordinated with pragmatism and rationalism, is more relevant. Regardless of the size of the company, it is advisable to focus on the principles of the European school of management. All businesses must take into account such fundamental factors as the prevailing business culture, market structure and customer management models used in the country where they intend to do business. All companies should focus on free market principles and on the commercial approach to business.

In summarising our recommendations we want to emphasize that the recommendations are based on the experience of the international business enterprises operating in Lithuania, therefore they let us expect their suitability for the companies which are new to international business. However, it is important to always consider the fact that the current practice is not necessarily the most effective and efficient solution, because quite often a competitive advantage lies in the non-standard decisions not widespread in the market, which determine the formation and development of new international business management models.
References
ROLE OF INTER-INSTITUTIONAL COLLABORATION IN THE DEVELOPMENT OF THE HUMAN RESOURCES IN TOURISM SECTOR: AN INNOVATIVE APPROACH.

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Abstract

As a response to the development of the tourism industry, there is an increase in demand for professional staff that is ready to provide professional travel services, including accommodation and catering. While managing a tourism company, it is important to take into account that tourism industry is constantly changing under the influence of globalization and innovation, so it is important to ensure the development of human resources of tourism companies. The shortage of a consistent theoretical perspective and a systematic approach to the development of human resources in the tourism sector, especially within the context of inter-institutional collaboration, encourages to investigate the issue. This study aims to investigate the institutions which are taking part in human resources development in tourism sector and to measure the influence of collaboration of mentioned institutions on the development of human resources in tourism sector. This article uses the following research methods: scientific literature analysis, statistic data analysis, and round table discussion with the tourism professionals (practitioners and scientists).

Keywords: Human Resources Development (HRD), tourism sector, Inter-Institutional collaboration.

Introduction

According to the United Nations World Tourism Organization, a new record of 1,2 billion tourists around the globe was achieved in 2015, it is predicted that by 2020, the number of international tourists will reach the indicator of 2 billion. The rapid growth of tourism flows had influence on increasing number of tourism organizations, currently every eleventh job in the world is attributed to the tourism industry. In recent decades there have been a lot of changes in the tourism sector, as well as in the human resource development. Regarding tendencies, tourism organizations must quickly adapt to changes (Taylor, Finley, 2009). The harmonization of human resources development and organizational development is becoming the axis of mentioned organizational adaptation (Kearns, 2004). However, currently there is a noticeable shortage of coherent theoretical perspective and a systematic approach to the development of human resources in the tourism sector in the context of inter-institutional collaboration.

Tourism Challenges for Human Resources Development

The research on the travel and tourism competitiveness made public in 2013 at the World Economic Forum shows that in the period till 2022, the expected growth of tourism and travel jobs in Europe is estimated at 2 437 thousand. Accordingly, there is a substantial need for an increasing number of highly qualified, well-educated industry professionals. (Donina, Luka, 2014) Tourism by its nature belongs to the service sector. Human resources play the key role in the service sector, because the provided service is usually identified with the personnel. Human resources are defined as a set of people included in a social activity within the described space (Melnikas, 2002). Working in the context of the rapidly developing tourism poses many challenges, travel proficient tourists are becoming more
demanding, the emergence of new marketing and reservation systems require excellent computer skills, a global competition among tourism enterprises and destinations, a special sensitivity to the economic downturn - forcing continuous improvement and search for new business development and service standards. In pursuance successfully meet the changes has become prevalent dichotomy between corporate strategy and human resources development (Kearns, 2004). It is necessary to pay more attention to the human resources development, which has to meet the changes in tourism and human resource management. As the impact of tourism worldwide is growing and tendencies are rapidly changing, tourism more often becomes the object of scientific researches. The researchers point out that tourism is one of the most striking social phenomenon after the Second World War (Kong, Cheung, Song, 2012), each year new types of tourism emerge: e.g. Medical and Sport Tourism are chasing previously most popular Leisure Tourism and Business Tourism; Tourism companies start to offer tourists new services and receive visitors from a wider range of countries, in connection with these tendencies, there is a new demand for employees in the tourism sector (Fletcher, Fyall, Gilbert, Wanhill, 2013). Human resources development was the research object of different scientists, who analyzed a number of theories and paradigms (Garavan et al, 2000; Smith, 2004; Sloman and Philpott, 2006), and the links between the organization's strategy and human resources development (Luoma, 2000; Garavan 2000). Mostly separate parts of human resources development phenomenon are sufficiently investigated, there is a lack of systematic approach; therefore fragmentation of scientific information in this area is felt. The problem of human resources development in the context of tourism sector is even less considered. Although the tourism sector often mentions human resources as the main competitive advantage, there is a lack of understanding of the essential uniqueness of human resources development in the sector, especially on the development of human resources in different tourism sub-sectors: airports, travel agencies, hotels, amusement parks, tourist information centres etc. (Nickson, 2007). Scientists agree that human resources development is important, and can contribute to the successful development of the tourism sector, but insufficient attention is given to both - theoretical and practical analysis of the relationship.

Human Resources Development in Tourism Organization

It is important for any modern organization, which operates in a fast changing sector, to understand that it is not enough to be ready for changes; modern organization should have an ability to predict, monitor, or even create the change (Snell, Bohlander, 2007). One of the most successful modern organization’s traits must be quality. In the service sector, as well as in the tourism sector, human resources can be considered as the quality guarantee. Four of the five SERVQUAL model set quality criteria: reliability, timeliness, authenticity, empathy - can affect the behavior of the staff. (Bagdonienė, Hopenienė, 2009). One of the major organizational aims is to create a human resources management system, which would respond well to the staff and organizational goals (Chesbrough, 2011). Human resources development – the base of the mentioned system, can be characterized as the creative concentration of people, strategies, structures, systems and technologies in the ways which develop and support organizational effectiveness (Dilworth, 2003). Working on the organizational level of the staff efficiency, it is important to ensure their autonomy and sense of responsibility; employees must learn and teach others (Drucker, 2004). The development of leadership within the organization, strategic aspects, individual development, open education for all employees, innovative teaching methods, information
and dissemination of good practice should be encouraged to be analyzed through the prism of human resources development (Jagminas, 2006). Unfortunately, not all organizations estimate the importance of changes. Often the lack of attention on such areas as employee adaptation, career planning, and change management in the enterprise can be identified (Bakanauskienë, 2008). The mentioned approach can be characterized as incompetent, human resources development system must be open to the external and internal changes; otherwise it becomes a pure formality (Schuler, Jackson, 2008). Job satisfaction, development and personnel career prospects tend to better serve customers, so human resource development must be one of the company’s priorities (Drucker, 2004).

The benefits of human resources development have been often emphasized by researchers so far, therefore it became the integral part of human resource management and organizational strategic management (Kim, 2008). Human resources development can be investigated on two levels: the individual and the organizational (Garavan, 2004). On the individual level, employee himself expresses an interest and desire to improve his skills and performance. On the organizational level, employee is treated as a connecting link between the company's goals and results.

Researchers Taylor and Finley (2009) emphasize that two approaches to human resource development have been formed so far, according to the first approach employees are treated as costs / resources, according to the second - as a competitive advantage. The second approach was comprehensively described by the researchers Úbeda-García, Marco-Lajara, García-Lillo, Sabater-Sempere (2012), who stress that investing in human resource development through training and skills development of the system often creates an unbeatable competitive advantage. Organizations, which are constantly analyzing human resources, changes, trends, consumer behavior and adapting to the changes can be called learning organizations (Sakalas, 2012). During last decades, the information flow, processed in the enterprises, increased, if earlier tourism and hospitality managers could accumulate information about their clients on their computers, now the scope of the information increased so much, that auxiliary systems have become indispensable. Successful management of change in the field of tourism should include a wide range of human and social factors, because the international context has been taken into account.

