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INTRODUCTION

This publication is devoted to the trends of improvement of the business environment in Latvia and European Union and it is the third issue of the scientific journal *Acta Prosperitatas* published by Turiba University.

The article of Michal Biernacki "Green accounting in the sustainability competitiveness of companies" is devoted to Sustainable Development which is defined as dealing with economic, environmental and social issues in a way that meets both present and future human needs without compromising the viability of the natural earth systems. In practice stakeholders have begun to focus on Sustainability Accounting research and practices that includes not only economic and environmental components of Environmental Accounting, but also social issues essential to overall sustainability and Life Cycle Assessment. This article presents main goals, scope and framework of Environmental Accounting and its role, position and relation to Sustainability Assessment and its role in the competitiveness of companies. Environmental Accounting is one of the frameworks for quantitative evaluation of attempts at environmental protection by enterprises.

The article of Giedrė Česonytė and Vladislav V. Fomin "The effects of e-journal system on teachers' performance. A case study of a Lithuanian school" is an investigation of the development of e-journal system in schools. One of the major initiatives in developing Information Society in Lithuania is the introduction of e-journal system in schools. E-journal is perceived as a central piece linking educational and social processes, activities and tasks of teachers, pupils, parents, and others. The tool is being marketed as a key enabler of organizational efficiency boost. However, the ministry survey reveals existence of both positive and negative effects stemming from the introduction of e-journal in schools, thus suggesting that the decision to adopt electronic journal in each case must be carefully assessed. In this work authors adopt a theoretical model of IT-induced personal performance in order to analyze how e-journal system affects the work of teachers and class principals. The adopted model distinguishes four dimensions in the IT-induced performance gains: productivity, efficiency, quality, and consistency. This study helps better understand the pros and cons of schools' computerization, provides an example of how changes in performance can be assessed in knowledge organizations, suggests areas of improvement in pursuing further computerization of schools in Lithuania.

Anna Kasperowicz in her article "Sustainable development and the *homo sovieticus* syndrome" outlines that implementation of the concept of sustainable development requires action first at the local, and then at global level. The effectiveness of local action depends on the actions of individual units. The

possibility of achieving this concept depends on the awareness of people involved in this enterprise. This state is a set of features called *homo cooperativus*, which evolved from *homo oeconmicus*. The way to achieve the desired state of consciousness is more complex under Polish circumstances. It is associated with the remnants of the old system in the minds of people, called a *homo sovieticus* syndrome. The path of evolution from *homo sovieticus* to *homo cooperativus* can run in two ways; with the achievement of the intermediate state which is *homo oecnomicus*, or without it. The latter is possible under certain conditions.

The student of University of Southern Denmark Madara Luka in her research paper „ Decision making in tourism: the choice of city tours in terms of socio – economic status and willingness to pay" states that decision making is a complex process embracing various psychological and socio-economic aspects that determine an individual's choice. When it comes to tourism, socio-economic factors and willingness to pay are one of the most essential features in decision making since tourism sells intangible goods such as experience and satisfaction. Therefore it is important to understand exactly how much socio-economic status and willingness to pay affect the process of decision-making in tourism, this case – city tours. The study analyzes, first, the choice between different city tours and, second, the driving factors for making the particular decision. The main research conclusions are that the correlation between socio-economic status, willingness to pay and decision making process is rather small. Still the main influential factors were proven to be gender, age, income and willingness to spend. Eventually the research concludes that city tours might not be acquainted as inferior goods, rather they are luxury related; and therefore that could be the reason why none of the socio-economic variables had a strong correlation with decision-making.

Henk Roelofs and his Co-authors: Adriaan Nieuwenhuis, Rizwan Saleem from The Netherlands in their article " Using meeting techniques in teaching to optimize learning the pact – method: using coordination registration action points & group – coordination registration action points" confirm that it is possible to integrate and apply connectivity opportunities in lessons, to coordinate and measure learning progress, both individually and collectively. Each lesson can be approached as a meeting, with a chairman and with a secretary. Since there are learning goals to be reached, the steps towards these learning goals can be divided into action points which have to be carried out. Action points are a kind of mini-projects which have to be conducted by the students. New connectivity opportunities, such as active boards in combination with internet make it possible to have the actual information about the progress of the learning process immediately visible for the whole group. Dynamic complex, mostly non-linear learning processes can be observed and monitored by PACT consisting of CRAP and G-CRAP. Every participant gets an instant overview of the dynamic and constantly changing processes. This overview

optimizes effectiveness, efficiency, flexibility and creativity within the context of connective learning. The 'connectivity learning' demands new approaches to monitor and coordinate collective learning processes leading to a demand driven change in teaching, caused by a demand driven learning of the new generation.

Turiba University associated professors Anna Ābeltiņa, Vita Zariņa and PhD student Ieva Bruksle in their article "Competitiveness and innovation" have determined that in today's changing and complicated business environment characterized by increasingly severe competition, market sensitivity, growing role of innovations, it is vital to broaden the comprehension of innovative solutions and their role in raising competitiveness, to encourage the desire for applying innovations in business activities. The article discusses innovations that might be adopted by any company, in particular, innovative solutions for improving the pricing process based on the role of innovation factors in ensuring competitiveness. Global economy is experiencing changes, countries are going through different political and economic tremors; growth sustainability and development of sustainable national economy, role of innovations in national economy and prices as an instrument stimulating active national economy are being discussed more and more frequently. Raising competitiveness is associated with innovations in many EU documents, including the strategy EUROPE-2020, and the necessity for development of integrated European research and knowledge dissemination space with coordinated and effective knowledge exchange among countries and individual companies has been defined. Support is required not only for research and development of technologies, provision of intellectual property rights, but also for the proliferation and diffusion of innovations since only the implementation of the innovations can achieve the desired effect. To reach the set targets, purposeful activities carried out by governments aimed at building and managing an effective innovations system is required. It is important to raise awareness of the public and entrepreneurs, especially, about innovations and possibilities for application of innovative tools and solutions in the business environment to promote competitiveness and develop business activities. The authors believe that innovation and its introduction on the whole, and innovation in pricing in particular are the driving force for development and competitiveness and, hence a topical issue for any company and the economy in general.

Jaakko Lehtonen in his article "Nation brand and citizen" critically discusses the application of brand concept in marketing of countries and nations. The concept of nation brand is juxtaposed with the one of the nation's citizen.

In recent years global problems and global socio-economic processes have directly and indirectly affected small and medium-sized enterprises. All those articles are great contribution for the improvement of the business environment not only in Latvia, but also in other countries.

GREEN ACCOUNTING IN THE SUSTAINABILITY COMPETITIVENESS OF COMPANIES

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Abstract

Sustainable Development is defined as dealing with economic, environmental and social issues in a way that meets both present and future human needs without compromising the viability of the natural earth systems. In practice stakeholders have begun to focus on Sustainability Accounting research and practice that includes not only economic and environmental components of Environmental Accounting, but also social issues essential to overall sustainability and Life Cycle Assessment. This article presents main goals, scopes and framework of Environmental Accounting and its role, position and relation to Sustainability Assessment and its position in competitiveness of companies. Environmental Accounting is one of the frameworks for quantitatively evaluating the attempts of environmental protection by enterprises. On the one hand Environmental Accounting is a management analysis way designed to raise the efficiency and effects of tackling environmental conservation within enterprises. Further Environmental Accounting is an effective information technique for understanding how companies approach environmental conservation through a standardized framework.

Keywords: environmental accounting, sustainable development, green accounting, costing

Introduction

Environmental sustainability and sustainable development has received important global and competitive attention among small, medium and large enterprises. Sustainable development is often described as economic action that meets the needs of the present generation without compromising the ability of future generations to meet their needs. Sustainability bases upon three different components such as economic, social, and environmental. Companies are getting increasingly

aware that the choices made about their products, processes, services can have deep environmental implications that reach to competitiveness. Organizations face a dilemma on how to address issues relating to environmental friendliness, social awareness towards workers, consumers, and communities linked with ensuring a reasonable return and long-term viability to the stockholders and owners. The aim of this paper will be focused on the aspect of environmental sustainability towards environmental accounting into managerial decisions and management facing organizations striving for competitiveness. The approach characterized in this article can be extended to incorporate additional sustainability and organizational factors. The term environmental accounting or green accounting has a lot of meanings and uses. In the basic sense environmental accounting can support national income accounting, financial accounting, costing and management accounting. The core of all definition is that the application of environmental accounting may be and shall be used as a managerial accounting tool for internal business decisions. Moreover, the term environmental cost has at least also two major dimensions connected with Life Cycle Assessment and Environmental Life Cycle Costing. The traditional Life Cycle Costing approach accounts only costs into the life cycle without connection to other sustainability aspects such as environmental and social. The main question is how costs and environmental aspects can be combined in a consistent way and help managers to run businesses in the sustainable way.

Environmental Accounting and Environmental Cost

Environmental Accounting can support national income accounting, financial accounting, or internal operation and strategic managerial accounting. Generally Environmental Accounting is a term used in a number of different contexts which has many meanings and uses such as:

- assessment and disclosure of environment-related information in the context of Environmental Financial Accounting and Reporting (EFAR) and Environmental Management Accounting (EMA);
- estimation of external environmental impacts and costs, often called as Full Cost Accounting (FCA);
- accounting for stocks and flows of natural resources in physical and monetary terms (Natural Resource Accounting – NRA);
- aggregation and reporting internal accounting information, natural resource accounting information for national accounting purposes;
- analyze of environment-related physical and monetary information in the wide context of sustainability accounting (EMA 2005, pp. 13–14).

Environmental Accounting in American context of Generally Accepted Accounting Principles (GAAP) is defined as the estimation and public reporting of environmental liabilities and financially material environmental costs.

Moreover, the term environmental cost has as well few meanings. There are two major dimensions as below:

- referring only to costs that directly impact a company's bottom line called sometimes "private costs";
- encompassing the costs to individuals, society, and the environment for which an enterprise is not accountable called "societal costs".

On the other hand, the environmental cost represents economic cost incurred as a result of environmental use, such as eco-taxes, cost of waste emission and emission control, cost of eco-product marketing (Russo, 1999, 243).

It can be underlined that Environmental Accounting takes place in both management accounting (e.g. assessment of an organization's expenditures on pollution control equipment; revenues from recycled materials) and financial accounting (e.g. evaluation and reporting of the environment related liabilities) (EMA, 2005, 14).

Table 1 shows a short relationship of the environmental dimensions of financial and management accounting, as well as a general reference of associated external reporting links.

Table 1

Organization-level: Accounting and Reporting (EMA 2005 p.16)

Organization level Accounting	Organization-level Environmental Accounting	Associated Mandatory External Reporting	Other External Reporting Links
1	2	3	4
Financial Accounting: An organization's development of standardized financial information for reporting to external parties (e.g., investors, tax authorities, creditors).	Environmental Issues in Financial Accounting: The inclusion in financial reports of environment related information such as earnings and expenses of environment-related investments, environmental liability and other significant expenses related to the organization's environmental performance.	Financial reporting to external parties is regulated by national laws and international standards, which specify how different financial items should be treated. The financial reports issued by organizations increasingly include information related to their environmental and social performance. Some countries require such content in financial reports, while some organizations include such information voluntarily.	In addition, organizations use some of the environment-related information gathered for financial reporting purposes for environmental regulatory reporting, national reporting or voluntary corporate environmental and sustainability reporting.

1	2	3	4
Management Accounting: An organization's development of both nonmonetary and monetary information to support both routine and strategic decision-making by internal managers	Environmental Management Accounting: The management of environmental and economic performance via management accounting systems and practices that focus on both physical information on the flow of energy, water, materials, and wastes, as well as monetary information on related costs, earnings and savings.	There are generally no external reporting requirements specifically associated with MA or EMA.	However, organizations use some of the information gathered under EMA for environmental regulatory reporting, national reporting or voluntary corporate environmental and sustainability reporting.

There are many links between an organization's Management Accounting and Financial Accounting practices and activities with environment information such as e.g.:

- some firms can draw on information originally collected for internal Environmental Management Accounting purposes to help fulfil their external reporting statements;
- some Environmental Accounting efforts include estimates of the magnitude and associated costs and profits of environmental externalities
- some enterprises account for and report physical information on their external environmental impacts – the quantities of different types of pollutant emissions per year;
- attempting to take such external costs into account is named as Full Cost Accounting (EMA 2005, 16).

Environmental Management Accounting, according to IFAC, is "the management of environmental and economic performance through the development and implementation of appropriate environment-related accounting systems and practices. While this may include reporting and auditing in some companies, environmental management accounting typically involves life-cycle costing, full-cost accounting, benefits assessment, and strategic planning for environmental management" (EMA, 2005, 19).

The other definition is publicized by the United Nations Expert Working Group. According to this "EMA is broadly defined to be the identification, collection, analysis and use of two types of information for internal decision making:

- physical information on the use, flows and destinies of energy, water and materials (including wastes);
- monetary information on environment-related costs, earnings and savings (EMA, 2005, 19).

The specific types of physical and monetary information highlighted in this definition are discussed in more detail in practice where Environmental Management Accounting choices from simple modifications to existing accounting systems to more integrated practices that link traditional physical and monetary information systems (EMA, 2005, 19).

Reasons for Environmental Accounting

Environmental costs and performance deserve the management's attention for the sample reasons as below:

- environmental costs can be reduced or even eliminated as a result of business decisions by investment in "greener" process technology (i.e. redesign of processes, products). Some environmental costs like wasted raw materials may provide no added value to a process;
- Environmental costs may be missed in overhead accounts or otherwise overlooked;
- Many companies have seen that environmental costs can be covered by generating revenues from selling waste by-products or transferable pollution allowances, or licensing of clean technologies;
- Management of environmental costs can result in improved environmental performance and uncountable benefits to human health as well as business success;
- Full understanding of the environmental costs and performance of processes can promote more accurate costing and pricing of products and can aid companies in the design of more environmentally preferable products;
- Environmental accounting can support a company's development and new, prospective advertisement as an environmental friendly institution (Russo, 1999, 228).

Environmental costs can be reduced or avoided by implementing practices such as product design changes, input materials substitution, process re-design, improved operation and maintenance practices.

Of the 30 respondents to the informal survey in Lowe Silesia in Poland, some stated that their firms didn't have any form of a tracking system for environmental costs but 90% of them believed environmental accounting issues

would be more important to their companies in the near future and help them in selling product with "green label".

Environmental Accounting can be applied and employed in every industry in both the manufacturing and services sectors by micro, small, medium and large companies on every scale. In any business, management staff should support cross-functional teams for the successful implementation of environmental accounting because of two main things. Firstly Environmental Accounting may involve a new way of looking at a firm's environmental costs, performance, and decisions. Top management thinking can set a positive tone and underline incentives for the organization to adopt Environmental Accounting. Next, enterprises should assemble cross-division groups to implement environmental accounting, bringing together designers, chemists, engineers, production managers, operators, financial and accounting staff, environmental managers, purchasing personnel. Environmental Accounting is not only an accounting issue. The information must be split up among all of interested groups, thus staff needs to talk with each other to develop a common vision and make the results and potential solutions a reality (Russo, 1999, 237).

Some firms with operating and strategic environmental management systems want to institutionalize environmental accounting. This is a logical step which supports tools of that system. On the other hand many companies have begun or are inculcating new approaches in which environmental accounting can play a significant part such as:

- Activity-Based Costing;
- Activity-Based Management;
- Total Quality Management;
- Total Quality Environmental Management;
- Business Process Re-Engineering;
- Cost Reduction;
- Cost of Quality Model;
- Cost of Environmental Quality Model
- Design for Environment;
- Life Cycle Design;
- Life Cycle Assessment;
- Life Cycle Costing;
- Environmental Life Cycle Costing;
- Target Costing (Russo, 1999, 237).

All of these systems are compatible with environmental accounting and can provide platforms for integrating environmental information into management tools and approaches. Small businesses have also successfully applied environmental accounting even in basic forms.

During discussions about Environmental Accounting it necessary to understand the distinction between private and societal costs, because common terms are often used inconsistently to refer to one or both of those cost categories. Usually

many private costs are not currently used in decision-making. Many of costs may be directly allocated to the responsible processes or products in cost accounting systems and be set in financial evaluations of capital expenditures. “Private costs” are costs that can directly affect a firm's bottom line or for which a business can be held accountable (i.e. legally responsible). “Societal costs” or “external costs” show the costs of business' impacts on the environment and society for which business is not legally accountable. In this meaning is included:

- environmental degradation for which firms are not legally liable;
- adverse impacts on human beings their property, and their welfare (e.g. employment impacts of spills) that cannot be compensated through the legal system (Russo, 1999, 235).

Environmental Accounting – Design of Process/Product

The process of product design suggestively touches environmental costs and performance involving costs, performance, cultural, legal, and environmental criteria. “Design for the environment” and “life cycle design” programs are being adopted by many firms to take environmental considerations into account at the first phase of life cycle. Designers need information on the environmental costs and performance of alternative product designs to prepare proper solutions, just as the information for making capital budgeting decisions. Thanks to this, making environmental cost and performance information available to designers firms can facilitate the design of environmentally preferable processes and products (Russo, 1999, 243).

For example, the organizations can estimate models of the environmental cost of new processes in R&D, including conventional, hidden, contingent, and relationship costs. Thus the cost model prompts process researchers to select and justify process e.g. biochemistries, operating conditions, and equipment that symbolize the principles of pollution prevention. The model is prepared to identify environmental cost reduction opportunities and can provide financial analysts with an economic point of view of the potential environmental risk of a new process prior to its commercialization.

The main rules of integrating environmental issues into design for competitiveness are below:

- consider environmental costs and performance in defining scope of design project;
- establish baseline environmental cost and performance
- add environmental requirements to design criteria
- evaluate alternate design solutions taking into account environmental cost, performance (Russo, 1999, 243).

Environmental Life Cycle Costing

Environmental Life Cycle Costing is in basic meaning a list of all cost incurred during product cradle-to-grave cycle, as borne directly by one or several entities participating in the cycle. The following entities can be distinguished: supplier, producer, end-user, consumer, as well as units involved in the end-of-life phase of the product under evaluation. Characteristic item of this costing model is the obligation that all cost under analysis have to refer to actual monetary flow. The main reasoning behind development and use of Environmental Life Cycle Costing system is the observation that typical systems of product life cycle assessment, such as LCA, are often perceived as barriers to fast economic growth. This is particularly marked in relation to modern, high tech technologies, characterized by drastic reduction of time of its life cycle. Basic structure of Environmental Life Cycle Costing is shown on *Figure 1.* (Hunkeler et al., 2008, 11).

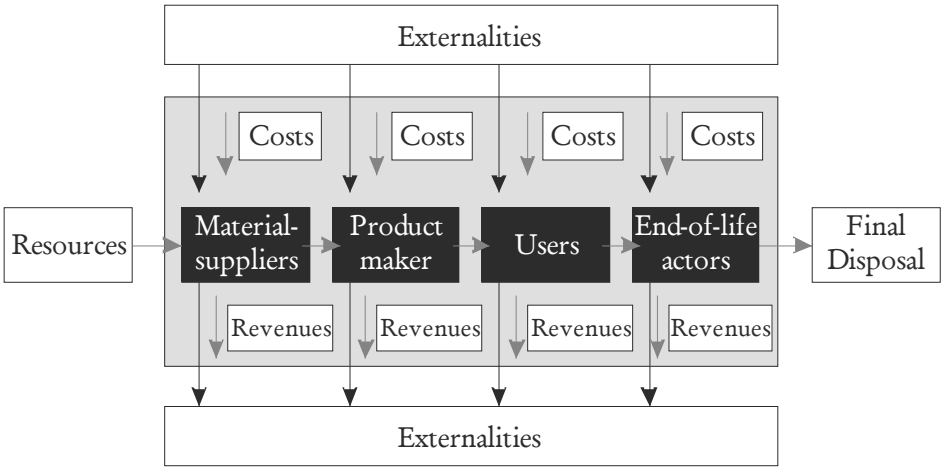

Figure 1. Conceptual framework of Environmental Life Cycle Costing (Source: Hunkeler et al., 2008, 7)

Basic construction of Environmental Life Cycle Costing is built on physical life cycle of a product under evaluation but, contrasted to traditional Life Cycle Costing, supplements product cost analysis with the so-called environmental cost. In theoretical assumptions of Environmental Life Cycle Costing, environmental cost items should be inventoried and singled out in profit-and-loss account. On the other hand, ELCC brings into accounting and bookkeeping all environmental cost supplemented by any external cost that may occur in foreseeable future (Hunkeler et al., 2008, 9–16).

ELCC should not be applied as an autonomous technique but in connection with LCA environmental analysis which is a standardized system for evaluation of

environmental impact of a product as well as estimation of total consumption of resources within the complete product life cycle (Ciambrone, 1997, 6–9). It consists of raw material output, production and end-user operation, recycling, energy recovery and eventual neutralization of the remaining waste. Environmental Life Cycle Costing accounting shall supplement and support the standards of ISO 14040 and ISO 14044 that apply to life cycle. The key standards of the period, as applied to the issue of product life cycle, are:

- ISO 14040: 1997 *Environmental management – Life cycle assessment – Principles and framework* (PN-EN ISO 14040:2000) (http://www.iso.org/iso/catalogue_detail.htm?csnumber=23151);
- ISO 14041:1998 *Environmental management – Life cycle assessment – Goal and scope definition and inventory analysis* (PN-EN ISO 14041:2002) (http://www.iso.org/iso/catalogue_detail.htm?csnumber=23152);
- ISO 14042:2000 *Environmental management – Life cycle assessment – Life cycle impact assessment* (PN-EN ISO 14042:2002) (http://www.iso.org/iso/catalogue_detail.htm?csnumber=23153);
- ISO 14043:2000 *Environmental management – Life cycle assessment – Life cycle interpretation* (PN-EN ISO 14043:2002) (http://www.iso.org/iso/catalogue_detail.htm?csnumber=23154).
- ISO 14040: 2006 *Environmental management – Life cycle assessment – Principles and framework* (PN-EN ISO 14040:2009) (http://www.iso.org/iso/catalogue_detail?csnumber=37456);
- ISO 14044: 2006 *Environmental management – Life cycle assessment – Requirement and guidelines* (PN-EN ISO 14044:2009) (http://www.iso.org/iso/catalogue_detail?csnumber=38498).

The following steps may prove useful for the purpose of understanding LCA technique supplemented by ELCC accounting. It must be marked that phases of construction and implementation may vary depending on specifications of end users. The basic stages are listed like below:

- Goal and scope definition
- Data collection
- Data interpretation and identification of key points
- Susceptibility analysis
- Conclusions (Hunkeler et al., 2008, 12).

Quoting M. Rosund, the procedure of preparing the ELCC cost accounting should be proposed as below:

- Problem definition
- Definition of cost elements
- System modelling
- Data collection
- Cost profile modelling
- Evaluation (Kowalski et al., 2007, 169).

Environmental Life Cycle Costing should be used within the second stage of the LCA system, i.e. through input data inventory and output data inventory for

individual processes and for selected functional parts. Input data is a set of materials and energy that use can be supplemented by cost data pertaining to each item. Output data taking into account emission and waste production data may be presented in monetary terms as well as 'input' (Hendrikson et al., 2006, 10).

Summarizing, Environmental Life Cycle Costing may be defined as a sum of all costs incurred during design, construction, production, transportation, operation and, eventually, storage, recycling and utilization of a product. In addition, using ELCC accounting system requires a pre-defined time-frame to be employed in the analysis. Such time-frame should link with estimated duration of environmental impact of a product under study. Environmental Life Cycle Costing should sum the investment risk through the use of a predefined discount rate. International researchers suggest that the discount rates for each category of environmental impact should be set for example 0.1% for natural resource depletion, 0.01% for climate changes and 0.001% for toxicity (Kowalski et al. 2007, 160–161).

Corporate environmental sustainability

The idea of 'sustainable development' was implemented, at first, in political and public sphere following the references of the World Commission on Environment and Development. The supporters stressed man's responsibility to sustain human life for next generations. Sustainable development is usually defined as a growth which meets the needs of the present without compromising the ability of next generations to meet their own needs (Hunkeler et al., 2008, 157–162).

Environmental management decisions require analysis on multiple dimensions, including economic, societal and political impacts. When analyzing multiple spheres there happen interacting and often conflicting goals that make integration difficult. There are also other organizational walls to implement the environmental thing such as attitudes from staff and top management, industrial barriers (technical availability and knowledge, information). The interaction and different nature of these aspects could make these decisions a little bit difficult, as does the requirement to integrate the needs and desires of stakeholders. A main issue in sustainable development is how to operationalize its concepts. Managers must be aware of fact that adopting and implementing environmental sustainable development needs identifying how their enterprise fits within the larger ecological and economic environment and identifying the actions obligatory for its survival (Sarkis et al., 2006, 751–769).

In practice, common faith holds it that sustainable economic development is based on the life cycle costing account. Currently, modern approach adopts a model that combines 3 aspects: economic, social and environmental which are intertwined and correlated. Consequently, the following formula for sustainable development can be postulated as (Hunkeler et al., 2008, 157–162):

$$\mathbf{SustAss = LCA + ELCC + SLCA}$$

It should be noted that all three components should be first cohesive and clearly defined. Thanks to this the formula can be valid. It can provide a joint definition of the above constituents based on the rules defined in ISO 14040, with the proviso that Social Life Cycle Assessment may need introduction of socio-geographical data. Life cycle is the precondition of any valid assessment which can be translated that the Environmental Life Cycle Costing, by design, helps to improve the environment and utilize it in a balanced manner. Life Cycle Assessment does not offer any methods for carrying the environmental problems into the future. By incorporating this aspect in Environmental Life Cycle Costing the practical postulate of intergenerational justice can be included and implemented. The compromise is obtained by incorporating Whole Environmental Life Cycle Costing in the assessment and implementation of sustainable development. It must be based on assessments both of quantitative and qualitative value. Living in global economy makes us realize that the limits of the system employed in calculation process must also be represented in global dimension.

Conclusion

In practice and literature the language used for all the different types of environmental accounting is not standardized. The broad term "environmental accounting" is often used to refer to the different types of accounting described in this article. Even within a particular group of Environmental Accounting, such as Environmental Management Accounting, the definition differs among organizations and countries e.g. it has been named Environmental Accounting, Environmental Management Accounting, Environmental Cost Accounting, Full Cost Accounting, Total Cost Assessment. Thus, in deliberating any type of environment connected accounting within an organization it is important to clarify the definitions. The economic and environmental issues considered together under Environmental Accounting efforts are two of the three pillars of Sustainable Development. The concept of sustainability, as has been said, requires a recognition that people must live together within the limits of our planet's overall resources and carrying capacity.

