

Edited by

Marcin Wojtysiak-Kotlarski Paweł Pietrasiński Beata Marciniak

Entrepreneurship, Economic Development and Public Policy in the Post-Pandemic World



SGH Publishing
House

**Entrepreneurship,
Economic Development
and Public Policy
in the Post-Pandemic World**

Edited by

Marcin Wojtysiak-Kotlarski Paweł Pietrasieński Beata Marciniak

Entrepreneurship, Economic Development and Public Policy in the Post-Pandemic World

This publication is financed by the Polish National Agency for Academic Exchange



NARODOWA AGENCJA
WYMIANY AKADEMICKIEJ

Reviewers

Agnieszka Bitkowska

Waldemar Jędrzejczyk

© Copyright by SGH Warsaw School of Economics, Warsaw 2022

All rights reserved. Any copying, reprinting or distribution of a part or the whole of this publication without the prior permission of the publisher is forbidden.

First Edition

ISBN 978-83-8030-561-8

SGH Publishing House

162 Niepodległości Ave., 02-554 Warsaw, Poland

www.wydawnictwo.sgh.waw.pl

e-mail: wydawnictwo@sgh.waw.pl

Cover design and production

Magdalena Limbach

DTP

DM Quadro

Contents

OPENING REMARKS

Marcin Wojtysiak-Kotlarski International Academic Partnerships of Polish HEIs Assisted by Polish National Agency for Academic Exchange (NAWA) as Great Example of How State Can Support Academia	8
---	---

PAPERS

Global Entrepreneurship

Elena Pawęta Global Entrepreneurship. Challenges, Opportunities and Support Directions after COVID-19 Pandemic	19
--	----

Behavioral and Operational Insights for Social Impact

Wojciech Trzebiński How Perceiving Vaccines as 'Natural' Shapes Vaccination Attitudes: A Worldview Perspective	29
--	----

Hyo Jin (Jean) Jeon Racial Discrimination in Franchising and Recommendations for Policy Makers	36
---	----

Adrian Lubowiecki-Vikuk Marketing in Ukrainian Medical Tourism Enterprises: Reflections of a Visiting Scholar Involved in Bilateral Cooperation	40
---	----

Demography, Public Health and Economic Development

Claire Burkhardt, Mehmet S. Tosun Government Response to COVID-19 in MENA Countries: Performance and Path Forward	52
---	----

Marek Bryx Sustainable City as a Requirement of Demography, Public Health and Workforce Development	71
---	----

Contents

Ewa Kosycarz, Maria Ekes, Monika Dędyś The Efficiency of the Health Care System from the Perspective of Financing, Human Capital, and Infrastructure: The Case of Poland	80
--	----

Entrepreneurship and Internationalization

Wioletta Mierzejewska, Anna Krejner-Nowecka LPP's Internationalization Strategy and the Experience of Recent Crises	99
--	----

Dijana Mitrovic, Paweł Pietrasieński Supporting Internationalization of Nevada-Based Companies through Export of Their Goods and Services – On the Examples of STEP and Nevada Global Programs	110
---	-----

Avrey Callis Nevada's Innovation-Based Economic Development Strategies in a Post-Pandemic World	122
---	-----

Post-Pandemic Policy, Business and Academic Collaboration

Marcin Wojtysiak-Kotlarski Business School of the Future – Some Insights from AACSB and EFMD	130
---	-----

Cezary Błaszczuk, Andrzej Wąjs NCBR-NAP: NCBR-Nevada Acceleration Program – Helping Polish Start-ups Follow their Dreams	138
--	-----

Marcin Wajda Reflections on the Cooperation between the Masovian Voivodeship and the State of Nevada in the Post-Pandemic World	142
---	-----

Joanna Stryjek, Hanna Rachoń, Maciej Wieloch UNR-SGH Cooperation: A 'Soft Landing' Initiative for Polish Start-ups	147
---	-----

Joanna Franaszek, Łukasz Skrok Summer Schools as Instruments of Fostering International Academic Cooperation	160
---	-----

Tomasz Gigol Influence of Servant Leadership on Work Engagement among the Dean's Office Staff	168
---	-----

Contents

CLOSING REMARKS ON THE FUTURE OF MAZOVIA-NEVADA COLLABORATION

Paweł Pietrasieński The 4 th SGH – UNR International Symposium and the Future of Collaboration between Mazovia and Nevada and Their Top Universities	183
---	-----

