



ETHICS IN BUSINESS, ECONOMICS AND FINANCE IN WESTERN, CENTRAL AND EASTERN EUROPE

**PROCEEDINGS OF ABSTRACTS
INTERNATIONAL SYMPOSIUM BRANETIX 2013, SEPTEMBER 11-13, 2013**



REVIEWERS

Prof. Ellen Hertz, University of Neuchâtel

Prof. Milad Zarin-Nejadan, University of Neuchâtel

Prof. Gerald Reiner, University of Neuchâtel

Ing. Mgr. Gabriela Dubcová, PhD, University of Economics Bratislava

Doc. Ing. Alžbeta Foltínová, CSc, University of Economics Bratislava

Prof. Ing. Janka Hvožďarová, PhD, University of Economics Bratislava

Doc. Ing. Miloš Tumpach, PhD, University of Economics Bratislava

PUBLISHING

University of Neuchâtel

Faculty of Economics and Business

Av. du 1er-Mars 26

CH-2000 Neuchâtel

2013

ISBN 978-2-9700901-1-3

CD: 100 pcs.

CONTENT

INTRODUCTION	4
1. BROKEŠOVÁ, Z., ONDRUŠKA, T., PASTORÁKOVÁ, E.: Ethical Perception of Consumer Insurance Fraud in the Slovak Republic	5
2. DUBCOVÁ, G., FOTÍNOVÁ, A.: Corporate Responsibility of SMEs - Successful Way to Improve their Competitiveness	7
3. HANÁK, R.: Limited Cognitive Capacities and their Effect on Recruiting	9
4. HVOŽDAROVÁ, J.: Ethical Criteria in Business Decisions and Role of Conscience	10
5. KUBAŠČÍKOVÁ, Z., STANLEY, R.: Auditor's Responsibility to Consider Fraud in an Audit of Financial Statements	11
6. LAJOŠ, B., URBANČIKOVÁ, K.: Business Ethics in the Context of Macro- and Meso- Level Interaction	13
7. MADĚRA, F.: Regulation, Professional Competency and Quality of Services Provided by Accountants: Lessons Learned from the Slovak Changes after 1989	15
8. MAJDÚCHOVÁ, H., GAJDOVÁ, D.: Ethics as the Presumption of the Financial Stability and Development of the Non-Profit Organization	18
9. MELUCHOVÁ, J.: Ethics in the Insurance Sector of the Slovak Republic	20
10. OBRIST, T.: Taxation and Ethics, the Limits of Legislation to Tackle Tax Avoidance - Some Thoughts from a Lawyer	23
11. ORVISKA, L.: The Role of Trust and Mistrust in the Creation of Ethical Society. Cases of Post-Socialist Wealthy Elites in Private Banking	25
12. POTKÁNY, M., GIERTL, G.: Outsourcing and its Importance on Business Performance	26
13. SAPARA, J.: Ethical Principles of Presentation of Financial Statements Should be the Founding Stones of any Financial Reporting Framework	28
14. ŠATANOVÁ, A.: Concept of Quality Controlling for Small And Medium-Size Enterprises	29
15. ŠKRINIAR, P., FOLTÍNOVÁ, L.: Investing in Mutual Funds in the Context of European Directives and Ethics of Financial Intermediaries	30
16. ŠRENKEL, L., SMORADA, M., KALUSOVÁ, L., ČERNÁ, S.: Accounting Professions in the Slovak Republic Based on Tax-Related Aspects	32
17. ZINGG, A., DOS SANTOS, G., REINER, G.: What is the Impact of Sustainability Reporting in the Financial Services Industry?	34

INTRODUCTION

This collection of Abstracts proceedings is the result of scientific approaches of researchers in the field of Economy, Ethics and Corporate social responsibility, especially. The texts have been prepared in academic area of two universities, the University of Economics in Bratislava in the Slovak Republic and the University of Neuchâtel in Switzerland. An effort of authors has been focused on problems of Ethics and Economy in general, mainly of their countries of origin with the wider perspective of the European union and World environment.

In this publication of Abstract proceeding you can find topics aimed to the sustainable and socially responsible entrepreneurship and entrepreneurial area, ethic in corporate governance, business and labour management. The research has been aimed also to the ethics in corporate finance, accounting and auditing performance and the position of ethics in these processes.

The results we present together as the common work, of both sides cooperation between these two research and educational areas represented by the University of Neuchâtel and University of Economics in Bratislava, could serve as a starting point for the future deeper cooperation and could be used also as an example for practitioners or entrepreneurs in both countries or business environment in the European Union countries and Word in generally.

Authors

ETHICAL PERCEPTION OF CONSUMER INSURANCE FRAUD IN THE SLOVAK REPUBLIC

Zuzana Brokešová - Tomáš Ondruška - Erika Pastoráková

Abstract

Consumer insurance fraud represents one of the most misunderstood types of crime nowadays. While the majority does not understand this type of actions as unethical, insurers spend an enormous amount of money on fraudulent claims each year. The association of European Insurers estimated that detected and undetected fraud represent up to 10% of all claims expenditure in Europe. According to the estimations of Slovak insurance market, this percentage is even higher - 30-40%. Therefore, there are assumptions that societal acceptance of this type of fraud should be even higher among Slovak inhabitants in comparison to the European average. The paper analyses the overall level of ethical acceptability of insurance fraud among Slovaks on the sample of 314 respondents. Based on the data, we also focus on the examination of the role of respondents' demographic characteristics, their previous experiences and their attitudes towards insurance companies. The results did not support our assumptions, when we found that the level of ethical perception of insurance fraud is very low among Slovak respondents. However, we succeed in the analysis of the role of the individuals' characteristics, where we proved that the ethical perception of consumer insurance fraud could be predicted mainly by the respondents' demographic characteristics.

Keywords

Ethical perception, Insurance fraud, Insurance industry, Ethical acceptability

References

- Act No. 300/2005 Coll. - Criminal Code.
- Ajzen, I. and Fishbein, M. (1977), "Attitude-behaviour relations: A theoretical analysis and review of empirical research", *Psychological bulletin*, vol. 84, no. 5, pp. 888-918.
- Allianz SP (2005), Poistné podvody. Available at: <http://nadacia.allianzsp.sk/28713>. [Accessed 20 July 2013].
- Allianz SP (2012), Rápidny nárast pokusov o poistovacie podvody. Available at: <http://www.allianzsp.sk/rapidny-narast-pokusov-o-poistovacie-podvody>. [Accessed 20 July 2013].
- Ariely, D. (2013), *The Honest Truth about Dishonesty: How We Lie to Everyone-Especially Ourselves*, HarperCollins Publisher, London.
- Artís, M., Ayuso, M. and Guillén, M. (2002), "Detection of automobile insurance fraud with discrete choice models and misclassified claims", *Journal of Risk and Insurance*, vol. 69, no. 3, pp. 325-340.
- Becker, G.S. (1968), "Crime and punishment: An economic approach", *Journal of Political Economy*, vol. 76, no. 2, pp. 169-217.

Coalition Against Insurance Fraud (2007), *Insurance Fraud: The Crime You Pay for*. Available at: <http://www.insurancefraud.org/fraud-backgrounder.htm#.URwZMjs15aE>. [Accessed 2 August 2013].

Crane, J. (1991), "The epidemic theory of ghettos and neighborhood effects on dropping out and teenage childbearing", *American Journal of Sociology*, vol. 96, no. 5, pp. 1226-1259.

Dean, D.H. (2004), "Perceptions of the ethicality of consumer insurance claim fraud", *Journal of Business Ethics*, vol. 54, no. 1, pp. 67-79.

Derrig, R. A. (2002), "Insurance fraud", *Journal of Risk and Insurance*, vol. 69, no. 3, pp. 271-287.

Fajnzylber, P., Lederman, D. and Loayza, N. (2002), "What causes violent crime?", *European Economic Review*, vol. 46, no. 7, pp. 1323-1357.

Grable, J.E. and Lytton, R.H. (2003), "The development of a risk assessment instrument: A follow-up study", *Financial Services Review*, vol. 12, no. 3, pp. 257-274.

Halek, M. and Eisenhauer, J.G. (2001), "Demography of Risk Aversion", *The Journal of Risk and Insurance*, vol. 68, no. 1, pp. 1 - 24.

Huston, S.J. (2010), "Measuring financial literacy", *Journal of Consumer Affairs*, vol. 44, no. 2, pp. 296-316.

ING (2013), *Podvody v životnom poistení narástli o viac ako polovicu, poisťovne posilňujú kontrolu*. Available at: <https://www.ingpoistovna.sk/tlacove-centrum/tlacove-spravy/podvody-zivotnom-poistenim-narastli-viac-ako-polovicu-poistovne-posilnuju-kontrolu.html>. [Accessed 19 July 2013].

Insurance Europe (2012), *The impact of insurance fraud*. Available at: <http://www.insuranceeurope.eu/uploads/Modules/Publications/fraud-booklet.pdf>. [Accessed 20 July 2013].

Jahedi, S. and Méndez, F. (2012), "On the Advantages and Disadvantages of Subjective Measures", Working paper, University of Arkansas.

Miyazaki, A.D. (2009), "Perceived Ethicality of Insurance Claim Fraud: Do Higher Deductibles Lead to Lower Ethical Standards?", *Journal of business ethics*, vol. 87, no. 4, pp. 589-598.

Smith, C., Faris, R. and Regnerus, M. (2003), "Mapping American adolescent subjective religiosity and attitudes of alienation toward religion: A research report", *Sociology of Religion*, vol. 64, no. 1, pp. 111-133.