The valuation of corporate environmental image is a thing that is very difficult to measure, but can include the value of organizational goodwill, fewer regulatory pressures, and other profits of a good environmental image. Justification of decisions using environmental considerations is an increasingly important factor in business decisions, because their absence may cause the loss of customers and suppliers due to poor environmental performance. To executive managers, adopting and implementing environmentally sustainable development together with environmental accounting requires identifying how their company fits in the larger ecological and economic environment and identifying the actions required for its survival and potential social and customer evaluation. Executives should be aware of organizational environmental implications, using a more complete total environmental accounting approach, which can integrate conventional costs, hidden

costs, contingent costs, and relationship and image costs, is something that can make their decisions more environmentally informed and friendly for customers. Today's customers are inclined to environmental products and companies. Environmental accounting helps firms to adapt to new environmental friendly world.

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COMPETITIVENESS AND INNOVATION

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Abstract

In today's changing and complicated business environment characterised by increasingly severe competition, market sensitivity, growing role of innovations, it is vital to broaden the comprehension of innovative solutions, their role in raising competitiveness and to encourage the desire for applying innovations in business activities. Innovations that might be adopted by any company, in particular, innovative solutions for improving the pricing process will be discussed in this article based on the role of innovative factors in ensuring competitiveness.

Keywords: competitiveness, innovations, innovation solutions, prices, pricing process.

Introduction

Global economy is experiencing changes, countries are going through different political and economic tremors; growth sustainability and development of sustainable national economy, role of innovations in national economy and prices as an instrument stimulating active national economy are being discussed more and more frequently. Raising competitiveness is associated with innovations in many EU documents, including the strategy EUROPE-2020, and the necessity for development of integrated European research and knowledge dissemination space with coordinated and effective knowledge exchange among countries and individual companies has been defined. Support is required not only for research and development of technologies, provision of intellectual property rights, but also for the proliferation and diffusion of innovations since only the implementation of the innovations can achieve the desired effect. To reach the set targets, purposeful activities carried out by governments aimed at building and managing an effective innovations system is required. It is important to raise awareness of the public and entrepreneurs, especially, about innovations and possibilities for application of innovative tools and solutions in the business environment to promote competitiveness and develop business activities. The authors believe that innovation and its introduction on the whole, and innovation in pricing in particular are the driving force for development and

competitiveness and, hence a topical issue for any company and the economy in general.

The objective of the article is to define innovative solutions to be used for improvement of pricing process in business environment of Latvia to facilitate price competitiveness. To reach the goal, competitiveness in Latvia will be described, role of innovations and factors for development of innovations will be assessed, and innovative solutions for pricing will be summarised. To reach the goal, the following methods will be applied: synthesis, logically constructive, and graphical method.

Comparison of competitiveness and role of innovations

First, we will assess the competitiveness and the role of innovation factors therein. To describe the competitiveness of Latvia, we will assess global competitiveness index gathered by the World Economic Forum by conducting a quality survey. We will compare Latvia to neighbouring countries Lithuania, Estonia, and Poland, which are the major trade partners and essential competitors, in *Table 1* by using Global Competitiveness Report 2011–12, 2012 and Global Competitiveness Report 2010–11, 2011. Global Competitiveness Indices (GCI) was gathered at the interval of four periods for 3 of 12 pillar elements: Macroeconomic environment, Technological readiness, Innovation, as these pillars relate to the subject issue. Latvia is ranked on the comparatively worst position among the neighbouring countries, and the rating is declining year by year, yet the latest rating shows a slight improvement. Although the score has not changed over some periods, the rank has dropped, and this indicates improvement of positions of other countries. The score is slightly above four points, out of a maximum possible seven, and this is clearly indicates weak competitiveness.

Table 1

Global Competitiveness Index (GCI)* and its building factors (Global Competitiveness Report 2012–11, 2012)

Country	GCI 2011–2012 (Points) **	GCI 2010–2011	GCI 2009–2010	GCI 2009–2008	Macro economic environment	Innovation	Technological readiness
Latvia	64 (4.1)	70 (4.1)	68 (4.1)	54 (4.3)	93 (4.5)	59 (3.2)	46 (4.3)
Lithuania	44 (4.4)	47 (4.4)	53 (4.3)	44 (4.4)	73 (4.7)	48 (3.4)	34 (4.7)
Estonia	33 (4.6)	33 (4.6)	35 (4.6)	32 (4.7)	21 (5.7)	30 (3.8)	27 (4.9)
Poland	41 (4.5)	39 (4.5)	46 (4.3)	53 (4.3)	74 (4.7)	58 (3.2)	48 (4.2)

** Rank – position between the other countries among 140 (2011– 2012), 139 (2010–2011), 133 (2009–2010), 134 (2009–2008) assessed countries.*

*** Points – value scale 1–7.*

The macroeconomic environment (comprises the following indicators: government budget balance, the national savings rate, inflation, difference in interest rates, government debt, the state credit rating) is ranked the lowest among the countries compared. Particular stress should be put on the inflation factor rating, which is also the weakest one (Latvia 85, Lithuania 5, Estonia 21, but Poland is ranked 18), and has become lower in comparison with the previous period (see Global Competitiveness Report 2010–11, 2011).

The innovation performance (consisting of the following indicators: capacity for innovation, quality of scientific research institutions, company spending on R&D, university-industry collaboration in R&D, government procurement of advanced tech products, availability of scientists and engineers, utility patents granted/million pop.) shows a similar situation, when Latvia along with Poland were ranked the lowest and significantly lag behind Estonia and Lithuania. Availability of scientists and engineers is also ranked the lowest (Latvia 96, Lithuania 57, Estonia 62, Poland 67). It should be pointed out that the Innovation pillar has the worst rating comparison with Macroeconomic environment and Technological readiness both the latter pillars had a rating above 4 points whereas the rating for Innovation was below 4 points.

The assessment of the technological readiness (comprising the following indicators: availability of latest technologies, firm-level technology absorption, FDI and technology transfer, internet users/100 pop., Broadband Internet subscriptions/100 pop., internet bandwidth, kb/s/capita) reveals Latvia's weakest position among its neighbouring countries, Latvia is just 2 positions above Poland. The lowest rating was accorded to firm-level technology absorption (Latvia 94, Lithuania 53, Estonia 36, Poland 100 Rank). We can draw a conclusion that the Innovation pillar has the worst effect on the overall competitiveness index of Latvia. The same can be found through analysis of data provided by Innovation Union Scoreboard between three main types of indicators covering 8 innovation dimensions which, in their turn, comprise 25 various indicators. The first main type indicator of the innovation index – enablers – includes three dimensions which can be deemed to be the major driving force of innovation activities: 'Human resources', 'Open, excellent and attractive research systems', and 'Finances and support'. The second indicator of the innovation index – Firm activities – include innovative performance of EU companies grouped in three dimensions: 'Firm investments', 'Linkages and entrepreneurship', and 'Intellectual assets'. The third indicator of the innovation index – Outputs – reflects the effects of EU firms' innovation activities and distinguishes between two categories: 'Innovators' and 'Economic effects'. Data of IUS 2011 indicate that innovation progress of Latvia is ranked the last – 27 – among the 27 European Union countries (Rank 33 out of 34 European countries). Similar to previous years, the member states are grouped in four country groups in the IUS 2011 table: innovation leaders; innovation followers; moderate innovators; modest innovators. Latvia belongs to the group of 'modest innovators' (the same as during the preceding years), along with Bulgaria, Lithuania, and Romania.

Between 2008 and 2009, Latvia was last but one among EU countries regarding innovation progress, having outpaced merely Bulgaria. Between 2010 and 2011, Latvia ranked the 27th – the last rank. Innovation performance of this group is well below that of EU average due to the low level of innovation growth factors. For the countries of this group, the only way to improve their situation is to accelerate the pace of development. Data shown in the table below reveal their performance rates.

Table 2

Innovation growth leaders in 2011
(annual average growth pro rata, over a period of five years)[1]

Group	Growth rates	Progress leaders	Moderate progress	Slow progress
Innovation leaders	1.0%	Finland (FI)	Germany (DE)	Denmark (DK) Sweden (SE)
Innovation followers	2.4%	Cyprus (CY) Estonia (EE) Slovenia (SI)	Austria (AT) Belgium (BE) France (FR) Ireland (IE) Netherlands (NL)	Luxembourg (LU) United Kingdom (UK)
Moderate innovators	2.5%	Malta (MT) Portugal (PT)	Czech Rep.(CZ) Hungary (HU) Italy (IT) Poland (PL) Slovakia (SK)	Greece (GR) Spain (ES)
Modest innovators	4.4%	Bulgaria (BG)	Latvia (LV) Romania (RO)	Lithuania (LT)

As one can see, the Latvian average innovation growth rate is 4.4%, and this is quite a high and promising achievement against the overall background. When analyzing the 2011 growth rates by types of indicators, the highest growth rate is found for the indicator 'Community trademarks' in the dimension 'Intellectual assets' – 34.1%; for the indicator 'Population aged 30–34 with tertiary education' in the dimension 'Human resources' – 13.9% and for the indicators 'Employment in knowledge- intensive activities' – 4.0% and 'Medium & high-tech product exports' – 6.3% in the dimension 'Economic effects'

Between 2004 and 2008, the average annual growth of innovation development was 5.2%. This means that the Latvian growth rates in innovation field were higher before 2008 than in 2011. The slowdown is attributed to the crisis, which began in the European countries in 2008, and it was more severe in Latvia than in the other countries.

[1] Innovation Union Scoreboard 2012, http://www.proinno-europe.eu/inno-metrics/page/innovation-union-scoreboard-2011 (viewed on 20.07.2012)

When studying innovation growth factors of Latvia, the strengths and weaknesses thereof should be noted. The strengths include indicators of the dimension 'Human resources' that are almost on par with the average EU level. Increase was noted in the indicators 'Employment in knowledge – intensive activities" (from 70 to 71) and 'knowledge – intensive services exports' (from 77 to 82) in the dimension 'Economic effects'. Latvia has the highest level for the indicator 'Non-R & D innovation expenditure' – (169) in the dimension 'Firm investments'. The only area in which Latvia has improved its performance in 2011 in comparison with the previous year, is the dimension 'Finance and support', which includes indicators such as 'R & D expenditure in the public sector' and 'Venture capital'.

The weaknesses are associated with the indicator 'Non-EU doctorate students' (3) under the dimension 'Open, excellent and attractive research systems' –, which has been growing slightly starting with 2010 (the indicator was 1), though it still remains on a very low level. Low levels was also fixed for the indicator 'Public-private co-publications' (5) under the dimension 'Linkages and entrepreneurship' and the indicator 'License and patent revenues from abroad' under the dimension 'Economic effects', which has dropped from 10 to 7[2] since 2010.

It should be concluded that there are not many strengths in Latvia; rather, there are more problems. Latvia shows relatively better performance in areas of human resources development, firm investments, intellectual assets, and economic effects. Weaker performance indicators are found in research environment, finance and support, innovative companies, as well as collaboration between merchants and scientists.

In national economy of Latvia, the dominating sectors are those related to natural resources processing, and employment of cheap labour force. There is relatively small proportion of high-tech products in total exports. This rate was 12.8% in 2011 (14% in 2010). The proportion of medium technology products accounted for 20.4% in total exports in 2011 (19% in 2009), while overall proportion of high and medium technology products accounted for 33.2% in the total exports framework in 2011 (33% in 2010)[3]. To achieve the highest innovation rates and enhance innovative business development, it is important to fund scientific and research activities sufficiently. Scientific research funding had a positive increasing trend till 2008 (total funding was 21.0 million Ls in 2000), while the highest share of GDP – 0.70% – was achieved in 2006. But a sharp downturn has been observed since 2009, and thereafter – re-growth again to 77.0 million Ls. These fluctuations can be explained by the crisis in 2008, which affected the entire economy. The

[2] Innovation Union Scoreboard 2011// http://www.proinno-europe.eu/inno-metrics/page/innovation-union-scoreboard-2011 (viewed on 12.08.2012)

[3] Ziņojums pa Latvijas tautsaimniecības attīstību [Report on National Economy Development of Latvia] // http://www.em.gov.lv/images/modules/items/2012_jun.pdf (viewed on 05.07.2012.)

crisis has also affected the GDP, while GDP reduction also decreased the percentage of expenditure for science and research. After a sharp economic decline due to the crisis in 2009 (0.46%) compared to 2008 (0.61%), the rate increased to 0.60% in 2010 approximately the same as in 2005. Funding from foreign countries, including the EU structural funds, was 0.2% of GDP. In 2010, growth private sector investment in research and development increased relatively rapidly forming 0.23% of GDP (in 2009 – 0.17% of GDP). At the same time, it should be noted that the Latvian total investment in research and development is still well below the Latvian investment growth target set for strategy implementation by Latvian National Reform Programme "EU 2020" (Latvian NRP) – to increase investment in research and development to 1.5% of GDP by 2020. Also it must be kept in mind that this goal is much more modest than in other EU countries where the share is 3% of GDP[4].

The analysis of funding distribution to research and development in 2005 through 2010 by types of finance leads to a conclusion that the smallest share of the financing framework is represented by university funding, but the Latvian research and development is financed predominantly by the public sector. Statistics also show that Latvian private sector accounts for one third of investment in research and development on average, while the EU average business investment in research exceeds half of all public expenditures in this field.

In general, government funding for scientific activity has so far been negligible compared to other EU countries. For example, the average science appropriated funds rate in the European Union is 1.9% of GDP, in Sweden – 3.42%, in Finland – 3.87%[5].

The global crisis has adversely affected the overall investment process in Latvia. Activity of foreign and local investors has been decreasing in Latvia since 2008. Major expectations were related to EU funds as the key business support tools. It was predicted that in 2009, total research and development funding would decrease as government funding for research and innovation support measures would be substantially reduced, and it was planned that part of such reduction might be compensated by the EU structural funds for research and innovation activities. In Latvia, total research and development funding actually shrank by almost 40% in 2009, in comparison with the preceding year, and was 59.9 million lats or 0.5% of GDP; the largest reduction of almost 57% was right in government funding. However, the forecasts regarding compensation by EU structural funds did not materialize. Foreign sector funding, including EU structural funds for research and development, was 9.2 million lats, i.e., 0.07% of GDP. In public sector and

[4] Ziņojums par Latvijas tautsaimniecības attīstību [Report on National Economy Development of Latvia] //http://www.em.gov.lv/images/modules/items/2012_jun.pdf (review 06.07.2012.)

[5] Zinātnes un tehnoloģiju attīstība Latvijā, 2011 [Development of Science and Technology in Latvia] //http://izm.izm.gov.lv/upload_file/Zinatne/zinatnes-un-tehnologiju-attistiba-Latvija-2011.pdf (review 15.07.2012.)

academic field, funding for research and development was 0.2% of GDP, or 28.66 million lats in 2009, and contribution of this sector had fallen to the level as of 2005. This is due to the fact that – because of the adverse effects of the crisis – the government reduced its support for research and development as a result of cutting expenditures. It should be pointed out that along with Latvia other countries were hit by the crisis, too, yet Latvia was the only one out of EU countries to have acted in this manner. In other countries, being aware of positive economic impact of science and development on economics, money-saving measures were taken in other areas. Irrespective of importance of science, innovation is implemented right in the business sector. Unfortunately, innovative business sphere can be analyzed just for the period till 2008, as later data are not available. In 2008, enterprises active in innovation field out of total number of businesses accounted for 20.1%. While this has been the best performance over the period since 2001, this rate should be improved significantly as the EU average performance was 51.6%, and Finland – 52.2%[6]. At the same time, turnover of innovative companies constitutes a considerable part of the total business turnover: industrial sector – 68.9%, and services – 43.6%. These figures only suggest the importance of innovative entrepreneurship for the national economy of Latvia, because, despite their small numbers, they make up about half of the total turnover.

Innovative solutions in pricing

To continue the article, we would like to focus on the business aspect of pricing and the possible innovative solutions for pricing. Prices have a direct and indirect effect on national economy as an active instrument; moreover, it is the most visible and easily comparable indicator of competitiveness. Changing prices do not contribute to stability, make long-term planning difficult, and put additional pressure on the price level through inflation expectations and inflation uncertainty. Stable environment of national economy, which is a prerequisite for competitiveness (at different competitiveness levels), and stable prices are mutually complementary factors, which interact closely. In terms of sustainability, prices should stimulate scientific and technological progress, resource saving, reduction of material capacity and energy consumption.

A great potential lies in pricing as its implementation may raise business efficiency and development of competitive advantages. Information technology development, growing competition in the global economy makes the question of pricing topical for each business, as most companies have used the simplest optimization tools – costs reduction, though competition is getting more and more severe, the

[6] Izdevumi zinātniski pētnieciskajam darbam pa sektoriem un to finansējums [Expenditures on Scientific Research by Sectors and Funding Thereof] // http://data.csb.gov.lv/Dialog/Saveshow.asp (review 19.07.2012.)

demand is shrinking in some markets and customers are becoming better educated and better informed stimulated by the dynamic environment of the Internet. While pricing is one of the most important functions of business management, it is still not sufficiently understood and is the least-controlled function in many companies. At the same time, pricing is a very sensitive profit influencing tool that is available to the enterprise management. The level of competition is increasing and one of the basic conditions for success is the price, price – as a competition tool generating advantages. A consistent pricing method and its improvement as well as the search for new approaches are essential for successful resolution of this problem.

It is possible to conduct assessment of innovative solutions for pricing from two aspects:

1) Pricing of a new product, especially a product (service), which is an innovation itself (invention, a new technological solution, a new modification, a set of services never offered before). In this case, the price would be an innovative solution on its merits, and a variety of approaches may be employed to fix the price, based on the broad methodology base (methods, strategies, conditions) by using widely applied and practically proven methods as well as searching for new solutions and combining techniques;
2) Enhancement of the pricing process within the enterprise to achieve competitive advantage. In this case, new approaches and innovative solutions should be sought after that would enable the realization of price benefits in growing competition market.

This article will focus on the second aspect, i.e., new solutions that can be implemented in pricing process of a company.

After gathering solutions given in literature (Bruksle, Gode, 2012; Марн, Регнер, Завада, 2004; Raju, Zhang, 2012; Kuyamcu, 2007; Smith, 2012; Roll, 2009; Lieberman, 2010; Bertini, Gourvill, 2012), the model represented in Fig.1 was produced.

The model summarizes the possible solutions for improvement of pricing process and the interconnection thereof is reflected. Each of the indicated solutions is characterized below.

Shared value approach in pricing process. Increasingly more often, the literature addresses the business conditions and the change of economic values and the impact of this process, and the need to be aware of that in setting prices. (Raju, Zhang, 2012; Kuyamcu, 2007; Smith, 2012 Bertini, Gourvill, 2012)

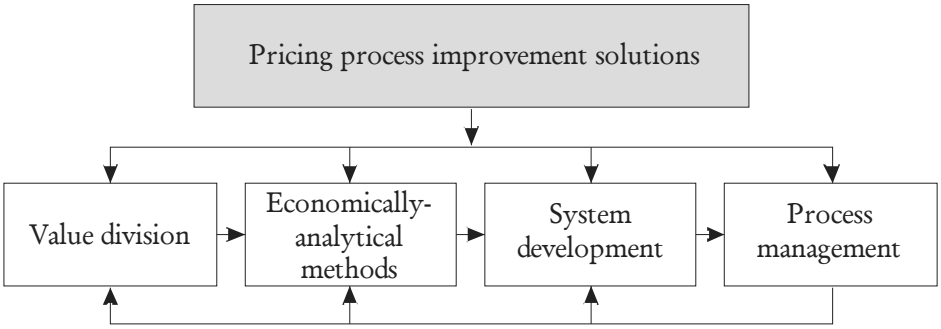

Figure 1. Model of pricing process improvement innovation solutions.

It is time the management adopt this modern understanding, and focus on change of values in pricing in order to improve the effects of their own decision. Managers should combine the company's marketing orientation and economic understanding of value change, to ensure understanding of development, when making decisions on pricing: when forming a price, price discounts, pricing structures, and the overall pricing strategy. Quantitative and qualitative approaches should be applied in pricing for the price to adequately cover the company's vision of the value, and the customer's vision of the value, while being aware that pricing decisions affect not only the responsiveness of customers and the company's profits, but can also affect the area in which the company operates (Smith, 2011).

Given the consumers' power and significant changes in expectations, shared value pricing, which is a new developing strategy that respects benefits both for the company as well as the customer, will become a necessity.

There are five pricing principles that every business could profitably adopt:

1) Focus on relationships, not on transactions. Allow customers to understand that they are important to the company not only thanks to the advertising campaign, but also through the pricing practices, admitting the opportunity of creating value in clients' interests;
2) Be proactive. When setting prices, respond not only to competitors' actions and customer complaints, but also be guided by the possible behaviour of customers under different pricing schemes;
3) Put a premium on flexibility. It is not always necessary to establish the single right price, because customers can evaluate the product otherwise (different scale of values), and the value can change in the course of time;
4) Promote transparency. By sharing information about pricing practices, customer participation, awareness, and favourable attitude is encouraged;
5) Manage the market's standards for fairness. Follow customers' understanding of fair price (Bertini, Gourvill, 2012)

Thus to observe the prerequisites of shared values, customer's perception of value must be considered when setting a price by considering customers as partners in value creation and pricing setting.

Economically-analytical methods. In today's business environment, for pricing through respecting customers' understanding of value and setting differentiated prices (different prices for different customers), use a smart approach – be innovative, use different methods of setting prices in various ways. Best pricing decisions are based not only on theory, but also on experience and instincts (Raju, Zhang, 2012).

The pricing methodology should be based on four principles: 1) Cost; 2) Value; 3) Competitiveness; 4) Economic analysis. Consequently, three groups of pricing methods may be distinguished:

1) Expense-related methods – total expenses, return on investment, coverage amount, structurally similar methods;
2) Market-related methods – consumer evaluation, prestige, following the leader, competition, auction methods etc.,
3) Economically-analytical methods – specific indicators, regression analysis, aggregates, economic advantage, expert, consumer testing methods etc. (Bruksle, Gode, 2012).

Being innovative in pricing, it is suggested to apply economically-analytical methods, based on quantitative and qualitative approach and by combining several techniques based on experts' guidance and consumers' assessment while setting a future value.

Development of a system. Today, pricing requires an integrated approach and the focus is increasingly being shifted from cost to issues of market activities in the development of appropriate model of pricing process for a company, and therefore it is really important to listen to the customers. When setting prices, the company should develop its own pricing process as a single system enabling creation of price appropriate to the particular market situation. Basic steps of a pricing process system are reflected in *Figure 2*.

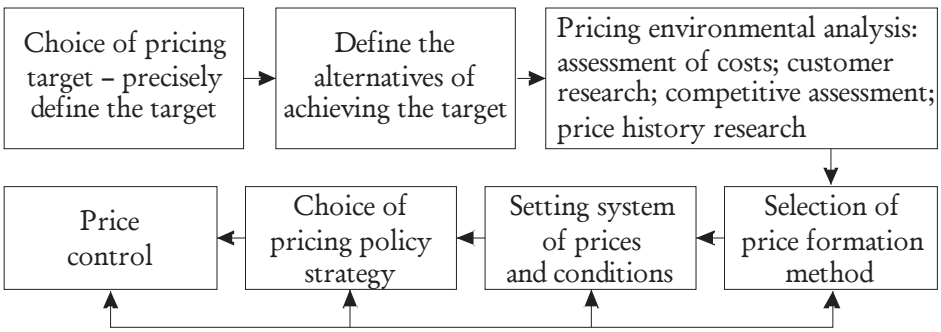

Figure 2. Chain of the pricing process stages (Bruksle, Gode, 2012)

When developing a single price system (the company's pricing policy), it should be taken into account that the result will depend on each implementation phase and, first of all, clearly defined pricing goal hat will determine the development of further phases, interaction of these phases, and integration of the feedback. And it is important to recognize the role of pricing in the overall marketing. The author agrees that pricing is the moment of truth – all of marketing comes to focus in the pricing decision. (Corey, 1962)

Pricing process management. Nowadays, it is important to create a knowledge-based pricing, and to exercise the pricing process management in the company. To implement organization of pricing management in the company, it is important to observe the following priorities mentioned in the literature (Марн, Регнер, Завада, 2004, Roll, 2009; Bruksle, Gode, 2012):

1) The support of the top-management within the pricing process;
2) Clearly defined process and responsibility;
3) Creating and processing the information systems of price;
4) Pricing knowledge development;
5) Pricing infrastructure.

It should be noted that the system development and process control in pricing are inter-complementary solutions and are closely related. An effective system development and control will increase pricing efficiency. In implementation of pricing process management, the following steps are fundamental in accordance with the concept (Bruksle, Gode, 2012):

- Step 1 – understanding of the product position;
- Step 2 – pricing process management system;
- Step 3 – pricing policy.

Understanding of company's product position (Step 1) enables to assess the general position of the company in a particular situation, to define one's own value, understanding thereof, and it is advisable that customer perception of value is also understood. Implementation of Step 1 is the foundation to implement Step 2. When building a pricing process management system (Step 2), it is important to create an appropriate framework which – once built and improved in the course of time – would enable implementation of pricing advantage, i.e., competent pricing. Vital prerequisites are understanding and confidence in pricing in general, having knowledge, broadening thereof (taking into account the possible new solutions, advanced methodology); this can be ensured via establishment and maintenance of an informative base and senior management support for the solutions introduced is especially required. Understanding of positions, and the management system developed enable us to move on to Step 3 – the pricing policy, which is the most obvious component of the entire system, since it results in prices and pricing schemes, which customers will receive for their consideration. Hence, the least errors are allowed here. Implementation of the steps should be based on an integrated approach, bearing in mind the need for feedback, and continuous improvement is recommended at every step.

Pricing process as an effective system which would generate the price advantage is essential for any business, and its creation may require large investments and resources. This can be a burden for a large majority of companies, especially small enterprises, which, perhaps, would not consider introduction of large-scale and complex system. Instead, they would let this important aspect of activities drift while setting prices without any system and in-depth analysis. However, introduction of systems should not necessarily be investment-intensive, and any company can implement a suitable pricing system and manage it, of course, based on critically assessed preconditions.

Consequently, in today's changing business environment with transparent and sensitive market and growing competition, business organization is very closely linked to introduction of innovations in daily activities of businesses, and the price, being an important tool promoting competitiveness, should be set via an innovative approach.

Conclusions

Entrepreneurs do not consider raising competitiveness and innovation as an integrated body, therefore they are not anxious about the state of the innovation base– science, they do not envisage any collaboration with science, and their own involvement in science. Poor research and development funding from the part of entrepreneurs is largely due to the lack of understanding of innovative entrepreneurship.