Need for Inter-Institutional Collaboration
The range of links between industry, higher education and non-governmental institutions is both diverse and variable. (Airey, Tribe, 2005). Different national and international subjects such as tourism companies or governmental institutions (e.g. State Tourism Department), public institutions (e.g. Associations of Tour Operators, Association of Hotels and Restaurants, etc.), educational institutions, international organizations (United Nations World Tourism Organization, European Travel Commission, etc.) etc. are taking part in the development of the tourism sector (Úbeda-García, Marco-Lajara, García-Lillo, Sabater-Sempere, 2012). In the context of common goals and cooperation of mentioned organizations, there is a shortage of attention paid to the connecting bridge – human resources development.

It should be noted, that human resources development was analyzed in the context of the different tourism types and areas. Researchers A. Clarke, W. Chen (2007), D. Weaver (2011),
D. Nickson (2007) investigate the development of human resources in the tourism sector, summarize the relationship between the different tourism areas, give many practical examples (e.g. "British Airways", "Hilton", etc.). It can be assumed, that investigating the human resources development in the tourism sector, the good practice complements the theory. It should be emphasized, that the analysis of the system of human resources development in the tourism sector will be helpful in the development of tourism on both levels: organizational and national.

Tourism sector can be defined as a dynamic sector. Together with the changing tourism sector, tourism oriented study programmes at higher education institutions, responsible for the future tourism specialists’ preparation, will change. Tourism organizations, both business and governmental, are working on tourism sector development. In this case, higher education institutions organizing tourism related programs can be helpful or ineffective for the tourism sector. Dichotomy between tourism organizations and higher education institutions is possible only through continuous collaboration. Round table discussion with tourism practitioners and theorists, measuring the importance of collaboration between tourism organizations and higher education institutions, was organized in 2014 in Vilniaus kolegija/University of Applied Sciences (www.viko.lt). During the discussion on practical and theoretical levels several competences required from modern tourism specialist were identified (Table 1).

Table 1. Competences needed for tourism specialist

<table>
<thead>
<tr>
<th>Professional communication</th>
<th>The ability not only to collect information about the tourism destination and tourism services and products, but also the ability to professionally represent the collected information.</th>
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<tr>
<td>Additional competences</td>
<td>The more additional, tourism related, competencies the tourism specialist has, the more valuable employee he is. He/she may be entrusted with additional tasks, e.g. travel manager if necessary can provide guide services (having a tour guide license) etc.</td>
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<tr>
<td>Ability to work with modern reservation systems</td>
<td>An increasing number of tourism companies sell tourism products and services through the reservation systems (online). Furthermore, more and more day to day tourism or hospitality company processes are managed with the help of reservation systems, such as Amadeus, GoGlobal, Fidelio, etc.</td>
</tr>
<tr>
<td>Foreign language skills</td>
<td>Need for a specific foreign language depends on the target market. The more languages a tourism specialist knows - the better.</td>
</tr>
<tr>
<td>Knowledge of E-marketing tools</td>
<td>The rapidly growing number of Internet users around the world influences the increasing need to promote and sell tourism services online. The tourism specialist, who has an ability to work with e-marketing tools can help to improve the performance of the tourism company.</td>
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</table>

For the higher education institutions preparing tourism professionals, it is important not only to continuously monitor changes in the tourism market, but also to respond to these changes. Collaboration between tourism organizations and universities that train future and present tourism professionals is essential for the development of tourism, successful employment of graduates and meeting employers’ needs.
The lack of a systematic approach to the development of human resources in the tourism sector has a negative impact on the sector development. The subjects of tourism sector face similar problems, with the similar characteristics: low staff competence, employees who lack practical skills, shortage of seasonal employees, lack of motivation, frequent staff rotation, etc. (Úbeda-García, Marco-Lajara, García-Lillo, Sabater-Sempere, 2012). Facing similar problems and having a common goal – tourism development, shows a distinct lack of inter-institutional system, which in the way of purposeful development of human resources could help to develop the tourism sector. Meeting the industry’s requirements and expectations is still the basic aim in developing tourism curricula. (Donina, Luka, 2014).

**Modeling the Inter-Institutional Collaboration in the Development of the Human Resources in Tourism Sector**

Inter-institutional collaboration is increasingly important as a new and potentially more effective aspect of human resources development, especially where innovation is important. Different subjects of the tourism sector can be characterized by common goals, e.g. sector development and human resources development. Obviously, integrated communication between interested sector subjects (institutions) would ensure sharing the information about tendencies in tourism sector, creation of environment suitable for professional human resources development system creation and adoption of changes. Inter-institutional collaboration in the development of the human resources in tourism sector should take into account different types of interested sector subjects: governmental, non-governmental, business, education. The mentioned collaboration can be ensured only in the way of both way active communication, as illustrated below.

![Diagram of Inter-Institutional Collaboration](image)

*Figure 2. Communication of Inter-Institutional Collaboration in the Development of the Human Resources in the Tourism Sector.*

As illustrated above, communication is important for assuring suitable environment for
learning and innovation (Dodgson, 1993). Special attention in this model is paid for Tourism Associations, which can be treated as mediators in this context, it means, organize regular sharing of information, ensure the feedback, monitoring of changes, etc. This systematic approach can be helpful in the development of human resources in the tourism sector, encourage tourism subjects to collaborate on the issue, share the important information and create important sector innovations.

Conclusions
Working in the context of the continuously developing tourism poses many challenges. It is crucial to pay more attention to the human resources development, which has to meet the changes in tourism and human resource management. Tourism industry belongs to the service sector. Quality of the service depends on the skills of the professionals.

Only separate parts of human resources development phenomenon are sufficiently investigated, therefore there is a lack of systematic approach in this area. Different national and international subjects are taking part in the development of the tourism sector. For example for the higher education institutions it is important to respond to the changes in the tourism sector and to adapt those changes in the study programs. Nowadays main required competences for the tourism professionals are as follows: professional communication, additional competences, the ability to work with modern reservation systems, knowledge of foreign languages, and knowledge of E-marketing tools.

Dichotomy between tourism organizations is possible only through continuous collaboration. Inter-institutional collaboration in the development of the human resources in the tourism sector should respond to different types of interested sector subjects: governmental, non-governmental, business, education. Mentioned collaboration can be ensured only in the way of active communication, which is needed to generate suitable conditions for learning and innovation.

References
SERVICES OF VILNIUS CITY HOTELS FOR DISABLED PEOPLE: INNOVATION OR NECESSITY?

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Abstract

Accessible tourism are the ongoing efforts to ensure that tourist destinations, products and services are accessible to all people, regardless of their physical limitations, disabilities or age. Even though accessibility for disabled people is now understood as essential services in the hotel industry still there are many uncovered gaps. The problem is that accessibility of accommodation services for disabled people in most of Vilnius city hotels is insufficient.

This paper is based on the research done in fourteen hotels of Vilnius city. Each of the hotels was monitored in 30 aspects starting with the entrance to the hotel and evaluated: as adapted, semi – adapted and unsuited. The objective of the paper is to analyze the current situation and suggest the improvement of accommodation services for disabled people in Vilnius City hotels. The results show how many hotels are equipped to accommodate people with disabilities.

Keywords: people with disabilities, hotel industry, accessible tourism, disabled traveling, sustainable tourism, accommodation services

Introduction

By the data of the World Health Organisation (WHO) about 15% of the world inhabitants or about one billion people suffer from a certain form of disability. There are obstacles for traveling for other society groups too: seniors, families with children and baby buggies and temporarily traumatized people. Therefore accessibility should be an inseparable part for the development of responsible and sustainable tourism. Traveling should be made easier for the disabled not only to guarantee their human rights but it can also be a perfect possibility for business. It is useful to increase tourism accessibility for all people as this will strengthen economic prospects and create new work places.[4]. This is especially important for the hospitality business and hotels applying the highest standards.

The number of traveling people with disabilities is increasing in the world. New technologies or medical discoveries can save people’s lives; however, people cannot permanently live with disabilities. G. Muceniekas identified disability as physical or mental impairment which limits the vital fundamental human functions such as hearing, vision, speech, movement and work. Disability restricts the ability to feel a fully-fledged member of the society as it restricts limits or takes away a person’s ability to engage in a desired everyday activity [11, p. 6].