APPENDIX

Reflections

Justyna Bętlewska Cooperation between SGH Warsaw School of Economics and the College of Business University of Nevada, Reno – Current Status, Perspectives and Conclusion for the Future	189
---	-----

Izabela Rudzka The Influence of ‘Good Environment’ on Cooperation, Personal Development and Future Actions – Inspirations and Reflections from Joint Trip to the 4 th Symposium of the College of Business (UNR) and SGH Warsaw School of Economics: “Entrepreneurship, Economics Development and Public Policy in the Post Pandemic World”	194
---	-----

Marek Laszuk The Student Entrepreneurship Ecosystem at the University of Nevada, Reno	198
--	-----

ANNEX

Symposium Programme	203
---------------------------	-----

OPENING REMARKS

Marcin Wojtysiak-Kotlarski¹

International Academic Partnerships of Polish HEIs Assisted by Polish National Agency for Academic Exchange (NAWA) as Great Example of How State Can Support Academia

Introduction

Author of this text had a great privilege to serve in a role of director of ‘New Economy Lab’, a project which was supported by a grant of Polish National Agency for Academic Exchange (NAWA) within International Academic Partnerships Programme. This project was of huge responsibility. The main aim was to make use of the available funds to the maximum. It was managed, because a lot more was achieved than originally planned within the smaller costs. Even though, the project took place largely during the COVID-19 pandemic.

1. International academic partners of SGH within the project

Within “New Economy Lab” SGH Warsaw School of Economics aimed to strengthen academic partnerships with 6 scholarly institutions from 4 continents²:

¹ Ph.D., Associate Professor, SGH Warsaw School of Economics, Collegium of Management and Finance, Institute of Management, International Strategies Unit.

² All short introductions of six international partners of SGH Warsaw School of Economics within the project have been excerpted from the project website.

Ryerson University, Canada

‘Ryerson University is a public research university in Toronto, Ontario, Canada. Ryerson is Canada’s leader in innovative, career-oriented education and a university clearly on the move. Located in downtown Toronto, it is a distinctly urban university with a focus on innovation and entrepreneurship. Ryerson has a mission to serve societal need and a long-standing commitment to engaging its community. The most applied-to university in Ontario relative to available spaces, Ryerson’s reputation with business and community leaders continues to rise.’

Northeastern Illinois University, USA

‘Northeastern has a rich tradition of educational innovation and prides itself in preparing teachers and administrators who make a difference in Chicago. That tradition continues to this day and has expanded to include all of the University’s academic disciplines, allowing the University to fully embrace the community in which it resides. Rich history tracks the dynamic growth of the city and the region. While keeping faith with its original mission – to provide an important resource for students from Illinois – today Northeastern attracts students from all over the world and is poised to become a model of regional public education with a truly global mission.’

The Faculty of Business, Economics and Law, The University of Queensland, Australia

‘As of 2019, The University of Queensland ranks in the top 50 as measured by the Performance Ranking of Scientific Papers for World Universities. The University also ranks 47 in the QS World University Rankings, 42 in the US News Best Global Universities Rankings, 66 in the Times Higher Education World University Rankings and 54 in the Academic Ranking of World Universities. The Faculty of Business, Economics and Law (BEL) incorporates the UQ Business School, the School of Economics and the TC Beirne School of Law; all recognised as global leaders receiving 16 national teaching awards in the last 10 years.’

Faculdade de Economia da Universidade do Porto, Portugal

‘The Faculty of Economics (FEP) was established in 1953. It has a long and prestigious history in teaching economics and management in Portugal. Its vision is

to be recognised as a national and international reference in the fields of Economics and Management in terms of education and scientific research, also contributing to the U. Porto's objective of standing as one of the top 100 universities in the world by 2020. The mission of FEP is to train current and future generations of economists and managers by producing, transmitting and contributing to the social recognition of the value of knowledge in Economics and Management, thereby helping to build a stronger economy and a better society.'