On the whole, there are two unrelated environments in the economic space of Latvia: science & research and business. There are no the necessary links between science and business; this does not allow for commercialization of inventions which come from the field of science and consequently does not allow increasing competitiveness of enterprises. Development of Latvian science sector is not conduced by domestic demand, while the private sector does not realize the potential of science solutions and the opportunities offered. Moreover, in most cases small and medium-sized enterprises mostly think about their own survival rather than investments in research and development. Latvian entrepreneurs have insufficient expertise in business management. They are often unable to realistically assess internal and external risks, the need for innovation, and their own position in the global market. Proper attention is not being paid to the development of enterprises and increasing of competitiveness. Still there are many problems related to organising the business environment and promoting of innovation structure development. It is required to promote business awareness and interest in the role of innovation for national economy development. It is important to provide businesses information on how to be creative, how to make use of their new ideas and thus create new competitive products.

It is important to recognize the increasing role of company's pricing policies and changes of pricing conditions. When creating a systematic and clear approach via

innovative solutions, a transparent pricing process can be established, thus ensuring realization of price advantage, which will increase the company's competitiveness.

It is necessary to increase the target-oriented government participation in funding of the innovative projects that promote attraction of additional private capital. In the coming years, government budget funding for science, research and development should be increased to establish new and innovative companies, attraction of public and private capital investment in research and entrepreneurship should be activated to provide the availability of financial resources, including seed capital and venture capital, to establish new technology-oriented small and medium-sized businesses, and to implement innovation projects.

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THE EFFECTS OF E-JOURNAL SYSTEM ON TEACHERS' PERFORMANCE. A CASE STUDY OF A LITHUANIAN SCHOOL

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Abstract

One of the major initiatives in developing Information Society in Lithuania is the introduction of e-journal system in schools. E-journal is perceived as a central piece linking educational and social processes, activities and tasks of teachers, pupils, parents, and others. The tool is being marketed as the key enabler of organizational efficiency boost. However, ministerial survey reveals the existence of both positive and negative effects stemming from the introduction of e-journal in schools, thus suggesting that the decision to adopt electronic journal in each case must be carefully assessed. Surprisingly, to date there are no studies of e-journal uses in schools conducted in Lithuania. In this work we adopt a theoretical model of IT-induced personal performance in order to analyze how e-journal system affects the work of teachers and class principals (teachers). The adopted model distinguishes four dimensions in the IT-induced performance gains: productivity, efficiency, quality, and consistency. Our study helps better understand the pros and cons of schools' computerization, provides an example of how changes in performance can be assessed in knowledge organizations, suggests areas for improvement in pursuing further computerization of schools in Lithuania.

Keywords: knowledge organization, organizational performance, electronic journal, school, case study

Introduction

Development of the eEurope political rhetoric in the mid – 1990s set the stage for computerization of schools and the educational activities found within (Council of the European Union, 1999; Council of the European Union, 2002). Today, many secondary schools in Lithuania are undertaking computerization programmes aimed at boosting effectiveness of school's administration and educational processes.

Such efforts are well aligned with Long-Term Strategy for Lithuanian Economic Development[1], which seeks improvement of conditions for learning and talent development, as well as leveraging ICT skills for Lithuanian pupils.

One of the major initiatives seen in the computerization of Lithuanian schools is the introduction of e-journal system. This electronic artefact is positioned as a central piece in the network of educational and social processes, linking together activities and tasks of teachers, pupils, parents, auditors, and others, and, ultimately, being marketed by developers and perceived by school administrations as the "key to efficiency boost."

The very idea of ICT artefact being a "tool for efficiency boost" has been questioned by IS scholars for at least since a couple of decades by now (de Vaujany and Fomin, 2007). While the efficiency of administrative practice in schools to some extent can be measured by time – and effort – related auditing, the gauges for measuring learning efficiency stemming from the introduction of e-journal have not been reported in Lithuania, or elsewhere in Europe. Particularly, efficiency of schools-as-learning institutions more so than other bureaucratic organizations is susceptible to social (and often informal) rules and practices very local to that particular school. The e-journal systems, on the other hand, are of a more "global" character – e-systems from 2–3 vendors are being installed across schools in Lithuania. E-journal is also an "in-development" artefact, bringing new features with each new version, the dynamism which makes the efficiency measuring process more problematic. Finally, the content (the scope of data records) in different implementations of e-journal can to some extent be decided by individual schools[2].

In this work we report on the case study of a Lithuanian school which saw a recent introduction of e-journal system. The school employs 60–70 teachers, 6 administrative staff, and hosts approximately 700 pupils from 3rd to 12th grades. The users of the e-journal system[3] are pupils, their parents, teachers, and the school's administrative staff – all can be differentiated as primary (direct) and secondary (indirect) users. In this work we focus on teachers' uses of e-journal system.

The aim of the work is to investigate how the introduction of electronic journal to a school is changing the organizational processes. Specifically, we ask whether e-journal enhances the performance of administrative and teaching processes, or reduced it.

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[1] http://erawatch.jrc.ec.europa.eu/erawatch/opencms/information/country_pages/lt/policydocument/policydoc_mig_0001?tab=template&avan_type=policydoc&country=lt

[2] As defined in the directive Nr. ISAK-2636 (8.05.2009) of the Ministry of Education of Lithuania.

[3] https://www.manodienynas.lt/

Lithuania on its way to information society

Achieving the state of "information society" is only possible when economic and social activities in all major spheres of life will be carried out using informational infrastructures – interlinked and interoperated information systems (IS), thus catering for obstacle-free informational exchange, knowledge accumulation, and information-based innovation processes.

Informatization of schools is doubly important in the context of the development of information society, as it secures a) provision of informational tools and resources to the educational institutions, and b) helps prepare young citizens living and working in information society.

Computerization of schools and computer literacy in Lithuanian schools

Computerization of schools in Lithuania started more than twenty years ago. Its origins can be traced to the Soviet era, when a class of informatics was set as compulsory for the upper-level secondary school grades, and the goal set to achieve the 1985 U.S. level of school computerization – one computer per 72 pupils.

At the present, Lithuanian schools are supplied with a fast Internet connections and computer classes. In 2009–10, there were 55,557 PCs in Lithuanian schools and ca. 400,000 pupils, making it one computer per 7 pupils (SMM, 2010, 18). During 2000–2004, 125 million LTL was invested in computerization of general education schools in Lithuania. 17 percent of this sum came from the funds of various business organizations and sponsors, 27 percent – from the respective municipalities. Under this program, 89 percent of teachers of 9–12 grades have acquired basic computer literacy skills; schools were equipped with the necessary software.

In 2005, a continuation to the 2000–2004 informatization was laid out in the strategy document "Information and Communication Technologies in the Lithuanian Education for 2005–2007". The aim of the new programme was to move from the computerization of schools to the (application) deployment phase.

The new 2007 "Information and Communication Technology in General Education and Training strategy for 2008–2012" was aimed at creating equal opportunities for all Lithuanian pupils to learn, discover and develop their skills, acquire personal and social competence in meeting the needs of ICT, to insure access to ICT and informational resources for all pupils and teachers regardless of the school's and family's socio-economic status, as well as to provide schools with computer training facilities, including lifelong learning – to constantly seek to

satisfy the need for knowledge, to develop new skills and qualifications needed for pupils' chosen profession, etc.

Computerization of schools and provision of Internet access are necessary, but not sufficient conditions for moving the informatization efforts from the provision to the deployment stage. To carry on the promises of Information Society, information technology must be *used* in the educational process. Digital textbooks, virtual teaching and learning objects, computer literacy of the former – these factors are important constituents of the school's learning environment in the Information Age.

Electronic diary Lithuania

The electronic journal (e-journal) is one of the central pieces in the development of modern teaching and learning environment in schools. E-journal changes the communication and cooperation processes between pupils, teachers, parents and the administration, helps streamline coordination between different groups of users. Currently, the Ministry of Education and Science of Lithuania recognizes several vendors of e-journals, as advertised on the Ministry's website[4] and has published normative documents regulating the use of e-journals in schools[5].

The principal function of e-journal – to transfer data and information medium from the traditional record book to the electronic one. Starting from 2012, it is planned to abandon centralized storage of inbound, outbound, long-term, and short-term printed documents and move to the electronic storage using information technology.

The principal advantage of the e-journal, as compared to the traditional printed (paper) journal, is the simultaneity of access to the records by school teachers, parents and pupils, school administrators, social workers, psychologists, etc. There are more advantages of the e-journal, as reported by schools' representatives in the Ministry's survey[6]:

- helps to reduce red tape;
- helps communicate with pupils' parents;
- reduces the workload of teachers;
- improve pupils' school attendance.

[4] http://www.smm.lt/ugdymas/bendrasis/dienynai.htm

[5] Order no. ISAK-556 (Official Gazette, 2005, Nr. 46-1526, 2008, No.75-2986). Order no. ISAK-2008 (Official Gazette, 2008, Nr. 81-3227, 2009, Nr. 84-3541). Order no. ISAK-1459.

[6] http://www.smm.lt/ugdymas/docs/formos/ed/Pasitarimas%202010%2001%2021.pdf

There were also negative effects stemming from the introduction of e-journal reported:

- teachers must be motivated to start using e-journal;
- frequent version updates (and related functionality/interface changes) are disturbing;
- digital signature is not in place;
- lack of feedback from pupils on the uses of e-journal;
- each school may have its own unique grading/teaching principles, while the e-journal systems available offer "standard" methods.

Given the possible positive and negative effects from the introduction of e-journal in schools, the decision to adopt electronic journal system must be carefully assessed. The introduction of e-journal must help increase effectiveness of teaching and administrative process, avoid creating new or reduce existing obstacles in communicating and coordinating with different user groups.

Surprisingly, to date there were no studies of effectiveness related to e-journal uses in schools conducted in Lithuania. Lack of studies may be explained by several facts, e.g., adoption of e-journal is not compulsory, not all schools are using it to date; schools differ from one another – what constitutes effective use in one school, may contribute to counter-effective processes in another; existing e-journal systems are being constantly improved, resulting in frequent changes in versions available, which makes comparative studies difficult. Despite the aforementioned facts, there is a need for general assessment of effectiveness change stemming from the switch from the printed to electronic journal system. This need is established by at least the common rhetoric on informatization of schools and society – the new forms of communication and control must bring about increase in productivity (Council of the European Union, 2002).

Organizational effectiveness

In order to study the effects of introduction of e-journal in Lithuanian schools, one should adopt a certain methodology for measuring effectiveness, or the lack of it. Today, there is a wide agreement that information technologies (IT) permeate virtually all areas of human activity, with some empirical evidence of importance of technology in attaining organizational change and performance boost (Brynjolfsson & Hitt, 2000; Croteau & Bergeron, 2001; Sabherwal et al., 2001). Seeing e-journal as a technology tool for achieving certain organizational goals – as a device which helps schools achieve performance benefits – is a valid view on organizational change process (Orlikowski & Iacono, 2001). Measuring that performance boost in a school, or increase in efficiency, may be a difficult task due to specificity of the teaching-learning process and the expected outcomes – what exactly to measure and how?

When *learning* or *knowledge organizations* are considered, organizational effectiveness is still seen as an abstract, non-measurable item. It is an accepted view that IT automates some organizational processes, thus helping produce "more for less", decreasing likelihood of error, improving communication. However, how exactly does the performance change in e.g., a school context, when e-journal affects activities of administration, teachers, pupils, and their parents at the same time?

James Gaskin (2011) suggested a theoretical model, which can help scrutinize the IT-effectiveness measurement process in a knowledge organization. According to Gaskin (2011), four constructs determine performance outcomes– productivity, efficiency, quality, and consistency (see *Table 1*).

Table 1

IT-related performance outcomes in knowledge organization

Construct	Definition
Productivity	Accomplishing an expected (standard?), increased amount of work using the IT in a given time period
Efficiency	Not wasting effort, time, or resources as tasks are performed using the IT
Quality	Task outcomes are more accurate, complete, relevant, and timely
Consistency	Task outcomes have reduced variance in relation to similar tasks

Source: Gaskin, 2011

Productivity refers to performance outcomes – i.e., the results of individual IT usage. "Performance outcomes measure the level of individual effectiveness when using IT to accomplish selected work tasks" (Gaskin, 2011, 5). This construct describes the work carried out by the user of IT within a certain period of time. More efficient work (e.g., with IT as compared to the same work done without the help of IT) results in having more accomplished than before, or than the other users. Productivity measure could be understood as simply as "how much useful work an individual could accomplish during normal business hours" (Gaskin, 2011, 6).

Efficiency describes "how ratios of time, resources, and effort are used in accomplishing a task" (Gaskin, 2011, 6). The less time, resources, or effort a user needs to accomplish her task, the more efficient she is. This construct is correlated yet distinct from the *productivity* – in that productivity is only concerned with the outcomes (the results), whereas efficiency construct encompasses also time, resources, and effort.

Quality construct refers to "the accuracy, completeness, relevance, and timeliness of task outcomes" (Gaskin, 2011, 7). Results of one's work are of high quality, if they are accurate, complete, relevant, and timely.

Consistency of activity outcomes refers to "a low variation in performance with regards to the same or similar tasks over time" (Gaskin, 2011, 8). For example, a consistently effective user of e-journal will be entering and maintaining data in

the system reliably, i.e., no errors or delays should be expected. Consistency and reliability go hand in hand.

Using the four aforementioned constructs, we can examine the effects of the introduction of e-journal in Lithuanian school more accurately.

The case study

The case study was conducted in a Lithuanian school situated in Vilnius city. The school employs some 60–70 teachers and 6 administrative staff (director, head of office, 4 deputies). The study was conducted during 2011–2012 school year, at the time when there were approximately 700 pupils in grades 3–4, 6–8, I–IV (9–12).

An e-Journal[7] is an information system (IS) with a complex structure, as it was developed to mirror the functions of a traditional printed (paper) journal. The e-journal allows different groups of users (teachers, pupils, parents, class principals, school administrative staff) to access and use different functions of the system.

As different user groups may have varying levels of computer literacy, the system has been developed with user-friendly interface. The system accommodates different user groups by offering functions matching the specific group. Each user group can see only the tasks (functions) assigned to it. Some tasks are shared among several groups of users (see *Table 2*).

Table 2

E-journal user groups and functions

	Administration	Class principals	Teachers	Parents	Pupils
Grade book	x	x	x	x	x
Class schedules	x	x	x	x	x
Messages	x	x	x	x	x
Reports	x	x	x		
Term results	x	x	x	x	x
SMS service				x	
Surveys	x				
Pupil rankings				x	x
Pupil health record	x	x	x		
Pedagogical development plans	x		x		
Safety information	x	x	x	x	x

[7] The e-journal system introduced at the school is available at https://www.manodienynas.lt.

To provide few examples on the tasks e-journal supports, teachers can store necessary information about the lesson in the "Notes on the lesson", for example, on what topic to teach a lesson, additional tasks to be given to better performing pupils, and so on. This information is not visible to other users of the system (i.e., pupils, parents or administrators).

Primary school teachers evaluate pupils' performance without using numeric grades. Instead, assessments are done by writing, for example, "Good", "made progress", and so on.

Teachers (as well as class principals, pupils, and parents) can see the attendance history, with colour codes marking attended and not attended classes. Justifications for non-attendance are also shown.

If teacher has spotted a mistake in the information stored in the e-journal system, she is given the opportunity to correct it – e.g., by replacing the erroneous grade or deleting it. Grade adjustment period and the procedure are decided by the school administration.

The system can generate a number of reports, such as e.g., instructions for safety conduct.

Research design

In this work we conduct an exploratory case study, as to our best knowledge, there are no similar prior studies reported either in Lithuania or elsewhere in Europe. Exploratory case study, as a qualitative research method, is an appropriate approach for tackling complex problems, which cannot be *a priory* modelled for quantitative analysis. When conducting qualitative research, investigator is charged with the task to explore what's going on and why, instead of determining *how much* one or the other factor affects the results, as would have been the case for quantitative analysis.

One of the authors has been a teacher in the chosen school for more than 6 years. This "insider" role allowed the author to gain respondents' trust when conducting interviews with teachers, pupils and their parents, administrative stuff. The insider role also allowed identifying processes affected by the introduction of the e-journal system, the changes it brought to the administrative and teaching processes, as well as changes in tasks' performance. In this work only one dimension of the broader research is reported, namely how e-journal system affects the administrative and teaching processes from the teachers' perspective.

The collected data is used to analyze how the organizational processes are perceived to change when switching from printed (paper) to electronic journal in a school. Analysis of data must inform the authors and other interested parties on such issues as:

- What is the perceived performance change in the teaching process?
- What can/should be done to help teachers do their job more efficiently?

- How pupils' learning can be improved?
- How the school's management and administration process can be improved?
- How access to and dissemination of information can be improved?

In order to understand what changes e-journal system introduces to the organizational practice, a number of processes supported by e-journal were examined (see *Table 3*).

Table 3

Organizational processes supported by e-journal

Process	Description
Pupils' attendance	Parents and teachers must follow the attendance. Justifications for non-attendance are entered into the system.
Grading by teachers	Grades the pupils receive in class are entered into the system. Every 3 months or half a year all grades are averaged (term results are calculated) to determine/show the learning performance of each pupil individually and/or the whole class.
Home assignments by teachers	Pupils and parents must to know, what the home assignments are (to prepare for the next lesson). Teachers, pupils, and parents must be able to track past home assignments (its history).
Fulfilment of home assignments by pupils	Pupils, parents, and class principals must know, what grades pupils get for their homework and class work, class principals must report on the learning performance to administration staff.
The audit of the teachers' work	Administrative staff tracks how teachers are working, seeking to identify and resolve problems in the teaching process as they arise.
The class principal's job's efficiency	Class principals must report to the administrative staff on teaching and learning processes.
Teaching schedules development and following	Information on when and which lessons are taking place. A possibility for each teacher to develop/maintain own teaching schedule.
Development and execution of educational/pedagogic plans	Information on all tests and other crucial term audits.

Data collection and analysis

Data collection took place during February–April 2012, with subsequent analysis conducted in April–May 2012. 20 teachers (13 regular and 7 class principals) were surveyed on the conduct of administrative and teaching duties. Follow-up interviews were conducted to clarify the survey answers. Interview notes were recorded.

Collected responses were coded to identify processes and routines and how these processes are seen through the prism of the four performance constructs, as defined in Section 2.3 and *Table 1* above. For each process mentioned by a respondent, we tried to identify a specific routine (an often repeated part of a larger process), then identify which of the four performance constructs the respondent implies, and finally determine whether the reference is given in positive or negative terms, i.e., whether this process/routine is perceived as affecting the teacher's performance positively or negatively. To avoid bias, the respondents were not introduced to the theoretical model used to analyze the data. Example of data coding is given in *Table 4*.

Table 4

Example of data coding

Question	Answer	Process/ routine	Tags/ descriptors
What do you think is important about e-journal?	Administration (process) is difficult	Admini-stration	Productivity (–) "difficult"
What and in what way has changed since the introduction of e-journal	Sometimes it isn't possible to connect to the system due to IP conflict error	Connection/ access	Efficiency (–) "failure"
	It's easier to input grades (to the e-journal), but also easier to make mistakes	Grading	Productivity (+) "grading is easier"
		Correcting mistakes	Quality (–) "mistaking becomes easier"

Case analysis

Having completed data coding, respondents' answers were analyzed in order to yield understanding on the perceived change in organizational processes after the introduction of e-journal system.

We have identified most often cited processes under each of the four performance constructs (see *Table 5*).

Table 5

Frequency of processes affected by e-journal[8]

	Teachers	Class principals
Productivity	Data entry (18) Term results (13) Access (7) Communication (5) Correction of mistakes (3) Total: 46	Data entry (24) Preparation of reports (8) Communication (5) Class management (4) Term results (3) Total: 44
Efficiency	Data entry (24) Term results (14) Access (8) Communication (4) Teaching (4) Total: 50	Data entry (18) Communication (6) Term results (1) Access (1) Class management (1) Total: 27
Quality	Correction of mistakes (17) Data entry (15) Endorsements (10) Scheduling (7) Writing home assignments (7) Control by administration (6) Total: 62	Communication (9) Scheduling (6) Class management (5) Data entry (4) Access to e-journal (2) Total: 26
Consistency	Data entry (12) Scheduling (2) Total: 14	

We noticed, that different groups of users talk about the same processes, but refer to different routines of that process. For example, "data entry" as a process contains "grading", "topic assignment", and "attendance", each of which can be evaluated differently by different users. This creates situation in which performance gains associated with certain routines in one process can be "accompanied" by decrease of performance due to other routines in the same process. For example, under e-journal system, data entry is among the most frequently cited processes. Entering and accessing grading data becomes easier (performance gain) in e-journal, as compared to the printed journal. However, data entry is prone to erroneous input and requires good computer literacy skills from the users of the e-journal system – the two factors often form an obstacle for some teachers and class principals.

For example, history teacher, when asked "what has changed with the switch from the printed journal to e-journal" replies: "e-journal makes work easier, but

[8]The numbers following each process in the table indicate the total number of both positive and negative references to the particular process by respondents.

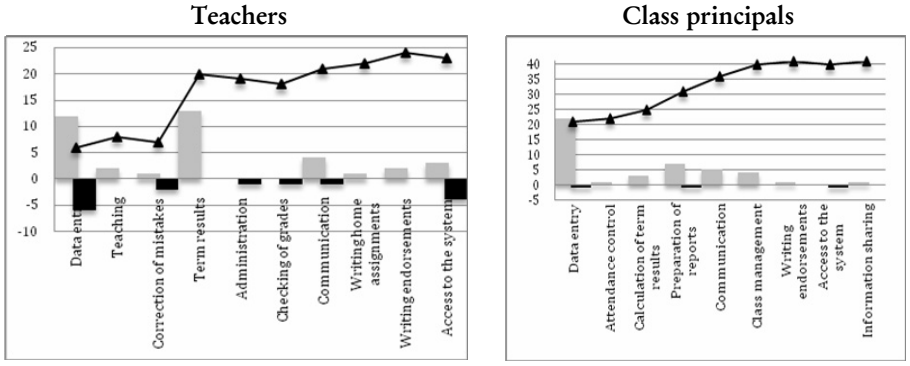
it requires me entering data timely". The same question is answered by arts teacher: "entering data became much easier and quicker. I do not have to chase after the journal during the breaks anymore – this time I can devote to preparing for (the next) class or resting."

However, it is also easier to make certain mistakes when entering the grade (e.g., the date of a lecture), while correction of those mistakes requires authorization from the administration, which, in turn, requires more paperwork (and time). Entering math formulas or special symbols became more problematic under the e-journal system, as reported by a math teacher.

Summarized results in change in performance with the switch to e-journal are presented in *Table 6* through *Table 8* below[9], where vertical bars show how many times a certain process was mentioned by respondents in positive (grey) or negative (black) terms, and the punctuated line shows the aggregate "performance gain" – i.e., the sum of all positive and negative references for the given construct.

Table 6

Change in productivity



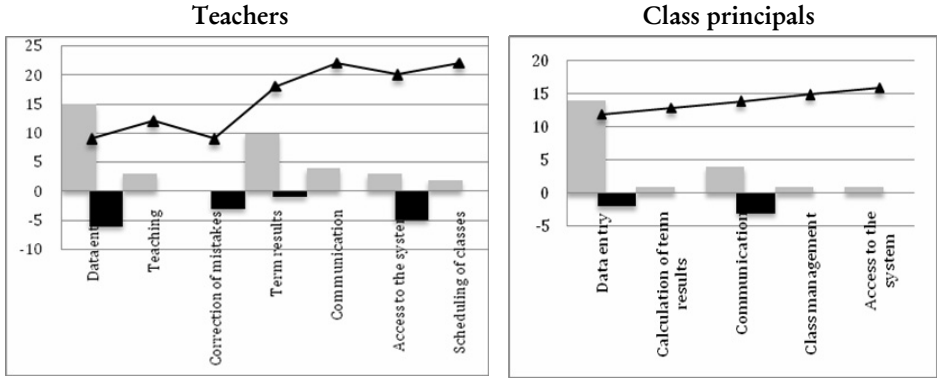
As we can see from *Table 6*, the largest contributors to productivity gains are such processes as "data entry", "term results' calculation" (for teachers) and "preparation of reports" (for class principals), and "communication". With the exception of "access to the system", the same processes receive the largest number of negative references, too. This can be interpreted as reflection of different level of computer skills of the respondents. For example, when asked, "how has (the process of) preparation of reports (to the administration) changed?" one class principal replies: "it became more difficult, because I am (still) not in a good control of the technology". Another class principal's replies to the question of what has changed with the switch to the e-journal system, saying: "it was difficult in the beginning (to use e-journal), as we had to get used (to the system), learn how to work with it."

[9] We omitted presentation of results of changes in consistency, as there was insufficient number of references to this construct in the collected responses.

The reason why "access to the system" is often referred to in negative terms appears to be mundanely related to the poor IT infrastructure at the school, as reflected in the following quotes: "logging into the system requires a long time", "a faster Internet connection is needed", " problems arise when the system is not responding or is responding (too) slow."

Table 7

Change in efficiency



Additional to already mentioned process of data entry, *Table 7* shows that "calculation of term results" and "communication" are among the strongest contributors to efficiency gains. Several teachers (math, English, informatics) are happy to see the e-journal calculate the term results automatically, as completion of this task required a lot of effort when printed journal was in use. The same holds for class principals – now the system keeps track on the class' averages – something the principals were required to do manually before the introduction of the e-journal.

Built into the e-journal system communication functions give a possibility for the teachers to send messages to parents, other teachers, and pupils. "Messaging (function) helps communicate, although not everyone wants to use (this feature)", says one teacher.

For class principals, the messaging feature makes it easier to communicate with the parents, helped reduce phone bills. However, some class principals observe that not all parents use the messaging system, thus rendering the principal's effort of typing in the messages wasted.

Table 8

Change in quality

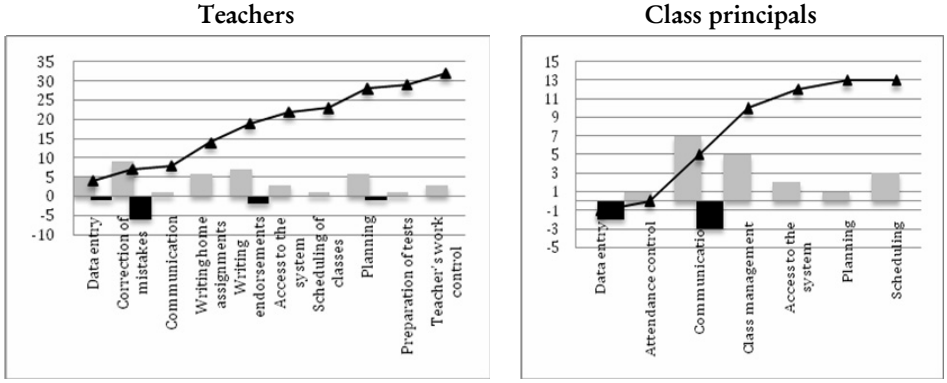


Table 8 shows that quality is an important construct for teachers, as this dimension is referred to more often by teachers, as compared to the other three constructs (see also *Table 5* above). Similarly to other constructs, the processes, which receive the largest number of positive references, also receive the largest number of negative references – "correction of mistakes", "writing endorsements and reprimands", "communication". For example, teachers and class principals at the same time praise and criticize the e-journal's feature of endorsement and reprimands/notices writing: "writing endorsements/notices (into the system) is an effective tool, given that the parents see the message. However, not all parents are willing to communicate (using the system)."