Statistical Office of the Slovak Republic (2012), *Demografia*. Available at: <http://portal.statistics.sk/showdoc.do?docid=2464>. [Accessed 1 August 2013].

Stigler, G.J. (1970), "The Optimal Enforcement of Laws", *Journal of Political Economy*, vol. 78, no. 3, pp. 526-536.

Tennyson, S. (1997), "Economic institutions and individual ethics: A study of consumer attitudes toward insurance fraud", *Journal of Economic Behaviour and Organization*, vol. 32, no. 2, pp. 247-265.

Tennyson, S. (2002), "Insurance experience and consumers' attitudes toward insurance fraud", *Journal of Insurance Regulation*, vol. 21, no. 2, pp. 35-56.

Tennyson, S. (2008), "Moral, social, and economic dimensions of insurance claims fraud", *Social Research: An International Quarterly*, vol. 75, no. 4, pp. 1181-1204.

Viaene, S. and Dedene, G. (2004), "Insurance fraud: issues and challenges", *The Geneva Papers on Risk and Insurance-Issues and Practice*, vol. 29, no. 2, pp. 313-333.

Weisberg, H.I. and Derrig, R.A. (1991), "Fraud and automobile insurance: A report on the baseline study of bodily injury claims in Massachusetts", *Journal of Insurance Regulation*, vol. 9, no. 4, pp. 497-541.

Wilson, W.J. (1987), *The Truly Disadvantaged: The Inner City, the Underclass and Public Policy*, University of Chicago Press, Chicago.

CORPORATE RESPONSIBILITY OF SMES - SUCCESSFUL WAY TO IMPROVE THEIR COMPETITIVENESS

Gabriela Dubcová - Alžbeta Foltínová

Abstract

Aim of the article - to evaluate the level and quality of the corporate responsibility in business activities of small and middle enterprises in ongoing complicated economic situation of the EU and to define the tools how to change their status quo and to motivate SME managements to improve their competitiveness via more intensive responsible behaviour. As partial goals, we are interested to identify (a) reasons and determinants of ethics behaviour (respectively an utterance of the unethical behaviour), (b) the most frequently applied ethical standards and personified ethical principles and ethical values of SMEs, (c) typical representative business activities (economic, social, environmental) of SMEs with responsible behaviour and (d) identification and evaluation of disposable potential (economic, organisational, social) to be changed and to the corporate responsibility improvement.

In detail, in the course of the evaluated period of 2010-2012, there is an apparent trend of deepening ethical principles in CR: (a) familiarity and awareness about CR increases (9% in 2010, and 53% in 2012); (b) it continually prevails: in the social sphere - training and development of employees (78% in 2012), in the economic sphere - observance of honest behaviour (88% in 2012), fair practices concerning the environment - ecological use of raw materials, energy and water (78% in 2012); (c) apparent trend of the motivation development - external orientation prevails (keeping up with competition, better public reputation, improvement of the company image and secondly, internal motivation (ethical and moral reasons, a positive attitude to employees); (d) characteristic development of perceiving benefits; (e) in the long term, the negative aspects of CR are: the risk - increased operating costs (68% in 2012) and the barrier - increased costs (68% in 2012); (f) relevant requirements to accept support for SMEs in CR by the government, partners and customers.

Keywords

Small and medium-sized enterprises, Corporate responsibility, Business ethics

References

- Carroll, B. A.- Lipartito, K. J.- Post, J. E.- Werhane, P. H.- Goodpaster, K. E. (2012), *Corporate Responsibility: The American Experience*, Cambridge University Press, Cambridge.
- Ruschak, K. (2012), *Corporate Social Responsibility: Corporate Social Responsibility and the theories it generates from*, GRIN Verlag, München.
- Shaw, W.H. (2013), *Business Ethics*, Wadsworth Publishing, Belmont.

CSR Europe 2013, Golden Book of the first European CSR Awards. <http://www.csreurope.org/golden-book-first-european-csr-awards>. Brussels 2013, 2013/07/19

EC 2003, Concerning the definition of micro, small and medium-sized enterprises. Brussels, 2003/361/EC, C(2003)1422. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2003:124:0036:0041:en:PDF>, 2013/07/19

EC 2006, Small Business Act for Europe. http://ec.europa.eu/enterprise/policies/sme/documents/index_en.htm, 2013/07/19

EC 2010, EUROPE 2020 - A strategy for smart, sustainable and inclusive growth. Brussels, 3.3.2010, COM(2010) 2020 final. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2010:2020:FIN:EN:PDF>, 2013/07/19

EC 2011, A renewed EU strategy 2011-14 for Corporate Social Responsibility. Brussels, 25.10.2011, COM(2011)681 final. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0681:FIN:EN:PDF>, 2013/07/19

NARMSP, FOCUS 2010, Vnímanie konceptu a praktík spoločensky zodpovedného podnikania malými a strednými podnikmi na Slovensku. October 2010. http://www.nadsme.sk/files/Sprava_CSR_SME_2010_final.pdf, 2013/07/19

Acknowledgment

The article was supported by the research project VEGA No.1/0980/12 (50%).

The article was supported by the research project VEGA No 1/0910/12 (50%).

LIMITED COGNITIVE CAPACITIES AND THEIR EFFECT ON RECRUITING

Róbert Hanák

Abstract

In recruiting, ethical behaviour has to result in selecting objectively the best job candidate. As we know humans make lot of mistakes and recruiting is also suffering with mistakes of recruiters. Main aim - to identify the limited cognitive capacities and their effect on recruiting. Consistency in decision making and ability to discriminate details of job candidates ratio is CWS index. These characteristics were evaluated as premise for ethical and professional conduct in recruitment. Four groups were investigated. Professional recruiters obtained more positive results than other groups of my research: managers, graduate students (of the 2nd and 3rd) degree and bachelor students. Relevant fact - lot of recruiters made decisions not comparable and their incapability to discriminate details resulted in poor performance, which could be considered as not objective, unfair and it can be argued unethical. Managers reached levels compared to students or even worse, therefore for high levels of consistency and discrimination of details is not reached only by work experience, but only with professional training.

Keywords

Corporate responsibility, Recruitment, CWS index, Ethics conduct

References

- Gigerenzer, G., Selten, R. (2001), Bounded rationality, The adaptive toolbox, Dahlem.
- Highhouse, S., (2008), Stubborn Reliance on Intuition and Subjectivity in Employee Selection. *Industrial and Organizational Psychology*, 1, 333 -342.
- Hunter, J., Schmidt, F. (1998), The validity and utility of selection methods in personnel psychology : Practical and theoretical implications of 85 years of research findings. *Psychological Bulletin*, vol. 124, No. 2, 262 - 274
- Shanteau, J., (1992) How much information does an Expert Use ? Is it relevant ? *Acta Psychologica*, 81, 75 -86.
- Shanteau, J. et al. (2001), Identifying expertise without a gold standard: Four applications. Paper presented at the 11th International Symposium on Aviation Psychology. Columbus, OH.
- Terpstra, D., Rozell, E. (1997), Sources of Human Resource Information and the Link to Organizational Profitability. *Journal of Applied Behavioral Science*, 33, 66-83,
- Weiss, D., Shanteau, J. (2003), Empirical Assesment of Expertise. *Human Factors*, Vol 45, No. 1, Spring
- Weiss, D. et. al. (2006), People who judge people. *Journal of Behavioral Decision Making*, 19, p. 441-454

ETHICAL CRITERIA IN BUSINESS DECISIONS AND ROLE OF CONSCIENCE

Janka Hvožďarová

Abstract

Presented paper confronts solutions to topics of real usage of ethical criteria in divers decision making processes, not only those limited to the economic area. Ethics deficit and ignorance of the laws of nature in the decision making processes is one of the important reasons for crises appearance in the human society history during long history. Presented reflection and confrontation of practical experience of Tomas Bata with actual models of moral decision making. The published considerations imply that neither a quality education nor a codified legal system and institutionalization of the ethical conduct do guarantee that each decision making will be carried out on the basis of ethical principles. The solution of this important challenge - the adapted education system with the aim of critical thinking and the ability of self-reflection in the relation to everyone's own conscience. This condition should be accepted by all authorities who are decision makers not only for themselves but for other member of organisation and society.

Keywords

Ethical criteria, Crisis of values, Conscience as a criterion of decision making, Equilibrium as a universal principle,

References

- Karvaš, I.: Základy hospodárskej vedy, VEDA, Bratislava: 1999
Sedláček, T.: Ekonomie dobra a zla, vyd. 65. pole, Praha: 2009
Baťa, T.: Úvahy a prejavy, Institut řízení, Praha: 1990
Payne, J.: Odkud zlo, TRITON, Praha: 2005
Putnová, A.-Seknička, P.: Etické řízení ve firmě, Grada Publishing, a.s., Praha: 2007
Maslow, A. H. (1943). A theory of human motivation. Psychological Review, 50(4), 370-96
Kant, I.: Kritika praktického rozumu, SVOBODA, Praha: 1996

AUDITOR'S RESPONSIBILITY TO CONSIDER FRAUD IN AN AUDIT OF FINANCIAL STATEMENTS

Zuzana Kubaščíková - Renáta Stanley

Abstract

There exist misstatements in financial statements that can be intentional - fraud and unintentional - error. These misstatements are not guaranteed to be discovered by auditor either due to fraud or error as it is a natural limitation of the audit. Moreover, the risk of not detecting fraud is higher than the risk of not detecting error. In such case professional scepticism should be applied as given by the International Standard of Auditing (ISA) 240. It is the auditor's responsibility to create the auditor's report - a statement that frauds and errors do not significantly affect the true and fair view of the financial statements, including the consideration of fraud and error. The qualitative and quantitative aspect of recognized and unrecognized inaccuracies and the causes of fraud or error are also assessed by the auditor; however, it is company's responsibility to manage the internal audit system, including prevention against fraud. This paper not only analyzes the definitions given by the International Standard on Auditing (ISA) 240 related to fraud and error, but also evaluates the level of both, the auditor and management, responsibility to prevent and detect fraud.

