

EXPLORING DIVERSE FRONTIERS IN ECONOMICS AND BUSINESS – EDITORIAL

Adnan Efendic, Ljiljan Veselinovic

The current issue of the South East European Journal of Economics and Business publishes ten contributions from diverse economic and business empirical studies focusing primarily on the South East European region, including the global and selected EU sample as well. We categorize published papers into a few groups to help the readers identify fields and papers of interest more easily, although these lines are sometimes challenging to establish. In doing so, we identify two papers that address the themes of labour market economics, including Obadić and Viljevac (2024) and Gashi and Adnett (2024); three papers focus on broader issues in entrepreneurship, Kostic and Zivkovic (2024), Matic (2024), and Mazrekaj

(2024); income inequality is addressed in the paper by Cakal, Velagic, and Silajdzic (2024); monitoring and project performance is investigated by Ovčina and Kalajdžić (2024); financial markets and investment strategies are researched by Zaimovic, Arnaut-Berilo, and Bešlija (2024); Petreski (2024) covers the theme of crisis impact and firm adaptation. Lastly, the social acceptance of artificial intelligence in banking is explored by Turnadžić et al. (2024).

We provide a summary table with basic information on the papers published in this issue, while a more detailed overview of each contribution is below.

Authors	Unit of analysis and period	Sample
Obadić and Viljevac	Country, monthly data 2010-2022	EU countries
Kostić and Živković	Country, cross-sectional data 2019	Global sample
Matić	Managers, cross sectional data 2021	Croatia
Cakal-Velagic and Silajdzic	Country, panel country 1996-2019	Western Balkan
Ovcina and Arslanagic-Kalajdzic	Civil organizations, cross sectional data 2023	Bosnia and Herzegovina
Mazrekaj	Gender entrepreneurial behaviour, semi-systematic literature review 1956-2021	Global sample
Zaimovic, Arnaut-Berilo, and Bešlija	Country, panel data 2014-2024	28 European countries
Gashi and Adnett	Firms, cross-sectional data 2016-2023	Western Balkans countries
Petreski	Firms, cross-sectional data 2023	North Macedonia
Turnadžić et al. (2024)	Bank customers, cross-sectional data 2024	Bosnia and Herzegovina

Labour market

Obadić and Viljevac (2024) investigate the existing educational structures of selected EU member countries and their alignment with the labour market needs. To evaluate this educational mismatch, the paper explores the matching needs of employers and unemployed job seekers by using disaggregated national employment office data for the period 2010-2022. The results show that differences in education levels result in relatively small deviations from aggregate trends in the labour market.

Gashi and Adnett (2024) explore the determinants of employer-provided training in the Western Balkans, using cross-sectional data covering the period 2016-2023. The study investigates factors influencing the incidence of such training, emphasizing the role of firm size, ownership, export status, and employee readiness to acquire additional qualifications. The findings highlight that larger firms, those with foreign ownership, and exporters are more likely to provide training. Additionally, businesses perceiving skills shortages and those with optimistic business sentiments are significantly more inclined to invest in employee training. The study underscores the importance of employer-provided training in enhancing labour productivity and bridging the productivity gap with EU countries.

Entrepreneurship

Kostić and Živković (2024), in their research that covered 141 countries, explore firstly canonical correlations between domestic competition, trade openness and entrepreneurial culture. The authors find a strong, positive, statistically significant canonical correlation between these canonical variables. In the next stage, the linear regression analysis is estimated with finding that distortive effects of taxes and subsidies on competition is the most important for all dependent variables. The authors conclude that regulation of domestic competition and trade openness are supreme for entrepreneurial culture.

Matić (2024) investigates the role of stress in demonstrating adequate project leadership and ultimately achieving project success, while also respecting followers' expertise as the most important context factor. The paper uses primary data from 2021 collected from 71 project managers in Croatia. The author find that demonstrated project leadership and followers' expertise positively affect the project's success. According to the results, stress, due to its inverted U-shaped nature of effect, does not affect project success, whereas it has a negative moderation

effect on demonstrated project leadership by reducing its positive effects on project success.

Mazrekaj (2024) examines the interplay of human capital composition and gender entrepreneurial behaviour through a semi-systematic literature review approach covering the period from 1956 to 2021. The study highlights the role of education and perceived abilities as key components in the entrepreneurial activities of women across different countries. By analysing data from a wide range of sources Mazrekaj identifies significant gaps in the existing literature, particularly regarding the simultaneous consideration of individual and country-level indicators, as well as structural, historical, and cultural variables. The findings underscore the necessity of a holistic view to understand how these factors collectively shape entrepreneurial identities and opportunities.

Income inequality

Cakal-Velagic and Silajdzic (2024) investigate the effects of macroeconomic indicators and financial market development on income inequality using panel data from Western Balkan countries and covering the period 1996-2019. The authors find that income per capita increases income disparities, while they do not identify significant impact of financial market development on income inequality. The obtained results bear important policy.