Conclusions

To understand whether the introduction of e-journal system contributes to the increasing performance in teaching and learning processes requires first to have understanding of the concept of performance with regard to the use of information technology/systems (IT/IS).

To date, the concept of performance in the context of applying innovative IS/IT solutions in learning- and knowledge- organizations remains abstract, non-measurable construct. Performance gains are usually understood as gains in "efficiency". While there is literature available on the topic in English (Brynjolfsson & Hitt, 2000; Croteau & Bergeron, 2001; Sabherwal et al., 2001; Orlikowski & Iacono, 2001; de Vaujany & Fomin, 2007), attempts to directly apply results of those studies by Lithuanian scholars often result in confusion

about the meaning of two different English words "efficient" and "effective" – these are understood as "efficient" in Lithuanian language[10].

The reported confusion about what exactly constitutes the construct of performance, combined with the lack of studies on schools' transitioning to e-journal system, necessitated us to seek suitable theoretical models for assessing performance changes in knowledge organizations. We found the four-construct model developed by Gaskin (2011) particularly useful in this regard. Using the model to guide data collection and analysis, we found that the introduction of e-journal in Lithuanian school had an overall positive impact on performance gain in processes where teachers and class principals are involved. We also found that introduction of e-journal required re-designing some of the organizational processes, which is in line with extant literature on IS and organizational innovation (de Vaujany and Fomin, 2007).

The highest performance gains were found to be associated with these processes, which allow automation – e.g., term result calculations, class scheduling, etc. Processes related to teaching and learning (i.e., acquisition of knowledge) did not see the change in performance. Some communication processes were obstruct – e.g., parents did not read messages posted to them by teachers, whereas in the old (printed) journal system communication was more efficient, as it relied on different communication channels.

Our findings help ground the overall positive rhetoric on the expected outcomes of informatization of society in general and computerization of schools in particular (Council of the European union, 2002; SMM, 2010), as we untangle processes, routines, and specific instances in teachers' work and show which of these being relayed by e-journal system affect the performance positively or negatively.

Finally, our study shows that the theoretical model adopted here can be used in other studies on knowledge- and learning- organizations. Availability of suitable theoretical model and "performance gauges" can help gather feedback from ongoing informatization projects and thus allows developing more focused strategies for transitioning to Knowledge Society.

[10]The same holds for Latvian language.

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SUSTAINABLE DEVELOPMENT AND THE *HOMO SOVIETICUS* SYNDROME

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Abstract

Implementation of the concept of sustainable development requires action first at the local, and then at global level. The effectiveness of local action depends on the actions of individual units. The possibility of achieving this concept depends on the awareness of people involved in this enterprise. This state is a set of features called homo cooperativus*, which evolved from* homo oeconmicus*. In Polish conditions, the way to achieve the desired state of consciousness is more complex. It is associated with the remnants of the old system in the minds of people, which is called a* homo sovieticus *syndrome. The path of evolution from* homo sovieticus *to* homo cooperatives *can run two ways; with the achievement of the intermediate state which is* homo oecnomicus*, or without it. The other way is possible under certain conditions.*

Keywords: concept of sustainable development, *homo cooperativus*, *homo oeconmicus*, *homo sovieticus* syndrome.

Introduction

The creation of the concept of sustainable development is a response to the danger created by people through their exploitation of the environment, and the assumption that it's endless and infinite. The main task of this idea is to determine the causes of over-exploitation of natural resources and to develop strategies for reducing this phenomenon. The implementation of these tasks requires a broader perspective. In addition to the natural aspects, economic and socio-cultural aspects should be considered as well. To achieve the overall objective of protecting the earth and thus the people who occupy it, one more element is necessary, namely the ethical aspect.

Achieving sustainable development on a global scale requires its achievement at a microeconomic level. This is possible thanks to the cooperation of local communities. Striving for the goal of implementing sustainable development requires the individual people involved in this project to achieve a certain state of consciousness. This status is an extensive set of features described as *homo*

cooperativus. *Homo cooperativus* is not a specific person, it is a particular type of person, who takes into consideration other people's best interest and has the ability to think ahead. It is a kind of an altruist who focuses on achieving his or her goal as well as other people's goals. In literature, it is said that this kind of person evolved from a being called *homo oecnomicus* who focused on maximizing their own benefit (Rogall, 2010, 192).

Taking into account Polish conditions for the implementation of the sustainable development, one must consider the characteristics of the Polish society, with traces of an entity called by J. Tischner as *homo sovieticus*. *Homo sovieticus* is a creature as abstract and impersonal as the above-mentioned ones, but the catalogue of its qualities is different. This "happy slave" (Tischner, 2005, 142), on the one hand is the bond-product of the system; on the other hand it is dependent on it through the job and illusory share of power. It is a man stripped of dignity and autonomy, and unable to make choices and bear their consequences. *Homo sovieticus* is revealed in two systems. The first one is of course a totalitarian system, where he was a slave. The second one is the present democracy, in which *homo sovieticus* feels insecure. The change of system did not cause his death; on the contrary, *homo sovieticus* evolved, extending the existing catalogue of its defects.

The literature shows (Rogall, 2010, 189) that only a man of a certain level of consciousness is ready for the implementation of sustainable development. In democratic countries which have not experienced a totalitarian regime, this process seems easier. Those countries where democracy is a relatively new system, in which *homo oeconomicus* has not fully evolved, the issue is more complex.

The purpose of this paper is to establish what features characterize the *homo sovieticus*, *homo oeconomicus* and *homo cooperativus*, and to answer the following question: what features need to be developed for *homo sovieticus* to evolve into a being capable of implementing the concept of sustainable development?

The concept of sustainable development

The discussion on sustainable development began in the late seventies and eighties. It was then it became noticeable that people's activities on Earth begin to pose a threat to their lives. According to the report of the World Commission on Environment and Development, continual economical growth absorbing more and more resources and the population growth threaten to reach the limit of development possibilities (Report, 1991). Natural resources were treated as commodities in the economy, to which access was unrestricted and would be available indefinitely. Previously, economists and politicians didn't take into account the possibility of depletion of natural resources.

The basis for formulating a definition of sustainable development was the idea contained in the report of the Commission chaired by G. H. Brundtland in 1987, according to which sustainable development is the development which satisfies

the present needs without the risk that future generations will be unable to satisfy their own needs. Despite the creation of new definitions in this area, the quoted definition remains the reference point for discussions about sustainable development.

Another important event in the evolution of the concept of sustainable development is the Second United Nations Conference in Rio de Janeiro in 1992. It was then that the concept of sustainable development as a social and economic development which will ensure meeting the needs of contemporary society without compromising the ability of future generations to satisfy their needs was forged. It was perceived as a new world order that would be formed as a result of the creation of new forms of cooperation between countries and nationalities. The Declaration created a global strategy for sustainable development using the assumptions described in the Brundtland Commission's report, and it included 27 rules. The work at the conference resulted in the acceptance of the document entitled "Global program of action – Agenda 21", which includes recommendations and guidelines for action, whose goal is to achieve sustainable development. The Johannesburg Declaration on sustainable development, which was established in 2002, stated that balanced and sustainable development was meant to strengthen the three interdependent pillars of development, namely economic, social, and those regarding conservation and management of the natural environment in the local, regional, national and global dimensions.

Despite the continuous popularization of the concept, it remains an abstract creation. It is interpreted in different ways and still no common strategy has been reached.

According to the Polish environmental law (Act of 27 April 2001 of the Environmental Protection Law, OJ 2001, No. 62, pos. 627), sustainable development is such a socio- economic development, which integrates political, economic and social activities with the preservation of environmental balance and sustainability of basic natural processes in order to guarantee the basic needs of communities and citizens of both the present generation and future generations. The need to be guided by the principle of sustainable development was included in the Polish Constitution.

These definitions state that the concept of sustainable development has three dimensions: natural, economic and social development. But we should not ignore the fourth dimension particularly important in the context of responsibility for the environment is left to future generations, namely the ethical dimension.

Ethical dimensions of sustainable development

One of the ten key ideas of the sustainable development economics (http://www.nachhaltige) is guided by ethical principles that have been expressed through a demand of personal responsibility for one's actions. Intra- and intergenerational justice and responsibility are among the basic principles.

Implementation of intergenerational justice requires that challenges and problem-solving of each generation must not happen at the expense of the next generation. The behaviour of intragenerational justice is to ensure equal opportunities in life, a steady consumption of natural resources, as well as the absorption of hazardous waste across the globe. Responsibility in the concept of sustainable development is inextricably linked with the concept of a just society. A just society is one in which all people have a chance for a happy life and all members of society are provided with human rights and the ability to satisfy their basic needs. Globally, countries with higher levels of industrialization are responsible for the chances of people in less industrialized regions. Taking responsibility is one of the key conditions for the implementation of sustainable development. Implementation of this project on a global scale requires the implementation of this concept at the microeconomic level – in the enterprise, in which the driving forces are the man-an entrepreneur.

At the individual level that is the man, in the framework of sustainable development a new concept of *homo cooperativus* – person capable of cooperation – has been forged. (Rogall, 2010, 189) *Homo cooperativus* is expected to replace *homo oeconomicus*, who represents the traditional views that do not take into account the ethics of sustainable development. *Homo oeconomicus* symbolizes a man who stands only for their own benefit in the short run, not the man who takes responsibility for the world, or for the well-being of future generations. It is a man who always acts rationally from an economic point of view. As an entrepreneur, this man maximizes profit, as a consumer he maximizes the utility (see *Fig. 1*).

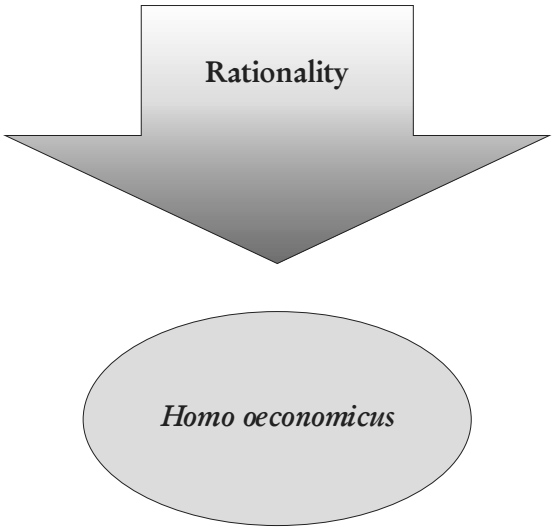

Figure 1. Features of *homo oeconomicus*
Source: own

In the twentieth century, this creation was subjected to criticism. Particularly criticized was the concept of assigning consistently rational behaviour to people. H. Leibenstein developed the concept of selective rationality (http://biznes.pwn.pl), which assumed that rational behaviour is not always maximized. In the case of joint stock companies, there was separation of the function of property and management, which complicated the notion of profit maximization. On this basis, H. Simon (http://biznes.pwn.pl) forged the concept of a satisfactory, rather than maximizing profit as the goal of managers. Maximizing the utility function of consumers is not always true. Studies of their behaviour indicate that consumers' purchases are often not guided by maximizing the utility function, but, for instance, habit.

Homo cooperativus

The economics of sustainable development are expected to bring forth ideas of new attitudes for individual people. The new system recognizes two main features: the ability for long-term action-oriented cooperation, and empathy (the ability to empathize) (see *Fig. 2*) (Rogall, 2010, 181).

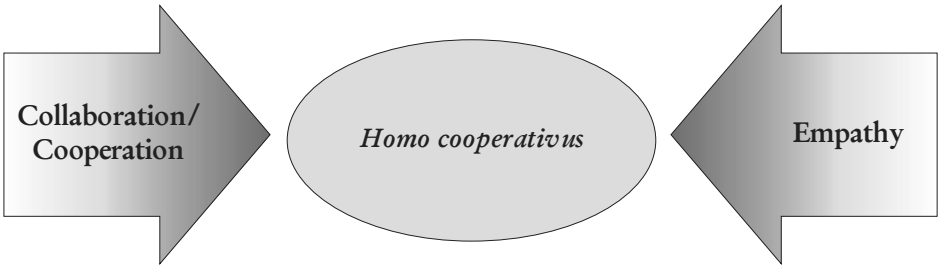

Figure 2. Features of *homo cooperativus*
Source: own

The economic governance for sustainable development, a single man knows he is addicted to cooperation with other people, especially in the long term. He is aware that maximizing solely their own benefit leads to selective satisfaction of the needs in the short run, and prevents them from being satisfied in the long term. On a larger scale, in order to achieve the economic benefits one must take into account the needs of other people. To meet these needs at an acceptable level it is essential to establish relationships and generate synergies. The word synergy is derived from Greek and it means working together. In the context of sustainable development, synergy is defined as a situation in which two or more entities create greater value by working together than either of them would produce individually (Chadam, 2012, 59–60). The synergy effect results from the

cooperative skills of people, which give them a chance to survive in the market and even to achieve further development.

Another essential feature for *homo cooperativus* is empathy. The ability to empathize is essential for a man in the new conditions of sustainable development, because he is expected to be a collective entity. Life in a community requires the ability to manifest sincere feelings, and to understand the experiences of other people while remaining respectful towards them. The feeling of empathy gives a tendency to idealistic behaviour, which is the basis for taking responsibility for other people and future generations.

The man who can act for the good of the community by giving up or limiting their self-interest is an abstract type. It is assumed that, as a result of the evolution, this kind of man has been created (Rogall, 2010, 192). It is assumed that the willingness to cooperate and take responsibility for others was formed during evolution as features which gave one advantage over others. *Homo cooperativus* is a man living in complicated conditions that manifest themselves through:

- uneven initial conditions – education, property, culture, abilities;
- a variety of (often difficult to predict) determinants of human behaviour – economic, socio – cultural, psychological factors, idealistic goals;
- a sense of threat – terrorism, climate change, war.

These complex conditions are subject to rapid change. Especially in an emergency situation, *homo cooperativus* may develop the ability to cooperate and take responsibility.

Homo cooperativus is a creation of a complex nature. On the one hand, he is willing to sacrifice; on the other hand, he is devoid of the negative traits such as self-interest. This dual nature has been described (Jonas, 1996, 146) as the choice between being good or bad, as well as being good and bad. Man as a social creature needs contact with other people and their acceptance. The need for acceptance and attention is sometimes so strong that people allow others to manipulate them and become influenced by external, not necessarily positive influences.

To sum up, the creation that is *homo cooperativus* is a complex one. It is not always a rational creature, as it also exhibits irrational behaviour. It is a heterogenic creature with the potential for good and evil.

The *homo sovieticus* syndrome

The term *homo sovieticus* was coined in 1982, and its author was the Russian philosopher and writer A. Zinoviev. By this name he meant the kind of attitude and the way of thinking shaped by the totalitarian system. The characteristics of a man forced to live in slavery are incapacitation, intellectual servitude, lack of personality and dignity. This term was popularized in Poland in the early 90's by the philosopher priest J. Tischner (Tischner, 2005, 145). Of course, this concept had to be adapted to Polish conditions. According to Tischner, the main feature

of *homo sovieticus* is the lack of independent thinking, reflected in one's inability to make critical analysis of the surroundings. Other drawbacks are: the lacked independence in actions and decision-making, and a deep conviction that higher power – the government-cares about satisfying the needs of citizens. Yet another feature is the lack of individualism and complete submission to the collective. *Homo sovieticus* is an abstract creation, not a specific person, and it successfully functioned during the communist regime. It is a "happy slave", who, on the one hand, is deprived of his liberty, and on the other hand is exempt from liability. After the collapse of the totalitarian rule, *homo sovieticus* was deprived of the "spiritual force that cares about the fate of the working man" and had to adapt to new conditions. He expected that it would be just as it had been in the previous system, only better. "The certainty of employment and labour productivity like in communism, but stores like in capitalism" (Wnuk-Lipinski).

Homo sovieticus did not disappear with the collapse of central authority; in fact, Tischner's list of defects gained a few new elements. In the new reality, *homo sovieticus* showed collectivist features over the individual sense of responsibility. It showed "universal suspicion", the lack of trust in other people. He particularly lacked the knowledge of economy, self-criticism, the ability to assess the ongoing changes, and subjectivity. It was not eager to recover the latter, because subjectivity entails making choices and assuming responsibility for them.

From *homo sovieticus* to *homo coopreativus*

Nowadays, it can be concluded that the attitude of *homo sovieticus* is already withdrawing (Wnuk-Lipinski) not only because of the generational exchange, but also because the rules of the new system have been assimilated by the majority of the Polish society. Despite this, in the attitudes of employees one can notice some personality traits that form a coherent syndrome of *homo sovieticus*. The results of psychological tests conducted by R. Korach confirm the existence of a *homo sovieticus* syndrome, named by him the "enslaved" personality (Korach). R. Korach identified three factors that make up the "enslaved" personality type (Tobór-Osadnik, Wyganowska, Kabalski, 2012, 86):

- servility,
- martyrdom,
- selfishness.

Servility manifested in the dependence on the system and the belief that one has no influence on their fate. Imprisonment results in an inability to be independent and responsible for oneself and for others.

Martyrdom is continuous sense of injustice, which exempts from liability, triggers suspiciousness and strengthens the claims attitude.

Selfishness is manifested in avoiding taking responsibility for others and for the community. It manifests itself in only caring about one's own business, and the inability to think in categories of the common good.

The implementation of sustainable development requires the achievement of the right attitudes by people; the attitudes attributed to *homo cooperativus*. Development of this characteristics is a long process which requires education. The abstract entity previously described as *homo oeconomicus* developed in the countries which haven't experienced totalitarian regime. Poland was for many years dominated by *homo sovieticus*, who, after the restoration of Polish liberty, still remained, revealing new features. The new *homo sovieticus* should be called a man with a *homo sovieticus* syndrome, for a better distinction.

The need for the evolution of *homo oeconomicus* to *homo cooperativus* is necessary for the implementation of sustainable development. The evolution of a person with the *homo sovieticus* syndrome into *homo cooperativus* remains problematic. It is interesting whether the achievement of the final stage requires going through the stages in between. Is it possible to circumvent the *homo oeconomicus*?

Basic features without which *homo cooperativus* is not possible, are the willingness to take responsibility, the ability to interact with others, and the ability to empathize. *Table 1* presents the characteristics analyzed by comparing the three attitudes.

Table 1

The comparison of selected characteristics of *homo sovieticus*, *oecnomicus* and *cooperativus*

Features	**Person with a *homo sovieticus* syndrome**	***Homo oceonomicus***	***Homo cooperativus***
Responsibility	No individual sense of responsibility	Takes responsibility for oneself	Takes responsibility for oneself and others
The ability to cooperate with others	A collective entity, but only on the level of family and friends	An individualist focused on personal benefits	A collective entity capable of cooperation with others on a professional level
Compassion	Selfishness	Selfishness	Empathy

Source: own

Comparing the first trait one can say that people with the *homo sovieticus* syndrome have no sense of responsibility for themselves and they do not tend to take it for others. *Homo oeconomicus* is characterized by taking responsibility, but only for themselves. The highest degree of development is to take responsibility for oneself and for others. At this point, it is worth considering for what or for whom *homo cooperativus* takes responsibility. According to H. Jonas, it is not clear whether a certain kind of responsibility can occur between equivalent entities

(Jonas, 2004, 209). He says that horizontal accountability will always be weaker than vertical. This is particularly important in the context of economic dependence, when the entrepreneur shows concern for their employees (vertical accountability), leaving aside the issue of other entrepreneurs (horizontal accountability). In those considerations, it is important to answer the following question: why does *homo cooperativus* take any responsibility for other people at all? He does it not for altruistic reasons, but to achieve an objective. The key for him is "the ultimate success of the joint venture, not the fate of the comrades" (Jonas, 2004, 210). Thus, *homo cooperativus* mainly takes responsibility for achieving the objective, and only in this context, he takes it for himself and for others. This is particularly important in a situation of an emergency. The implementation of the concept of sustainable development is an attempt to unite the human forces in the context of the growing threats against the existing world (e.g. climate change, environmental degradation). This danger, for *homo cooperativus* and his next result in taking responsibility for themselves and others in the name of a higher purpose. The driving force behind taking this responsibility is the fear for *homo cooperativus* and his descendants' lives.

The ability to cooperate is another trait in question. As illustrated by Table1, people affected by the *homo sovieticus* syndrome, although convinced of the superiority of the collective over the individual sense of responsibility, have a small tendency to identify with groups at higher levels than the level of a private society – family, friends, etc. According to M. Żakowska (Żakowska) a special feature of the Polish society is a strong identification with privately created small groups, a relatively strong bond with the nation, and a very weak feeling of kinship with associations, clubs and workplaces. It is particularly negative at the workplace level, as it relates to the difficulty of separating the private and professional sphere, and lack of common objectives between the individual and the company. *Homo oeconomicus* is an individualist oriented on gaining profits only for themselves without considering the achievement of these benefits in a broader perspective. *Homo cooperativus* is a being aware that in isolation and without taking in consideration the needs of others, there is no chance of achieving the long-term benefits. He is willing to cooperate to secure the achievement of the objective.

The last discussed trait is the ability to empathize, which is alien to *homo oeconomicus* and *homo sovieticus*. This is an expected feature of the higher states of consciousness of *homo cooperativus*. A characteristic condition for those affected by the *homo sovieticus* syndrome is suspiciousness, distrust of other people, and the phenomenon of "onizm" (from the word *oni* – they). This phenomenon is described by W. Władyka as a simple structure to justify one's own failures as expressed in the form of "they are guilty of everything", "they arranged this world" (Władyka, 2003, 85). The Poles have a strong need to belong to the group, but in the negative sense. It means that they would rather not be treated as "they" than experience unity with the "we" (Żakowaska). *Homo oeconomicus* represents a selfish attitude. It is focused on achieving its economic interest without regard for the needs of its environment. The expected *homo cooperativus* attitude is more

complex. On the one hand, it is an entity focused on their own benefit, but on the other hand, he knows that without taking into account the needs of other people, he will not be able to achieve their own. *Homo oeconomicus* and *homo cooperativus* are people fixated on success, understood as the gaining of wealth and high position in society. The difference between them is that *homo cooperativus* is aware that success must be accompanied by a balance between all areas of life.

The measures of success are very different according to the established hierarchy of values in society. Social success is a relative concept and perceived differently by different communities. When setting a benchmark of success as an objective embedded in the concept of sustainable development, *homo cooperativus*, by achieving success, reaches the objective of this development. The more cooperation with others this achievement requires, the better it is for the implementation of the common objectives.

In the context of the discussed features of the three abstract entities placed in the hierarchy of evolutionary sequence, one should reflect on the inevitable evolution of *homo sovieticus* into *homo cooperativus* (see *Fig. 3*).

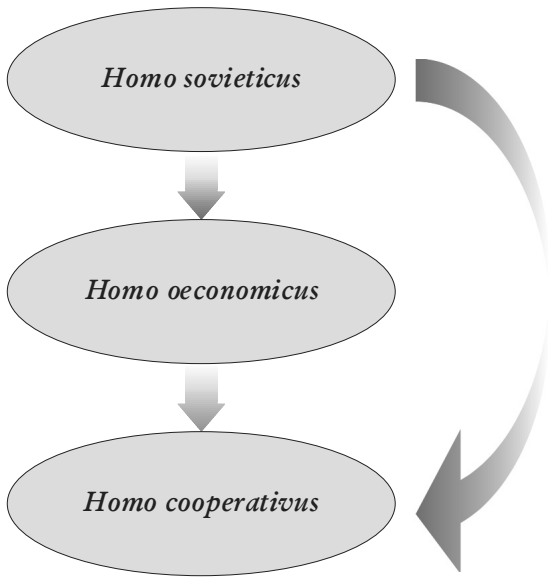

Figure 3. The evolution from *homo sovieticus* to *homo cooperativus*
Source: own

Looking at *Figure 3* one can see two paths to the evolution of *homo cooperativus*. The classical way by reaching an intermediate stage – *homo oeconomicus*, or the other, with its omission. In the Polish society, in the period of democracy, *homo oeconomicus* managed to develop to some degree. For him, the way of evolution is clearly marked. A problematic issue is the path of the evolution for a person

with the *homo sovieticus* syndrome. The examination of a way for him, without the intermediate state, is possible if this man becomes an objectified creature, conscious of the opportunities created by democracy. This strategy will open the way to freedom understood as the ability to make the right decisions and, unfortunately, having to bear the consequences of the wrong ones. To achieve this, the man with the *homo sovieticus* syndrome must overcome suspicion and defeat "onizm", as well as acquire the ability to trust other people. According to the dictionary of the Polish language, trust (http://sjp.pwn.pl) is a belief that:

- a person or an institution can be trusted;
- someone else's words, information, etc. are true;
- someone has some skills and knows how to properly use them.

Without the establishment of mutual relations on the basis of working within the enterprise and the external entities particularly state institutions based on trust it is hard to talk about the possibility of achieving sustainable development. Trust in institutions is of special importance. According to the Corruption Perception Index ranking (http://www.transparency) Poland has improved in a year in the perception of it as a corrupt state. This ranking is created by the indicators in the order specified index from least to most corrupt. In 2006 Poland was ranked in the 61st place and steadily climbed the rankings in 2011 reached 41place ahead of Lithuania, Hungary and the Czech Republic.

Summary

To sum up, sustainable development is a complex undertaking, where both, economic and psychological aspects are equally important. Development of the appropriate features described as *homo cooperatives* is necessary to attain it. In Polish conditions, the implementation of sustainable development requires overcoming the *homo sovieticus* syndrome and passing from *homo soveticus* to *homo cooperativus*. It is a way of evolution which takes time. It can take place in a classical way, with the achievement of the *homo oeconomicus* state, or with its omission. It seems that this path of a "shortcut" evolution is possible and that the Polish *homo sovieticus* syndrome can be defeated.

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NATION BRAND AND THE CITIZEN

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This paper critically discusses the application of the brand concept to the marketing campaigning of nations. In this article, the magic power of the words 'nation brand' on political and business leaders will be approached from the point of view of the most essential stakeholder group of the nation brand: the nation's citizens. The concept of the nation brand itself will be shown to be a bad choice that may not bring the country all that benefits that it promises. It will be claimed that, in the branding rhetoric, the citizens of the country in question are placed on a level with factory workers who are expected to uphold and defend the reputation and good image of the company they work for and its products.