Keywords

Ethical behaviour, Auditor's responsibility, Fraud, Accounting error

References

- FEE (2003) Discussion Paper on the Financial Reporting and Auditing Aspects of Corporate Governance [online]. Available at:
http://www2.accaglobal.com/archive/accounting_sustainability/archive/2003/13/publications/2787996
- Financial Statements SkyEurope [online]. Available at:
<https://portal.justice.sk/PortalApp/ObchodnyVestnik>
- Financial Statements Horizont Slovakia [online]. Available at:
<https://portal.justice.sk/PortalApp/ObchodnyVestnik>
- IAASB: ISA 200 Objective and General Principles Governing an audit of Financial Statements [online]. Available at: <http://ifac.org>
- IAASB: ISA 240 The Auditor's Responsibility to Consider Fraud in an Audit of Financial Statements [online]. Available at: <http://ifac.org>
- IASB. (2009) International financial reporting standards. ISA 1 Presentation of Financial Statements IFRS. London : IASB. 2009. p. 1462
- Schilit, H. - Perler, P. (2010) Financial Shenanigans: How to Detect Accounting Gimmicks & Fraud in Financial Reports. New York : McGraw-Hill, p. 304.
- Ward, G. (2005) Restoring Credibility in the Profession and Financial Reporting, IFAC

Wells, J. T. (2001) „Enemies Within - Asset misappropriation comes in many forms.“ In Journal of Accountancy [online]. Available at:
<http://www.journalofaccountancy.com/Issues/2001/Dec/EnemiesWithin>
Wells, J. T. (2005) Principles of Fraud Examination. ACFE. Hoboken: Wiley, p.401
Wilkinson, J., Baral, D. (2004) „Economic Crime: Beyond the Financial Costs“
PricewaterhouseCoopers [online]. Available at:
<http://www.pwc.com/extweb/newcolt.nsf/docid/0370474F8B11EF3585256E450058BC5B>

BUSINESS ETHICS IN THE CONTEXT OF MACRO- AND MESO- LEVEL INTERACTION

Branislav Lajoš - Kristína Urbančíková

Abstract

Presented paper examines the perception of business ethics in the public and private sector. Firstly, we wanted to know what differences are in the implementation of codes of ethics in private and public sphere. That is why we provide a short overview of literature dealing with this topic. Subsequently we describe the main factors influencing the process of ethical decision making in organizations in general. Based on previous research, it is clear to us, those formal ethical structures, e.g. Codes of ethics, Ethical ombudsman, Ethic committee etc. do not mean a higher possibility that employees' performance will be more ethical. Despite this fact it was important to find out what the situation is in the application of ethical structures in organizations. We identified several surveys in the private sector which were carried out by renowned organizations, so we focused on the situation in the public sector.

We also study the codes of ethics in public sphere in Slovakia comparing it with those in Switzerland. Comparing the codes of ethics for civil service shows the diversity in composition and binding codes of the Slovak republic and Switzerland.

The last part of this paper proposes some ideas of how the ethical behaviour could improve in both the public and private sector.

Keywords

Business ethics, Codes of ethics, Public sector, Private sector

References

- Bundespersonalgesetz 172.220.1 from 24. March 2000 (Status on 1. July 2013)
Bundespersonalverordnung 172.220.111.3 from 3.July 2001 (Status on 1. July 2013)
Cleek, M.A. and Leonard, S.L. (1998), "Can corporate codes of ethics influence behavior?", *Journal of Business Ethics* 17 (6), pp.619-630.
Dubcova, G. (2013), "Actual Trends in Theory and in Practice of the International Business Ethics", *Ekonomika a management* [Online] 2013 (1) Available at: <http://www.vse.cz/eam/cislo.php?cislo=1&rocnik=2013> [Accessed: 15.July 2013]
Dytrt, Z. et al. (2011), *Business Ethics in Questions and Answers*, Juraj Štefán - GEORG, Žilina.
Ferrell, O.C. and Gresham, L.B. (1985), "A Contingency Framework for Understanding Ethical Decision-making in Marketing" , *Journal of Marketing*, 49 (Summer), pp. 87-96 .
Kaptein, N. (2011), "Toward Effective Codes: Testing the Relationship with Unethical Behavior", *Journal of Business Ethics* 99 (2), pp.233-251.
Klicperova, M. (1998), "Is there a post-totalitarian syndrome?", *Ceskoslovenska psychologie*, 42 (4), pp.342-350.

McDonald, G. and Nijhof, A. (1999), "Beyond Codes of Ethics: An integrated Framework for Stimulating Morally Responsible Behavior in Organizations", *Leadership and Organization Development Journal*, 20 (3), pp.133-146.

OECD (2013), "Annex A. Recommendation of the Council on improving ethical conduct in the public service including principles for managing ethics in the public service (1998)", in *OECD Integrity Review of Tunisia: The Public Sector Framework*, OECD Publishing. [online] Available at: <http://dx.doi.org/10.1787/9789264194175-7-en> [Accessed: 10.July 2013]

OECD (2010), "Annex 5.A3. Ethical Guidelines for the Public Service", in *Post-Public Employment: Good Practices for Preventing Conflict of Interest*, OECD Publishing. [online] Available at: <http://dx.doi.org/10.1787/9789264056701-11-en> [Accessed: 10.July 2013]

Remišová, A. (2011), *Etika a ekonomika*, 3.vyd., Kaligram, Bratislava.

Schwartz, M.S. (2004), "Effective Corporate Code of Ethics: Perceptions of Code Users", *Journal of Business Ethics* 55 (4), pp.321-341.

Surveillance (2009), *2009 Fraud Survey in Organizations in Slovakia*. [Online]. Available at: <http://www.surveillance.com/sk/na-stiahnutie.html> [Accessed: 15 July 2013].

Surveillance (2011), *2011 Fraud Survey in Organizations in Czech republic and Slovakia*. [Online]. Available at: <http://www.surveillance.com/sk/na-stiahnutie.html> [Accessed: 15 July 2013].

Svensson G. and Wood, G. (2011) "A conceptual framework of corporate and business ethics across organizations: Structures, processes and performance", *Learning Organization*, 18 (1), pp.21 - 35.

Svensson G. - Wood, G. - Callaghan, M. (2009) "Cross-sector organizational engagement with ethics: a comparison between private sector companies and public sector entities of Sweden", *Corporate Governance*, Vol. 9 Iss: 3, pp.283 - 297

Vašečka, M. (2007), *Sociologické aspekty korupcie*, Adin,s.r.o, Bratislava.

Verhaltenskodex des Bundesverwaltung 2012, Eidgenössisches Personalamt EPA [online] Available at: <http://www.epa.admin.ch/dienstleistungen/publikationen/?lang=de> [Accessed: 10.July 2013]

Zákon 312/2001 Z.z. o štátnej službe a o zmene a doplnení niektorých zákonov (Status on 31. October 2009.

Zákon 400/2009 Z.z. o štátnej službe a o zmene a doplnení niektorých zákonov (Status on 01. August 2013)

REGULATION, PROFESSIONAL COMPETENCY AND QUALITY OF SERVICES PROVIDED BY ACCOUNTANTS: LESSONS LEARNED FROM THE SLOVAK CHANGES AFTER 1989

František Maděra

Abstract

Unlike the profession of auditor or tax consultant, the profession of accountant has not undergone any substantial changes in Slovakia since 1989 (after the fall of the communist regime). It has been reflected in a generally low status of the profession as well as in the reduced quality of services provided by a number of accountants. We see the main reasons in insufficient statutory regulation of the profession, de facto in the non-existing control of accounting in small accounting entities, and thus in a lack of reflecting the follow-up to the function of accounting of the socialistic centrally planned economy. We also propose some measures to correct the current unacceptable conditions, such as statutory regulation of the profession, an obligation for all accountants to be certified, or an emphasis on compliance with the ethical standards of the profession. We assume that the long-term fixation of the current adverse situation would be "a time bomb" that could be destructive especially for many small accounting entities using the services of non-professionals. As the paper points out the tools and procedures to change this unfavourable situation are already available and Slovakia can serve as an inspiration to other countries with similar problems.