People’s disabilities can be classified into three groups: by way of cause of origin, by gravity and by the disorder. Disability types by way of cause of origin can be congenital, for example genes or genetic disease, trauma during delivery; acquired – because of a professional disease or an accident, or because of one more reason - aging. By the degree of gravity disabilities are divided into light, moderate and severe. The deficiency can be physical - movement disability or caused by somatic disorders. Disabilities caused by sensory disorders
include blindness, deafness, impaired speech, mental, psychical and developmental disorders (Figure 1) [3].

I. Svetikienė also suggests considering tourists with special needs. The author of the book “Marketing of Tourism” says that the disabled make 15% of all travelers. They can be divided in three groups [15, p. 256]:

- with movement disability;
- The deaf’
- The blind.

Accommodation institutions should be prepared and guarantee that wide doors are installed, lifts to be used by the disabled in wheelchairs, as well as bed ramps and car ramps for getting into cars [12, p. 50]. For the blind there should be Braille signs on the room door. A blind guest may be accompanied by a personnel member. Baby chairs on wheels should be provided, special cots and a play room. Hotels ready to serve the disabled should have the following special equipment [15, p. 256]:

- a parking space for the disabled in wheelchairs should be equipped near the hotel entrance, special sloping trails should be installed, wide doors in the rooms, a special water pool, doors with photocells, and an escalator;
- For the deaf – special telecommunication systems, visual alarm systems, telephones with amplifiers;
- The required menus for the blind guests printed in Braille, all the information, tables, signs, main hotel information should be recorder on the CD or any other media.
Disabled people should anticipate the same rights as people without disabilities and feel fully fledged persons in the society. This includes the right to travel and enjoy all forms of entertainment [13].

The common obligations of Article 4 of the Disabled Rights Convention of the United Nations Organisation encourage “to provide accessible information to persons with disability about mobility aid, devices and assistive technologies, including new technologies, also about other forms of assistance, support services and tools”. In Article 30 of the UNO the member states have “to ensure that persons with disabilities have access to sporting, recreational and tourism venues”, also “that disabled people had a possibility to use the services of the persons organising recreational, tourism, entertainment and sporting activities”[6].

Disabled people have exactly the same rights and opportunities as other people to use the physical environment, transportation, information and communications and other public facilities available in rural and urban areas. In the Act of Law on social integration of the disabled of the Republic of Lithuania there are requirements “on the adaptation of the physically accessible environment for the disabled in all spheres of life implemented by carrying out spatial planning and building design, public buildings, housing and its environment, passenger service public transport units and their facilities, adaptation of the information environment for the special needs of the disabled”. This legal act governs adaptation of the environment for the special needs of the disabled as an important measure of their integration in the society [9].

For people with disabilities it is extremely difficult to orientate themselves in a strange environment, especially on the first day. To facilitate their existence certain guidelines should be followed. In order to reduce the frontal illumination and shading for the visually impaired, the inner courtyard should be well lit by day lamps in glass envelopes. Orientation of the blind in a building could be facilitated by warning surfaces: anti-slip, ice-free, not in the way, however the surfaces should not reflect light, capable of dazzling the visually impaired, instead they should take contrastive colours. Also such that can be felt by a rod or by foot [7]. Wider spaces should be provided for disabled people in wheelchairs, special slopes, paths, wide lifts, doors with photo cells [15, p. 256].

Hotels, offering accommodation for the disabled, should have specially equipped rooms for the disabled following all the requirements. The hotels which would like to be higher rated should have at least one room equipped for the disabled [2]. The room should have special equipment such as special handrails, an emergency call button, enough space to move around and put the wheelchair. A wide door is needed to get passed by in a wheelchair, a properly equipped lift comfortable to use, special equipment in the bathroom, easily accessible plugs for electrical appliances [8, p. 34]. The main room standards for the blind are the same as for ordinary guests. However, there should not be any portable chandeliers, easy to move things or tables. There should be closed closets for the blind guests’ personal effects because open shelves could reflect soft sounds and hinder orientation. Beds should be without legs as the empty spaces could enter the blind person’s personal belongings, for example shoes, etc. Furniture should be placed to the walls so that the person does not hit it and get injured [7].
A room equipped for a disabled person should include a bath, a toilet, a washbasin, a cabinet, clothes rack, a bench, an additional space for the wheelchair. The bath should be 170 cm in length and 75 cm wide, 45-60 cm in height. Above the bath a permanent or adjusted collected seat should be fixed. Handrails should be installed at the height of 80-90 cm. above the bath a device should be equipped which would help to transfer from the wheelchair to the bath. In the bathroom itself in front of a bath or a shower, an area of 120x90 cm should be left if such is not foreseen in the shower cubicle. The latter should a 150x90 cm size room. This room could include a shower, a washbasin, a toilet, a bench fastened at the height of 40-48 cm. The walls of the shower cubicle should be equipped with special horizontal and vertical handrails [8, p. 34-35].

A room for a blind person should include a bath with a shower, a washbasin and a toilet. The door of the bathroom should open on the outside. The colour of the bathroom equipment should be different from the bathroom walls. A special staircase to the bath should be equipped. The shower should have a special holder and a handle at the height of 85 – 110 cm. All the guest equipment should be easy to feel and of contrastive colours. Rooms for the blind should be equipped with sockets at the bed and desk, easily found in the bathroom, should be open and easy to feel. The rooms should be comfortable and safe. [7].

The disabled should be guaranteed a possibility to use a water pool. Therefore appropriate size ramps or special lifting mechanisms should be installed and a 900 cm width stairs with handrails on both sides. The facilities for the disabled should be marked with the international symbol for people with disabilities (Figure 2) [8, p. 35].

![Figure 2. International sign of people with disabilities](image)

**Research methodology**

The research method of data collection was monitoring. This is one of the oldest methods of data collection, usually applied by social scientists. This data collection method is based on the assumption that it is sometimes better to monitor what is going on than ask questions about what happened. Monitoring can also be described as a data collection method that helps a researcher to collect raw data and record the behavior of people, objects or events. However, this method takes a lot of time, but the study results reflect the actual situation of the hotels located in the center of Vilnius.

The disability facilities for hotels are recommended by the HSU Classification System criteria. When hotels are evaluated and provided with the appropriate number of stars, the adaptation of hotel services for the disabled is very important. How are evaluated the facilities for the disabled persons can be seen in Table 1[5].
### Table 1. HSU classification requirements for disabled persons 2015 – 2020 [5]

<table>
<thead>
<tr>
<th>Area</th>
<th>No.</th>
<th>Criterion</th>
<th>Points</th>
<th>*</th>
<th>**</th>
<th>***</th>
<th>**</th>
<th>***</th>
<th>**</th>
<th>***</th>
<th>**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facilities for disabled persons</td>
<td>11</td>
<td>Barrier-free Wheelchair or assistance</td>
<td>5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>12</td>
<td>Barrier-free Electronic wheelchair</td>
<td>8</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>13</td>
<td>Barrier-free Blind or visually impaired</td>
<td>5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>14</td>
<td>Barrier-free Deaf or hearing impaired</td>
<td>5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>15</td>
<td>Completely barrier-free</td>
<td>5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The research included the evaluation of fourteen Vilnius hotels:
- 5 star hotels (36%):

The main aim of this study is to analyze the possibility of the hotels to accommodate disabled people and provide them with other necessary services – highlighting both physical and non-physical difficulties.

**The main results of the research**

The research fields are divided into five sections:
- the entrance,
- the lift,
- the hotel room,
- the bathroom,
- hotel public areas.

Each section presents difficulties faced by disabled persons and how they overcome them.
Entrance
The study showed that the 50% of the hotel entrances are suitable for the disabled. The accessibility of the entrances was determined by analyzing whether a car with a disabled person could reach the entrance just outside the hotel door, and if there are no special obstacles like stairs. 43% of the surveyed hotels comply with the requirements for the access road and 7% of the hotels do not. In the latter case, the disabled face many difficulties to reach the hotel, one of the obstacles - steep stairs that are quite unsuited to move for a disabled person.