Keywords: brand, branding, corporate branding, nation branding.

The concept

Brand is one of the concepts borrowed from the vocabulary of product and service marketing for use in the marketing campaigning of cities, regions and nation states. In recent years, nation brands have gained popularity especially among the smaller European countries. 'A new sort of beauty contest', this somewhat ambiguous phrase was the headline of an article in the Economist (2006) discussing the views on nation brands of Wally Olins and Simon Anholt, the two leading experts in the field. The business of creating nation/country brands may be an arena of contest between experts but above all the same kind of contest exists between countries as is played among competing products on the shelves of a department store: which is the more attractive package, what are the brand promises of each product and what kinds of brand associations are evoked by each nation. Recently Simon Anholt (Anholt, 2009) wrote a word of warning about the concept 'nation branding'. According to Anholt "nation branding does not exist; it is a myth, and rather a dangerous one. The idea [of branding a country] is a myth, is vain and foolish". He continues that acceptability and perceived value in terms of destinations is not like marketing cola. Further on, Anholt criticises the fact that national reputation is not judged on the basis of their actions but rather on what a country says about itself.

This paper critically discusses the application of the brand concept to the marketing campaigning of nations. In this article, the magic power of the words 'nation brand' on political and business leaders will be approached from the point of view of the most essential stakeholder group of the nation brand: the nation's citizens. The concept of the nation brand itself will be shown to be a bad choice that may not bring the country all that benefits that it promises.

It will be claimed that, in the branding rhetoric, the citizens of the country in question are placed on a level with factory workers who are expected to uphold and defend the reputation and good image of the company they work for and its products. Its proponents typically use the nation brand as an umbrella under which anything which helps to gain the goal is permitted – in just the same way as the military may justify the possession of nuclear weapons to protect the country against the enemy. They may proclaim, for instance, that critical comments are undesirable because they undermine the nation brand, and which in turn hurts the performance of many industries and harms the country.

"A good name is to be chosen rather than great riches." (Old Testament, Proverb 22:1). The wisdom of the Old Testament applies even today – but with a twist. A good brand name will be a source of great riches precisely because it ensures a good reputation. Brands, and their logos, are not new but have been around for millennia. Moore and Reid (2008) claim that brands and branding are as old as civilization. Trademarks (the authors call them proto-brands) originate from the culture of the Indus culture c. 2250–2000 BCE. The earliest internationally used logo was the cross. In 312 AD, the Roman emperor Constantine had a vision of a cross with the words "by this sign conquer" before a battle with his rival, Maxentius. He had the cross painted on the shields of his soldiers and won the day (Holburt, 2006).

The present use of the word 'brand' is a good example of two phenomena: extension of the context to new areas and cleaving it into several parts in different contexts. Following one of the basic tenets of propaganda, repetition renders the concept, in its new context, real in people's minds. The broadening-of-meaning effect is not new in marketing communication: in the 1980's the word 'image' and later 'reputation' underwent a similar process – the semantic field expanded but at the same time so did the promises associated with the concept. More recently the word brand has been used in place of the outworn words.

The extension of the context of the term and the new associations it invites in people's mind includes risks. According to Balmer and Grey (Balmer and Grey, 2003) the recent widespread use of the branding argot ... is far removed from its origins as a *patois* spoken by marketers. The question arises whether the brand concept, and thus positive brand outcomes, is applicable to a country as well. It has to be noted that the terms country and nation are used interchangeably here. Thus, nation does not refer to the narrow definition of the people of a country, but encompasses territory, people, natural endowments, and economic, political and cultural values. Just like a manufacturer's brand, a nation brand can be defined as

"an umbrella of trust" that identifies one seller's good or service as distinct from those of other sellers (Wikipedia, s.v. brand).

Why nation brands?

Balmer and Grey (Balmer and Grey, 2003, 975) see nation brands as a subgroup of corporate brands. Compared to product brands corporate brands have a larger number of stakeholder groups. An important such group is the personnel of the organization. Product brands require commitment on the part of consumers while corporate brands require commitment from all personnel (Balmer and Grey, 2003, 977–978). It is also worth noticing that the corporate stakeholders, i.e., tourists, businesses and the company personnel or residents of a city, with their experiences, opinions and associations are there whether the experiences are managed or not (see Hanna and Rowley, 2011, 472).

Brands have been a heavily studied phenomenon in marketing science because of the benefits brands are claimed to provide for both companies and consumers (see, e.g., Aaker, 1993). Among the various areas of the branding theory the growing interest in nation branding as a marketing phenomenon can be seen in the amounts of books and scientific articles (Anholt, 2003; Olins, 1999; Dinnie, 2008; Jansen, 2008; Aronczyk, 2008, 2009; Kaneva, 2007, 2011 and others).

Many 'brand salesmen' represent branding of nations as a key to success warning that if a nation does not look after its brand, its rivals will do it instead. However, some authors discuss nation branding more critically. Some writers have expressed concern over the undemocratic character of branding as a strategy for public diplomacy in so called democratic societies. Aronczyk, for example, observes that "branding cannot account for the plurality of voices, legacies and competing visions of the nation-state" (Aronczyk, 2008, 58). For Stokburger-Sauer (Stokburger-Sauer, 2011), the target audiences of nation marketers include tourists as well as business investors as "consumers" of the nation brand. Residents play an additional role as "suppliers" of the nation brand.

For a consumer the product brand is a promise and guarantee of quality. They know that any item will be of the same quality, and it is more than self-evident that the brand concept will be supported by each member of the company personnel. When a city, a region or a country is presented in publicity as a brand, the setting is different: the citizens of a country are placed on a plate as a part of the product 'nation brand'. Aronczyk (Aronczyk, 2008) summarizes what she sees as the views of the nation-brand proponents as follows: For national citizens in particular, the key function is to "live the brand" – that is, to perform attitudes and behaviours that are compatible with the brand strategy. By "immersing" themselves in the brand identity, citizens carry "the microbes of the brand" and "infect" those with whom they come into contact. This role is described variously as a "brand ambassador," "brand champion," "brand exemplar," or "brand carrier (Aronczyk, 2008, 54).

Nation brand is a hybrid concept that combines several fields of marketing in which the country plays a role: country-of-origin marketing, place marketing and tourism industry as a whole, the international banking and financial markets, and – last but not least – international relations and public diplomacy. The incoherence of the concept is a weakness: a tourist may be interested in beaches, the scenery natural wilderness and hotels which for a banker or industrialist pondering the potential risks of investing in the target country are less essential pieces of information. Several questions also remain unanswered in many nation brand reports, such as whether the country brand attributes are unique: clean water and beautiful nature, named as strengths for many, are the same in most Northern European countries. Another question is how the nation brand is applied in targeting different audiences. Moreover, many nation brand reports fall silent on the possibility of aggressive cornering of the brand image by a neighbouring country with the same attributes. Two Baltic countries, Latvia and Estonia, are proud of their singing festivals but Latvia was the first and introduced the 'singing country' as its marketing slogan. Often the question of competitors is left unanswered: what would be the impact of competing countries' nation brand campaigning on nation brand equity.

A country may communicate the nation brand in order to encourage foreign investment and export, to attract tourists, to create internal pride, or to develop a positive national identity. With the country brand a country may want to help any enterprise that the nation may undertake. A country may wish to position among the competitors, create a new image, boost the existing one, or change it (=re-branding). According to the Country Brand Finland, for instance, the purpose of the country brand is to strengthen the operating potential of Finnish businesses, to increase foreign political influence, to promote interest in Finland as an investment target and to increase tourist flows to Finland. (Helsingin Sanomat, 16.10.2012). According to Mielewczyk and Czuba (Mielewczyk and Czuba, 2011) the purpose of the project "Poland the brand" project was funded to ascertain whether Poland has identifiable, quintessentially Polish products of national origin that, if promoted, could help improve Poland's standing within Europe.

Marketing slogans of countries are a common outcome of a nation brand project: here, for instance just few examples:
(http://www.textart.ru/database/slogan)

Alaska: Beyond your dreams, within your reach
Maine: Where America's day begins
Hawaii: The island of aloha
Scotland: Best small country in the world (It was rejected! The new slogan: Welcome to Scotland
Australia (one of many): "We can't wait to say G'day"
Latvia: "The land that sings"

Estonia: "Positively transforming." This was followed by a proposal for a new slogan: "Estonia positively surprising." In a blog, after that, there was another proposal: "Estonia positively collapsing" ☺
Lithuania: slogan on Lithuanian souvenirs (not official country slogan!) "I love Lithuania – but where is it?" ☺

Big countries **have** big projects and often more specific goals for their nation brand/nation image campaigns. In 2003 USA today (posted 9/14/2003) reported how "$1 billion international image campaign isn't enough to buy U.S. love." According to the news, the Bush administration spent $1 billion a year trying to polish the image of the United States' around the world. The polls were showing record levels of anti-American feelings, especially in Muslim and Arab states, which is where the government was concentrating its efforts. In the same vein Russia, France and Germany have published their own campaigns on how to improve the external image of the country.

Nation brand and public diplomacy

In the past few decades, *public diplomacy* has widely been seen as a transparent means by which a sovereign country communicates with publics in other countries, informing and seeking to influence overseas audiences with the aim of promoting the national interest and advancing its foreign policy goals. In recent years the concept of branding has been extended to the debate on public diplomacy to cover countries, regions and cities (http: //uscpublicdiplomacy.org.).

The nation brand as a form of public diplomacy is said to be a euphemism for public relations by governments, historically known as propaganda (cf. www.sourcewatch.org/public diplomacy; Jansen, 2008). In the USA public diplomacy seeks to change attitudes about the US and US actions by "telling the story" of the US better and by promoting Brand USA. Many doubt its actual potential for success since US foreign policy, which is most often cited as the reason for anti-US sentiment, remains unchallenged and unchanged (www.sourcewatch.org).

The case of Finland

The foreign ministry of Finland reported on 16.9.2008 that foreign minister Alexander Stubb had appointed a "high-level" delegation to develop the country brand Finland. The high-level members of the delegation were representatives of business, members of university of Helsinki, a few PR experts and some Finnish foreign correspondents, with Jorma Ollila, then chairman of the Nokia Corporation, as chairman. The purpose of the country brand was said to be to strengthen the operating potential of Finnish businesses, increase political influence abroad, and promote interest in Finland as an investment target and increase tourist flows to Finland (Nations branding info, 2009). The Finnish working group, whose

strategic discussions were led by British expert Simon Anholt, came up with a number of suggestions, such as that organic production should account for at least half of Finland's overall agricultural production by the year 2030, that Finland's lake water should be purified and made drinkable, that Finland should establish a peace mediation convention dedicated to Nobel laureate Martti Ahtisaari or that Finland should turn silence into a strong brand association.

Such challenges are 'missions' for this Nordic country. But Finland's nation branding strategy also sets a mission for all Finns. The report calls on all Finns to participate, from grandparents passing on manual craft skills, chefs developing dishes based on undervalued local fish, and the foreign ministry implementing an annual "peace negotiation day" inspired by Nobel Peace Prize laureate Martti Ahtisaari.

The nation branding group report lays out over 50 tasks for different players: ministries, companies, local governments and organisations as well as private individuals. According to Ollila, while the group was working on its report, ordinary people often asked what they can do. *"One grandmother came and asked what she could do. There are things in the report for grandmothers to do, too,"* said Ollila (http://nation-branding.info/2010/12/01).

In November 2009 the Finnish novelist Sofi Oksanen commented in an interview on the Danish TV on the drinking habits and violence of Finnish men.

Shortly after that, a member of the Brand Finland delegation, professor Laura Kolbe, blamed her publicly and reminded her of her responsibility as a representative of the Finnish cultural elite. "She is perhaps unknowingly pulling the rug from under the nation" Kolbe argued (HeSa, 29.11.2009).

Helsingin Sanomat, the leading daily newspaper interviewed journalists from Finnish print media. None of them was willing to criticize Oksanen for her remarks. On the contrary: for example "...It would have been much more detrimental if one could not express criticism of her home country." "Has freedom of speech been taken away, or?" "The reputation of Finland would suffer if the freedom of speech was to be restricted in the name of the nation brand."

It is a paradox that Sofi Oksanen who was accused of damaging the brand Finland with her statement, is an internationally respected playwright and novelist and winner of several domestic and international prizes who may have done more for the international appreciation of the Finnish culture than any of the brand specialists ever.

However, at stake is not the work of Sofi Oksanen but the claim that her words harmed the newly launched brand Finland. She was labelled a dissident and virtually a parricide. Fortunately the brand committee had no legislative power to punish her for endangering national safety; and fortunately too she lives in a democracy and was not jailed nor exiled.

All countries are not as permissive with respect to violations of the nation brand.

The loyalty bill of Israel stipulates that as a condition for receiving any official document citizens would be required to declare their loyalty to the state of Israel and its

values as a Jewish and democratic state (http://www.acri.org.il/en/knesset/declaration-of-loyalty-bill/). In 2008 the media told that a Chinese activist who was accused for having criticised the communist party's policy was sentenced to 3 1/2 year term in prison.

What are the risks if the way of thinking at the background of the critics of Sofi Oksanen would be accepted by many? Once the idea of the nation brand concept has been accepted as possessing higher value, one can seek justification for condemning behaviours which allegedly defame the country and endanger its positive image. This in turn means that when such brand values have been adopted, public opinion will be ready to penalize persons who are seen as harming the country with their divergent opinions. Such retribution would, however seriously violate one of the basic civil rights in a democracy: freedom of speech.

Territoriality and globalization

The country of origin of products as a fifth element in the marketing mix has lost some of its relevance during the process of globalization. One reason is the blurring of the concept itself. There are products where some parts have been produced in one country, but assembled in another, or manufactured in one country but designed in another. In many cases, the country of origin has been omitted from the product information, or the country of origin is restricted to refer to the origin of the brand only. Nissan, for instance, is sold as a Japanese car, and Volkswagen as a German car, regardless of the country in which the car has been assembled. Similarly, Arla has been sold as a Danish brand independent of the country in which the products were made (Lehtonen, 2007).

Despite the complexity of the concept of country-of-origin information in the global market, it may nevertheless be relevant for marketing, at least in new markets, where the consumer is unfamiliar with the products in question. Marketers can emphasize COO information in cases where the country enjoys positive stereotypes and minimize the reference to COO in cases where the country suffers from negative associations. Consumers' perceptions of country images are transferred to products such that a positive country image supports positive perceptions of the quality of the product. On the other hand, if customers' attitudes towards a country, nationality, or culture are negative, this hostility may be attached to the products of that country as well (Hamzaoui and Merunka, 2006; Al-Sulatili and Baker, 1998; Laroche and al., 2005). Laroche and Mourali (Laroche and Mourali, 2005) reported an interesting finding concerning the varying relevance of each brand parameter depending on culture: in constructing their image of Japan their informants relied more heavily on their affective reaction to Japanese people, while the opposite was true when forming an image of Sweden, where cognitive beliefs about the country's degree of industrial development was more important.

"A strong country brand helps increase exports, attract tourism, investment, and immigration. Country branding has become an essential part of a country's sustainable development". This notion quoted from an article by Marc Fetscherin on the determinants of a country brand (Fetscherin, 2010, 466), can be seen in most texts on country/nation branding. What such lists of the benefits of country branding do not include is 'backing up democracy in the country' or the welfare and contentment of the inhabitants. Most of the discussions on nation branding only discuss tourists or businesses as consumers of the nation brand.

In the Anholt model (see, e.g. Marketing-planet.com) a nation brand is the sum of six variables, exports, governance, culture and heritage, people, investment and tourism, and immigration. This brand score can be criticized for the same reason as the concept 'reputation': instead of just one, an organization has many reputations, depending on the stakeholder in question. The brand score is abstract and highly theoretical and cannot be applied in practice because each relevant audience has its own image of the target. Instead of a monolithic 'brand' which would be the same for residents, tourists and investors, the nation brand model is a list of variables relevant for developing each area but which, when put together, do not create any additional value. This view is supported by the recent study of Merrilees and al. (Merrilees and al., 2012) who found that the brand image perceptions of a city differed significantly between the two stakeholder groups analyzed, viz. residents and businesses. Merrilees and al concluded, however, that the lack of congruity across stakeholder groups may not be the problem that the literature to date suggests. Indeed, multiple brand meanings may be the norm and even an ideal state of affairs. An important contribution in the work of Merrilees and al. is the development and operationalization of the concept of a filter according to which different stakeholder groups use different filters in attributing meaning to a city brand.

Nation brand and nationalistic motive

Most if not all studies on nation brand discuss the issue from the point of view of outsiders who may be investors, tourists or international organizations. Volcic and Andrejevic (Volcic and Andrejevic, 2011, 605) connect nation brands with the notion of commercial nationalism. They claim that nationalistic appeals are used deliberately by commercial entities. The selling of nationalism—which has gained popularity worldwide–represents, according to Volcic and Andrejevic, a reflexive form of national identity building: the choice to consume a particular version of national identification. They see this development as complementary to that of nation branding: on the one hand, commercial entities sell nationalism as a means of winning ratings and profits, while on the other hand, the state markets itself as a brand.

As Lee and al. (As Lee and al., 2010) state, while many studies concur about the importance of the influence of national brands and ethnocentrism on consumer

brand choice, little is known about the psychological social identities that underpin that influence. These identities are often manifested in social actions that underscore common goals, where "a basis for group action then is the mutual possession of a sense of us" (Bagozzi, 2000, 389).

The argument underlying this viewpoint is that "a corporate identity can be created, transformed and restructured by management or specialist agencies and thus does not necessarily have to refer to inner values or organisational identities" (Cornelissen and Harris, 2001, 61); for a discussion, see Lee and al. (Lee and al., 2007).

Nations are increasingly being conceptualized as brands. Given that the key task of branding is to differentiate one's offering from that of competitors, developing a positioning strategy for the nation brand is a prerequisite for strategic branding (http://www.innismaggiore.com/Difference/Positioning.aspx). To be effective, nation brand positions must be distinctive, singular, accepted, and translatable (Harrison-Walker, 2011).

Nation brands and democracy

Product brands require commitment on the part of consumers while corporate brands require commitment from all the company's personnel (Balmer and Grey, 2003, 977–978). Nation brands are a special form of corporate brand, and thus the citizens of the nation should equal the personnel of the corporation. Product brands require commitment of consumers while corporate brands require commitment to the rules of the firm. A person who is hired for a company binds herself to obeying the rules of the firm. Citizens in a democracy, in turn, decide together on the rules they will obey. In democracy, it is the means not the ends that is paramount.

Nation branding reflects a certain way of thinking about the role of a nation—both as a means of selling goods and services, and as an entity that can mobilize the people in the name of economic development. By the same token, nationalism becomes, at least in part, a form of consumption, while citizenship becomes, in part, a way of "living the brand." Nation branding is not democracy but a form of governance via market imperatives (Volcic and Andrejevic, 2011, 601). It can also be seen as a neoliberalistic shift of power from the public sector to the global private sector.

In recent years national branding has been criticized. Its critics argue that it is both deceptive and demeaning to treat the character and identity of a nation as a brand, a commercial product to be manipulated and sold to consumers. Kaufman (Kaufman, 2009) emphasizes that national character cannot be dictated or polished. Yet all countries have one at their disposal. And those who have discovered ways of exporting it or demonstrating it–for good or ill have imprinted themselves on our consciousness. Those that cannot stand out of the mass or who fear of

opening themselves up to ridicule or unflattering stereotypes, find themselves in the mass of countries that cannot be located on the map (Kaufman, 2009).

For Stokburger-Sauer (Stokburger-Sauer, 2011) the residents of the nation play the role of a supporting actor in nation brand management. Research on nation brand management investigates customer needs and gives advice on satisfying those needs. The target audiences of nation brand marketers are prospective tourists and business investors as "consumers" of the nation brand. The residents of the nation play an additional role as "suppliers" of the nation brand.

Volcic and Andrejevic (Volcic and Andrejevic, 2011) have collected critical comments on the underlying theoretical foundation of the nation brand concept. They claim that these criticisms call attention to the reductive and undemocratic character of branding as a strategy for public diplomacy in democratic societies. Aronczyk (Aronczyk, 2008, 43), for example, observes that "branding cannot account for the plurality of voices, legacies and competing visions of the nation-state". She raises the most essential question: if a public good is by definition an object of democracy, a process of encouraging collective participation from its citizens and procuring just and equitable rewards for the benefit of all, what happens when this public good falls under the authority of private branding and advertising agents? (Aronczyk, 2008, 58)

Expressing similar concerns, Jansen (Jansen, 2011, 141) argues that "the methodology of nation branding, qua methodology, is not democratic ... Nation branding is a monologic, hierarchical, reductive form of communication". This characterization is one associated with the familiar critique of marketing industry which attempts to manage public perception and behaviour in a top-down fashion (Jansen, 2011). However, in the wake of the emerging era of interactivity and its attendant critique of industrial-era models of top-down, one-way forms of communication, the marketing industry (and those within it devoted to brand development) has started to reposition itself as more participatory and collaborative (Volcic and Andrejevic, 2011).

Hayden (Hayden, 2008), has expressed concern not only about the efficacy of branding, but also of its broader political and moral implications: He argues that it is both deceptive and demeaning to treat the character and identity of a nation as a brand, a commercial product to be manipulated and sold to consumers. For Volcic and Andrejevic (Volcic and Andrejevic, 2011, 601) nation branding is not democracy but a form of governance via market imperatives.

Mark Ritson of Marketing Week (Ritson, 2010, 54) condemns the business of country branding or nation branding as nonsense. For Ritson, "countries are countries, not brands". Tourism aside, you don't ever buy a country. The conceptualization of country branding is attractive as a business: "selling a brand strategy to a public servant in Finland or Ghana must be a lot easier than pitching to a trained marketer from the likes of Unilever or Ford".

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DECISION MAKING IN TOURISM: THE CHOICE OF CITY TOURS IN TERMS OF SOCIO-ECONOMIC STATUS AND WILINGNESS TO PAY

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Abstract

Decision making is a complex process embracing various psychological and socio-economic aspects that determine an individual's choice. When it comes to tourism, socio-economic factors and willingness to pay are one of the most essential features in decision making since tourism sells intangible goods such as experience and satisfaction. Therefore it is important to understand exactly how much socio-economic status and willingness to pay affect the process of decision-making in tourism, in this case – city tours. The study analyzes, first, the choice between different city tours and, second, the driving factors for making exactly this decision. During the research process a survey was conducted and the results analyzed with MsExcel function LINEST and SPSS cluster analysis dendrogram. The main research conclusions are that the correlation between socio-economic status, willingness to pay and decision making process is rather small. Still the main influential factors were proven to be gender, age, income and willingness to spend. Eventually the research concludes that city tours might not be acquainted as inferior goods, rather they are luxury related; and therefore that could be the reason why none of the socio-economic variables had a strong correlation with decision-making.

Keywords: decision making, willingness to pay, city tours.

Introduction

Tourism forms one of the largest economic sectors and is one of the fastest growing industries in the world, representing approximately 6 per cent of global exports (UNWTO 2003). The latest tendencies illustrate that individual travelling is getting more popular than organized tours (Alejziak, n.d.). Nevertheless, people that travel alone still want to learn about historical and cultural essentials in a destination, therefore the demand for local city tours is slowly rising. Based on author's personal observations, individual tourists often want to have organized city tours, preferably

in a group than individually. This forms a paradox – people choose to travel alone, whilst they prefer having city tours in groups. Therefore, this paper focuses on the reasons how and why a tourist chooses city tours. Even more, what types of tours tourist prefers (walking, bus, cycling) and if the decision making is influenced by socio-economic status and willingness to pay. (Stabler et al., 2010)

Therefore, to be able to approach incoming tourists, their decision-making process has to be understood. By understanding that, entrepreneurs may focus on tourists' main reasons for choosing a particular product and, in this way, conquer the market. The main problem that this study deals with is how to know what affects tourist decision-making in case of city tours. The literature review reveals that socio-economic factors and willingness to pay (WTP) affect the decision-making process the most. Therefore, the research question of this study is: *how does socio-economic status and willingness to pay affect the process of decision-making in tourism?*

Methodological framework

Correspondingly, the goal of the research is to answer the research question stated above, and city tours are chosen as the case of the research. The research consists of four stages. The first two stages consist of literature review on willingness to pay and its effect on decision-making process, and quantitative data collection through questionnaires. The third stage of the research analyzes the choice between different city tours, while the fourth stage analyzes the driving factors for making exactly this decision. For data analysis, *MsExcel* function LINEST and SPSS cluster analysis dendrogram was used.

Post-positivism is chosen as the lead paradigm for this research, since multiple methods are chosen to near the "real" truth. Referring to Guba (1990), reality exists, but it is impossible to reach certain truth because of modified objectivism and values influencing findings, therefore experimental methods are used in this research, focusing on defining the variables that affect the decision-making from the consumer's perspective.

Still this study faces some limitations. The results show no correlation as expected and the analysis is not deep enough due to the time and volume limitations. Research faces only quantitative data, which, based on the post-positivist paradigm, is not the whole truth. Nevertheless, conclusions can be drawn, as described in the discussion and conclusion section.

Theoretical framework

Decision-making is a complex process, because the individual choice is determined by the interaction between economic actors within the market. (Bailey and

Richardson, 2010) The socio-economic context of decision-making should be taken into account, especially in the part, by the inclusion in the estimating equation[1] of additional explanatory variables which are significant determinants of demand (Stabler et al, 2010, 75). Kirchler (1988) and Loewenstein (1987) list several variables that influence decision-making (and demand in that matter), such as age, nationality, gender, stages in the life cycle, socio-economic class and environment in general, ethos of consumption and saving at macro level, income and willingness to pay (WTP), as well as time period the choice is made. In this research most of these variables are taken into consideration.

Stabler (Stabler et al., 2010, 76) explains: 'demand can, of course, become effective only when backed by income, and the consumer's budget, and level and pattern of tourism demand are crucially dependent upon the underlying distribution on income and wealth'. Therefore, WTP is specially emphasized in this research.

Under the hypothetical condition, a consumer may behave as if he is interested in purchasing one of the product offerings, but when facing a real purchase decision under the incentive-aligned condition the consumer can act differently. (Miller et al., 2011) As Breidert (Breidert, 2005) explains, there is a fundamental difference in WTP between maximum price and reservation price. As seen in the diagram (*Figure 1*), a person might purchase a product for a higher price (reservation price) than he would actually be willing to pay for it (maximum price).

