

ECONOMIC REVIEW

Journal of Economics and Business

ISSN 1512-8962

Vol. XIII, Issue 2, November 2015

In the period between 2003 and 2010, the Economic review: Journal of Economics and Business was published in Bosnian (Ekonomaska revija: Časopis za ekonomiju i biznis).

Publisher:

University of Tuzla, Faculty of Economics

Editor:

Zijad Džafić, Associate professor
University of Tuzla, Faculty of Economics

Members of Editorial:

Safet Kozarević, Professor
safet.kozarevic@untz.ba

Adil Kurtić, Professor
adil.kurtic@untz.ba

Merim Kasumović, Associate professor
merim.kasumovic@untz.ba

Amra Nuhanović, Assistant professor
amra.kozaric@untz.ba

Meldina Kokorović-Jukan, Assistant professor
meldina.kokorovic@untz.ba

Sado Puškarević, Associate professor
sado.puskarevic@untz.ba

Jasmina Okičić, Assistant professor
jasmina.okicic@untz.ba

Beriz Čivić, Assistant professor
beriz.civic@untz.ba

Sabina Đonlagić, Assistant professor
Sabina.djonlagic@untz.ba

Amra Babajić, Assistant professor
amra.babajic@untz.ba

Mirza Suljić, Senior teaching assistant
mirza.suljic@untz.ba

Editorial lecturers:

Tanja Pavlović, Assistant professor

Members of Editorial Board:

Ali Coşkun, Associate professor
Fatih University, Istanbul, Turkey

Ali Göksu, Associate professor
International Burch University, Turkey

Aziz Šunje, Professor
University of Sarajevo, BiH

Bahrija Umihanić, Professor
University of Tuzla, BiH

Dražen Barković, Professor
University of Osijek, Croatia

Edin Osmanbegović, Assistant professor
University of Tuzla, BiH

Fabrizio Santoboni
Sapienza University of Rome, Italy

Fikret Hadžić, Professor
University of Sarajevo, BiH

Francisco J. Delgado, Associate professor
Faculty of Economics and Business, Oviedo, Spain

Gianfranco A. Vento
Regent's University, London, UK

Hala Hattab
British University in Egypt, El Sherouk, Egypt

Hasan Hanić, Professor
Belgrade Banking Academy, Serbia

Joseph W.H. Lough
University of California, Berkeley, US

Jusuf Šehanović, Professor
University Jurja Dobrile in Pula, Croatia

Kasim Tatić, Professor
University of Sarajevo, BiH

Lorena Škuflić, Associate professor
University of Zagreb, Croatia

Mary A. Weiss, Professor
Temple University, Philadelphia, US

Miodrag Lovrić, Professor
University of Kragujevac, Serbia

Miroslav Rebernik, Professor
University of Maribor, Maribor, Slovenia

Mustafa Sinanagić, Professor
University of Tuzla, BiH

Reza Fazeli
California Polytechnic University, Pomona, US

Sead Omerhodžić, Professor
University of Tuzla, BiH

Sejfudin Zahirović, Professor
University of Tuzla, BiH

Senija Nuhanović, Associate professor,
University of Tuzla, BiH

Slavica Singer, Professor
University of Osijek, Croatia

Stevan Stević, Professor
University of Eastern Sarajevo, BiH

Thomas Schøtt, Professor
University of Southern Denmark, Kolding, Denmark

Tim Query, Associate professor
New Mexico State University, Las Cruces, US

Zlatan Fröhlich
International Graduate Business School (IGBS) Zagreb,
Croatia

Webmaster:

Mr. sc. Senad Čeliković

Technical Editor:

Beriz Čivić, Assistant professor
Amra Babajić, Assistant professor

EDITORIAL OFFICE:

University of Tuzla, Faculty of Economics
BiH, 75000 Tuzla, Univerzitetska 8

t. +387 (0)35 320 820; f. +387 (0)35 320 821
www.ef.untz.ba, e-mail: economic.review@untz.ba

Press:

Planjax print, Tešanj

Indexed in:

EBSCO, Directory of Open Access Journals (DOAJ), Scirus,
Index Copernicus, Cabell's Directories, ECONBIZ, RePEc.