Keywords

Ethical behaviour, Profession regulation of accountants; Professional competency; Quality of accounting services

References

Acts of the Federal Assembly of the Czechoslovak Federal Republic
173/1988 Coll. on undertakings with foreign property interest;
105/1990 Coll. on private business of citizens;
111/1990 Coll. on state enterprises; 455/1991 Coll. Small Business Act;
513/1991 Coll. Commercial Code; 563/1991 Coll. on accounting
Acts of the Slovak National Council
73/1992 Coll. on auditors and on the Slovak Chamber of Auditors;
78/1992 Coll. on tax consultants and on the Slovak Chamber of Tax Consultants
Acts of the National Council of the Slovak Republic
431/2002 Coll. on accounting; 466/2002 Coll. on auditors and on the Slovak Chamber of Auditors; 540/2007 Coll. on auditors, audits and surveillance over the performance of audits and on amending Act 431/2002 Coll. on accounting

BENČÍK, P (2001) Certifikácia účtovníkov naberá na obrátkach, In: Týždenník Trend. 21. 02. 2001. (Accessed 2013-07-10). <<http://www.etrend.sk/trend-archiv/rok-/cislo-Február/certifikacia-uctovnikov-nabera-na-obratkach.html>>

CFOworld, (2013) (Accessed 2013-07-01) <<http://cfoworld.cz/financni-sluzby/alice-sramkova-kcu-certifikovani-ucetni-jsou-auditorum-partnery-2081>>

Decree of the Federal Finance Ministry of the Czechoslovak Federal Republic 63/1990 Coll. on certifiers

Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 of statutory audits of annual accounts and consolidated accounts amending Council Directive 78/660/EEC and 83/349/EEC and repealing Council Directive 84/253/EEC

Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC

IFAC, (2013)

a/ Handbook of the Code of Ethics for Professional Accountants (2012) (Accessed 2013-07-09). <<http://www.ifac.org/publications-resources/2012-handbook-code-ethics-professional-accountants>>

b/ IAESB - IES, (Accessed 2013-07-20). <<http://www.ifac.org/education/publications-resources>>

c/ ISA 402, (2009) (Accessed 2013-07-09). <<http://www.ifac.org/sites/default/files/publications/files/A021%202012%20IAASB%20Handbook%20ISA%20402.pdf>>

d/ ISAE 3402, (2011) (Accessed 2013-07-11). <<http://www.ifac.org/sites/default/files/downloads/b014-2010-iaasb-handbook-isae-3402.pdf>>

e/ ISQC 1, (2009) (Accessed 2013-07-20). <<http://www.ifac.org/sites/default/files/downloads/a007-2010-iaasb-handbook-isqc-1.pdf>>

f/ ISRS 4410, (2013) (Accessed 2013-07-2011). <[http://www.ifac.org/sites/default/files/publications/files/B012%202012%20IAASB%20Handbook%20ISRS%204410%20\(revised\).pdf](http://www.ifac.org/sites/default/files/publications/files/B012%202012%20IAASB%20Handbook%20ISRS%204410%20(revised).pdf)>

Institut certifikace účetních, (2013) Informace o Systému certifikace účetních v ČR. Informační brožura certifikace. (Accessed 2013-07-14). <<http://www.icu-praha.cz/certifikace/informacni-brozura>>

Pravda, (2013)

a/ Slovenské firmy ignorujú zbierku listín. (Accessed 2013-07-11). <<http://spravy.pravda.sk/ekonomika/clanok/197829-slovenske-firmy-ignoruju-zbierku-listin/>>

b/ Štát testuje nový register účtovných závierok. (Accessed 2013-07-01). <<http://debata.pravda.sk/debata/281267-stat-testuje-novy-register-uctovnych-zavierok/>>

Regulation (EC) No 451/2008 of the European Parliament and of the Council of 23 April 2008 establishing a new statistical classification of products by activity (CPA) and repealing Council Regulation (EEC) No 3696/93

SKAU, (2013) Webpage of the Slovak Chamber of Auditors. (Accessed 2013-07-01). <<http://www.skau.sk/>>

SKCÚ, (2013)

a/ Systém certifikácie. (Accessed 2013-07-01). <http://www.skcu.sk/certifikacia_na_tlac_2.pdf>

b/ Projekt certifikácie profesie účtovník v Slovenskej republike. (Accessed 2013-07-01). <<http://www.projektcertifikacie.sk/ciele-a-koncepcia/>>

c/ Zoznam certifikovaných účtovníkov. Aktuálny stav k 15. 2. 2012. (Accessed 2013-07-09). <<http://www.projektcertifikacie.sk/zoznam-cert-uctovnikov/>>

d/ Zoznam členov. (Accessed 2013-07-01). <<http://www.skcu.sk/>>

e/ Etický kódex Slovenskej komory certifikovaných účtovníkov. In: Vnútorné predpisy slovenskej komory certifikovaných účtovníkov. (Accessed 2013-07-01). <<http://www.skcu.sk/SKCUstanovy.doc>>
SKDP, (2013)

a/ Webpage of the Slovak Chamber of Tax Consultants. (Accessed 2013-07-07). <<http://www.skdp.sk/>>

b/ Vyhľadávanie daňových poradcov. (Accessed 2013-07-09). <<http://www.skdp.sk/webnew/main.nsf/dpsearch?ReadForm>>

ŠLOSÁR, R (2008) Dejiny účtovníctva na Slovensku. Bratislava, IURA EDITION, 2008. 234 s., ISBN 978-80-8078-227-6

TA3, (2013) Host' v štúdiu: O Baláž o nových pravidlách auditov pre firmy. Televízna relácia TA3 z 26. 6. 2013. (Accessed 2013-07-08). <<http://www.ta3.com/clanok/1022332/host-v-studiu-o-balaz-o-novych-pravidlach-auditov-pre-firmy.html>>

Transparency International, (2013), (Accessed 2013-07-09). <<http://www.transparency.org/cpi2012/results>>

UDVA, (2013) Zoznam audítorov. (Accessed 2013-07-12). <http://www.udva.sk/index.php?option=com_content&view=article&id=25&Itemid=34>

Zákony pre ľudí, (2013), (Accessed 2013-07-19). <<http://www.zakonypreludi.sk/>>

ETHICS AS THE PRESUMPTION OF THE FINANCIAL STABILITY AND DEVELOPMENT OF THE NON-PROFIT ORGANIZATION

Majdúchová Helena - Gajdová Denisa

Abstract

Non-profit organizations enforce some ethical values and principles, however, they often lack to bring them out to the wide audience accurately and comprehensively. However, having these principles consistent, stable and transparent is vital, especially in the financial area. Such principles of efficiency and productivity help then support the creation of the donor base. For that reason the ethical principle of effectiveness and productivity measurement should be an inevitable part of every organization, including that of non-profit organization. Effectiveness of every non-profit organization has always two dimensions: the ethical dimension and social dimension. That is why the looking at the effectiveness only as on the economical term will certainly makes serious mistakes. The basic requirement on understanding differences between individual types of NPO organizations is the basic knowledge and understanding of their activity outcomes. The common character of a such organizations makes impossibility to distribute profits on behalf of investors and need to remain some part of their incomes from various public resources. The differences among NPO themselves brings variability in measurement of effectiveness in these organizations then.

Keywords

Financial stability, Effectiveness, Financing, Business ethics

References

- Balážová, E. (2006), *Benchmarking služieb verejnej samosprávy na Slovensku*. 1st Edition. Transparency International Slovakia. Adin, s.r.o. Bratislava, pp. 146
- Herman, R. D.; Heimovics, R. D. (1996), "Board practices and board effectiveness in local nonprofit organizations", *Nonprofit Management*. Volume 7, Number 4, pp. 373-385.
- Herman, R.D.; Renz, D.O. (2004), "Doing things right: Effectiveness in local nonprofit organizations, a panel study", *Public Administration Review*, 64(6), 694-703, (<http://ebookbrowse.com/nonprofit-organizational-effectiveness-january-2007-pdf-d20050483>, 3rd May 2012)
- Jeavons, T. H. (2005), "Ethical nonprofit Management" *The JOSSEY - BASS Handbook of Nonprofit Leadership and Management*, 2nd ed. Edited by Robert D. Herman and associates, San Francisco. pp. 204-229.
- Majdúchová, H. (2011), "Efektívnosť činnosti neziskovej organizácie" *Manažment podnikania a vecí verejných*, Volume 2011, Number 1, pp. 188-194

Novotný, J. et al. (2008), Faktory úspěchu nestátních neziskových organizací. 1st Edition. Oeconomica. VŠE, Prague , pp.223
Ochrana, F. (2005). Nákladově užitkové metody ve veřejném sektoru. Ekopress. Prague., pp 175.
Schmidt, E. (2004) How Ethical Is Your Nonprofit Organization? (www.guidestar.org/news/features/ethics.jsp, 2nd April 2013)
University of Cambridge (2010), The brief Guide of Value for Money (<http://www.admin.cam.ac.uk/offices/secretariat/vfm/guide.html>, 17th May 2013)

Other resources

Own research work

Acknowledgment

The article was supported by the research project VEGA No.1/0980/12.

ETHICS IN THE INSURANCE SECTOR OF THE SLOVAK REPUBLIC

Jitka Meluchová

Abstract

Insurance companies within the financial sector should guarantee financial stability and certainty for their customers as their business aim is to provide insured entity with protection against the risks and uncertainty that threaten them. Because of this it is important to create legislative and ethical environment with effective control mechanism that will be trustful and where the question of morality and ethic will be perceived with the highest responsibility. Also the basic question of „how to keep competitiveness of insurance company and at the same time act ethically within the business environment?“ should be resolved. The current global economic situation has also its positives: Ethics has grown and has gained more attention in general, therefore the application of the ethical principles in the insurance sector seems to be the only possible way to achieve its long-term prosperity and economic growth in Slovak Republic, European Union and around the world. Ethics plays a significant role.

