

## **SOCIAL RESPONSIBILITY OF BUSINESS FIRM AND (VERSUS) CUSTOMER IN THE CZECH REPUBLIC**

**Aleš HES, Marta REGNEROVÁ, et al**

**Abstract:** Content-wise, the Corporate Social Responsibility (CSR) is comparable with business ethics. It is a project of making a responsible business and as such is – as a part of a company strategy – in compliance with the business plan and key competences of the company. It becomes an integral part of company's everyday activities and company culture. CSR does not relate only to the company's philanthropic activities, sponsoring, environmental activities or development of infrastructure as media frequently present. It is closely connected with an approach of the company towards its employees and partners – customers (companies, clients, guests and consumers). A smooth operation of a company or institution is conditioned by the compliance with the legal provisions. Such compliance is necessary and enforceable. From the long term view it is however conditioned also by application of ethical principles that have most frequently the form of an ethical code or corporate culture. Such compliance is important, but unenforceable. To become a socially responsible – a company, institution or for example a bank has to adopt ethical approach towards internal and external environment. In the period of world economy globalisation incl. globalisation of social processes and modern technologies accompanied by the consequences of economic and social turmoils (crises, military conflicts, corruption scandals, migration, etc.) the social responsibility of companies and institutions is unsubstitutable and is a way how the political culture in given country is presented externally. It is closely related to the process of sustainable development of the society understood as a well balanced economic, social (incl. ethical) and ecological sides of life of prosperous society that uses its resources efficiently and thoughtfully. Looking forward, the CSR may be defined as using the power of business to create a better world (McElhanney 2011). In practice, however, we see sometimes socially irresponsible behaviour (often concealed) of companies or institutions towards customers. This document draws attention to such behaviour, specifically to behaviour towards customers – final consumers with specific needs, and suggests possible solution of a problem.

**Keywords:** firm, globalization, social responsibility (CSR), ethics, customer-consumer

**JEL Classification:** M14, M31

## **INVESTMENT CERTIFICATES AS AN INSTRUMENT OF STRUCTURED PRODUCTS**

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**Abstract:** Modern structured products began to develop in Germany in the late 80s and 90s of the 20<sup>th</sup> century. Over time they have gained great popularity among investors because of its usefulness in all market situations. Currently, it is the worldwide market for these products developed so that each investor can choose the product corresponding to its investment capabilities. Modern structured products are called because each product consists of more investment once. Structured products have built-in most cases, direct investment in the underlying asset. For basic types of structured products were designated investment certificates, warrants and structured bonds. Investment certificates are the most flexible and diverse types of structured products and, therefore, was to achieve the goals necessary for their detailed description and explanation of their mechanisms. Detail to present the plain-vanilla, discounted, bonus, airbag, PEPP, express, guaranteed, outperformance, sprint and turbo certificates. In this paper is shown the basic rules of structured products, i.e. parameters of structured products, advantages of structured products and risks of structured products. And also the most used of the structured products, the Investment certificates.

**Keywords:** structured products, advantages, risks, investment certificates

**JEL Classification:** G11, G24, O16

## **EMOTIONAL INTELLIGENCE AND ITS ROLE IN THE WORK OF A MANAGER**

**Josef VODÁK, Silvia MIKEŠOVÁ**

**Abstract:** This paper suggests that social skill play a central role in the leadership process. More specifically, it is proposed that emotional intelligence, the ability to understand and manage moods and emotions in the self and others, contributes to effective leadership in organizations. Five major aspects of emotional intelligence, the appraisal and expression of emotion, the use of emotion to enhance cognitive processes and decision making, knowledge about emotions, and management of emotions, are described. This presents an overview of an ability model of emotional intelligence, and explores the role that emotional intelligence plays in effective leadership. If leaders do lack emotional intelligence, they may be unmoved by calls for greater understanding of emotions in the workplace. We start with explore the literature on intelligence, and especially social intelligence, to examine the place of emotion in traditional intelligence conceptions. Organizations, teams, and individuals all stand to benefit from choosing leaders who are high in emotional intelligence, or by developing the skills of less emotionally intelligent leaders. Emotional intelligence reflects the ability to read and understand others in social contexts, to detect the nuances of emotional reactions, and to utilize such knowledge to influence others through emotional regulation and control. As such, it represents a critically important competency for effective leadership and team performance in organizations today. In this paper, we develop a conceptual model that brings together theory and research on emotional intelligence, leadership, and team process and outcomes. Our intention is that the managers in practice will know which competencies they should focus, and also point to the ever-increasing need for organizations to address soft skills.