CONTENTS

///

5 – 6

FROM THE EDITOR

Zijad Džafić

///

7 – 20

THE EFFECT OF TRANSACTIONAL LEADERSHIP ON EMPLOYEES PERFORMANCE – CASE STUDY OF 5 ALGERIAN BANKING INSTITUTIONS

Ali Bousbia Brahim , Ognjen Riđić, Tomislav Jukić

Review article

///

21 – 34

INTERNET FINANCIAL REPORTING IN BOSNIA AND HERZEGOVINA

Tarik Zaimović, Azra Zaimović, Anela Fazlić

Preliminary communication

///

35 – 51

EMPIRICAL ANALYSIS OF THE PROFITABILITY AND INDEBTEDNESS IN LISTED COMPANIES – EVIDENCE FROM THE FEDERATION OF BIH

Dragan Gabrić

Preliminary communication

///

52 – 61

USING ECONOMETRICS TO UNDERSTAND INCLUSION OF PERSONS WITH DISABILITIES IN THE WORKFORCE OF BOSNIA AND HERZEGOVINA

Ensar Sehic, Elma Satrovic, Seid Fijuljanin

Preliminary communication

///

62 – 73

BANCASSURANCE CONCEPT FROM THE PERSPECTIVE OF MONTENEGRIN MARKET

Milijana Novovic Buric , Vladimir Kascelan, Sasa Vujosevic

Preliminary communication

///

74 – 86

CHALLENGES OF EVALUATION OF THE INFLUENCE OF ENTREPRENEURSHIP EDUCATION

Sunčica Oberman Peterka, Tihana Koprivnjak, Petra Mezulić

Original scientific paper

FROM THE EDITOR

Dear reader,

It is a great pleasure to introduce the second issue of the journal in 2015. For this issue, we selected six new interesting topics in the field of economics and business, provided by the authors from Turkey, Montenegro, Croatia, and Bosnia and Herzegovina. The last three papers were selected from the 4th International Scientific Conferences ICEI 2015, held in Tuzla. As of this issue, our journal is available and indexed at the RePEc (Research Papers in Economics) base.

The first paper, THE EFFECT OF TRANSACTIONAL LEADERSHIP ON EMPLOYEES PERFORMANCE – CASE STUDY OF 5 ALGERIAN BANKING INSTITUTIONS is written by three authors Ali Bousbia Brahim, Ognjen Riđić and Tomislav Jukić. The paper investigated the impact of transactional leadership style on employees' performance in Algerian banks. The objectives of the study was to determine the relationship between transactional leadership style and employees performance, The recommendation was made that managers adopt leadership style(s), such as transformational and Level 5 leadership, which will enable them to successfully integrate and maximize available resources within the internal and external environment for attainment of organizational goals.

The following paper by Tarik Zaimović, Azra Zaimović and Anela Fazlić titled INTERNET FINANCIAL REPORTING IN BOSNIA AND HERZEGOVINA offered a retrospective of using the Internet as a communication channel between a company and its stakeholders. It is a norm in today's economy, and the Web-based company reports have long replaced traditional forms of corporate reporting. Building on earlier studies, they analyzed the IFR practices of companies traded on two stock exchanges in Bosnia and Herzegovina by estimating multiple regressions separately for both stock exchanges. Their estimations revealed that profitability measured by return on equity and market activity represented by share turnover significantly affect the IFR index for companies traded on the Banja Luka Stock Exchange (BLSE); with companies traded on the Sarajevo Stock Exchange (SASE) size measured by total asset as well as market activity measured by share turnover have a positive effect on the IFR index.

The next paper EMPIRICAL ANALYSIS OF THE PROFITABILITY AND INDEBTEDNESS IN LISTED COMPANIES – EVIDENCE FROM THE FEDERATION OF BOSNIA AND HERZEGOVINA is written by Dragan Gabrić. The aim of this paper is to examine and determine the level of correlation between profitability and indebtedness, and to research the differences in the level of indebtedness regarding company's profitability. The results of the correlation analysis indicate that there is a negative correlation between profitability indicators and indebtedness indicators within the researched companies in the observed period, which was specially indicated through the Total debt in the number of years and Interest coverage ratio.

In the paper USING ECONOMETRICS TO UNDERSTAND INCLUSION OF PERSONS WITH DISABILITIES IN THE WORKFORCE OF BOSNIA AND HERZEGOVINA, Ensar Sehic, Elma Satrovic and Seid Fijuljanin presented the results of the analysis which show that the size of organization, in terms of the number of employees, primarily influences the likelihood of employment of persons with disabilities. The aim of this multidisciplinary research is twofold: to investigate factors that may influence employment of persons with disabilities, and to examine employers' perceptions of persons with disabilities in terms of potential employment. The research team used a sample of 101 employers from BiH and performed the logit model maximum likelihood estimation.

The following paper by Milijana Novovic Buric, Vladimir Kascelan and Sasa Vujosevic titled BANCASSURANCE CONCEPT FROM THE PERSPECTIVE OF MONTENEGRIN MARKET is focused on integrated services of financial institutions and their contribution to the quality and development of financial markets. The collaboration of banks and insurance companies through the bancassurance model, as the distribution channel of insurance products, results in reduction of business risk and costs of market research and achieves better profitability and other mutual benefit. Although bancassurance has development perspective on the Montenegrin market, the paper proved that adequate education and motivation of employees in the banking sector as well as the adequate demand for this type of financial services are necessary for its successful implementation.

The last paper, CHALLENGES OF EVALUATION OF THE INFLUENCE OF ENTREPRENEURSHIP EDUCATION is oriented to the analysis of the entrepreneurship education. Entrepreneurship education has a positive influence on the development of entrepreneurial spirit of young people. The pilot study in Croatia (within the ASTEE project) was carried out in primary and secondary schools and faculties in the city of Osijek. A total of 644 pupils and students from all three educational levels were surveyed. The authors, Sunčica Oberman Peterka, Tihana Koprivnjak and Petra Mezulić, confirmed in this study that formal education stifles creativity in children and that it (creativity) is greatly reduced as education progresses in Croatia.

Editor:

Zijad Džafić

University of Tuzla, Faculty of Economics