50% of surveyed hotels, which have stairs in the entrance area, have also installed special ramps. It means that people with disabilities can easily enter these hotels. In summary, these results lead to the conclusion that only half of the surveyed hotels have proper access for the disabled.

Rooms for disabled persons
First of all monitoring helped to understand if the hotels are ready to welcome people with disabilities. The question is if they have specially adapted rooms for the disabled persons. Based on the results of the study the hotels mostly have only one specially adapted room for disabled persons (Figure 3). 57% of the analyzed hotels have only one room, 36% hotels have two rooms for disabled persons. Among all the surveyed hotels only 7% did not have any rooms adapted for disabled persons.

![Figure 3. Number of rooms for disable persons.](image)

During this study the width of the door of the adapted room for disabled persons was also evaluated. The width of the door is important, because it shows if disabled persons in a wheelchair have a free and easy access to the room. Almost all analyzed hotels (about 89%) have wide doors, which comply with the requirements. On the other hand, 7% of the hotels are only partially adapted, as the doors are quite narrow. Based on the research it can be said that for wheelchair users the wider than standard and swing doors are a very important factor. It could also be stated that some hotels have doors that are too heavy and difficult to open for disabled persons.
**Lift**
The assessment of the hotel lifts for handicapped shows that 43% of hotels have very broad, spacious lifts, which are very convenient for persons with motor disabilities. In 21% of the analyzed cases lifts are partially adapted. But it is also important to emphasize that 36% of all of the monitored hotels lifts are not designed for disabled people. However, in some of these hotels the rooms for the disabled are settled in such a way that the disabled do not need to use the lifts at all. It was also noticed that the lift buttons are often installed too high to reach for a disabled person, who uses a wheelchair.

Only in 14% of the hotels which were analyzed in this study the lift floor buttons were marked in Braille. This means that only 14% of the studied hotel lifts are completely adapted for the people who are visually impaired.

**Figure 4. Lift buttons marked in Braille**

Besides, in 7% of the analyzed cases the lifts have buttons which are embossed, but are not marked in Braille and 79% of hotels do not have adapted the lifts for the guests who have impaired vision.

**Bathroom**
Firstly, focusing on the bathroom, it should be mentioned that it plays a great role for disabled people when choosing the hotel. First of all, we need to evaluate if, in accordance with the HSU Classification System requirements, the bathroom door opens into a room or on the outside. In this study it was noticed that in 72% of the surveyed hotels the bathroom doors open into the room. In 7% of studied the bathroom the doors are installed incorrectly and do not open in the correct way (Figure 5).

Secondly, this research also helped to observe if the studied hotels’ bathrooms complied with the size *(big enough)* requirements. The study showed that only 46% of the hotel bathrooms are of the right size. In 54% of the analyzed hotels the bathroom size is only partially correct as the hotels do not meet the requirements raised for the bathrooms.
Furthermore, guests using wheelchairs are faced with the difficulty of getting into and out of the bath tub. Besides, in many hotels’ showers are often too small to enter.

In conclusion, though on the one hand, most of the hotels do not comply with the standards of the bathroom size, on the other hand a significant part of the monitored hotels’ bathrooms are partially adapted for disabled people.

Hotel public areas
In contrast to the room environment, the monitored hotels’ public spaces are quite difficult to access and navigate for visually impaired people. The research results showed that unaccompanied visually impaired people find it difficult to locate the reception desk when they enter the hotel. Furthermore, even if the reception clerks inform them where they can find lifts and room locations, it is often very problematic for the visually impaired to find their way. The fact is that many hotel lobbies are multi-leveled with connecting stairs and pose risks of falling.

The generalized results of the research demonstrate that the situation in Vilnius hotels is quite different.

<table>
<thead>
<tr>
<th>No.</th>
<th>Criterion</th>
<th>Entrance to the hotel</th>
<th>Lift</th>
<th>Hotel room</th>
<th>Bathroom</th>
<th>Hotel public areas</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Barrier-free Wheelchair or assistance</td>
<td>7</td>
<td>9</td>
<td>8</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>2.</td>
<td>Barrier-free Electronic wheelchair</td>
<td>7</td>
<td>6</td>
<td>8</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>
3. Barrier-free
Blind or visually impaired
7 2 3 14 -
4. Barrier-free
Deaf or hearing impaired
14 14 14 14 14
5. Completely barrier-free
7 1 3 3 -

As can be seen, of all 14 hotels (Table 2), which have been included in the research, only 7 comply with HSU Classification System requirements and their services are completely suitable for all guests having different kinds of disability.

Conclusions
The results of the monitoring showed that almost all of the observed hotels have one or two rooms for people with disabilities, but there are only two hotels almost completely suitable for the disabled. They are “The Radisson Blu Hotel Lietuva” and “The Ramada Hotel and Suites”.

The monitoring of Vilnius city hotels showed that the accommodation for the disabled is semi-adapted or unsuited. People with disabilities have problems even to get to the hotel entrance; there are stairs or other barriers. Many hotels’ rooms for the disabled are not prepared – the doors are not wide enough and there is not much space to move through them in wheelchairs. Most of the hotels do not have bathrooms that are suitable or semi-adapted for people with disabilities. The hotels’ lifts present an additional source of difficulty for visually impaired persons, as not all the lifts are Braille equipped.

References
FOOD TOURISM DEVELOPMENT: THE ASSESSMENT OF OPPORTUNITIES IN LITHUANIA

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Abstract

The object of the paper is food tourism and its development possibilities in Lithuania. Nowadays tourists are seeking new experiences in the gastronomy of different countries and the tourists’ interest in national cuisines generates a great number of local and incoming visitors. Food tourism has become a new niche in this industry and Lithuania has to search for tourism possibilities in this area. A new tourism brand “Lithuania. Real is beautiful” has been introduced to represent the country’s cultural and natural heritage, national food culture including. The culinary heritage fund was established which contains the main products and dishes of the national cuisine. Quite a number of places and food events have been promoted and proved successful.

The purpose of this research is to analyze the concept of food tourism and evaluate possibilities for its development in Lithuania. While analyzing food tourism as a form of niche tourism, its demand, trends and perspectives in the European countries, the paper presents the perspective of Lithuanian food tourism. An attempt has been made to evaluate food tourism supply and possibilities; the conclusions and recommendations focus on the prospects of food tourism development in Lithuania.

To carry out the research the data from the Lithuanian State Department of Tourism and the United Nations World Tourism Organization have been used, also a study and analysis of scientific publications have been presented together with the information from the interviews of the Ministry of Economy of the Republic of Lithuania Tourism Policy Division and Biržai Tourism Information Centre.

Keywords: food tourism, gastronomy, tourism products, trends, niche tourism, gastronomic events, possibilities.

Introduction

Tourism is a branch of economy which has the fastest development and has the brightest prospects in the world. The statistical data of the United Nations World Tourism Organisation of 2014 indicate that tourism indirectly creates 9% of world GDP and one out of eleven work places is created due to tourism. Tourism export makes 6% of the world exports and 29% of the world services exports. Tourism ranks fourth among the most important exports in the world, after fuel, chemistry products and foodstuffs.

According to the forecast of the study “Tourism Towards 2030” of the United Nations World Tourism Organisation, the number of outgoing tourism journeys should grow by 3,3% a year and reach 1,8 billion at the end of the year 2030. In relatively new countries offering tourism services, Lithuania among them, the number of tourism trips should be growing faster if we compared the year 2010 and 2030 (for about 4,4% a year) than in countries where tourism has old traditions. 9 th January 2017 “The Forum of New Economy” in Madrid organised a working breakfast with Mr. Taleb Rifai, Secretary General of the UN World Tourism Organisation during which the Secretary pointed out that a great potential has been noticed in “the gastronomic tourism”. A 53% growth recorded in this sector in recent years could be the result of globalisation, when countries are becoming more and more alike and
gastronomy remains specific and attractive for travelers seeking different feelings and experiences.