Università degli Studi di Salerno, Italy

'The University of Salerno has very ancient origins as it is one of the oldest universities in Europe together with Paris and Bologna. The Salerno School of Medicine was founded in the 8th century and was the principal institution in Europe for the study of medicine, reaching its utmost splendour during the Middle Ages. The School marked an enormous step forward in the evolution of medical science and easily fitted into the city of Salerno, which had been thriving economically and culturally since it had been part of Magna Graecia. (...) In 1988, the University, which now has over 43,000 students, moved to the village of Fisciano in the Irno valley, a few miles from Salerno.'

University of Nevada Reno – The College of Business, USA

'The University of Nevada, Reno's College of Business is the premier provider of business education in the region. The College prepares students to become competitive, ethical and innovative business professionals in order to drive economic development and improve quality of life for all citizens of the State of Nevada. They continue to be an increasingly influential driver of economic development in the State of Nevada. Since 2007, Dean Gregory Mosier has helped shape the College into a nationally-recognised centre for business knowledge and information. The strength of the college is its people. At Nevada's College of Business, the faculty and staff are what has earned the college its impressive reputation.'

2. Selected intellectual contributions and events within the project

Within the 'New Economy Lab', project leadership and project team managed to achieve a lot. Many intellectual contributions were developed, numerous events were organized, faculty from partnering institutions had lots of opportunities to

interact and collaborate. Below, just some of the project accomplishments for the period of 2018–2020 only are presented (the project last till June 30th, 2022)³:

1. The 1st Joint Research Symposium & Workshop in The College of Business; University of Nevada, Reno; December 2018.
2. Sontag Entrepreneurship Competition; University of Nevada, Reno; Spring 2019.
3. Mentoring of Startups from Reno and Warsaw by experts from Nevada and Poland; University of Nevada, Reno and SGH Warsaw School of Economics; throughout entire project.
4. Warsaw – Reno Startup Lab, the 1st Bootcamp and Demo Day; University of Nevada, Reno and SGH Warsaw School of Economics; May – June 2019.
5. Presented “Analysing Social Networks with SimpleHypergraphs.jl” during Julia Con 2019; Ryerson University, Salerno University, and SGH Warsaw School of Economics, Baltimore, USA; July 2019.
6. Presented “SimpleHypergraphs.jl – novel software framework for modelling and analysis of hypergraphs” during International Workshop on Algorithms and Models for the Web-Graph; Ryerson University, Salerno University, and SGH Warsaw School of Economics; Brisbane, Australia; August 2019
7. Organized Summer School and Workshop for 60 participants: Summer School on Data Science Tools and Techniques in Modelling Complex Networks, Ryerson University and SGH Warsaw School of Economics; Toronto, Canada; August 2019.
8. The 2nd Joint Research Symposium & Workshop in SGH Warsaw School of Economics, Acceleration week for startups from Nevada in Warsaw startup ecosystem; University of Nevada Reno – College of Business and SGH Warsaw School of Economics; October 2019.
9. Organized Workshop: Hypergraphs: Theory, Applications and challenges; Salerno University, SGH Warsaw School of Economics, and Ryerson University; Salerno, Italy, November 2019.
10. Published paper: Clustering via hypergraph modularity, B. Kamiński, V. Poulin, P. Prałat, P. Szufel, F. Théberge; Ryerson University and SGH Warsaw School of Economics; Published: November 6, 2019.
11. Presented Clustering via Hypergraph Modularity during The 8th International Conference on Complex Networks & Their Applications; Ryerson University and SGH Warsaw School of Economics; Lisbon, Portugal, December, 2019.
12. Organized Workshop: Workshop on Hypergraphs – Theory and Applications, Fields Institute, Toronto; Ryerson University and SGH Warsaw School of Economics; Toronto, Canada, January 2020.

³ List of achievements excerpted from the website of ‘New Economy Lab’ project.

13. Warsaw – Reno Startup Lab, the 2nd Bootcamp and Demo Day; University of Nevada Reno – College of Business and SGH Warsaw School of Economics; March 2020.
14. Sontag Entrepreneurship Competition, Mentoring of Startups from Reno by Polish expert; University of Nevada Reno – College of Business and SGH Warsaw School of Economics; Spring 2020.
15. Conference: WAW 2020, 17th Workshop on Algorithms and Models for the Web Graph, Warsaw, Poland; Salerno University, Ryerson University, and SGH Warsaw School of Economics; Warsaw, Poland; June 2020.
16. The 3rd Joint Research Symposium & Workshop in The College of Business; University of Nevada, Reno; University of Nevada Reno – College of Business; October 2020.
17. Acceleration week for startups from Poland in Reno startup ecosystem; UNR; October 2020.
18. Cancer Health Policy Summer School; SGH Warsaw School of Economics and Northeastern Illinois University; July–August 2020.
19. Math Modelling Workshops; Northeastern Illinois University and SGH Warsaw School of Economics; November 2020.
20. Women in Science Conference; Northeastern Illinois University; November 2020.
21. Study & two international publications about economic aspects of cancer; SGH Warsaw School of Economics; 2020.