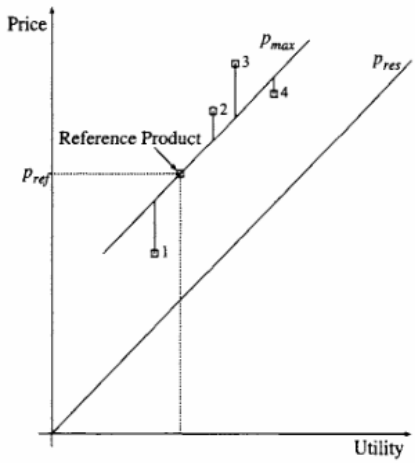

Figure 1. Purchase situation $p_{max} > p_{res}$ with four products (Breidert, 2005, figure 3.2, p.29)

[1] Tourism demand function: $D_{ij}=f(Y_i, P_{ij/k}, Ei_{j/k}, DV)$, where D_{ij} is tourism demand by origin i for destination j, Y_i is income of origin i, $P_{ij/k}$ is prices in i relative to destination j and competitor destinations k, $E_{ij/k}$ is exchange rates between i and destination j and competitor destinations k, DV is a dummy variable to take account of special events such as sporting events or political upheavals. (Stabler et al., 2010, 48)

Taking this into consideration when designing a pricing strategy, 'the basis is to set the prices for the goods in view of how much the customers are willing to pay for each of the goods.' (Breidert, 2005, 23) Then, in the standard economic view, determine the consumer's WTP and define it as the maximum price at or below which a consumer will definitely buy one unit of the product (Varian, 1992).

In this research the actual WTP (maximum price) was evaluated for a city tour. In order to look into the aforementioned issues, a survey was conducted. Since 'different individuals and groups have different consumption preferences and there are difficulties in identifying preferences at more aggregate levels' (Stabler et al., 2010, 76), this research focuses on one socio-economic group only – young people, age 20–30. To evaluate the possible effect of different socio-economic factors on decision-making (choosing a type of tour and price willing to pay for this tour) two methods were used – LINEST function in *MsExcel* and Cluster analysis in SPSS.

1) The LINEST algorithm is designed to return reasonable results for collinear data, and in this case at least one answer can be found. It calculates the slopes2, intercept3 and determines standard error values for the variables, as well as the coefficient of determination4. In brief, LINEST checks for co-linearity and removes any redundant X columns from the regression model when it identifies them. Removed X columns can be recognized in LINEST output as having 0 coefficients as well as 0 se's. (Excel Help 2007)
2) The Cluster analysis in SPSS groups similar clusters into groups in the form of a dendrogram. Dendrogram is a visual representation of the steps in a hierarchical clustering solution that shows the clusters being combined and the values of the distance coefficients at each step. Connected vertical lines designate joined cases. The dendrogram rescales the actual distances to numbers between 0 and 25, preserving the ratio of the distances between steps. (SPSS 20 Help 2011)

The findings are described in the next chapter.

[2] Slope – vertical distance divided by the horizontal distance between any two points on the line, which is the rate of change along the regression line (Excel Help 2007).

[3] Intercept – point at which a line will intersect the y-axis by using existing x-values and y-values (Excel Help 2007).

[4] Coefficient of determination – compares estimated and actual y-values, and ranges in value from 0 to 1. If it is 1, there is a perfect correlation in the sample — there is no difference between the estimated y-value and the actual y-value (Excel Help 2007).

Findings

As mentioned above, in order to analyze the tourist demand in city tours a survey was conducted with the main focus on young people. There were 142 respondents, 100 female and 42 male, age mainly 18–34, mostly students or working people.

The results show that majority of respondents choose visiting friends & relatives (VFR), short city breaks and road trips over organized tours, nature resorts and even mass tourism tendency – sun, sea & sand. (*Figure 2*)

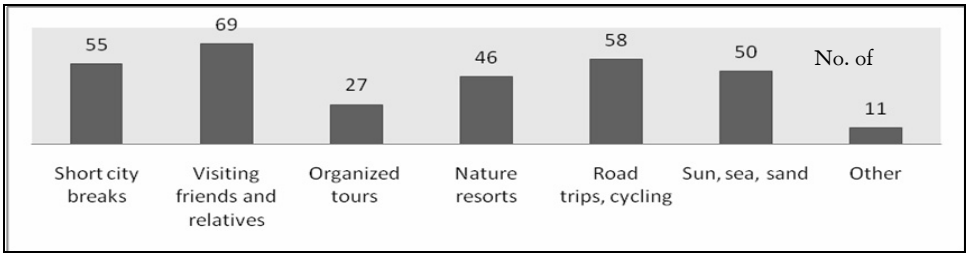

Figure 2. Most preferred type of tourism (author)

This displays the latest tendency monitored in tourism industry worldwide – individual travel is becoming more popular than organized tours or holidays in mass tourist destinations.(Alejziak, n.d.)

In terms of frequency of travelling, most of the respondents travel at least once per year, 59 of them even 2–3 times. (*Figure 3*)

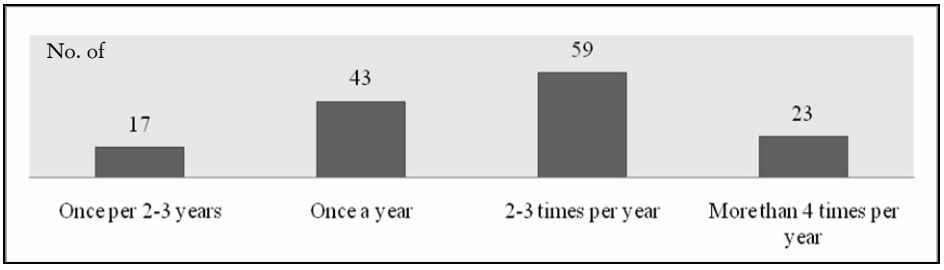

Figure 3. Frequency of travelling (author)

Comparing both results, coherence can be observed: if a person travels more, more likely he/she is going to choose individual trips over organized ones. In terms of nationality, people choosing organized tours and/or sun, sea & sand tourism mainly come from Eastern part of Europe.

As to a type of a city tour respondents would choose, one third chose not to take a city tour at all (*Figure 4*) because they prefer exploring places on their own.

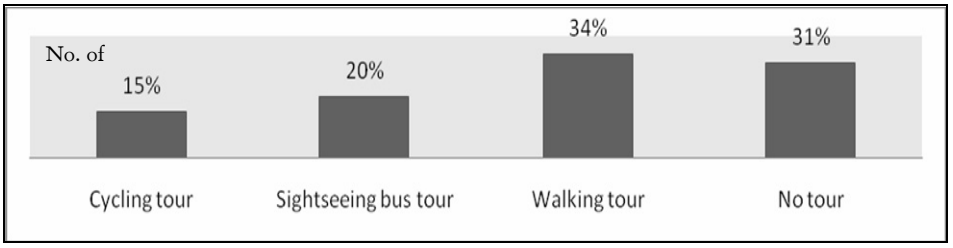

Figure 4. Type of city tour preferred (author)

15% of respondents would choose a cycling tour while 20% would choose a sightseeing bus tour. All the mentioned reasons for choosing a cycling tour over others were evaluated as equally important (~4) – biking is a good exercise, tour is more flexible because of the speed and small size of a group, so more places can be visited and it is more sustainable than taking a bus tour. Then again, those who favoured a bus tour, argue that it is the fastest way of exploring the city, it does not depend on weather and the choice of languages available during the tour is wider.

As the previous results show, the majority (34% of respondents) chose a walking tour (*Figure 5*), listing several reasons as important, such as having a live guide (person), detailed itinerary and a possibility to see places that would not be seen on a bus tour.

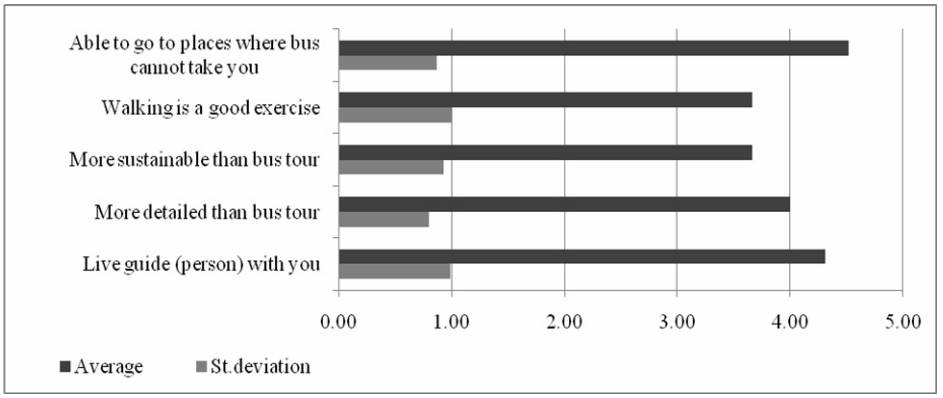

Figure 5. Reasons for choosing a walking tour (author)

If the standard deviation is analyzed (*Figure 6*), it is seen that the highest agreement between the respondents was on the detailed itinerary, while the lowest one on walking being a good exercise.

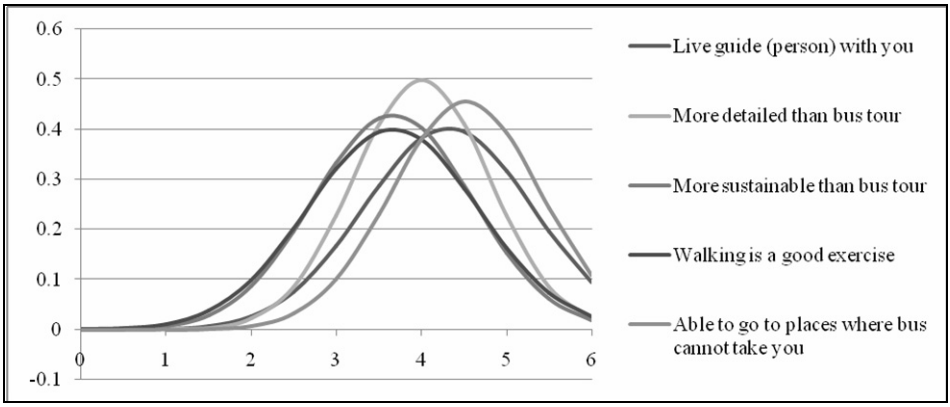

Figure 6. Standard deviation of choosing the walking tours (author)

Analyzing the respondents that chose walking tour over others, it can be seen that half of the respondents that chose walking tour came from Eastern Europe, 44 out of 48 are the same age group (20–30), 73% are female, only 37.5% are not students and the majority (31 of 48) travel every year at least 2–3 times or even more.

Further, one of the main factors in decision making is WTP (in this case, willingness to spend (WTS)), so special emphasis was laid on this subject (*Figure 7*). The data reveal that majority of respondents (124 of 142) are not willing to spend more than 100 EUR per day in a destination (*Figure 7*).

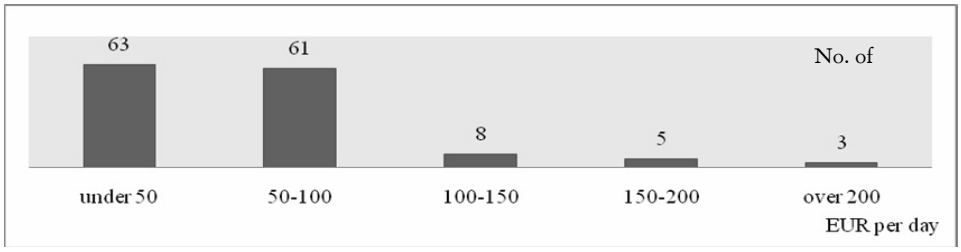

Figure 7. Willingness to spend in a destination per day (author)

In order to find out the correlations between the willingness to pay for a tour and other variables (such as nationality, age, gender, occupation, income, frequency of travelling and willingness to spend in a destination), the *MsExcel* function LINEST was used. Surprisingly, no strong correlation was found, since the slopes turned out close to 0 as well as the coefficient of determination R^2 was only 0.12 (*Table 1*).

Table 1

LINEST results of correlation for WTP and socio-economic variables (author)

WTS	Travelling frequency	Occupation	Income	Gender	Age	Intercept
slope = m6	slope = m5	slope = m4	slope = m3	slope = m2	slope = m1	
0.3769962	-0.055832	-0.0496967	0.046522223	-0.192207345	0.09755858	2.809052
0.1005152	0.09873738	0.07610628	0.058967663	0.188715902	0.14270425	0.472871
0.1227493	1.00385115	#N/A	#N/A	#N/A	#N/A	#N/A
3.1483127	135	#N/A	#N/A	#N/A	#N/A	#N/A
19.035652	136.041813	#N/A	#N/A	#N/A	#N/A	#N/A

Overall, the results indicate that generally age positively affects WTP for a city tour (0.09), women are affected by WTP more than men (–0.19). Surprisingly income has a very small effect on WTP (0.04), but it is still positive. As for occupation, it seems that if a person is a student his WTP is higher than if he is only working while the frequency of travelling generally affects WTP negatively (the less the person travels, the more he/she is willing to pay). Eventually, the strongest correlation found between the variables is 0.37 for willingness to spend (WTS) generally in a destination per day. This is logical, because if a person is determined to spend little money in general, he/she will not be willing to pay a high amount of money for a city tour. Still, the correlation is very weak, so it seems that even WTS does not affect the decision on how much a person would pay for a city tour.

Notably, the correlation between these same variables and choosing a tour or not is even smaller than WTP, with the coefficient of determination $R^2 = 0.01$. (*Table 2*) In this case general willingness to spend in a destination has a positive effect as well as age. All other variables have a negative effect on choosing a tour.

Table 2

LINEST results of correlation for choosing a tour and socio-economic variables (author)

WTS	Travelling frequency	Occupation	Income	Gender	Age	Intercept
slope = m6	slope = m5	slope = m4	slope = m3	slope = m2	slope = m1	
0.04770784	-0.0121189	-0.0187152	-0.0148367	-0.0659154	0.0497852	1.761369
0.04737861	0.04654062	0.0358733	0.0277949	0.08895268	0.0672647	0.222891
0.01671906	0.47317292	#N/A	#N/A	#N/A	#N/A	#N/A
0.38257504	135	#N/A	#N/A	#N/A	#N/A	#N/A
0.51393434	30.2255023	#N/A	#N/A	#N/A	#N/A	#N/A

In order to find the reason for the lack of correlation, SPSS cluster analysis was used, and a dendrogram was produced. The results show that all the cases are very similar to each other, and it is difficult to form any diverse groups with highly specific features. Nevertheless, a group was randomly chosen and put into LINEST function once more. This time the correlation was even less. That means that the data, no matter what way it is grouped, does not prove the decision-making dependence on these measured social-economic variables.

Eventually, when asked how much the respondents would be willing to pay for a city tour, the majority (108 of 142) would pay either 6–9 EUR or 10–15 EUR (*Figure 8*).

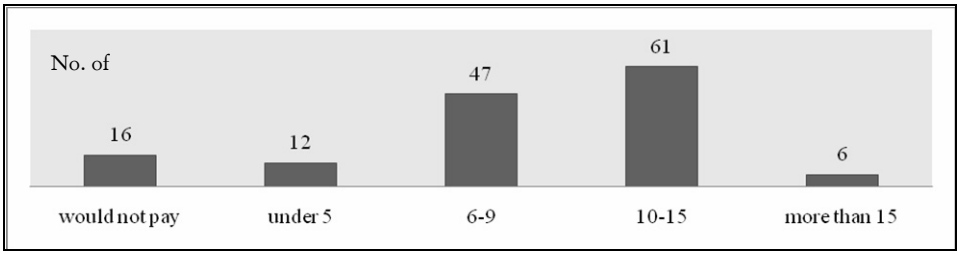

Figure 8. Willingness to pay for a city tour (author)

The fact, that these are maximum not reservation prices, has to be taken into consideration, so in the reality the WTP could be lower.

Discussion

The results of this research raise several contradictions that should be discussed closer.

First of all, in terms of what city tour would a respondent choose, one third would not choose a tour at all, mainly because they prefer exploring cultural values on their own. Despite that, the most popular type of a city tour still is a walking tour. It seems that, if tourists are willing to take a tour, they value the detailed information they receive more than comfort or speed they could get by choosing bus or cycling tours.

Secondly, even though the literature about decision-making states that socio-economic values (especially income and WTP) affect the choice a person is making (Stabler et al., 2010), in the case of city tours there is no correlation found. Apparently, the scope of respondents is too small; the socio-economic variables are too similar, which is proven by the dendogram in SPSS, as no specific clusters can be formed. This particular scope of respondents was chosen with a purpose to have one aggregate level, and therefore, have more explicit

results, since the literature stated that there are difficulties in identifying preferences if there are more aggregate levels (Stabler, 2010).

Thirdly, the question arises, if young people are the right market for city tours. Since they prefer visiting friends and relatives instead of organized tours, young people represent the newest generation of tourism demand and therefore choose to do everything on their own. Then again, those who would choose a city tour would pay a specific amount of money for it, regardless of their income or willingness to spend in a destination.

Conclusion

Nevertheless, even if the correlation is small, still some conclusions may be drawn as to factors positively affecting decision-making. These factors are gender (female), age, income and willingness to spend. People who show interest for city tours and generally spend money on tourism should be targeted in a marketing strategy on city tours. As to pricing, the prices could be 10–15 EUR per city tour, since this is the general willingness to pay for a city tour. Then again, people who demand city tours are already spending money on tourism activities. It seems that city tours might not be acquainted as inferior goods, rather they are luxury related. This could be the reason none of the socio-economic variables had a strong correlation with decision-making.

In the end, this research has proven that more research should be done on this subject. The quantitative data and the scope of it did not show the expected results, therefore either the scope should be widened or qualitative methods should be used in future research. City tours are a specific type of product in tourism, but still, it is on demand. So, the more the suppliers understand the tourists, their wishes and choices, the easier it will be to target them in marketing and therefore earn profits.

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USING MEETING TECHNIQUES IN TEACHING TO OPTIMIZE LEARNING THE PACT-METHOD: USING COORDINATION REGISTRATION ACTION POINTS & GROUP-COORDINATION REGISTRATION ACTION POINTS

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Abstract

The aim of this paper is to show that it is possible to integrate and apply connectivity opportunities in lessons, to coordinate and measure learning progress, both individually and collectively. Each lesson can be approached as a meeting, with a chairman and with a secretary. Since there are learning goals to be reached, the steps towards these learning goals can be divided into action points which have to be carried out. Action points are a kind of mini-projects which have to be conducted by the students. New connectivity opportunities, such as active boards in combination with internet make it possible to have the actual information about the progress of the learning process immediately visible for the whole group. Dynamic complex, mostly non-linear learning processes can be observed and monitored by PACT (process action points coordination tool) consisting of CRAP (coordination registration of action points) and G-CRAP (group coordination registration of action points) Every participant gets an instant overview of the dynamic and constantly changing processes. This overview optimizes effectiveness, efficiency, flexibility and creativity within the context of connective learning.
The 'connectivity learning' demands new approaches to monitor and coordinate collective learning processes leading to a demand driven change in teaching, caused by a demand driven learning of the new generation.

Keywords: Connectivity learning, meeting techniques, Edupreneurial method, coordination registration action points (CRAP), monitoring

Introduction: better learning in authentic learning environments

The idea to regard each lesson as a structural meeting and use the techniques of organizing effective meetings to organize effective learning processes developed as a result of our experiences with authentic learning environments. The developed "edupreneurial method" focused on the use of positive emotions to support learning processes: "success drives success". The use of an "action point system" (CRAP, coordination & registration of action points & G-CRAP, group coordination & registration of action points) to measure the development of complex learning processes is pointed out as a system that realizes connectivity learning using the modern ICT-opportunities.

This article shows the development and background of the development and first experiences of an educational method where classes and lessons are in the form of meetings, i.e. "learning meetings".

The characteristics of today's society demand different kind of methods of contemporary professional education. Methods that use network organizations to create effective education in the mindset of the new generation born in the era of internet technology and digital gadgets, showing non-linear learning behaviour (Veen and Wim, 2009). The society is changing at a very fast pace and the new features of the today's society demand different kinds of learning methods. They demand effective training focusing on the required competencies and quick results connected to the mindset of the new generation.

The new generation is born in an era of digital gadgets, as a result of which, the threshold to communicate the knowledge and information has lowered substantially. The flow of information is enormous and filtering of the right information and responding to the right stimulations has become more relevant than ever.

With the technological progress, the communication nowadays has become totally different: it is more complex, visual, and faster and more complete. The globalised society uses network organizations and information systems to 'refer' to Keynes: "Moreover, the characteristics of the classical education happen not to be those of the economic society in which we actually live, with the result that its teaching is misleading and disastrous if we attempt to apply it to the facts of experience."

This implies that learning methods should have features such as:

- Effectiveness: the power to achieve the learning objectives. To learn, one has to give meaning to information and communication, which can be achieved in the best way within networks where people communicate, cooperate and negotiate. Connectivity to create cooperative and creative 'learning by doing'.

- Efficiency: the power to optimize inputs in order to realize the learning objectives.
- Flexibility: the power to adapt to fast changes so that the effectiveness and efficiency still can be achieved. Each entrepreneurial game simulation (explained later) is different and the dynamics of complex systems are characterized by new elements which arise due to the creativeness of the participant. This requires anticipation to keep the learning method up to date and running, continuous improvement similar to the Kaizen philosophy.
- Creativity: the power to bring in the changes which result in the future learning methods still will be effective, efficient and flexible. Learning methods themselves have to create new learning opportunities.

Learning & Mislearning

Jean Piaget distinguishes between four different types of learning:

- Cumulative learning – isolated information, something new that is not part of anything else;
- Assimilative learning – new element is linked as an addition, to develop gradually, stepwise;
- Accommodative learning – breaking down existing schemes and transform it so the new situation can be linked to it;
- Transformative learning – personality changes.

Knud Illeris (2009) refers to these four types of learning, school activities and competencies, as he states in his book 'Contemporary theories of learning' that 'ordinary discussions of learning and the design of many educational and school activities are concentrated on and often only aimed at assimilative learning, as this is the sort of learning that the usual understanding of the concept of learning is about. But today this understanding is obviously insufficient, and the much-demanded generic competencies can only be built up by a combination of assimilative, accommodative and, eventually transformative learning processes'.

Illeris also points out the 'mislearning' element, because 'in education, at workplaces and many other situations, very often people do not learn what they could learn or what they are supposed to learn'; Mislearning due to misunderstandings, lack of concentration, mental resistance, etc. Since young people are highly engaged in a process of personal identity development, Illeris means that young people fundamentally meet all learning initiatives – consciously or unconsciously – with questions such as: What does it mean *to me*? Or: What can *I* use this for? – implying that it is only worth paying attention to if it is subjectively accepted as a usable contribution to the present demands of the identity process.

Contemporary professional education should develop more effective, efficient, flexible and creative learning methods for a better fit in this mindset of the new generation. So we postulate that the focus has to be on creating an authentic

learning environment based on a demand driven, pull strategy, as the development of contemporary skills is far more demand driven than supply driven.

New learning methods are needed to cultivate the talents of our new generations, since the characteristics of today's society have changed the mindset of these new generations. We believe that the future of education should focus on the effectiveness of the learning situation, instead of the use of standard books as a starting method. Prensky (Prensky, 2001), and Veen and Vrakking (Veen and Vrakking, 2006) presume that the current generation of students follow different study methods than the generation before, simply because they are brought up with the new ICT technology, learning through computer screens, icons, sound, games, exploration and show non-linear learning behaviour.

Veen showed the change in teaching needed to cope with the learning attitude of students in the today's world. In his book, *Homo Zappiens and the Need for New Education Systems*, he states that, "Experiencing these digital information flows, kids develop an exploratory learning approach trying to give meaning to the information provided." In a fascinating presentation (see *Figure 1*), he showed us the development of our students, due to the technological development in ICT. It made very clear that as the world is changing, so should the educational world change.

Figure 1. Old teaching vs. New Teaching

Also Illeris points out that 'the program offered must not only have an acceptable, interesting and challenging content, it must also contribute to an acceptable

positioning in relation to contemporary trends on the youth lifestyle market, and it must be organized in ways and by teachers who are in harmony with the personal needs of the young learners'.

We have applied Wim Veen's analysis in several new learning concepts, especially for learning entrepreneurship, thereby creating the "edupreneurial method". The edupreneurial method is a combination of theory of economics and practice of entrepreneurship i.e. a demand driven-pull strategy-learning system. The edupreneurial method allows the making of mistakes to be a positive element in a learning process since making mistakes is rewarding in terms of the entrepreneurial experience.

In our view the main change is the demand driven change in teaching, caused by a demand driven learning. Learning by doing has an 80% retention rate, making 'learning by doing' one of the most effective forms of learning (Sousa, 2006). Moreover, since making mistakes is rewarding in terms of the entrepreneurial experience, "making mistakes" should have a positive connotation in an edupreneurial environment. An example of this benefit might be: "now I know that this doesn't work, let's try another way".

Moreover, learning in the present times has to be both "connected" and "collaborative" to be an effective method of learning. An authentic learning environment should make connected and collaborative learning possible. It should therefore combine education with entrepreneurship to create an effective, efficient, flexible and creative learning process. This we term as an "edupreneurial" method and it is applied in our entrepreneurial simulations LE-Games (LO-Game, LA-Game & LE-Game).

Indeed, our educational system should change its educational approach towards using more "authentic learning environments" thereby creating a context where the characteristics of the mindset of the new generation are the standard. These characteristics need to be developed explicitly in the teaching methodology. Contemporary education needs teaching methods where students have to acquire competences in a setting that has all the characteristics of new teaching: twitch speed, multi tasking, non linear approaches, connected, collaborative, active, and learning by playing, instant payoff, fantasy, and technology as friend.

Our learning methods: simulation games where 'success drives success'

We applied our analysis to develop new learning methods, especially by developing our simulation games. The learning methods of LE-Games simulations (LE-Game, LA-Game and LO-Game) fulfil all these criteria. Moreover we added "the element of success" as a relevant ingredient in the learning processes.

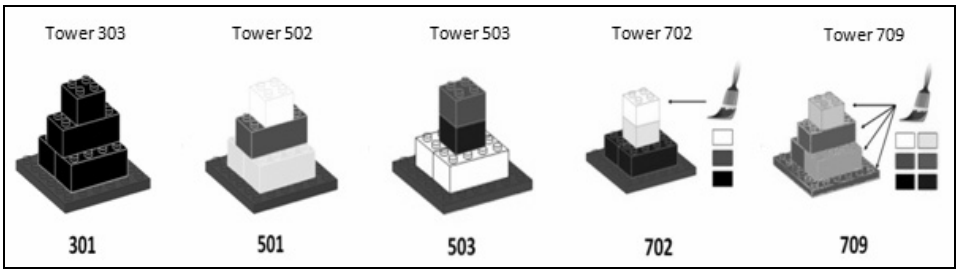

Figure 2. Sample of the products

LO-Game (Logistics Game) visualizes business growth, from the point of view of the development of one organization operation in a business environment with suppliers and customers. LO stands for Learning Operations Management. The development can be observed with the help of different diversified simulations featuring various learning objectives and criteria.