Nowadays tourists are more experienced; they have sufficient funds allocated for travel, have more free time. Tourism offers them an opportunity to escape the daily routine of their lives and enables them to dive into an absolutely new world, full of freedom and innovative things. More and more tourists in the world are seeking to learn new experiences. Gastronomy is such an experience (G. Gheorghe, P. Tudorache, P. Nistoreanu, 2014). Food tourism routes are being offered by a lot of countries in Europe and the world with the aim to increase the number of incoming tourists. We can say that there are prospects for gastronomic tourism in Lithuania as well. The chosen topic is up-to-date as gastro tourism can become a very attractive kind of niche tourism in Lithuania, adding to one of the most popular tourism trends – cultural tourism. The purpose of the research is to analyze the concept of gastro tourism and evaluate possibilities for its development in Lithuania. The objectives of the research are: to define gastro tourism as a form of niche tourism, analyze its development, evaluate the gastro tourism resources in Lithuania, perform interviews to find out whether Lithuania can become a gastro tourism country, present conclusions and recommendations for a further development perspective of gastro tourism in Lithuania. The methodology used throughout the research was the desk research using the data from the Lithuanian State Department of Tourism (LSDT), the United Nations World Tourism Organization (UNWTO), scientific publications and other resources. Another method was research done in public institutions: interviews conducted in the Ministry of Economy of the Republic of Lithuania Tourism Policy Division (LTME TPD) and Biržai Tourism Information Centre (BTIC).

Food and tourism. Food tourism as a form of niche tourism.
Tourist expectations continue to grow, it is not enough for them to visit certain sights and make photos. What they want is personal experiences, new feelings, their own discoveries. The increasing desire and need to get to know other cultures, to get acquainted with the heritage, to discover their own roots or to acquire new skills will continue to encourage people to travel to other countries.

Specific national or even local food and dishes become an important resource for the country’s tourism, because tourists will be happy to spend considerable amounts of time on high-quality food, which will arouse new feelings. As indicated by B.Kalenjuk, D.Teshanovich (2016) regardless of motives of consumption, tourists spend one third of their money on food. For this reason, food represents one of the important factors in the development of the tourism business. Over 33% of the money spent by tourists is dedicated to food (Quan and Wang, 2004); food and food-related events are a key source of tourism. Food promotes the culture of the country or locality, their history, and highlights their ethnical diversity, traditions and life style (B. Kalenjuk, D. Teshanovich, 2016).

The products of the visited country and the dishes made there for tourists become a sweet gastronomic pastime and witness the potential of a country’s originality and creativity. On the other hand the knowledge of the gastronomy and the country products could help perceive the country traditions at a deeper level and become part of the country hospitality and culture. As J. Taar (2013) indicates, “first, gastronomy is a heritage created by
generations of chefs and the result of a delicate process. Second, gastronomy is interested in the physical characteristics of food (such as quality) and seeks for a deeper understanding of eating episodes. Third, gastronomy is part of the culture”. It consists of home-made and festive food, as well as traditions which reflect the world around us and help us to understand it. Some authors as J. Taar (2013), von Knorring (2008) also indicates that “food preparation is a creative activity... in its best and most beautiful form, a piece of art”.

Already the Greek philosopher Archestratus in the 4th century BC indicated that “food is the source of inspiration and pleasure” (G. Gheorghe, P. Tudorache, P. Nistoreanu, 2014). J. Taar (2014) advocate the idea by saying that the best experiences appear to be the ones where many special details, like a different environment, beautifully garnished, delicious food and time to enjoy it are interacting with each other. Although the importance of having time to eat did not rise as an independent factor from the data, it still seems to be a relevant issue in recall stories. Extracts like “we had a lot of time for eating”, “we had good conversation” and “everything was prepared for us” confirm that having time to enjoy the food and company while eating is important (J. Taar, 2013).

More and more tourists are giving priority to local foodstuffs which can reach the consumer in the shortest possible way, which enables them to avoid intermediaries and long time storage and becomes the mantra (D. Getz, R. Robinson, T. Anderson, S. Vujicic, 2014) of “fresh and local”. It helps the development of sustainable tourism, as food that reaches the consumer so fast does not require special processing and packaging which creates waste and a long food supply chain. The people of the region and small businesses can join the supplementary business of growing agricultural products, delivery of fresh produce to catering institutions and markets. As has been indicated by D. Getz, R. Robinson, T. Anderson, S. Vujicic (2014) „food is a key part of traditional hotel, resort, catering and restaurant management training“. Hospitality can be demonstrated not only by the commonly accepted way of providing good accommodation services, quality food and drink, but also involving the guests into a deeper perception of the country or region traditions, customs and culture (food culture among them). The shared meal can be full of symbolic meaning. What the host serves can reflect wealth, attitudes towards the environment and health or particular interests in cuisine derived from ethnicity, religion, study or travel. (D. Getz, R. Robinson, T. Anderson, S. Vujicic, 2014).

Food tourism embraces different areas of country’s economy development, it can help extending the popularity of a whole country or a separate region. As D. Getz, R. Robinson., T. Anderson, S. Vujicic, (2014) indicate, food tourism makes an influence on all businesses which cater for the food supply chain: agriculture, country’s vegetables industry, gardening, the fisheries industry, logistics, hospitality and the hotel business. This branch of tourism is first of all related to organised tourism and tourism itineraries, it’s also important for individual travellers. Individual travellers by themselves are more and more often opting for places where they can stay cosily and get fresh and healthy food made from local products. “Some tourists go straight to the source to “pick your own” places and farm stays” (D. Getz, R. Robinson., T. Anderson, S. Vujicic, 2014).

What is food tourism and food tourist?
What is food tourism? Hall, C.M, Mitchell, R. (2005) defines food tourism as “visitation to primary and secondary food producers, food festivals, restaurants and specific locations for which food tasting and/or experiencing the attributes of specialist food production region are the primary motivating factor for travel”. C.F. Herera, J.B. Herranz, J.M. Arilla Puyuelo (2012) defines it as “an experiential trip to a gastronomic region, for recreational or entertainment purposes, which includes visits to primary and secondary producers of food, gastronomic festivals, food fairs, events, farmers’ markets, cooking shows and demonstrations, tastings of quality food products or any tourism activity related to food”. G. Gheorghe, P. Tudorache, P. Nistoreanu (2014) indicates that „gastronomic tourism is a niche travel who tries to achieve a perfect balance between useful and pleasant, between the daily needs of food and culinary experiences that can positively mark tourists. Consumption is an integral part of the tourist experience, which are represented by (Diaconescu & Nistoreanu, 2013) as visiting places, attendance to different traditions and customs, eating local cuisine.

Food tourists can travel by themselves, using their own selected itineraries or they can get them offered. C.F. Herera, J.B. Herranz, J.M. Arilla Puyuelo (2012) indicates that “gastronomic routes are becoming without doubt one of the most developed products in this area. A gastronomic route is a system that constitutes a comprehensive and thematic tourism offering, generally branded, and is defined by one or more itineraries in a given geographic area), with a series of tourism products or sites, such as factories and restaurants, which are listed in tourism guidebooks and which revolve around a specific food, product or dish, generally with differentiated quality, or gastronomic events or activities.” While preparing gastronomic tourism itineraries, the tourists’ cognitive interests are considered, the most famous natural sights of the region are presented to them, as well as the region’s historical sites and places of interest, peoples’ traditions and the life of the local people. Food tourism itineraries can be associated with other tourism attractions. As it is indicated in the UNWTO Gastronomy network Action plan (2016) “the idea is to bring together different types of tourist attractions and to offer them in a conveniently packaged form so that tourists stay longer in the area than if only one kind of attraction is featured. In our opinion, gastronomic routes will be successful if they manage to activate gastronomic heritage and convert it into food tourism as an attraction for tourists“. H. A. Williams, R. Jr. Williams, M. Omar (2013) defines food tourism as a subcategory of specialised tourism – cultural and heritage tourism.

What is a food tourist? As C.F. Herera, J.B. Herranz, J.M. Arilla Puyuelo (2012) indicates “they are tourists who take part in the new trends of cultural consumption. They are travellers seeking the authenticity of the places they visit through food. They are concerned about the origin of products. They recognize the value of gastronomy as a means of socializing, as a space for sharing life with others, for exchanging experiences”. Food tourists are not only food consumers. They are travellers seeking the authenticity of the places they visit through food. They are concerned about the origin of products. They recognize the value of gastronomy as a means of socializing, as a space for sharing life with others, for exchanging experiences.