**Keywords:** emotional intelligence, high performance, motivation, self-reflection, social skills

**JEL classification:** M12

## **LEGAL FORM OF BUSINESS AND AGENCY COSTS: A CASE OF SLOVAK AGRICULTURE**

**Drahoslav LANČARIČ, Marián TÓTH, Radovan SAVOV**

**Abstract:** The transformation process of Slovak economy started in 1989. As a result of privatisation a lot of firms had been changing their legal form. Before 1989 in agriculture cooperatives were the usual legal form. Nowadays Joint Stock Company and Limited Liability Companies dominate. This paper examines the impact of legal form of agricultural firms on agency costs for a panel of Slovak agricultural firms. We assume that the legal form of a firm determinates the level of the agency costs. There were three measures used: the ratio of operational expanses to annual sales, sales-to-total assets ratio and return on equity. Using MANCOVA and ANCOVA techniques, we find that the legal form of a firm is a relevant determinant of agency costs level. We also conclude that the use of operational expanses to annual sales ratio is recommended only in industries in which its mean value in long run is lower than 1.

**Keywords:** agency costs, legal form, company, cooperative, operational expanses to annual sales ratio, agriculture

**JEL Classification:** G3, L2, M1

## **STRONG CULTURAL BRAND FORMATION IN THE GLOBAL ECONOMY ON THE BASIS OF RUSSIAN ART MARKET (THE EXAMPLE OF ST. PETERBURG)**

**Vadim Yu. PASHKUS, Natalie A. PASHKUS, Margarita V. PASHKUS**

**Abstract:** The article deals with the formation of the cultural brand of the city and study the potential impact that the level of development of the Russian art market, interconnected with the city. The article considers the main approaches to the definition of the brand of the city and the transformation of views on its formation. In this paper, we investigate the possibility of creating a strong cultural brand in St. Petersburg. In this article, the study of the key attributes of the brand of St. Petersburg and their perception of Russian domestic and foreign customers, and developed recommendations for the development of global cultural brand of the city on the basis of the introduction of the model of perfect art market. It is concluded that the formation of the cultural brand of the city is closely linked to the level of development of the art market territory and the formation of a strong cultural brand St. Petersburg requires the introduction of a perfect model of the art market, using the most important attributes of the brand of the city.

**Keywords:** city brand, rebranding, art space, a perfect model of the art market

**JEL Classification:** M31, Z18

# **USING NEURAL NETWORKS FOR DETERMINING CREDITWORTHINESS FOR THE PURPOSE OF PROVIDING BANK LOAN ON THE EXAMPLE OF CONSTRUCTION COMPANIES IN SOUTH REGION OF CZECH REPUBLIC**

**Vojtěch STEHEL, Jaromír VRBKA, Zuzana ROWLAND**

**Abstract:** Determining the creditworthiness of potential bank customers is a crucial step in the process of providing loans. There is currently a number of methods that are used for this task. Authors of such models use primarily discriminant analysis, logistic regression and artificial neural networks. An example of applications of neural networks in this article is executed on a specific group of construction companies operating in a specific time period in the South Region of Czech Republic. Article seeks a neural structure that will be able to classify each company based on the input of financial and non-financial data to a group of creditworthy companies, companies that will bankrupt in a year or companies that will bankrupt in the future. The result is the identification of the model with the greatest predictive power that can be used in practice. Its accuracy is around 96%.

**Keywords:** artificial neural networks, creditworthiness, bank loan, prediction models, construction company

**JEL Classification:** G30, G33