Keywords

Business ethics, Insurance sector, Corporate social responsibility, Ethical conduct

References

- Hanulakova, E. (1996), *Ethics in marketing*, EUROUNION, Bratislava.
- Hornak, P. Sevcak, L. (2000), *Ethics in advertising*, SOSPra, Bratislava.
- Hvozdarova, J. (2008), „The application of ethical principles in accounting and auditing“, in *Proceedings of the Conference, Ekonom*, Bratislava, Number 6, p. 9-13.
- Chovan, P. (2000), *Theory and Practice of Insurance*, Suvaha, Bratislava.
- Janotova, H. et al. (2005), *Professional ethics*, Eurolex Bohemia, Praha.
- McElhaney, K.A. (2011), *Good business*, Eastone Books, Bratislava.
- Meluchova, J. (2008), *Ethics of insurance and insurance broker*, „“, in *Proceedings of the Conference, Ekonom*, Bratislava, Number 6, p. 87-91.
- Ondrejškova, A. (2001), *Professional ethics*, Faculty of Humanities, Matej Bel University, Banská Bystrica.
- Pavelka, L. (2007), *Corporate social responsibility and ethics versus profit*, in „Eurobiznis“, Number 4, p. 32-33.
- Polakova, E. (2006), *Media competence. Introduction to the issue of media responsibility*. Volume I. FMK UCM in Trnava, Trnava.
- Polakova, E. (2008), *Ethics - Practical Philosophy Mass Media*, FMK UCM in Trnava, Trnava.
- Putnova, A., Seknicka, P. (2007), *Ethical management in business*, Grada Publishing, Praha.
- Remisova, A. (2010), *Media ethics*. KALLIGRAM, Bratislava.

Act No. 8 /2008 Coll. on Insurance (accessed 2013-06-13).

Act No. 186 /2009 Coll. on Financial Mediation and Financial Advisory Supervision (accessed 2013-06-12).

Act No. 297/2008 Coll. z. protection against the laundering of proceeds from crime and terrorist financing and on amendments to certain laws (accessed 2013-06-13).

Bennett, J. Multinational Corporations, Social Responsibility and Conflict. <http://miha.ef.uni-lj.si/_dokumenti3plus2/192804/Class_6_reading_-_Bennett.pdf> (accessed 2013-06-05).

Biscaccianti, Alessandro (2003), Business Ethics and Profit: The Impact of Corporate Social Responsibility Programs on Corporate Strategic Planning, Groupe Esc Dijon Bourgogne, <http://it.mesce.ac.in/downloads/ProfessionalEthics/biscaccianti.pdf> (accessed 2013-06-12).

Code of Ethics AFISP <<http://www.afisp.sk/sk/menu/eticky-kodex>> (accessed 2013-07-06).

Code of Ethics Universal brokerage house <<http://www.universalsk.sk/universal/eticky-kodex>> (accessed 2013-07-07).

Code of Ethics of Insurance Intermediaries, <http://www.sasp.sk/userfiles/Kodex_etiky_SASP.doc> (accessed 2013-06-06).

Code of the Slovak Society of Actuaries member, <<http://www.aktuar.sk/?lg=1&s=17>> (accessed 2013-07-06).

Directive of the European Parliament and of the Council 2009/138/ES the taking up and pursuit of Insurance and Reinsurance (Solvency II - recast), EU Official Journal. L 335/1, <<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:335:0001:0155:en:pdf>> (accessed 2013-06-06).

Decree NBS 13/2008 on professional exam of Actuaries, <http://www.nbs.sk/_img/Documents/LEGS/2008/opat13-08.pdf> (accessed 2013-07-06).

Establishing Ethics for Insurance Professionals <<http://www.insurancejournal.com/magazines/features/2006/09/25/73123.htm>> (accessed 2013-07-06).

Ethical Code of the Generali Group <http://www.generali.sk/files/o_nas/generali_eticky-kodex.pdf> (accessed 2013-07-06).

Ethics in insurance <<https://www.myceisonline.com/courses/ethicsInIns/book.pdf>> (accessed 2013-07-11).

Ethics in The Insurance Sector. <http://www.4shared.com/office/r1j773p6/Ethics_in_The_Insurance_Sector.html> (accessed 2013-07-06).

European System of Financial Supervisors <http://ec.europa.eu/internal_market/finances/committees/> (accessed 2013-07-12)

Friedman, Milton (1970), The Social Responsibility of Business is to Increase its Profits, New York Times Magazine, <www.umich.edu/~thecore/doc/Friedman.pdf> (accessed 2013-07-06).

Haluskova, E.: Program combating money laundering activities, <<http://www.epi.sk/Main/Default.aspx?Template=~Main/TArticles.ascx&phContent=~Main/ArticleShow.ascx&ArtID=7049&LngID=0>> (accessed 2013-02-06).

Hooker, J. (1996), Toward Professional Ethics in Business, <<http://repository.cmu.edu/tepper/184/>> (accessed 2013-06-06).

Insurance a unique sector. Why insurers differ from banks. Executive summary. © CEA aisbl. Brussels, June 2010. <www.fenaseg.org.br/.../FileDownload.EZT5vc.as...> (accessed 2013-23-05).

Insurance Code of Ethics, <http://www.slaspo.sk/tmp/asset_cache/link/0000013817/200312%20K%F3dex%20etiky.pdf> (accessed 2013-06-09).

National Bank of Slovakia: Analysis of the Slovak Financial Sector. <http://www.nbs.sk/_img/Documents/_Dohlad/ORM/Analyzy/protected/AnalyzaSFS2012.pdf> (accessed 2013-07-12).

NBS - objectives and tasks of supervision of supervised entities of financial market in the Slovak Republic <<http://www.nbs.sk/sk/dohlad-nad-financnym-trhom>> (accessed 2013-07-06).

Slovak Insurance Association <<http://www.slaspo.sk/13061>> (accessed 2013-07-11).

The structure of the insurance market, (2008), SAP, <<http://www.slaspo.sk/13079>> (accessed 2013-06-01).

TAXATION AND ETHICS, THE LIMITS OF LEGISLATION TO TACKLE TAX AVOIDANCE - SOME THOUGHTS FROM A LAWYER

Thierry Obrist

Abstract

After a succinct definition of what is an ethical or moral tax behavior, the author presents why in his opinion current legislations have limits impeding them to tackle efficiently tax avoidance. Afterwards he makes a survey of existing literature and researches made on tax ethics and established that two different types of criteria have an impact on tax ethics: criteria linked to the taxpayers' personality and criteria linked to the tax system (understood as the organizational and legal system of a defined state). He concludes by establishing that the latter group of criteria is easier to manipulate than the first and gives some ideas on how to increase tax ethics.

Keywords

Ethics, Morality, Taxation, Tax mitigation, Tax evasion, Tax avoidance, Fair share of tax, Corporate responsibility

References

- Allingham Michael and Sandmo Agnar, *Income Tax Evasion : a Theoretical Analysis*; journal of Public Economics 1, 1972, p. 323- 338
- Baker Philip, *Tax Avoidance, Tax Evasion and Tax Mitigation*, http://www.taxbar.com/documents/Tax_Avoidance_Tax_MitigationPhilip_Baker.pdf
- Daude Christian, Gutiérrez Hamlet and Melguizo Ángel, *What drives tax morale?*, OECD Development center, Working Paper No 315, 2012
- Feld Lars and Frey Bruno, *Tax Evasion in Switzerland : Deterrence and Tax Morale*, (April 2006) Institute for Empirical Research in Economics, University of Zurich, Working Paper Series, Working Paper No. 284 Available at SSRN: <http://ssrn.com/abstract=900351> or <http://dx.doi.org/10.2139/ssrn.900351>
- Finnerty Chris, Merks Paulus, Petriccione Mario and Russo Raffaele, *Fundamentals of International Tax Planning*, IBFD, Amsterdam 2007
- Frey Bruno and Torgler Benno, *Tax Morale and Conditional Cooperation*, *Journal of Comparative Economics* 35 (2007), p. 136-159
- Longstaff Simon, *Is it Ethical to Minimise the Tax You Pay ?* *Living Ethics*; issue 69 spring 2007
- Markharn Anthony and Ver Elst Dalila, *Ethics and Compliance in Tax Planning, A Debate*, in *Tax Notes International*, August 5 2013, p. 539 et seq.
- Mc Gee Robert, *The Ethics of Tax Evasion: a Survey of International Business Academics*, 2006
- McGee Robert (ed.), *The Ethics of Tax Wvasion: Perspectives in Theory and Practice*, 2012 (quoted McGee, 2012)
- McGee Robert, *Religion and the Ethics of Tax Evasion*, in McGee Robert (ed.) *The Ethics of Tax Evasion: Perspectives in Theory and Practice*, 2012, 471 et seq (quoted Mc Gee, 2012a)

Mc Gee Robert, Age and the Ethics of Tax Evasion, McGee Robert (ed.), *The Ethics of Tax Evasion: Perspectives in Theory and Practice*, 2012, p. 441- 449 (quoted Mc Gee, 2012b)

Mc Gee Robert, Marital Status and the Ethics of Tax Evasion, McGee Robert (ed.), *The Ethics of Tax Evasion: Perspectives in Theory and Practice*, 2012, 475-484 quoted Mc Gee, 2012c)

Morales Alfonso, Income Tax Compliance and Alternative Views of Ethics and Human Nature, in *Journal of Accounting, Ethics & Public Policy*, Vol. 1, No 3 (summer, 1998), p. 380-399

OECD (2013), *Addressing Base Erosion and Profit Shifting*, OECD Publishing, <http://dx.doi.org/10.1787/9789264192744-en>

OECD 2011, Report called "Tackling Aggressive Tax Planning through Improved Transparency and Disclosure"

Ross, Adriana M., Education Level and Ethical Attitude Toward Tax Evasion: a Six-Country Study, *Journal of Legal, Ethical and Regulatory Issues*, Vol. 15 Num. 2, Avril 2012

Thuronyi Victor, *Comparative Tax Law*, Kluwer Law International, The Hague / London / New York, 2003 (quoted Thuronyi 2003)

Wüthrich R., Switzerland, *European Taxation*, 2001, p. 575-587

„THE ROLE OF TRUST AND MISTRUST IN THE CREATION OF ETHICAL SOCIETY.“ CASES OF POST-SOCIALIST WEALTHY ELITES IN PRIVATE BANKING

Lucia Orvicka

Abstract

After analysing the trust and mistrust within the wealthy and financial circles of private banking in Central-Eastern Europe it is observed that there exists institutional mistrust within local society which encourages the need for personal trust, supports corruption and unethical environment. This institutional mistrust in post-communist countries was inherited from the past and it is being slowly replaced by institutional trust in the public, corporate and non-profit sector. The level of institutional trust would be increased by building of a more efficient society in CEE which would contain sustainable well-being for all entities, social groups and elements.