Such authors as C.M. Hall, R. Mitchell (2005) are using the term “Foodies” to define food tourists, which says that a food tourist is “a food lover”; one whose personal and social
identity encompasses food quality, cooking, sharing meals and food experiences; foodies incorporate all aspects of food into their lifestyle. The term “foodies” in Wikipedia indicates that “a foodie is a person who has an ardent or refined interest in food and alcoholic beverages. A foodie seeks new food experiences as a hobby rather than simply eating out of convenience or hunger”. Some authors are against using this term and say that “the terms "gastronome" and "epicure" define the same thing, i.e. a person who enjoys food for pleasure”, and the new term can be more applied to modern American food users who do not pose a lot of requirements for the real quality (R. Sewage, 2007). I. Gaztelumendi (2012) indicates that “they are tourists who take part in the new trends of cultural consumption. They are travellers seeking the authenticity of the places they visit through food. They are concerned about the origin of products. They recognize the value of gastronomy as a means of socializing, as a space for sharing life with others, for exchanging experiences”. We might also consider the term “gourmet”, which, as indicate D. Getz, R. Robinson, T. Anderson, S. Vujicic, (2014) “is a person who enjoys and knows a lot about good food and wine.

However, Erik Wolf, president and CEO of the World Food Travel Association states that “our research also shows that only 8% of foodies self-identify as “gourmets” so that’s a subset of food tourism. It’s those 8% that go for the more exclusive experience; the more stars, the more expensive and the harder-to-get access-to restaurants” (R. Amster, 2013). Therefore we can say that the term “food tourist” or “gastro-tourist” is more widely used and popular. In gastronomic tourism food is closely related to drinks. As G. Gheorghe, P. Tudorache, P. Nistoreanu (2014) indicate, “gastronomic tourism includes several sub-types if we look from the perspective of food or dishes, so we have offers for: food such as bacon, cheese, meat, fish, fruit, truffles and drinks such as wine, beer, brandy, tea or sake”. The most popular food and drink tourism types are: wine tourism, represented by many wine producing European countries such as France, Spain, Italy, Hungary, and Greece; beer tourism, represented by Northern European countries such as Germany, Belgium, Denmark, the Check Republic; coffee tourism, being developed by Costa Rico, Columbia, Brazil, Ecuador, Indonesia; tea tourism, which is popular in China, India, Sri Lanka, Japan, Indonesia. Whiskey tourism is also becoming more and more popular and loved by foreign tourists in Scotland (UK) and Ireland. This food and drink tourism offers tourists to get acquainted with the technology of the drink, and how to serve it correctly, its degustation, also dishes which go well with the drink are offered. The majority of the dishes are peculiar to the exact country or region where the drink is produced; authentic dishes or special snacks are offered. Different activities for food tourists are offered.

G. Gheorghe, P. Tudorache, P. Nistoreanu (2014) indicates that “according to a survey from the World Tourism Organization, the most important (and popular) food events are: gastronomic events (79%), gastronomic routes (62%), cooking courses and workshops (62%), visits to local markets and producers (53%).
Erik Wolf, president and CEO of the World Food Travel Association (established in 2003), indicated that different types of food tourists exist: “there are three kinds of food tourists: the “deliberate” who specifically travel just for food, the “opportunistic” who go on trips where they seek out food and drink but that is not a factor in choosing a destination and the “accidental” who participate just because it’s there” (R. Amster, 2013). D. Getz, R. Robinson, T. Anderson, S. Vujicic (2014) divides the food tourists in three groups: “the novices”-beginners, “experts” - tourists with a great deal of past experiences and “multi-interested” with a high level of involvement gastro tourists. Highly involved foodies make food a central part of their lifestyle and take all food-related activities very seriously. Food-related tourism refers to trips made to destinations where local food and beverages are the main motivating factors.
factors for all or part of the travel. I.Gaztelumendi (2012) indicates that in its broadest sense “gastronomic tourism is defined as the intentional pursuit of appealing, authentic, memorable, culinary experiences of all kinds, while travelling internationally, regionally or even locally”. Eric Wolf states that “the notion of food tourism has been growing over the past 10 years and there’s been tremendous growth in the industry” (R. Amster, 2013).

The prospects of food tourism in Lithuania

Lithuania is a competitive place for tourism because of its geographical position, tourism resources and services; unfortunately, it does not use its full potential because of insufficient awareness and recognition, scarce dissemination of information on the main and niche tourism products in the inbound markets of tourism. Lithuania is not known enough in Europe, the more so in the world. As indicated by J. Petronytė (2015) the largest travel guide “Lonely Planet” described Lithuania as “one of the best guarded secrets of Europe” and included in the 10 top list of the most recommended countries to visit. Lithuania in it took the third place followed by Singapore and Namibia. However, statistics show that the number of tourists in Lithuania has been increasing, and “Lithuania takes a lead in Europe in terms of incoming tourists” (V. Gražulis, 2016). The number of foreigners coming to Lithuania grew by 0.4 % in 2015 in comparison with 2014 (from 2,06 mill. to 2,07mill.). The revenue from inbound tourism in 2014 grew markedly and reached 1,19 bill. Eur (+5,18%) in comparison with 2013 the revenue from inbound tourism in 2015 increased by 3,2% when compared with 2014. During the first half of 2016 Lithuanian accommodation providers had by 11% more tourists than in the same period in 2015.

The needs of tourists are growing every year and it’s not enough for them to visit some sights of interest and take pictures there. Tourists want new experiences and new discoveries. The National Tourism Development Programme of 2014–2020 highlights four priority tourism types: cultural tourism, business tourism, health tourism and green (ecological) tourism. Food tourism could become a part of cultural tourism, as cultural tourism relies on the history of the place, the heritage of the people living there and the life of contemporary people. Nowadays more and more tourism activity types and attractions are considered to be cultural. Food tourism can become a niche tourism in Lithuania as well. As indicated in the Lithuanian Tourism Marketing Strategy for 2016-2020 “travel organisers are offering niche products related to adventure and experiences. The supply of niche products is increasing in touristic places, resorts and hotels”. Tourists who come to Lithuania, allocate marked sums of money for food and drink. In 2012 foreign tourists spent the most of their money on food and shopping (32%), drinks (23%), and accommodation (16%). Following the data of the Statistics Lithuania (2015), the expenses of the incoming tourists in Lithuania in 2014 reached 768, 9 mill. Eur. The distribution of the tourists expenses is presented in figure 3.
As G. Gheorghe, P. Tudorache, P. Nistoreanu (2014) indicates, according to a survey from the World Tourism Organization, over 88% of its members believe that gastronomy is a strategic element in defining the destination brand and image, and over 67% say that their country has its own gourmet brand. In recent years gastronomy has become an indispensable element in order to get to know the culture and lifestyle of a territory. Gastronomy embodies all the traditional values associated with the new trends in tourism: respect for culture and tradition, a healthy lifestyle, authenticity, sustainability, experience... (I. Gaztelumundi, 2012).

By following the LRME TPD interview “cultural tourism in Lithuania should remain the most popular, when people are coming to a country wishing to learn about the country’s history, architecture, culture. Food tourism is closely related to cultural tourism.” Food tourism also could turn into a niche tourism. Cultural tourism relates to the history of the place, the experience of the social reality of the people living there, different intensity of social contacts and cultural heritage. As D. Liutikas (2012) indicates “cultural tourism has turned into an umbrella, which covers related types of activity - cultural tourism, art tourism, tourism of music, tourism of museums, culinary tourism and other.”