Project performance

Ovcina and Arslanagic-Kalajdzic (2024) explore the relationship between monitoring and evaluation, project implementation management system for financial monitoring, and project performance within the framework of the resource-based view, dynamic capabilities, and knowledge management theory. The used data are collected in 2023, they are from non-profit projects in a developing context of Bosnia and Herzegovina. The empirical analysis reveals that developmental assistance and non-profit projects have an important role in the economic performance of developing countries, ending with relevant policy implications.

Financial markets and investment strategies

Zaimovic, Arnaut-Berilo and Bešlija (2024) analyse the benefits of international portfolio diversification across 28 European stock markets, including both EU countries and the UK, over the period from 2014 to 2024. The study employs the Markowitz

mean-variance optimization model and Sharpe ratio to assess different investment strategies during stable (2014-2019) and turbulent (2019-2024) periods. Their findings reveal that actively managed portfolios outperform naively diversified ones. The research highlights that crises significantly reduce diversification benefits, although opportunities for risk reduction through international investments remain substantial.

Crisis impact and firm adaptation.

Petreski (2024) evaluates the impact of the Ukraine conflict-induced crisis (Russian invasion on Ukraine from 2022) on firms in North Macedonia, using data from a business survey conducted in 2023. The study employs descriptive statistics and probit regression analysis to assess how firms of different sizes and sectors have coped with the crisis. Findings indicate that small firms in low-wage sectors predominantly coped by raising prices of final products and services, followed by cost-cutting measures. Larger firms, on the other hand, tended to invest in self-electricity generation or energy-saving equipment. The results highlight that firms with higher energy cost shares increased final prices more but experienced decreased competitiveness, whereas firms that did not address rising costs struggled to pass these costs onto prices, impacting their overall competitiveness.

Customer behaviour - Social Acceptance of AI in Banking

Turnadžić et al. (2024) investigate the role of social factors in the acceptance of AI-based services in the banking sector of Bosnia and Herzegovina. The study focuses on perceived humanness, perceived social interactivity, and perceived social presence, finding that perceived humanness and perceived social interactivity positively affect attitudes towards and acceptance of AI-based services. This research provides solid foundation for understanding customer readiness for AI adoption in a transitional economy.

On behalf of Editorial Board

Adnan Efendic, Editor-in-chief
Ljiljan Veselinovic, Production Editor

University of Sarajevo,
School of Economics and Business

References

- Obadić, A., & Viljevac, V. 2024. Labour Market Tightness and Matching Efficiency in Different Labour Market Segments – Do Differences in Education Matter? *The South East European Journal of Economics and Business* 19 (1): 1-17.
- Kostić, M., & Živković, J. 2024. Domestic Competition, Trade Openness and Entrepreneurial Culture: Canonical Correlation Analysis. *The South East European Journal of Economics and Business* 19 (1): 18-31.
- Matić, I. 2024. Leadership Profile of Croatian Project Managers - Investigating the Effects of Stress and Followers' Expertise in Achieving Project Success. *The South East European Journal of Economics and Business* 19 (1): 32-49.
- Čakal-Velagić, J., & Silajdžić, S. 2024. The Effects of Macroeconomic and Financial Development on Income Inequality: Evidence from the Western Balkans. *The South East European Journal of Economics and Business* 19 (1): 50-62.
- Ovčina, A., & Kalajdžić, M. 2024. The Role of Monitoring and Evaluation and Project Implementation Management System for Non-Profit Project Performance in Developing Countries. *The South East European Journal of Economics and Business* 19 (1): 63-76.
- Mazrekaj, L. 2024. Gender Entrepreneurial Behaviour: A SSLR (Semi-Systematic Literature Review) Approach. *The South East European Journal of Economics and Business* 19 (1): 77-95.
- Zaimović, A., Arnaut-Berilo, A. and Bešlija, R. 2024. International portfolio diversification benefits: an empirical investigation of the 28 European stock markets during the period 2014–2024. *The South East European Journal of Economics and Business* 19 (1): 96-112.
- Gashi, A. and Adnett, A. 2024. The determinants of the incidence of employer-provided training in the Western Balkans. *The South East European Journal of Economics and Business* 19 (1): 113-122.
- Petreski, M. 2024. The impact of the crisis induced by the conflict in Ukraine on firms: Evidence from North Macedonia. *The South East European Journal of Economics and Business* 19 (1): 123-144.
- Turnadžić, T., Peštek, A. and Činjarević M. 2024. The role of social factors in the acceptance of artificial intelligence-based services: the example of the banking sector of Bosnia and Herzegovina. *The South East European Journal of Economics and Business* 19 (1): 145-158.