LE-Game (Learning Entrepreneurship Game) focuses on learning entrepreneurship using an offline simulation set up. This game applies the "edupreneurial" method, which is a combination of theory of economics and practice of entrepreneurship; a demand driven – pull strategy – learning system. This pull strategy of entrepreneurial learning is proven effective by the experience of positive emotions: success drives the success.

Entrepreneurial teaching is not the same as entrepreneurial learning: an authentic edupreneurial environment is needed to activate entrepreneurial competences. Competences are defined as combinations of skills attitude and knowledge to be successful in a professional environment, so a demand driven learning process should focus on being successful! The edupreneurial method allows the making of mistakes to be a positive element in a learning process since, making mistakes is rewarding in terms of the entrepreneurial experience.

The experience of an entrepreneurial context in which opportunities arise or disappear, create a dynamic environment for acquiring entrepreneurial competences. A study process in which making mistakes is positively awarded; even having fun about them is a core element of the role game experience! It helps in changing the mindset towards entrepreneurship: learning by experiencing risk, experiencing aspects of sometimes flexible interpretation of moral aspects (even dishonesty) which is uncommon in education. Using a simulation role game such as the LE-Game creates a pull system, in which learning is based on activating the needed competencies to be successful as an entrepreneur.

In LE-Game the objective is learning entrepreneurship, but there is also a winning element: the one, who scores the most profit, wins. The dynamics caused by pressure of the scarcity of money and time and the competitors, create both linear and non-linear processes. The participatory learning is enhanced by the

collective learning process, since the role game creates small sub-networks of interacting participants in which they experience collaboration or non-collaboration.

We experienced in every LE-Game session that participants create new elements in the process of market interaction; sometimes even new rules, and the dynamics show clearly that relationships between participants change over time. Sharing successes create positive emotions that support the learning of entrepreneurial competences. The experience acquired while participating in LE-Game provides the confidence to participants to bridge the uncertainty caused by the necessity of creating added value while being exposed to competition.

To summarize: LE-Game provides an authentic context to the learning process of entrepreneurship by focusing on two key characteristics: creating added value and pursuing opportunities.

The participants are exposed to real but uncertain market situations: complex and unpredictable. They have to develop their skills in using their entrepreneurial opportunities: a demand oriented learning method which shows that entrepreneurial competences can be developed. Provided they are exposed in an entrepreneurial context: entrepreneurial competences are transferable. The experience provides the confidence to bridge the uncertainty caused by the necessity of creating added value while being exposed to competition.

LA-Game (Language Game) applies learning by the edupreneurial method. Participants are learning, for example, the basics of the Chinese[1] language using their own entrepreneurship. While many language learning processes are based on a "push strategy", the LA-Game is based on the "pull strategy" as this simulation game forces participants to communicate and negotiate in Chinese. "No Chinese, no money!" The successes as an entrepreneur make learning of Chinese a logical consequence; learning by playing and enjoying through the participants' own intense experiences, similar to any child starting to learn her/his language. The learning process is triggered and guided by the demand for Chinese communication in an entrepreneurial game situation. Using all senses and emotions it leads to gaining a quite decent number of Chinese vocabulary as a result of one's own experiences. This learning method through senses is what we call the "Reference Creation".

[1] See Roelofs, Henk Nieuwenhuis, Adriaan, Saleem, Rizwan (2012). *Reference Creation As An Effective Learning System For Teaching Languages (Chinese, Hindi) In A Network Of Participants Using The Edupreneurial Method And Zapp-Learning. First Steps Towards Organizing An Unconscious Learning Methodology*, Second International Conference on Language, Thought and Education: exploring networks...University of Zielona Góra (Poland).

Success drives success: positive emotions in LE-Games that stimulate learning

Through LE-Games we found out that the element of obtaining successes is crucial to support the effectiveness of learning processes. To obtain successes was a key guideline towards the idea of regarding a lesson as a meeting leading to action points with regard to the learning process. Students had to carry out action points during the lessons: both individually and group wise.

Each action point is a kind of mini-project to carry out. By doing it, progress is easy to realize, successes are the consequences of successfully carrying out these action points. A list showing only the "not carried out yet" plus the ones who did not perform yet are presented.

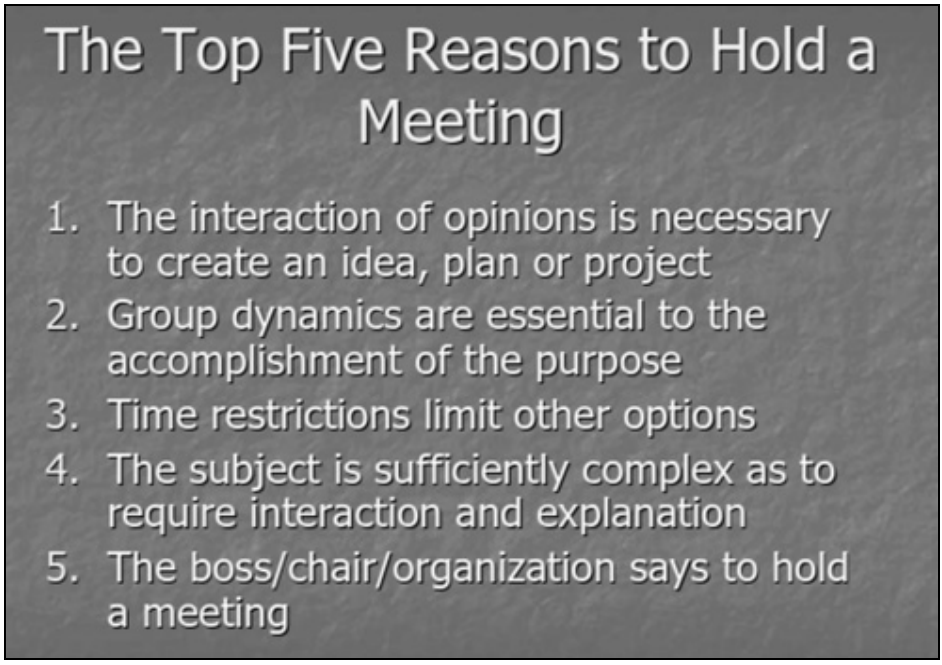

Figure 3. Main Functions of Meetings (Jay, A. Harv, Bus Rev 54:43, 1976)

If compared, there are several similarities between a lesson and a meeting.

- The meeting defines the team. Those present belong, those absent do not!
- The meeting is where the group revises, updates, and adds to what it knows as a group.

- The meeting helps each individual understand the collective aim of the group, and the way in which his/her own and others' work can contribute to the group's success.
- The meeting creates in all present a commitment to the decisions it makes and the objectives it pursues.
  [Real opposition to a decision usually consists of 1 part disagreement with the decision, to 9 parts resentment at not having been consulted before the decision.]
- A meeting may be the only occasion where the group actually exists and works as a group and the supervisor is actually perceived as the leader of the team.
- A meeting is a status arena.

To regard a lesson as a meeting and use the techniques of meeting in lessons is not new. However, the technological progress makes it possible to apply it directly in classes.

Connectivity in learning: a cambric explosion?

Christopher Meyer (Meyer, 2012) foresees in his book "Standing on the Sun", a "cambric explosion" [2]; all kinds of new business concepts with IT as a catalyst. In my opinion this is not only the case for business but also for schools and universities. Meyer actually sees a new paradigm based on the fact that thinking in scarcity (capitalism) is less relevant when goods can be produced without extra costs. In a recent article[3] this futurologist refers to the fact that paradigms are changing.

This change of paradigm is because human beings define new technology as something that has been developed after they were born. So a colour TV is for somebody who is eighty still a break trough, while for someone who is forty it is something quite ordinary. Nowadays for younger people grown up with internet, the immediate connectivity is something that happens naturally. Having all information available anytime, anyplace with their I-phones, I-Pads, their smart phones etc, is common.

Today's network organizations require networking competences. *Facebook*, MSN and their national equivalents have already mingled with educational processes. George Siemens (2004, *Connectivism: A Learning Theory for the Digital Age*) even postulates a new learning theory, connectivism, because the standard theories like behaviourism, cognitivism and constructivism do not reflect the way how technology has impacted 'how we live, how we communicate and how we learn'. In his view, 'learning needs and theories that describe learning principles and

[2] The Cambrian era is seen as an era in which life forms exploded on earth.

[3] Management team 14-06-2012, page 37

processes, should be reflective of underlying social environments. In his view 'the ability to plug into sources to meet the requirements becomes a vital skill'.

To integrate the opportunities in lessons at school or universities, the connectivity of internet creates new structures in learning processes: lessons can be organized with the use of the connectivity element of internet to create an effective and efficient learning process, where the collective progress can be measured easily as also the individual contributions can be recognized.

During our research, we came across a case study of a global communications company[4] that emphasizes on the importance of 'connectivity learning' and supports institutions of higher education to create a connected on-demand learning environment, removing barriers to communication and enabling real-time interactions. Learning through meetings is what we regard as 'real-time interactions' and in the following paragraph we will elaborate the function of meetings that prepares the students for their role in the next-generation workforce or as future entrepreneurs.

Team development aspect of "Meetings"

Team meetings can be seen as a huge investment of time and also resources. Therefore, it is important to maximize learning from the meeting process. Following are some aspects of meetings that are useful in enhancing the learning process and developing individual skills which cannot be solely accomplished through lectures or lessons.

- When students come together for a meeting, this opportunity should lead to role modelling, and provide opportunities to shadow the mentor or the other students who are better at certain subjects or have better-developed professional skills. Example in a broader sense is that a team member from an older generation can learn about new technologies – a certain computer program or about internet – from a younger counterpart.
- Rotating roles such as that of a chairperson, secretary, note taking, time keeping, etc, can help the students learn and develop meeting and leadership skills.
- Encourages all participants to practice and sharpen their skills such as active-listening, negotiation, challenging assumptions, and assertion in a supportive way to achieve collective success.

[4] CISCO Systems Inc.

Authentic learning environment

In an earlier article[5] we emphasized the importance of an authentic learning environment. The authenticity of the environment is needed to create effective learning. We postulated that the focus has to be on creating an authentic learning environment based on a pull strategy, since the development of soft skills is far more demand driven than supply driven.

The difference of such a learning environment with a professional environment is that it is allowed to make mistakes, sometimes even encouraged to make mistakes. As making mistakes are regarded positive in the acquiring of entrepreneurial competencies.

We pointed out in this article that an edupreneurial (synergy of education and entrepreneurship) learning environment should have the dynamics that make it possible to learn from making mistakes and from experiencing successes. An environment in which there is a "risk" aspect, with the opportunity for each participant to create value and learning by successes of doing it, or not. This specific element of "risk" has been integrated as a key element in the development of the Learning Entrepreneurship Game (LE-Game).

But what about "ordinary learning" environments? We have applied Wim Veen's analysis in several new learning concepts, especially for learning entrepreneurship, thereby creating the "edupreneurial method". We analyzed our successes and our mistakes through the evaluation of the process of almost 20 international learning companies (ILC's) and the individual evaluations of the participants. The 5 official versions ILC Handbook show this iterative process. (Van der Sijde and Roelofs, 2005)

Our educational system should change from classical educational approach towards the use of "authentic learning environments", thereby, creating a context where the characteristics of the mindset of the new generation are the standard. For example, nowadays entrepreneurship learning process is 'connected' and 'collaborative'. So to be effective, a context is needed to learn in a 'connected' and 'collaborative' manner. To answer the question on the characteristics of authentic learning environment, the topic has been thoroughly researched upon for this paper.

According to Anthony and Jan Herrington (2005) in their book about authentic environments, such an authentic environment should provide:

1) An authentic context that reflects the way the knowledge will be used in real life;
2) Authentic activities;
3) Access to expert performances and the modelling of processes;
4) Multiple roles and perspectives;
5) Collaborative construction of knowledge;

[5] The Edupreneurial method: an authentic environment as a base for effective education. (Roelofs, 2011)

6) Reflection;
7) Articulation;
8) Coaching and scaffolding;
9) Authentic assessment.

In an earlier article about International Learning companies we realized such authentic learning environments. All elements of Herrington's definition were applied.

To register and control the learning processes of individual students, digital portfolios were used. Here we emphasized on the personal responsibility to document the learning process by the students themselves. Nowadays we use "Dropbox" as a system to communicate these portfolios and the added relevant information.

Creating an authentic learning environment and use CRAP

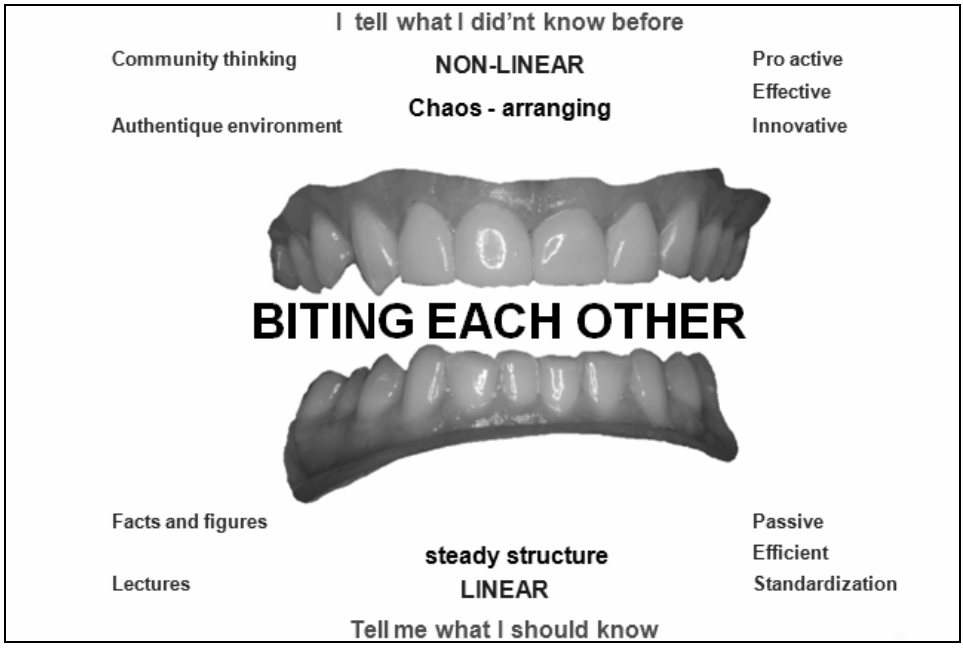

Figure 4. Opposed Methodologies: They bite!! (figure by: Adriaan Nieuwenhuis)

The non-linear learning process is conflicting with the linear learning processes. Nevertheless, the effectiveness of the learning process should be stated by the students. A linear learning process is guided by the structure based on "tell me what I should know" (push learning).

Because the goal is that they develop knowledge and skills at HBO (Higher Education) level, a competence of self directed learning is required. The action point system is based on the responsibility of students for their own learning processes, hence the statement, "I will tell you what I have learned" (pull learning).

Such a learning process can be realized within the context of individually realizing the **ACTION POINTS (PACT)** method (Process Action Coordination Tool), where individually and group wise the action points are registered in a dynamic action list starting with number one, where conducted, completed action points vanish and new action points are added. The total number of action points gives a good indication of the activities carried out by the group as well as by the individuals.

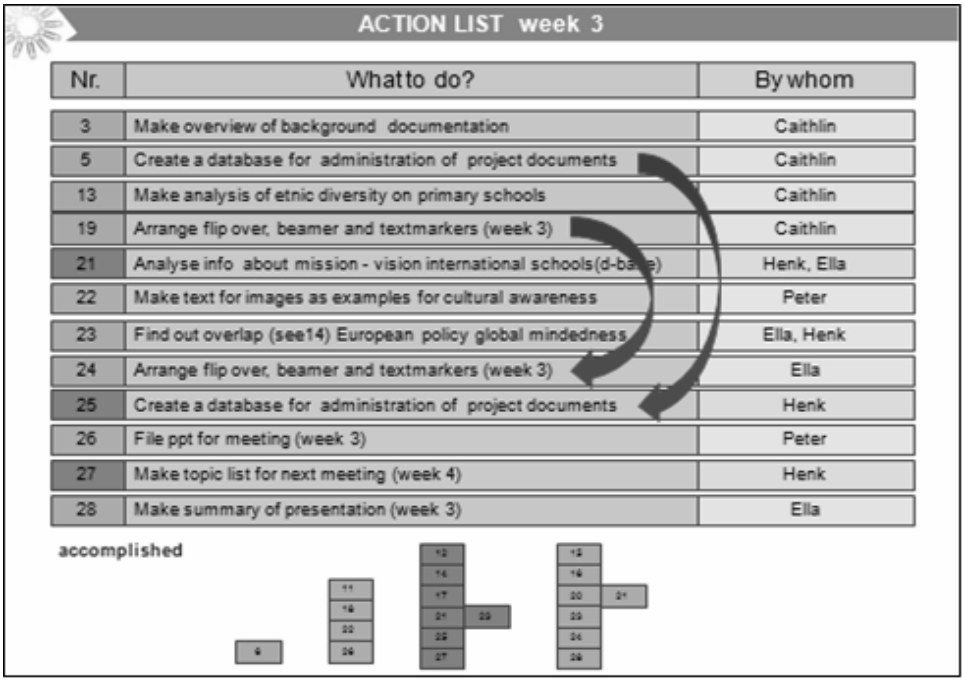

Figure 5. Slide PACT

So, the responsibility of the learning process is represented by the students 'own **action points portfolio** (CRAP – coordination registration action points) and the **group action points portfolio** of group wise realized action points (Group-CRAP). In the portfolios there is also a **registration of the hours studied** to justify all Study Hours (SBU).

To illustrate and present the CRAP and G-CRAP methodology we will present three examples. Both examples are a result of recognizing the learning processes as "non-linear" and adapting the characteristics of such "non-linear" as key-elements of the teaching method.

The first example: the course on Entrepreneurship

To teach Entrepreneurship, as a starting point the students are required to use the book, *Entrepreneurship in Action (2003, Mary* Coulter). Stepwise students then presented the theory to each other using practical examples to illustrate the theory.

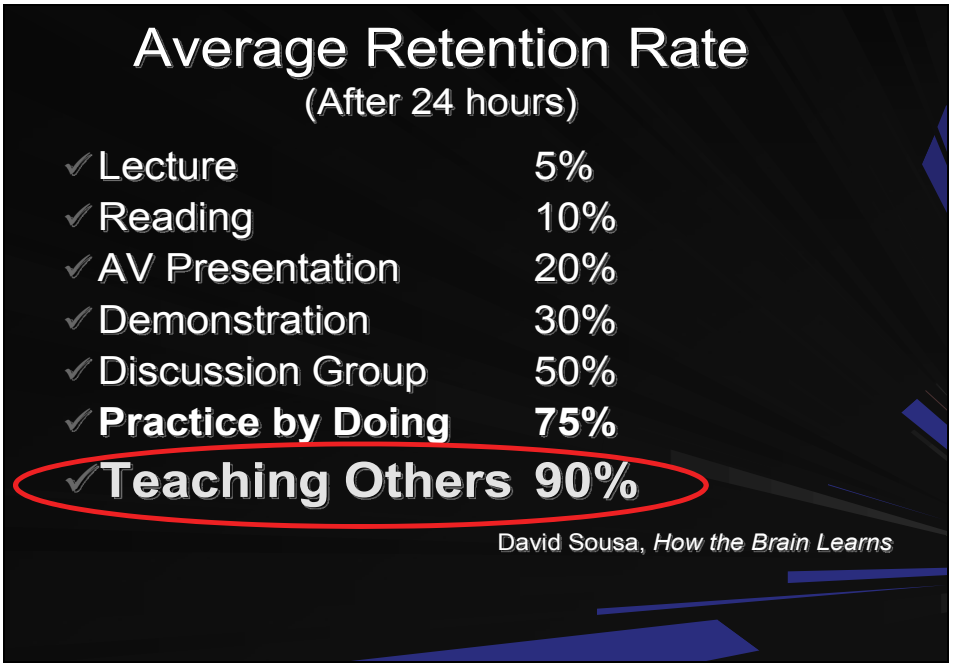

Figure 6. How the brain learns

This methodology of "teaching others" is according to Sousa the most effective learning process

In *Figure 7* you can see that there were some "old" action points which had to be finished. Fortunately this happened also in week 6. The action points which are realized are skipped, and you keep the ones still to be completed.

Figure 7. Example of a G-CRAP, a group action point list (Week 6)

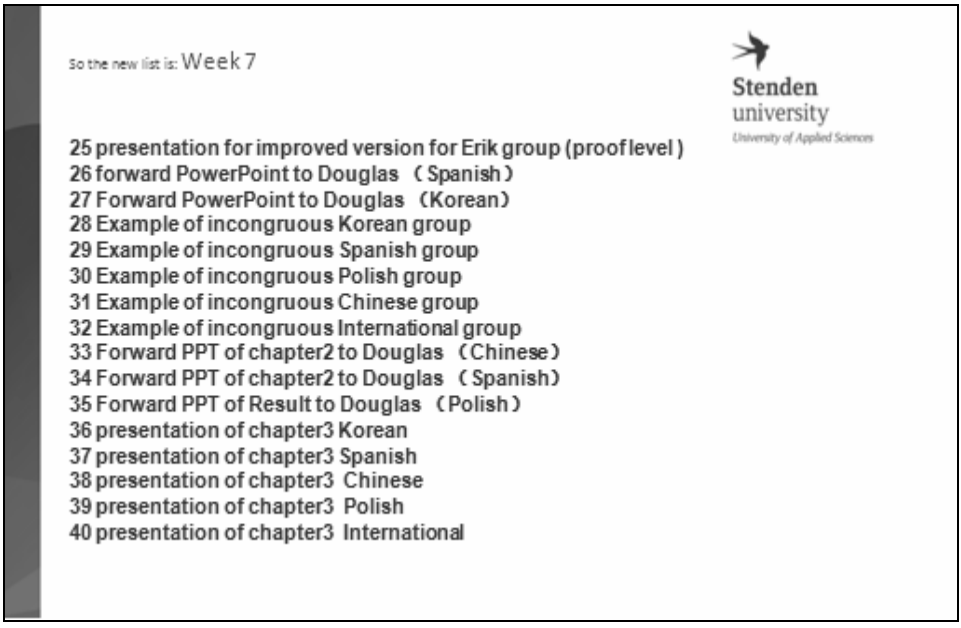

Figure 8. G-CRAP after the lesson

Figure 8 explains that there were some "old" action points that were skipped, the rest are kept, and new Action points are added normally. Because this week 7 is the last lesson, only few action points are left. These last ones are conducted in the last lesson: so at the end of the lesson all action points have been realized.

Actually this group realized 40 action points, which is quite normal. Our experience is that on average some 6–8 action points are added and realized during a standard process. At the end of this process they had to present a "business plan of themselves" so "a personal business plan" answering the question: "Why should anybody invest the necessary resources in you?" In this plan the theory on entrepreneurship should be applied.

All results: CRAP, G-GRAP, the personal business plan, all 'raw' material are collected in a digital portfolio (see appendix). The CRAP and the G-CRAP together with the signed authenticity statement are presented on paper, thereby giving the possibility for an effective and efficient evaluation of the process. In the appendix an example of the total G-CRAP is shown.

The second example: the course of Conceptual Thinking

In the second year course of Conceptual thinking the big line is to learn, recognize and experience creative thinking and apply it effectively in an authentic learning environment with real and realistic assignments.

In almost every sector and business organization the need exists to change and to **innovate** continuously their products and services. Nowadays the development of internet makes knowledge accessible to anyone in the globalized world. In business and other sectors of our society there is an increasing **need** for innovative people who **can think** "**out of the box**" and who can apply their creative and **concept-thinking**, using the almost unlimited opportunities to adapt the available knowledge. Nevertheless, it requires a mindset which is open for creative solutions, a mindset you want to acquire and learn.

The assessment is planned at the end of the course by presenting the results of conceptual thinking to the specific client who has asked for specific innovative solutions in the form of an assignment.

Examples of such assignments are:

- **Find innovative concepts** for the tourism and recreation with stays overnight at bed & breakfast companies in the South/Eastern part of the province Drenthe.
- **Find innovative concepts** for applying specific LED lights in organizations.
- **Find innovative concepts** for a language game.
- **Find innovative concepts** in for recreation in the German/Dutch border region of the Bourtanger Moor.

- **Find innovative concepts** for organizing a new symposium about the effects of the "seniors-economy" in this region (grey/gold 4).
- **Find innovative concepts** for the entrance to the podology markets in China by smaller western companies.
- **Find innovative concepts** for investing in real estate markets in China by smaller western companies
- **Find innovative concepts** for...etc.

Students carried out these assignments, using CRAP and G-CRAP (see appendix). The monitoring of the study and learning process is organized in cooperation with the clients who gave the assignments, and during the process play role of a coach.

This authentic environment showed the effectiveness of a pull strategy, initiated by a real assignment and effective by the experience of positive emotions: success drives the success. It also made clear that the authentic context of this entrepreneurial learning process is realized by the key characteristic that is **creating added value**.

The presentations were held for entrepreneurs, who could benefit from the innovative concepts. They had to spend their time and energy to validate the presentations.

One of the students expressed this beautifully: "In education there is a critical dividing line between sufficient (pass) and not sufficient (fail), but in business there is a critical dividing line between good and not good. That is something entirely different." (Van der Sijde and Roelofs, 2005).

Something extra: the authenticity statement and the compliment process

The portfolios are mainly digital with a short written explanation, which starts with the **authenticity statement** that all presented realizations is conducted by the person him/ or herself.

Statement at the beginning of the final report (non-Gutenberg statement)

At the beginning of the final reports the student or the students have to declare that they have made the report **by themselves** or in cooperation where each has contributed for their share to the presented report. The statement is **signed** by the individual student resp. all individual students.

When there is a digital portfolio of reports, a written summary of the content of the portfolio (1 page) is handed in, accompanied by a signed authenticity statement.