Food tourism in Lithuania could be related to “Slow Tourism” movement and “Slow Food” which is the opposite of “Fast Food”. “Fast food” unifies tastes and generates waste from packages. According M. Byloss (2012) the term “slow food” rests on three main principles: good, clean and fair. “Good” means a fresh and flavorsome seasonal diet that satisfies the senses and is a part of the local culture, “clear” means that food production and consumption do not harm the environment, animal welfare or human health, “fair”- food has reasonable prices for consumers and fair conditions and pay for producers. Slow tourism is a response to the increasing pace of the world and fast usage of resources. As it has been mentioned by D. Getz, R. Robinson., T. Anderson, S. Vujicic, (2014), “Slow Food” believes that food is tied to many other aspects of life, including culture, politics, agriculture and environment. The concept of slow tourism includes not only consumption of ecological products, recognition of local traditions, but also slower travelling and a decrease in the length of the journey, increasing the number of over-nighting in one place or region. So a traveller who has chosen “slow tourism” has more time for the place of the visit, also for the...
In 2016 the Tourism State Department of Lithuania introduced a new tourism brand to represent Lithuanian cultural and natural heritage. The main marketing idea focused on the logo “Lithuania. Real is beautiful” (Lithuania. Beauty lies in the real thing). Together with the logo, additional badges were created which help to communicate a more precise message. (“Meet people”, “Taste Food”, “Stay Active”, “See Nature”, “Explore nature”).

It is also a link to the development of food tourism. As was mentioned, the logo and the message of Lithuania to the world present Lithuania as a place where real things are valued: Lithuanian food, nature, communication, real architecture – even if they are not ideal and perfect. To develop food tourism, Lithuania could offer national dishes as well as quality local raw materials. In 2001 a public institution “The Culinary Heritage Fund” was established by traditional food investigators, catering institutions, food producers and farmers (for comparison – the European Culinary Fund was established in 1995 in Sweden). The Fund members take care of the preservation of the traditional culinary fund and continuity of the living tradition. Raw products, produce and dishes are certified by the National Heritage Product Department of the Ministry of Agriculture. Three main requirements are posed for the products marked with the Culinary heritage sign: they have to be produced in Lithuania following a traditional technology, from raw materials grown in Lithuania. Authentic products made from local raw materials and which use 50% of hand labour for their production belong to category A; category B products are authentic food produce made with the help of modern technologies.

Lithuanian dishes are not widely known in the world, but some of them have historically old gastronomic traditions, unique recipes, which have been applied in the European and even American restaurants. As R. Laužikas (2017) indicated: “part of the Lithuanian dishes were made for different events, for example for the dinner in 1880 held by the citizens of New York in the honour of the French diplomat and Head of the construction of the Suez Canal Count Ferdinand de Lesseps, where as refreshments were served “salmi de becassines”, prepared the Lithuanian way. In 1893, “filet de boeuf à la Radzewil” was tasted at the dinner of Real Paco Das Necessidades palace. “Filet de boeuf pique à la Lithuanienne” was offered in 1895 at the 13th yearly dinner of “The Society of Medical Jurisprudence” and in 1897 at the annual conference of “The Typothetae of the City of New York”. In 1900 “turbant de filet de sole” made the Radziwill way was eaten at Christmas dinner in the Savoy hotel in New York. In 1910 “tartlette Radzivel” was served in an honour dinner in Chartum organised by
The dinner was held in the honour of the “honoured Colonel Theodore Roosevelt” (former USA President). In 1914 “caviar à la Radzivill” were mentioned in the menu of the dinner “of the Pantagruel pupils”, which was held at “The Parker Studio”. In 1938-1939 “potage Radziwill” was favoured in “Waldorf Astoria” hotel events.

To have a better picture of the Lithuanian food tourism perspectives and routes for gastronomic tourism, interviews were conducted with the representatives of the Ministry of Economy of the Republic of Lithuania Tourism Policy Division (LRME TPD) and Biržai Tourism Information Center (BTIC). As a representative of LRME TPD said in an interview “Lithuanian cultural heritage is very attractive to incoming tourists, almost all tourists are interested in the national cuisine, this niche of business has not been fully used in Lithuania”. For foreigners the promotion of the food culture would be an incentive to prolong their stay in Lithuania and visit other regions of the country, therefore it is necessary to guarantee dissemination of the information. Gastronomic heritage in the regions is of interest to foreign tourists, they would gladly participate in the programme “I am eating in a family”, however a better promotion of the services is needed in this area as well as improvement of people’s skills (better communication and language skills). While speaking about gastronomic routes, “Alaus kelias” (The Beer Way) was mentioned as a popular one and recently “Pieno kelias” (The Milk Way) which includes Telšiai, Plungė and Kupiškis municipalities, has increased in popularity. “Pieno kelias” is a gastronomic route, which was created in 2016 and offers to taste cow and goat milk, cottage and fermented cheeses, yogurts, milk ice-cream and even milk whey after a sauna, also milk baths. In one of the regions of Eastern Lithuania – Anykščiai – there is an educational route “Duonelė kasdieninė” (The Daily Bread) where brown Lithuanian rye bread baking traditions are introduced, the guests are treated to the local regional dishes. In Western Lithuania -Šilutė district - there is an educational tourist route “Divyčio kelias” (Divytis Way), representing cultural fishing and culinary heritage; the tourists will see the most beautiful locations of Šilutė district, their fishing traditions, fish prepared following the local recipes, fish dishes, home made wines from berries and fruit. Presenting the route “Divytis Way” it should be explained that Divytis is a pagan mythological creature protecting fishermen and seamen. There is also a similar gastronomic cruise Žuvies kelias (The Fish Way) in Klaipėda and Šilutė districts, which goes along the Curonian Lagoon, the Nemunas delta, and along the Minija river. The fishing route introduces the gastronomic traditions of Western Lithuania (Lithuania Minor), the tourists can taste fish dishes from the cultural heritage list and fish soup made from three types of fish. The gastronomic - cultural and gastronomic routes are indicated in Table 1.

Table 1. Food tourism routes in Lithuania. Prepared by the authors.

<table>
<thead>
<tr>
<th>No.</th>
<th>Name of a food tourism route</th>
<th>Region</th>
<th>Product</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Alaus kelias (The Beer Way)</td>
<td>Biržai</td>
<td>Excursions to the beer breweries, tasting of the local Biržų beer produced following the local traditions and tasting of the regional dishes.</td>
</tr>
<tr>
<td>2</td>
<td>Pieno kelias (The Milk Way)</td>
<td>Telšiai, Plungė, Kupiškis</td>
<td>Tasting of the local cow and goat milk, cheeses, yogurts, ice-cream, educational workshops, saunas with milk baths.</td>
</tr>
</tbody>
</table>
A representative of Biržai Tourism Information Centre (BTĮC) explained that the tourist route “Alaus kelias” (The Beer Way) includes three beer breweries in Biržai district: Rinkuškiai brewery, Butautai Manor house brewery and Biržai city brewery. Excursions and degustations are organised: the tourists get acquainted with the history and equipment of the breweries, the customs of Biržai district, the old traditions of the local beer production, Biržai district beer and dishes are being tasted. Biržai regional museum “Sėla” is running an educational programme “Žaldokas Beer”, where the visitors can dance and sing together with the ethnographic ensemble and try local beer and dishes. About 50 thousand of local and foreign tourists come and participate in different programmes throughout a year. As it has been noted in the interview, the biggest number of tourists interested in these routes comes from Lithuania and the neighbouring Latvia; though foreign tourists, especially from Germany, are being offered the route “Baltic States. Three-in-one-holiday”. “Alaus kelias” is not included into the tourist routes organised across all the three countries (Lithuania, Latvia, Estonia). According to interviews with the LRME TPD representative “the sightseeing routes across the three Baltic States are popular with travel companies from far away markets - China, Japan, also Germany. Cultural heritage is a necessary part of these routes.” One of the branches of the sightseeing route, i.e. Route nr.1 “Capital City Tour. Tallinn - Riga –Vilnius” which is part of the route “Baltic States. Three–in-one-holiday”, across the three Baltic countries passes nearby Biržai, therefore it could include Biržai “Alaus kelias” while going from Vilnius in the direction of Riga, if slightly corrected.