Keywords

Ethical society, Mistrust, Trust, Business ethics

References

- GIORDANO CHRISTIAN 2006. "Appropriating the Common Good by Personalizing Social Relationships - Acquaintances, Client System and Corruption in Low Trust Societies, European Journal of Law Reform, Vol. VI" no. " , pp xx-xx.
- HANSON, ALLAN 2004(a). "The New Superorganic". *Current Anthropology* 45: 467-482
- LUHMANN NIKLAS 2006. "La confiance : Un mécanisme de réduction de la complexité sociale". Ed.Economica (pour la traduction française).
- LUHMANN, NIKLAS 1979. "Trust and Power. " Chichester : Wiley
- LUHMANN, NIKLAS 1988. "Familiarity, confidence, trust : problems and alternatives. " In D.Gambetta (ed.), *Trust : Making and breaking cooperative relations*, Oxford, Basil Blackwell, 94-107.
- MISZTAL BARBARA A. 1996. "Trust in the Modern Societies - The search for the bases of Social order". Polity Press.
- TORSELLO DAVIDE 2003. *Trust, Property and. Social Change in a Southern Slovakian. Village.* Münster, LIT Verlag
- SALVERDA TIJO 2010. *Sugar, sea and power: how Franco-Mauritians balance continuity and creeping decline of their elite position.* Thesis (PhD). VU University Amsterdam.
- <http://en.wikipedia.org/wiki/Mistrust>

OUTSOURCING AND ITS IMPORTANCE ON BUSINESS PERFORMANCE

Marek Potkány - Gabriel Giertl

Abstract

The article does a partial research on a topic of functional and design parameters for the evaluation of economic effectiveness of outsourcing in wood processing companies in Slovakia. It is possible to explain the term outsourcing as the acronym consisting of three english words outside resource using and it means a transfer of internal business activities or a group of similar activities and assets to an external producer or provider of services who is able to offer required service on agreed date and price. It presents the methodology of outsourcing implementation and evaluates its economic efficiency and influence on enterprise financial performance. The integration of corporate practices and values, including interests of all stakeholders, consumers, employees, investors, environment is important for the business performance. The correct use of the presented method and determining the potential cost cuttings can also improve company's performance. When determining outsourcing efficiency, it is essential to distinguish among the different parameters.

Keywords

Corporate social responsibility, Outsourcing, Business performance, Stakeholders, Ethical conduct

References

- Anderson, S.P., Loertscher, S., Schneider, Y. The ABC of complementary products mergers. In: *Economics Letters*, Vol. 106, Issue 3, 2010, pages 212-215, ISSN 0165-1765.
- Aronsson, T., Koskela, E. Outsourcing and optimal nonlinear taxation: A note. In: *Economics Letters*, Vol. 102, Issue 2, 2009, pages 135-137, ISSN 0165-1765.
- Aubert, B.A., Rivard, S., Patry, M. A transaction cost approach to outsourcing behaviour: Some empirical evidence. In: *Information & Management*, Vol. 30, Issue 2, 1996, pages 51-64. ISSN 0378-7206.
- DRURY, C. *Management and Cost Accounting*, Fifth edition, ThomsonLearning 2001, ISBN 1-86152-536-2.
- DVOŘÁČEK, J. *Reasons of outsourcing*, Bratislava: EU Bratislava, 2005. ISBN 80-225-2066-7. p. 35-38.
- HUNTER, I., SAUNDERS, J., BOROUGHS, A., CONSTANCE, S. *Human Resources Business Partners*. Gower: Gower Publishing Limited, 2008, ISBN 978-0-566-08625-5-0.
- KAMPF, R. et al. *Outsourcing of transport logistic processes*, Brno: Tribune EU s.r.o., 2008. ISBN 978-80-7399-437-2.
- Lee, I., Shin, J. Real exchange rate dynamics in the presence of non-traded goods and transaction costs. In: *Economics Letters*, Vol. 106, Issue 3, 2010, pages 216-218, ISSN 0165-1765.

Potkány, M. Outsourcing in woodworking industry in Slovakia, Zvolen: TU Zvolen, 2011, ISBN 978-80-228-2194-0.

Rainborn, C.A., Butler J.B., Massoud, M.F. Outsourcing support functions: Identifying and managing the good, the bad and the ugly. In: Business Horizons, Vol. 52, Issue 4, 2009, pages 347-356. ISSN 0007-6813.

Tate, W.L., Ellram, L.M., Bals, L., Hartmann, E. Offshore outsourcing of services: An evolutionary perspective. In: International Journal of Production Economics, Vol. 120, Issue 2, 2009, pages 512-524. ISSN 0925-5273.

TEPLICKÁ, K. Moderné trendy v manažérskom účtovníctve. Košice: TU Košice, 2012, ISBN 978-80-553-0916-3.

ETHICAL PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS SHOULD BE THE FOUNDING STONES OF ANY FINANCIAL REPORTING FRAMEWORK

Jan Sapara

Abstract

Various types of accounting and virtual gains exist only in accounting books. Such gains together with optimistic estimates cause the improving effects in the financial statements. Traditional accounting principles have not found their way to the IFRSs Framework anymore. Regulations constitute equity can be distributed as an only one "true" number, regardless of its source. As a result, there is a risk of a distribution of the false surplus, which widens the gap between the rich and the poor. On an ethical level (but not necessary in a contradiction with law), the money generated by the distribution of the false surplus represent values arising from trickery and oppression. Because of this, an urgent need for scientific research to determine new rules for the recognition of amounts in the financial statements has risen. The key points for such kind of search for new rules should be: conservatism, reporting of financial data based on intervals, preference for physical concept of capital maintenance, reporting of non-financial indicators in entities and their charitable activities.

Keywords

Ethical principles, Accounting and virtual gains, False wealth surplus, Moral oppression, Shadow financial indicators, Conservatism

References

- COMMISSION REGULATION (EC) No 1126/2008 of 3 November 2008 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council (consolidated version to 2012-06-09). [online]. [cit.15.05.2013]. Available online at: <<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32008R1126:EN:NOT>>.
- His Holiness the Dalai Lama (2001). Ethics for the new millennium. New York: The Berkley Publishing Group. ISBN: 1-57322-883-4.
- HUERTA DE SOTO (2009). Crisis: Failure of the reform of accounting. [online]. [cit. 15.05.2013]. Available online at: <<http://ekonomika.etrend.sk/svet/financna-kriz-a-zlyhanie-reformy-uctovnictva-2.html>>.
- IFRS Foundation (2010): The conceptual framework for financial reporting. London: IFRS Foundation. ISBN: 978-1-907026-69-0.

CONCEPT OF QUALITY CONTROLLING FOR SMALL AND MEDIUM-SIZE ENTERPRISES

Anna Šatanová

Abstract

The company in market economy is under great competitive pressure, which it is difficult to stand in without the quality financial and economic management. With the entry of foreign capital in our market is closely linked the influx of new knowledge concerning the management of the company.

The competition pressure on the European markets leads managers to the implementation of advanced approaches, analysis, planning, control and information systems and innovations of organizational structures. Controlling is one of the tools that can ensure to transform and to complete the information about the economic results into such version which is useful for management. The quality production is an important factor which increases the chances for small and medium-sized companies for the penetrating into foreign markets. Whereas the economic aspect of quality is important, it is the aim that quality has to be measurable, predictable and controllable variable. The controlling in the sphere of quality is called „quality controlling”.

The aim of this paper is the proposal of conception of quality controlling based on the specific conditions of corporate experiences of manufacturing small and medium sized enterprises in Slovak Republic.

Keywords

Corporate responsibility, Quality, controlling, Quality management, Economics of quality, Ethical conduct

References

- HOLÍKOVÁ, M. 2010. Možnosti uplatnenia controllingu kvality v podmienkach drevárskeho a nábytkárskeho priemyslu. Dissertation thesis, TU vo Zvolene, 2010, 126 p.
- NENADÁL, J. 2001. Meření v systémechmanagementujakosti. Praha: Management Press, 2001. p.12-217. ISBN 80-7261-054-6.
- SEDLIAČIKOVÁ, M. 2010. Uplatnenie controllingu pohľadávok v podniku drevárskeho priemyslu. In: Acta facultatisxylogologiae Zvolen: scientific magazine of Drevárska fakulta. Zvolen: Technická univerzita vo Zvolene, 2010. Roč. 52, č. 2 (2010). p. 99-109. ISSN 1336-3824.
- ŠATANOVÁ, A. 2001. Riadenie kvality. Zvolen: LSDV TU vo Zvolene, 2001. 155 p. ISBN 80-89029-16-7.
- ŠATANOVÁ, A. 2002. Manažment kvality. Zvolen: LSDV TU vo Zvolene, 2002. 183 p. ISBN 80-89029-60-4.
- ŠATANOVÁ, A. 2003. Spracovanie mapy procesov v podniku. In: Zborník z medzinárodnej vedeckej konferencie Ekonomika a manažment podnikov. DF TU Zvolen, 2003, p. 333-338. ISBN 80-969031-9-5.