An example of such an **authenticity statement**

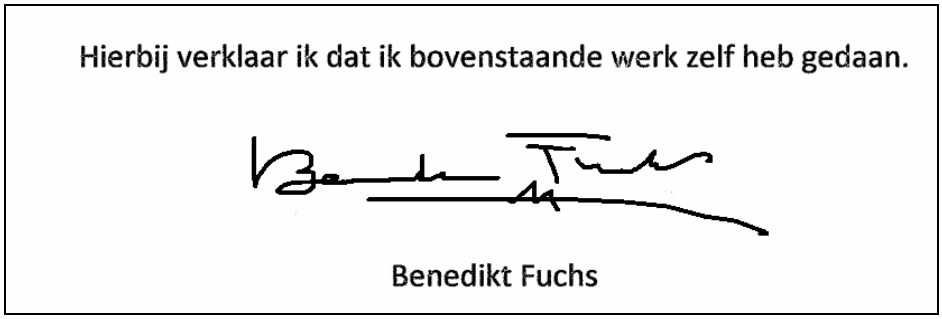

Figure 9. Authenticity Statement: Hereby I declare that I did all the work myself

Last exercise: Complimenting

Each student has to write down a specific compliment for each fellow student on a post-it. By doing so, each student leaves this course with the compliments of his group! This also is a "positive emotion" which is effective in the learning process as we know.

Meanwhile the system of G-CRAP and CRAP has been applied in more courses. For example the course "Trade and Globalization", where students had to advise on opportunities for specific shuttle trains, a real assignment from an international project team. Also the system has been applied in the course "Materials Management", where the PBL method of learning had to be applied, two different excursions to two different companies had to be prepared, while at the end of the course the students had to present in groups "what they had learned" to the representatives of the companies who had organized the excursions for these students. Thereby giving opportunity to the students to show that there had been an effective (or in some cases, not so effective) learning process. Whatever the case – successful or not – CRAP and G-CRAP elaborated that very comprehensibly. G-CRAP is just representing small successes in an orderly, systematic way, thereby measuring quite simple the complexity of an effective, efficient, flexible and creative learning process.

Conclusion

Contemporary education needs an educational method where students have to acquire competences in a setting that has all the characteristics of new teaching: twitch speed, multitasking, connected, collaborative, etc. Nowadays this is the standard context for any job. Communication is more complex, visual, and faster

and more complete. The globalized society uses network organizations and information systems to create added value. The 'connectivity learning' demands new approaches to monitor and coordinate collective learning processes – a demand driven change in teaching, caused by a demand driven learning of the new generation.

PACT (process action points coordination tool) provides a tool to measure and monitor learning processes.

Using the system of PACT and by incorporating *CRAP* (*coordination registration of action points*) *and G-CRAP,* (*group coordination registration of action points*) it is possible to integrate and apply the connectivity opportunities in lessons, to coordinate and measure learning progress, both individually and collectively.

To regard each lesson as a meeting, the techniques of a meeting can be applied to measure, assess and coordinate learning processes. The steps towards these learning goals can be divided into individual and collective action points which have to be carried out. Action points are kind of mini-projects which have to be conducted by the students. New connectivity opportunities like active boards in combination with internet make it possible to have the actual information of the progress of the learning process immediately visible for the whole group.

Example from a portfolio:

> Actiepuntenlijst
>
> Tijdens deze module hebben we gewerkt met een actiepuntenlijst zodat iedereen wist wat hem/haar te wachten stond en het duidelijk was wie wat moest doen. Ik heb hier een positieve ervaring aan over gehouden en ben van plan om deze tactiek zeker vaker te gebruiken. Wat ook echt een geniaal programma is waar we (helaas) nu pas achterkomen is dropbox. Deze gebruiken we nu constant voor het werken in projectvorm.
>
> Merlijn van Zon
> Portfolio Conceptueel Denken
> GCD, 2011–2012
>
> *Translated:*
>
> *[Action points list*
> *During this module we worked with an action points list, by which everybody knew that what was expected of them, making it clear who had to do what. I have gained a positive experience through this and I plan to use this tactic more often. Also a genius program – that we (unfortunately) came across only now – is Dropbox. This program we used as a standard when we worked in projects together.]*

Since competences are a combination of skills, attitude and knowledge to be successful in a professional environment, a demand driven learning process should focus on success. Considering a lesson as meeting to coordinate a complex learning

process, creates a pull system, in which learning is based on realizing action points both as an individual and as a collective group. Using the process of coordination by action points, like CRAP and G-CRAP creates a dynamic overview that optimizes effectiveness, efficiency, flexibility and creativity within connectivity learning. Hence, "a positive experience" of successes that supports learning and teaching.

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APPENDIX

Individual Action Points

Number	Actionpoints	Week
1	Lecture	1
2	Enroll on BlackBoard	1
3	Download building block from BlackBoard	1
4	Read building block	1
5	Install DropBox	1
6	Sign up as a group	1
7	Lecture	2
8	Join facebook group	2
9	Think out of the box session	2
10	Create Individual action point list	2
11	Create group action point list	2
12	Finalize picture assignment	2
13	Update action point lists	2
14	Read theory information on BlackBoard	2
15	Search further information about theory	2
16	Lecture	3
17	Prepare theory presentation	3
18	Lecture	4
19	Group meeting	4
20	Lecture	5
21	Hold theory presentation	5
22	Lecture	5
23	Update action point list	6
24	Lecture	7
25	Research for final presentation	7
26	Implement feedback about final presentation	7
27	group meeting about improvements	7
28	Add ideas to the final presentation	8
29	preparation final presentation	8
30	Final presentation	8
31	Update action point list	8
32	Make portfolio	8
33	Put portfolio on DropBox	8

An example of CRAP
Individual registration of action points
(Tom B., Portfolio: Conceptual Thinking)

Individual Action Points

Nr.	What to do?	When?	By whom?
1	Read building brick	Week 1	All
2	Group meeting	Week 1	All
3	Crate action plan	Week 1	All
4	Sign up as group at Naomi	Week 1	All
5	Get overview about theories	Week 2	All
6	Collecting ideas for photo session	Week 2	All
7	Arrange photo camera	Week 2	Victoria
8	Photo session	Week 2	All
9	Group meeting	Week 3	All
10	Individual meeting	Week 3	All
11	Decision on theory	Week 3	All
12	Dividing tasks for theory presentation	Week 3	All
13	Research for theory	Week 3	All
14	Deciding on innovative concept theme	Week 3	All
15	Share photos	Week4	Victoria
16	Group meeting	Week 4	All
17	Meeting with Harry	Week 4	All
18	Individual meeting	Week 4	All
19	Research Bed & Breakfast	Week 5	All
20	Group meeting	Week 5	Friederike, Marén, Victoria
21	Individual meeting	Week 6	All
22	Prepare theory-presentation (Creation Spiral)	Week 6	All
23	Prepare Steps 7-9 (Summer)	Week 6	Victoria
24	Research	Week 6	All
25	Theory presentation	Week 7	All
26	Individual meeting	Week 7	All
27	Work out concepts	Week 7	All
28	Develop activities for presentation	Week 7	Victoria
29	Ask Mr. Roelofs for clarification re: try out & final presentation	Week 8	All
30	Show final presentation to Mr. Roelofs	Week 8	All
31	Prepare final presentation	Week 8	All
32	Rehearse final presentation	Week 8	All
33	Final presentation	Week 8	All

Portfolio: Conceptual Thinking
ECO-GCD-Conceptueel denken / Conceptual thinking
Victoria S. 13.06.2012

Group Action Point List

Nr.	What to do?	When?	By whom?
1	Read building brick	Week 1	All
2	Lecture	Week 1	All
3	Group meeting	Week 1	All
4	Make action plan	Week 1	All
5	Sign up as a group	Week 1	All
6	Get overview about theories	Week 2	All
7	Group meeting	Week 2	All
8	Create Facebook Group	Week 2	Simon
9	Arrange photo camera	Week 2	Tim
10	Photo session	Week 2	All
11	Lecture	Week 3	All
12	Group meeting	Week 3	All
13	Research for theory	Week 3	All
14	Decision on theory	Week 3	All
15	Divide tasks for theory presentation	Week 3	All
16	Research for theory	Week 3	All
17	Group meeting	Week 3	All
18	Research how to apply the theory for the audience	Week 3	Jonas
19	Group meeting	Week 3	All
20	Decide on the topic for the innovative concept	Week 3	All
21	Brainstorm to collect ideas	Week 3	All
22	Lecture	Week 4	All
23	Group meeting	Week 4	All
24	Lecture	Week 5	All
25	Group meeting for theorie presentation	Week 5	All
26	Preperation for theorie presentation	Week 5	All
27	Presentation of the Two Hemispheres	Week 5	All
28	Group meeting	Week 6	All
29	Brainstorm to collect innovative ideas for End presentation	Week 6	All
30	Group meeting to discuss ideas	Week 7	All
31	Lecture	Week 8	All
32	Group meeting for final presentation	Week 8	All
33	Try out Presentation	Week 8	Sophie
34	Group meenting to improve final presentation	Week 8	All
35	Final Presentation	Week 8	All

An example of G-CRAP
(Tom B. Portfolio: Conceptual Thinking)

Group Action Points

Nr.	What to do?	When?	By whom?
1	Read building brick	Week 1	All
2	Group meeting	Week 1	All
3	Crate action plan	Week 1	All
4	Sign up as group at Naomi	Week 1	All
5	Get overview about theories	Week 2	All
6	Collecting ideas for photo session	Week 2	All
7	Create database for administration of project documents	Week 2	Steffi
8	Arrange photo camera	Week 2	Victoria
9	Photo session	Week 2	All
10	Group meeting	Week 3	All
11	Individual meeting	Week 3	All
12	Decision on theory	Week 3	All
13	Dividing tasks for theory presentation	Week 3	All
14	Research for theory	Week 3	All
15	Deciding on innovative concept theme	Week 3	All
16	Share photos	Week4	Victoria
17	Group meeting	Week 4	All
18	Arrange meeting with Harry	Week 4	Marén
19	Meeting with Harry	Week 4	All
20	Individual meeting	Week 4	All
21	Research Geocaching	Week 5	Friederike
22	Ask for company information	Week 5	Friederike
23	Research Erfgoedlogies Erve Ensink – Schoonebeek	Week 5	Marén
24	Research Bed & Breakfast	Week 5	All
25	Group meeting	Week 5	Friederike, Marén, Victoria
26	Individual meeting	Week 6	All
27	Prepare theory-presentation (Creation Spiral)	Week 6	All
28	Prepare Steps 1-3 (Winter)	Week 6	Marén
29	Prepare Steps 4-6 (Spring)	Week 6	Steffi
30	Prepare Steps 7-9 (Summer)	Week 6	Victoria
31	Prepare Steps 10-12 (Fall)	Week 6	Friederike
32	Research	Week 6	All
33	Theory presentation	Week 7	All
34	Individual meeting	Week 7	All
35	Work out concepts	Week 7	All
36	Develop concepts for obtaining B&B guests for presentation	Week 7	Steffi
37	Develop accommodation concepts for presentation	Week 7	Friederike
38	Develop breakfast concepts for presentation	Week 7	Marén
39	Develop activities for presentation	Week 7	Victoria
40	Ask Mr. Roelofs for clarification re: try out & final presentation	Week 8	All
41	Show final presentation to Mr. Roelofs	Week 8	All

4

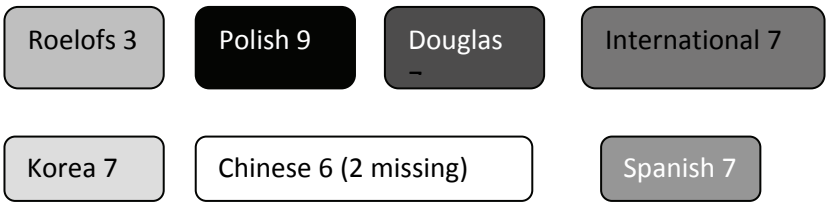
42	Prepare final presentation	Week 8	All
43	Rehearse final presentation	Week 8	All
44	Final presentation	Week 8	All

Portfolio: Conceptual Thinking
Victoria S. 13.06.2012

An example of such a portfolio course Entrepreneurship

N	Action list	By whom
1	Make a presentation of Chapter 1 of EiA	Guanlun Sun (Chinese group)
2	Make a presentation of Chapter 1 of EiA	Guilermo Gracia Domingo (French/Spanish group)
3	Make a presentation of Chapter 1 of EiA	Patrick Karminski (Polish group)
4	Make a presentation of Chapter 1 of EiA	Joon Suk (Korean group)
5	Make action point list	Douglas
6	Authorize Douglas to upload PPT on BB	Roelofs
7	Do demographic research	Patrick Karminski (Polish group)
8	Form Groups on BB	Roelofs
9	Make criteria for judging presentations of Chapter 1	Carmen Scholten (international group)
10	Redo presentation criteria	Carmen Scholten (international group)
11	Forward the power point to Douglas	Spanish group and Korea group
12	Upload PowerPoint presentation	Guanlun Sun (Chinese group)
13	Make action point list	Douglas
14	Make a demographic test and we check itout next week	Patrick Karminski (Polish group)
15	Show results of demographic research	Patrick Karminski (Polish group)
16	How to measure the/passion/ambition/... (In two weeks)	YiFan (Chinese Group)
17	Upload PowerPoint presentation	Patrick Karminski (Polish group)
18	Make action point list	Douglas
19	post the result for behaviour test to students	Roelofs
20	Make action point list	Douglas
21	Douglas hand the presentation with USB stick	Douglas
22	Action list presentation	Douglas
23	presentation chapter 2	from Korea group
24	Improve it with Korean economic environment	Korea group
25	Make action point list	Douglas

26	Presentation chapter 2	from Polish group
27	presentation chapter 2	from Spanish group I
28	presentation chapter 2	from Chinese group
29	presentation chapter 2	from International group
30	presentation for improved version	Erik group (proof level
31	Present example of Incongruous	Korea group
32	Present example of Incongruous	Spanish group
33	Present example of Incongruous	Chinese group
34	Present example of Incongruous	International group
35	Present example of Incongruous	Polish group
36	Show research result	Polish group
37	Make action point list	Douglas
38	Forward PowerPoint to Douglas	Korea group
39	Forward PowerPoint to Douglas	International group
40	Forward PowerPoint to Douglas	Spanish group
41	Forward PowerPoint to Douglas	Chinese group
42	Presentation of chapter 3	Polish group
43	Presentation of chapter 3	Chinese group
44	Presentation of chapter 3	International group
45	Presentation of chapter 3	Korea group
46	Presentation of chapter 3	Spanish group
47	Make action point list	Douglas
48	Forward PowerPoint to Douglas	International group
49	Forward PowerPoint to Douglas	Korea group
50	Forward PowerPoint to Douglas	Spanish group
51	Forward PowerPoint to Douglas	Chinese group



KOPSAVILKUMS

ZAĻĀ GRĀMATVEDĪBA UZŅĒMUMU ILGTSPĒJĪBAS KONKURĒTSPĒJĀ

Mihals Biernackis, PhD.eng.

Ilgtspējīga attīstība tiek definēta kā ekonomisko, vides un sociālo jautājumu risināšana veidā, kas atbilst cilvēku tagadnes un nākotnes vajadzībām, nekaitējot dabiskajai videi. Tā rezultātā ieinteresētās puses sākušas pievērsties ilgtspējas grāmatvedības pētījumiem un praksei, kas ietver ne tikai vides grāmatvedības ekonomiskos un vides komponentus, bet arī sociālos jautājumus, kas būtiski vispārējai ilgtspējai un dzīves cikla novērtējumam.

Šis raksts atspoguļo vides grāmatvedības galvenos mērķus, saturu, nosacījumus un saistību ar ilgtspējas novērtējumu un lomu uzņēmumu konkurētspējā. Vides grāmatvedība ir viens no veidiem, kā kvantitatīvi novērtēt uzņēmumu veiktos vides aizsardzības pasākumus.

No otras puses, vides grāmatvedība ir arī vadības analīzes veids, lai paaugstinātu efektivitāti un vides aizsardzības jautājumu nozīmi uzņēmumos. Vēl vairāk – vides grāmatvedība ir efektīva informācijas iegūšanas tehnika, lai saprastu, kā uzņēmumi risina vides aizsardzības jautājumus standartizācijas veidā.

Atslēgas vārdi: vides grāmatvedība, ilgtspējīga attīstība, zaļā grāmatvedība, izmaksas.

KONKURĒTSPĒJA UN INOVĀCIJAS

Ieva Bruksle, Mag.oec.,
Anna Ābeltiņa, asoc. Prof., Dr.oec.
Vita Zariņa, asoc. Prof., Dr.oec.

Mūsdienu mainīgajā un komplicētajā uzņēmējdarbības vidē, ko raksturo pieaugoša konkurence, tirgus jutība, inovāciju lomas pastiprinās. Būtiska ir sabiedrības un īpaši uzņēmēju informētības veicināšana par inovāciju un inovatīvo instrumentu un risinājumu pielietošanas iespējām uzņēmējdarbības vidē, kas sekmētu konkurētspēju un uzņēmējdarbības attīstību. Latvijas uzņēmējiem ir nepietiekama kompetence uzņēmumu vadībā, tie bieži nespēj reāli novērtēt iekšējos un ārējos riskus, inovāciju nepieciešamību savu situāciju globālajā tirgū. Uzņēmumu attīstībai un konkurētspējas palielināšanai netiek veltīta pienācīga uzmanība. Daudz problēmu vēl ir uzņēmējdarbības vides sakārtošanā un inovāciju veicināšanas struktūras veidošanā. Ir nepieciešams sekmēt uzņēmēju izpratni un interesi par inovāciju lomu tautsaimniecības attīstībā. Ir svarīgi

sniegt uzņēmējiem informāciju par to, kā būt radošam, kā savas jaunās idejas izmantot un ar to palīdzību radīt jaunus, konkurētspējīgus produktus. Ir būtiski apzināties uzņēmumu cenu politikas lomas palielināšanos un cenu veidošanas nosacījumu izmaiņas. Veidojot sistemātisku un pārskatāmu pieeju, pielietojot inovatīvus risinājumus, var tikt iegūts pārskatāms cenošanas process, tā nodrošinot cenu priekšrocību realizēšanu, kas palielinās uzņēmuma konkurētspēju.

Autores uzskata, ka inovācijas un to ieviešana, it īpaši saistībā ar cenu veidošanu, ir attīstības un konkurētspējas virzītājspēks, tātad – jebkuram uzņēmumam un tautsaimniecībai kopumā aktuāls jautājums.

Raksta mērķis ir noteikt inovatīvos risinājumus, kas izmantojami cenu veidošanas procesa pilnveidošanai Latvijas uzņēmējdarbības vidē, lai veicinātu cenu konkurētspēju. Mērķa sasniegšanai tiks raksturota Latvijas konkurētspēja, izvērtēta inovāciju loma un inovāciju attīstības faktori, apkopoti cenu veidošanas inovatīvie risinājumi. Mērķa sasniegšanai tiks izmantotas: loģiski konstruktīvā, sintēzes un grafiskā metode.

Atslēgas vārdi: Konkurētspēja, inovācijas, inovatīvi risinājumi, cenas, cenu veidošanas process.

E-ŽURNĀLU SISTĒMAS IETEKME UZ SKOLOTĀJU DARBA KVALITĀTI. LIETUVAS SKOLU PIEMĒRS

Giedre Česonīte, Vladislavs V. Fomins

Viena no nozīmīgākajām iniciatīvām informācijas sabiedrības veidošanā Lietuvā ir elektronisko žurnālu sistēmas ieviešana skolās. E-žurnāls tiek uzlūkots kā galvenais elements, kas saista izglītību un sociālos procesus, skolotāju, skolnieku un vecāku aktivitātes un uzdevumus. Šis instruments tiek popularizēts kā organizācijas darbības efektivitātes paaugstināšanas līdzeklis. Tomēr ministrijas pētījums uzrāda gan pozitīvus, gan negatīvus e-žurnāla ieviešanas skolā rezultātus. No tā izriet, ka katrā atsevišķā gadījumā lēmums izmantot elektronisko žurnālu ir jāpieņem pēc rūpīgas izvērtēšanas. Pārsteidzošā kārtā līdz šim Lietuvā nav veikts neviens pētījums par e-žurnāla izmantošanu skolā. Šajā rakstā aplūkots teorētiskais modelis, lai analizētu, kā e-žurnālu sistēma ietekmē skolotāju un klases audzinātāju darbu. Aplūkojamais modelis atspoguļo četras informācijas tehnoloģiju izmantošanas ieguvumu dimensijas: produktivitāti, efektivitāti, kvalitāti un pastāvīgumu. Pētījums palīdz labāk izprast skolu datorizācijas pozitīvos un negatīvos aspektus, izstrādāt kvalitātes novērtēšanas kritērijus, kā arī izstrādājām ieteikumus tālākai skolu datorizācijai Lietuvā.

Atslēgas vārdi: zināšanu organizācija, darbības kvalitāte, elektroniskais žurnāls, skola

ILGTSPĒJĪGA ATTĪSTĪBA UN *HOMO SOVIETICUS* SINDROMS

Anna Kasperoviča, PhD

Ilgtspējīgas attīstības jēdziena ieviešana notiek vispirms lokālā, pēc tam globālā līmenī. Lokālās darbības efektivitāte ir atkarīga no atsevišķu vienību darbības. Ilgtspējas iespējamība ir atkarīga no iesaistīto cilvēku zināšanām par to. Šāds stāvoklis var tikt raksturots kā *homo cooperativus*, kas attīstījies no *homo oeconomicus*. Polijas apstākļos sasniegt šo stāvokli ir visai sarežģīti. Cilvēku prātos tas raisa asociācijas ar vecās sistēmas paliekām, to sauc par *homo sovieticus* sindromu. Evolūcija no *homo sovieticus* līdz *homo cooperativus* notiek divējādi: izejot cauri vidējai – *homo oeconomicus* pakāpei vai apejot to. Otrais ceļš ir iespējams tikai noteiktos apstākļos.

Atslēgas vārdi: ilgtspējīgas attīstības jēdziens, *homo cooperativus*, *homo oeconomicus*, *homo sovieticus* sindroms

NĀCIJAS ZĪMOLS UN PILSONIS

Jāko Lehtonens, Ph.D, prof.emer.

Šis raksts kritiski uzlūko zīmola jēdziena pielietojumu nāciju mārketinga kampaņās. Rakstā jēdziena 'nācijas zīmols' maģiskā iedarbība uz politiskajiem un biznesa līderiem aplūkota no visvairāk ieinteresētās grupas – nācijas pilsoņu – viedokļa. Parādīts, ka pati jēdziena 'nācijas zīmols' izvēle ir neveiksmīga, jo nedod cerētos rezultātus. Tiks apgalvots, ka zīmolvedības retorikā valsts pilsoņi tiek pielīdzināti rūpnīcas strādniekiem, no kuriem sagaida, lai viņi uzturētu un aizstāvētu sava uzņēmuma un tā produkcijas reputāciju un labo tēlu.

Atslēgas vārdi: zīmols, zīmolvedība, korporatīvā zīmolvedība, nācijas zīmolvedība

LĒMUMU PIEŅEMŠANA TŪRISMĀ: PILSĒTAS APSKATES MARŠRUTU IZVĒLE ATBILSTOŠI SOCIĀLI EKONOMISKAJAM STATUSAM UN VĒLMEI MAKSĀT

Madara Lūka

Lēmumu pieņemšana ir sarežģīts process, kas aptver dažādus psiholoģiskos un sociāli ekonomiskos aspektus, kas nosaka indivīda izvēli. Ja runa ir par tūrismu, sociāli ekonomiskie faktori un gatavība maksāt ir vieni no nozīmīgākajiem faktoriem lēmumu pieņemšanā, jo tūrisms pārdod netaustāmus labumus, piemēram, pieredzi un apmierinātību. Tāpēc ir būtiski saprast tieši to, kā sociāli ekonomiskais statuss un gatavība maksāt ietekmē lēmumu pieņemšanu tūrismā, šajā gadījumā – pilsētas tūres izvēlē. Raksts analizē, pirmkārt, izvēli starp dažādiem pilsētu maršrutiem, un, otrkārt, tieši šī lēmuma pieņemšanas pamatu.

Pētījuma laikā tika veikta aptauja un rezultāti tika analizēti ar *MsExcel* funkciju LINEST un SPSS klasteranalīzes dendrogrammu. Galvenie secinājumi ir, ka korelācija starp sociāli ekonomisko statusu, vēlēšanos maksāt un lēmuma pieņemšanas procesu ir nenozīmīga.

Tomēr aptauja parādīja, ka galvenie ietekmes faktori ir dzimums, vecums, ienākumu līmenis un vēlēšanās tērēt. Līdz ar to no pētījuma izriet secinājums, ka pilsētu apskates maršruti var tikt piedāvāti nevis kā papildus, bet gan kā luksus produkti; un tieši tas varētu būt iemesls, kāpēc nevienam no sociāli ekonomiskajiem mainīgajiem nav nozīmīgas ietekmes uz lēmuma pieņemšanas procesu.

Atslēgas vārdi: lēmumu pieņemšana, vēlēšanās maksāt, pilsētu apskates maršruti

SANĀKSMJU TEHNIKAS IZMANTOŠANA APMĀCĪBAS OPTIMIZĀCIJĀ. PAKTA METODE

Henks Roelofs, Adriāns Nīvenhūss, Rizvans Salems

Raksta mērķis ir parādīt, ka mācību stundās var integrēt un izmantot mijiedarbības iespējas, lai koordinētu un izmērītu progresu zināšanu apguvē gan individuāli, gan kolektīvi. Katru stundu var uzlūkot kā sanāksmi, kurā ir priekšsēdētājs un protokolists. Tā kā ir jāsasniedz noteikti apmācības mērķi, soļi to sasniegšanai var tikt definēti kā secīgas veicamās darbības. Šīs darbības var tikt uzlūkotas kā mini projekti, kas studentiem jārealizē. Jaunas mijiedarbības formas, piemēram, interaktīvās tāfeles plus internets, ļauj visai grupai tūlīt saskatīt progresu zināšanu apguvē.

Dinamisko komplekso, pārsvarā nelineāro, apmācību var novērot, izmantojot PACT modeli (procesa darbības soļu koordinācijas instruments), kas sastāv no CRAP (darbības soļu koordinācijas reģistrācija) un G-CRAP (darbības soļu grupas koordinācijas reģistrācija). Katrs grupas dalībnieks gūst tūlītēju ieskatu dinamiskajos un pastāvīgi mainīgajos procesos. Šis pārskats paaugstina efektivitāti, elastīgumu un radošumu kopīgās apmācības procesā.

'Mijiedarbīgā apmācība' prasa jaunus veidus, kā kontrolēt un koordinēt kolektīvo apmācības procesu, jaunas mācīšanas tehnikas, kas apmierinātu jaunās paaudzes vajadzības.

Atslēgas vārdi: mijiedarbīgā apmācība, sanāksmju tehnikas, izglītības + uzņēmējdarbības metode, darbības soļu koordinācijas reģistrācija (CRAP), monitorings