The representative of LTME TPD noted also that “gastronomic tourism is becoming more and more popular and tourists are choosing routes that offer an opportunity to get acquainted with the national cuisine and food culture of the visited countries. It is important to offer the tourists a national and international rating system of the restaurants and the information should be easily accessible for foreign tourists. The restaurants in Lithuania were for the first time rated in the national system in 2016. Lithuanian restaurants were also presented in the prestigious gastronomic guide of the Nordic countries “White Guide. The

<table>
<thead>
<tr>
<th>Route Name</th>
<th>Location</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Duonelė kasdieninė (The Daily Bread)</td>
<td>Anykščiai</td>
<td>Educational programme for children and adults: a story of the traditional brown rye bread, baking and tasting of the bread, tasting of local dishes of the region.</td>
</tr>
<tr>
<td>Divyčio kelias (The Divydis Way)</td>
<td>Šilutė</td>
<td>A cultural and gastro - route; 9 culinary destinations, presenting traditional regional fish, smoked fish, local wine.</td>
</tr>
<tr>
<td>Žuvies kelias (The Fish Way)</td>
<td>Klaipėda, Šilutė</td>
<td>A tourist gastro - route; swimming along the Curonian Lagoon, the Nemunas delta, the Minija river, tasting of the local regional fish dishes.</td>
</tr>
<tr>
<td>The Way of Lithuanian Beverages</td>
<td>Kaunas, Alytus, Anykščiai</td>
<td>Traditions of the Lithuanian beverages’ production, history and origin of the Lithuanian drinks, visits to the factories of the beverages to have a look at the manufacturing process, tasting.</td>
</tr>
</tbody>
</table>
Best Restaurants in the Nordics”. The publication noted 10 Lithuanian restaurants and awarded them Master’s level (2), very fine level (4) and fine level (4). Table 2.

Table 2. Rating of Lithuanian restaurants in “White Guide”. Prepared by authors.

<table>
<thead>
<tr>
<th>Nr.</th>
<th>Name of the restaurant</th>
<th>City</th>
<th>Rating</th>
<th>Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Sweet Root</td>
<td>Vilnius</td>
<td>81</td>
<td>Masters</td>
</tr>
<tr>
<td>2</td>
<td>Gastronomika</td>
<td>Vilnius</td>
<td>78</td>
<td>Masters</td>
</tr>
<tr>
<td>3</td>
<td>Telegrafas</td>
<td>Vilnius</td>
<td>77</td>
<td>Very fine</td>
</tr>
<tr>
<td>4</td>
<td>Monai</td>
<td>Klaipėda</td>
<td>76</td>
<td>Very fine</td>
</tr>
<tr>
<td>5</td>
<td>Dublis</td>
<td>Vilnius</td>
<td>75</td>
<td>Very fine</td>
</tr>
<tr>
<td>6</td>
<td>Uoksas</td>
<td>Kaunas</td>
<td>71</td>
<td>Very fine</td>
</tr>
<tr>
<td>7</td>
<td>Gaspar’s</td>
<td>Vilnius</td>
<td>66</td>
<td>Fine</td>
</tr>
<tr>
<td>8</td>
<td>Lauro lapas</td>
<td>Vilnius</td>
<td>63</td>
<td>Fine</td>
</tr>
<tr>
<td>9</td>
<td>Monte Pacis</td>
<td>Kaunas</td>
<td>62</td>
<td>Fine</td>
</tr>
<tr>
<td>10</td>
<td>Buceris</td>
<td>Vilnius</td>
<td></td>
<td>Fine</td>
</tr>
</tbody>
</table>

The tourism exhibition “Adventur” held in 2017 in Vilnius introduced the slogan “Taste the world – taste Lithuania”. A conference “Forum of Lithuanian cities. Gastronomic tourism - has Lithuania got it – and can it?” was initiated. The participants discussed Lithuanian gastro events and shared ideas how to organise them. The events dedicated to food and drink have been indicated in Table 3.

Table 3. Gastronomic events in Lithuania. Prepared by authors.

<table>
<thead>
<tr>
<th>No.</th>
<th>Title of event</th>
<th>Venue</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Mushroom festival</td>
<td>Varėna</td>
</tr>
<tr>
<td>2</td>
<td>Fish soup championship</td>
<td>Šilutė</td>
</tr>
<tr>
<td>3</td>
<td>Smelt catching and tasting festival ( “Stintapūkis”)</td>
<td>Neringa</td>
</tr>
<tr>
<td>4</td>
<td>Crayfish catching and cooking festival</td>
<td>Rokiškis</td>
</tr>
<tr>
<td>5</td>
<td>Cherry festival</td>
<td>Žagarė</td>
</tr>
<tr>
<td>6</td>
<td>Vimba bream catching and tasting festival</td>
<td>Jurbarkas</td>
</tr>
</tbody>
</table>

The above mentioned gastronomic events have received a lot of attention from the local tourists; however the incoming foreign tourists still do not have enough information. There is not enough publicity on the regional events in the social media, there is also a lack of innovative IT means. The LTME TPD representative mentioned that the research conducted in 2015 indicates that the biggest part of foreign tourists (86 %) visit Vilnius, and only 10-15% of the incoming tourists go to the regions. But nearly all the gastronomic events take place in the regions. In addition to the already mentioned, new initiatives could be proposed: the traditional fish soup could be cooked in the region where the biggest number of lakes can be found, i.e. in Ignalina, in Northern Lithuania; the cold beetroot soup “šaltibarščiai” could be cooked and buckwheat buns baked in Dzūkija, Southern Lithuania. To develop food tourism, emphasis will be put not only on ethnographic dishes - some capital city restaurants are applying innovative food preparation technologies, using up-to-date kitchen machinery. Such restaurants in Vilnius as “Stebuklai”, “Dublis”, “Time”, “Dine” and others are serving “fine dining” dinners for local and incoming guests. Healthy food restaurants are taking up, restaurants for vegans and raw food fans are being set up. The restaurant menus are indicating the ingredients which could cause allergies. This could
attract younger tourists who follow the most recent food consumption tendencies, also healthy food fans – senior tourists.

Conclusions
The number of tourists in the world is increasing every year, including Europe. They are paying more attention to catering or are even choosing gastronomic tourism routes in pursuit of new experiences, new entertainment and personal discoveries. The products and dishes of the visited country happen to be not only a pleasant gastronomic pastime but also involve the tourists and offers them an opportunity to deeper perceive the traditions, customs and culture of the country or region and indicates to the country’s uniqueness and creative potential. On the other hand – supply of fresh local products and dishes made from them, make the food chain shorter, help to develop local businesses and add to the sustainability of the economy. Lithuania as a country is not yet sufficiently known and is not using its tourism potential to the full, so it could pursue its awareness-raising while developing food tourism. Although many Lithuanian dishes reflect the vernacular tradition (which does not diminish their value), some dishes of the Lithuanian cuisine have a long historical tradition of gastronomy and are being made in European and American restaurants. Food tourism could become one of the Lithuanian priority sectors of tourism – part of cultural tourism or start off as niche tourism. Lithuania is already beginning to develop food tourism: in 2001, Lithuania established the culinary heritage fund, the products labeled by which must be made in Lithuania, from products grown locally and prepared using traditional Lithuanian technology.

The message “Taste Food” is emphasized in the new brand of Lithuanian tourism promoted by the State Department of Tourism under the slogan “Lithuania. Real is beautiful”. Currently, Lithuania is already running at least 5 gastronomic routes, covering a variety of areas in Lithuania, 6 gastronomic celebrations and festivals are held annually. It is suggested that in the process of food tourism development in Lithuania, the most significant Lithuanian gastronomic tourism route “Beer Way” should become a part of the tourist route “Baltic states. “Three-in-one-holiday”, covering the three Baltic countries. It is very important to maintain and annually organize the existing gastronomic events, as well as think about new gastronomic festivals, such as the Lithuanian dessert – šakotis - production and tasting festival, river and lake fish dishes festival. A new initiative could be proposed: while revitalizing and presenting Lithuanian estates to foreign tourists, promote historical Lithuanian dishes that were made there, linking them to the estate and the area history. Such events should not only focus on the local market. This should be promoted in social networks, information on the material should be given in several foreign languages.

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