INVESTING IN MUTUAL FUNDS IN THE CONTEXT OF EUROPEAN DIRECTIVES AND ETHICS OF FINANCIAL INTERMEDIARIES

Pavel Škriniar - Ľubica Foltínová

Abstract

The consequences of the actual financial crisis are seen in the form of reduced values of indices on financial markets and in the pursuit of increased regulation of the financial sector. MiFID (Markets in Financial Instruments Directive), PRIIPs (Packaged Retail Investment Products), CCD (Consumer Credit Directive), TD (Transparency Directive) and IMD (Insurance Mediation Directive) are the new or updated guidelines which should bring the features and functions of a particular financial product and therefore protect the consumer in financial services. Currently client on the market of financial products does not have adequate negotiating power, or have only to agree to the terms of financial institutions. It is assumed that the client knows the details of a financial product which they desire to buy and prevents the sale from the inappropriate financial product. The aim of the European directives is to reach a rational decision-making clients. Research shows that it will not be a question of a short time.

Keywords

Ethics of financial intermediaries, MiFID, Investing in mutual funds, Responsible Investment

References

- Miková, O., Bikár, M., Kmet'ko, M., (2009) Finančné investície = Financial investments, , EKONÓM, Bratislava, ISBN 978-80-225-2729-3
- Kmet'ko, M., (2005), Teoretické prístupy k hodnoteniu výkonnosti portfólia podielových fondov = Theoretical approaches to assessing the performance of portfolios of mutual funds, In Economics and management - scientific journal of the Faculty of Business Management, University of Economics, Bratislava, ISSN 1336-3301. - Number 1, page 18-30.
- Urbanová, S., (2013), Systémy dôchodkového zabezpečenia na Slovensku a vo svete = Pension systems in Slovakia and in the world, diploma thesis, University of Economics Bratislava, 104004/I/2013/2474469386
- Rumanovská, D., (2013), Príležitosti kolektívneho investovania na Slovensku a vo svete = Opportunities for collective investment in Slovakia and in the world, diploma thesis, University of Economics Bratislava, 104004/I/2013/1268504174
- Baláž, V., (2012), Finančná (ne)gramotnosť na Slovensku = Financial (in)literacy in Slovakia, 10th conference Collective Investment in Slovakia,
- Baláž V., Poklemba P., (2013), Na čo je dobrý investičný dotazník = For what is a good investment questionnaire, Financie v pohode, Number 3, page 13, ISSN 1339-2220
- http://ec.europa.eu/internal_market/securities/isd/; 15. 8. 2013

http://ec.europa.eu/internal_market/securities/isd/mifid/index_en.htm; 15. 8. 2013
http://www.pwc.com/en_GX/gx/financial-services/issues/regulation/mifid/assets/pwc-markets-in-financial-directives-ii.pdf; 15. 8. 2013 <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0656:FIN:EN:PDF>, 15. 8. 2013
<http://www.ass.sk>

ANALYSIS OF SELECTED ETHICAL PROBLEMS IN THE ACCOUNTING PROFESSIONS IN THE SLOVAK REPUBLIC BASED ON TAX-RELATED ASPECTS

Ľudovít Šrenkel - Marián Smorada - Lenka Kalusová - Simona Černá

Abstract

The aim of this paper is to answer questions related to the selected problems of accountants' ethics in the Slovak Republic. Based on the tax related aspects the research focuses on several ethical issues, such as motivation of taxpayers to tax avoidance, tax evasion, the accountants' attitude.

Almost all taxpayers from the Slovak Republic perform tax avoidance. Their motivation is not to give to the state more than is necessary. The predominant tendency in our environment is the legal tax optimization.

Illegal tax evasion is performed mainly by taxpayers with high income. Accountants usually warn their clients in case they notice possible tax evasion, but that is all they do. They justify their inactivity by arguing that the client himself/herself is responsible for his/her accountancy. In case of serious violation of tax laws they usually tend to terminate their cooperation with the client, but they do not report this to the appropriate authorities. In general, accountants are very careful in case of violation of legal standards by their clients. They prefer to lose their client to being a witness of illegal interference into his/her accountancy.

One of the main motivation factors of subjects that perform tax avoidance is their opinion that government uses its funds inefficiently. Therefore, many entrepreneurs are frustrated and demotivated. The solution should be in the increase in government's transparency.

Keywords

Ethical conduct, Ethical problems, Tax avoidance, Accounting

References

- Duska, R. et al. (2011), *Accounting Ethics. Foundations of Business Ethics*. John Wiley & Sons, United Kingdom.
- Gill, M. (2009), *Accountants' Truth: Knowledge and Ethics in the Financial World*. Oxford University Press, United States of America.
- McGee, R. W. (2012), *The Ethics of Tax Evasion: Perspectives in Theory and Practice*. Springer Science+Business Media, United States of America. Available at: <http://www.slideshare.net/SpringerIndia/the-ethics-of-tax-evasion>, viewed 08.08.2013
- McPhail, K., Walters, D. (2009), *Accounting & Business Ethics*. Routledge, Canada. Available at: <http://priatakberistri.com/download/accounting/Accounting%20and%20Business%20Ethics%20An%20Introduction.pdf>, viewed 09.08.2013

Ronan, N. (2007), The Phenomenon of Tax Evasion. Available at: <http://www.redbubble.com/people/fiateuro/journal/388894-the-phenomenon-of-tax-evasion>, viewed 09.08.2013

Slovak Chamber of Certified Accountants (2013), Code of Ethics. Available at: http://www.skcu.sk/certifikacia_na_tlac_2.pdf, viewed 10.8.2013

Smith, K. T., Smith, L. M. (2003), Business and Accounting Ethics, on-line paper. Available at: <http://www.newlearner.com/courses/hts/bat4m/pdf/Business%20and%20Accounting%20Ethics.pdf>, viewed 08.08.2013

Taicu, M. (2010), "Ethics in management accounting", Scientific Bulletin - Economic Sciences, Vol. 9, Nr. 15, p. 93-98. Available at: <http://economic.upit.ro/repec/pdf/c4.pdf>, viewed 09.08.2013

WHAT IS THE IMPACT OF SUSTAINABILITY REPORTING IN THE FINANCIAL SERVICES INDUSTRY?

Aline Zingg - Gil Gomes Dos Santos - Gerald Reiner

Abstract

This paper investigates the relationship between voluntary sustainability reporting and the stock performance of financial firms. A multi-period event study is used to identify the abnormal return associated with the announcement of the publication of Global Reporting Initiative compliant reports. The findings suggest a negative effect on stock performance - implying that shareholder wealth decreases as a result of this announcement - although weakening over the years. Inspecting the days surrounding the announcement reveal that a negative reaction persists, the latter being simply delayed until after the event, hence hinting at a market disappointed by sustainability reports content. These results are used to discuss possible explanations, i.e., quality of the reports, market requirements are not fulfilled by the provided information (disappointment), increasing value of sustainability proactivity, etc.

Keywords

Corporate responsibility, Sustainability, Stock performance, Event study, Global Reporting Initiative

References

- Allouche, J. and Laroche, P. (2005), "Responsabilité Sociale et Performance Financière: Une Revue de Littérature", Colloque : La Responsabilité Sociale des Entreprises, Nancy.
- Argandoña, A. (2009), *Can corporate social responsibility help us understand the credit crisis?*, IESE Business School Working Paper (790).
- Aupperle, K.E., Carroll, A.B. and Hatfield, J.D. (1985), "An empirical examination of the relationship between corporate social responsibility and profitability", *Academy of Management Journal*, 28(2), pp. 446-463.
- Bacidore, J.M., Boquist, J.A., Milbourn, T.T., and Thakor, A.V. (1997), "The search for the best financial performance measure", *Financial Analysts Journal*, 53(3), pp. 11-20.
- Balabanis, G., Phillips, H.C. and Lyall, J. (1998), "Corporate Social Responsibility and Economic Performance in the Top British Companies: are they linked?", *European Business Review*, 98(1), pp. 25-44.
- Berry, M.A., Gallinger, G.W. and Henderson, G.V. (1990), "Using daily stock returns in event studies and the choice of parametric versus nonparametric test statistics", *Quarterly Journal of Business and Economics*, 29, pp. 70-85.
- Brammer, S., Brooks, C. and Pavelin, S. (2006), "Corporate social performance and stock returns: UK evidence from disaggregate measures", *Financial Management*, 35(3), pp. 97-116.
- Brown, S.J. and Warner, J.B. (1980), "Measuring Security Price Performance", *Journal of Financial Economics*, 8(3), pp. 205-258.

Brown, S.J. and Warner, J.B. (1985), "Using Daily Stock Returns: The Case of Event Studies", *Journal of Financial Economics*, 14(3), pp. 3-31.

Christmann, P. (2000), "Effect of 'best practices' of environmental management on cost advantage: the role of complementary assets", *Academy of Management Journal*, 43(4), pp. 663-680.

Clarkson, M.B.E. (1995), "A stakeholder framework for analyzing and evaluating corporate social performance", *Academy of Management Review*, 20(1), pp. 92-117.

De Jong, F. (2007), *Event Studies Methodology*, Lecture Notes, Tilburg University, pp. 1-44.

Eccles, R.G. and Krzus, M.P. (2010), *One report: Integrated reporting for a sustainable strategy*, John Wiley and Sons, Hoboken.

Emeseh, E., Ako, R.T., Okonmah, P. and Obokoh, L.O. (2009), "Corporations CSR and Self Regulation: What Lessons from the Global Financial Crisis?", *German Law Journal*, 11(2), pp. 230-259.

Fernández, B. and Souto, F. (2009), "Crisis and Corporate Social Responsibility: Threat or Opportunity?", *International Journal of Economic Sciences and Applied Research*, 2(1), pp. 36-50.

Fombrun, R.E., Gardberg, N. and Barnett, M. (2000), "Opportunity Platforms and Safety Nets: Corporate Citizenship and Reputational Risk", *Business and Society Review*, 105(2), pp. 230-259.

Freeman, E. (1984), *Strategic Management: A stakeholder Approach*, Pitman Publishing, Boston.

Friedman, M. (1970), "The Social Responsibility of Business is to Increase its Profits", *New York Times Magazine*.

Giannarakis, G. and Sariannidis, N. (2012), "The Role of Corporate Social Responsibility in an Unstable Environment: An Examination of Trends 2008-2010", *International Journal of Management*, 29(4), pp. 579-589.

Giannarakis, G. and Theotokas, I. (2011), "The effect of financial crisis in corporate social responsibility performance", *International Journal of Marketing Studies*, 3(1), pp. 2-10.

Godfrey, P.C. (2005), "The Relationship Between Corporate Philanthropy And Shareholder Wealth: A Risk Management Perspective", *Academy of Management Review*, 30(4), pp. 777-798.

Griffin, J.J. and Mahon, J.F. (1997), "The Corporate Social Performance and Corporate Financial Performance Debate: Twenty-Five Years of Incomparable Research", *Business and Society*, 36, pp. 5-31.

Guidry, R.P. and Patten, D.M. (2010), "Market reactions to the first-time issuance of corporate sustainability reports: Evidence that quality matters", *Sustainability Accounting, Management and Policy Journal*, 1(1), pp. 33-50.

Hart, S.L. and Milstein, M.B. (1999), "Global sustainability and the creative destruction of industries", *Sloan Management Review*, 41(1), pp. 23-33.

Hassel, L., Nilsson, H. and Nyquist, S. (2005), "The value relevance of environmental performance", *European Accounting Review*, 14(1), pp. 41-61.

Hedberg, C.-J. and von Malmborg, M. (2003), "The Global Reporting Initiative and corporate sustainability reporting Swedish companies", *Corporate Social Responsibility and Environmental Management*, 10(3), pp. 153-164.

Henderson, G.V., Jr. (1990), "Problems and solutions in conducting event studies", *The Journal of Risk and Insurance*, 57(2), pp. 282-306.

Hendricks, K.B., and Singhal, V.R. (2008), "The effect of supply chain disruptions on shareholder value", *Total Quality Management*, 19(7-8), pp. 777-791.

International Monetary Fund (2009), *World Economic Outlook: Crisis and Recovery*, Washington.

Jackson, T. (2009), *Prosperity Without Growth: The Transition to a Sustainable Economy*, Sustainable Development Commission, London.

Jacob, C.K. (2012), "The impact of Financial Crisis on Corporate Social Responsibility and Its Implications for Reputation Risk Management", *Journal of Management and Sustainability*, 2(2), pp. 259-275.

Jaffe, A.B., Peterson, S.R. and Portney, P.R. (1995), "Environmental Regulation and the Competitiveness of U.S. Manufacturing: What Does the Evidence Tell Us?", *Journal of Economic Literature*, 33(1), pp. 132-163.

Jin, K.G., Drozdenko, R. and DeLoughy, S. (2013), "The role of corporate value clusters in ethics, social responsibility, and performance: a study of financial professionals and implications for the financial meltdown", *Journal of Business Ethics*, 112(1), pp. 15-24.

Jones, S., Frost, G., Loftus, J. and Van Der Laan, S. (2007), "An Empirical Examination of the Market Returns and Financial Performance of Entities Engaged in Sustainability Reporting", *Australian Accounting Review*, 17, pp. 78-87.

Keohane, J. (2010), "How facts backfire: Researcher discover a surprising threat to democracy: our brains", Retrieved 21.07.13, http://www.boston.com/bostonglobe/ideas/articles/2010/07/11/how_facts_backfire/?page=2

Kytle, B. and Ruggie, J.G. (2005), *Corporate Social Responsibility as Risk Management: A Model for Multinationals*, John F. Kennedy School of Government, Harvard University.

Lackmann, J., Ernstberger, J. and Stich, M. (2012), "Market reactions to increased reliability of sustainability information", *Journal of Business Ethics*, 107(2), pp. 111-128.

Lopatta, K. and Kaspereit, T. (2013), "The world capital markets' perception of sustainability and the impact of the financial crisis", *Journal of Business Ethics*.

Mackey, A., Mackey, T.B. and Barney, J.B. (2007), "Corporate social responsibility and firm performance: Investor preferences and corporate strategies", *Academy of Management Review*, 32(3), pp. 817-835

MacKinlay, A.C. (1997), "Event Studies in Economics and Finance", *Journal of Economic Literature*, 35(1), pp. 13-39.

Mahoney, L.S., Thorne, L. Cecil, L. and LaGore, W. (2013), "A research note on standalone corporate social responsibility reports: Signaling or greenwashing?", *Critical Perspectives on Accounting*, 24(4-5), pp. 350-359.

Manetti, G. and Becatti, L. (2009), "Assurance services for sustainability reports: Standards and empirical evidence", *Journal of Business Ethics*, 87(1), pp. 289-298.

Michel, O. (2002), "The effect of corporate social responsibility on the branding of financial services", *Journal of Financial Services Marketing*, 6(3), pp. 215-228.

Molina-Azorin, J.F., Claver-Cortés, E., López-Gamero, M.D. and Tarí, J.J. (2009), "Green management and financial performance: a literature review", *Management Decision*, 47(7), pp. 1080-1100.

Munilla, L.S. and Miles, M.P. (2005), *The Corporate Social Responsibility Continuum as a Component of Stakeholder Theory*, Center for Business Ethics at Bentley College, Blackwell Publishing, Oxford.

Nikolaeva, R. and Bicho, M. (2011), "The role of institutional and reputational factors in the voluntary adoption of corporate social responsibility reporting standards", *Journal of the Academy of Marketing Science*, 39(1), pp. 136-157.

Orlitzky, M., Schmidt, F.L. and Rynes, S.L. (2003), "Corporate social and financial performance: a meta-analysis", *Organization Studies*, 24(3), pp. 403-41.

Patell, J. (1976), "Corporate forecasts of earnings per share and stock price behavior: empirical tests", *Journal of Accounting Research*, 14(2), pp. 246-276.

Paulraj, A. and de Jong, P. (2011), "The effect of ISO 14001 certification announcements on stock performance", *International Journal of Operations and Production Management*, 31, pp.765-788.

- Porter, M.E. and Kramer, M.R. (2011), "Creating shared value: How to reinvent capitalism - and unleash a wave of innovation and growth", *Harvard Business Review*, pp. 63-77.
- Post, J.E., Preston, L.E. and Sachs, S. (2002), "Managing the extended enterprise: the new stakeholder view", *California Management Review*, (1), pp. 6-28.
- Reynolds, M.A. and Yuthas, K. (2008), "Moral discourse and corporate social responsibility reporting", *Journal of Business Ethics*, 78(1), pp. 47-64.
- Russo, M.V. and Fouts P.A. (1997), "A Resource-Based Perspective on Corporate Environmental Performance and Profitability", *Academy of Management Journal*, 40(3), pp. 534-559.
- Schaltegger, S. and Burritt, R. (2000), *Contemporary Environmental Accounting*, Greenleaf Publishing, Sheffield.
- Schaltegger, S. and Wagner, M. (2006), "Integrative management of sustainability performance, measurement and reporting", *International Journal of Accounting, Auditing and Performance Evaluation*, 3(1), pp. 1-19.
- Schoenherr, T. (2012), "The role of environmental management in sustainable business development: A multi-country investigation", *International Journal of Production Economics*, 140(1), pp. 116-128.
- Tench, R. (2011), "The role of corporate social responsibility in the financial crisis", in Sun, W. (Ed.), *Reframing Corporate Social Responsibility: Lessons from the Global Financial Crisis (Critical Studies on Corporate Responsibility, Governance and Sustainability, Vol. 1)*, Emerald Group Publishing Limited, pp. 43-56.
- Waddock, S. and Graves, S.B. (1997), "The Corporate Social Performance-Financial Performance link", *Strategic Management Journal*, 18(4), pp. 303-319.
- Walley, N. and Whitehead, B. (1994), "It's not easy being green", *Harvard Business Review*, 72(3), pp. 46-52.
- Wang, T., and Ji, P. (2010), "Understanding customer needs through quantitative analysis of kano's model", *The International Journal of Quality & Reliability Management*, 27(2), pp. 173-184.
- Yelkikalan, N. and Köse, C. (2012), "The effects of the financial crisis on corporate social responsibility", *International Journal of Business and Social Science*, 3(3), pp. 292-300.