3. Cooperation between SGH Warsaw School of Economics and the College of Business, University of Nevada, Reno

This e-book is aimed to sum up the last big summary event within the grant, which was organised by SGH Warsaw School of Economics together with The College of Business, University of Nevada, Reno. The 4th Joint SGH – UNR Research Symposium & Workshop took part in Reno, Nevada, USA during last week of April, 2022. The scholarly programme was accompanied by the student start-up track. The symposium programme is attached as annex to this volume.

SGH Warsaw School of Economics has been developing partnership with The College of Business, University of Nevada, Reno for some years now as a project titled “Strengthening the links between SGH Warsaw School of Economics and The College of Business, University of Nevada, Reno – in pursuit of a truly international environment”, which was part of ‘New Economy Lab’. The project was heavily supported by the Nevada Governor’s Office of Economic Development.

Partnership focused on two major pillars of activities: (1) research cooperation, and (2) globalization of student entrepreneurship. Research partnership focused on organization of research symposia & workshops, both in Warsaw, Poland and in Reno, Nevada, for scholars from both high education institutions. In the domain of student entrepreneurship we launched exchange programme for student start-ups. Students from UNR had opportunity to discover startup ecosystem in Warsaw, Poland and students from SGH encountered the same opportunity in Reno.

The long-term goal of the project is to develop an interdisciplinary research centre, which will specialize in student entrepreneurship in the global context. Additionally, to further strengthen and develop cooperation aimed at acceleration of companies with growth potential to become global businesses.

Within the SGH – UNR partnership only – *inter alia* – the following was achieved:

December 2018

The 1st Joint Research Symposium & Workshop in The College of Business, UNR, Reno, Nevada

Topic: Entrepreneurship, Economic Development and Public Policy – in search of synergies

(this event was planned before the ‘New Economy Lab’ project was launched and formally was not financed by the project)

Spring 2019

Sontag Entrepreneurship Competition

Mentoring of Startups from Reno by Polish expert

May–June 2019

Warsaw–Reno Startup Lab

The 1st Bootcamp and Demo Day

Mentoring of Startups from Warsaw by experts from Nevada and Poland

October 2019

The 2nd Joint Research Symposium & Workshop in SGH Warsaw School of Economics, Poland

Topic: “Entrepreneurship, Economic Development and Public Policy – how can Poland help and inspire Nevada, how can Nevada help and inspire Poland”
and
Acceleration week for startups from Nevada in Warsaw startup ecosystem

July 2020

Warsaw–Reno Startup Lab
The 2nd Bootcamp and Demo Day – Online due to COVID-19 Pandemic
Mentoring of Startups from Warsaw by experts from Nevada and Poland

Spring 2020

Sontag Entrepreneurship Competition, Nevada, Reno

April 2021

The 3rd SGH – UNR Joint Research Symposium & Workshop Online due to COVID-19
Pandemic
Topic: “COVID-19 and the Economy: Impact on Business, Academia, Government
& People”

April 2022

The 4th SGH – UNR Joint Research Symposium & Workshop in Reno, Nevada
Topic: “Entrepreneurship, Economic Development and Public Policy in the Post-
Pandemic World”
and
Acceleration week for startups from Poland in Reno startup ecosystem.

4. Short note on goal of this book, methodology and limitations

The goal of this book was to allow faculty, mostly from SGH Warsaw School of Economics, but also from The College of Business, UNR, to develop papers, which could serve as part of a closing book for the project.

The major topic of the book was linked to selected aspects of entrepreneurship, economic development and public policy in the context of COVID-19 pandemic. It is however also worth to mention, that the book includes papers prepared – not only by members of academia – but also by representatives of important stakeholders

of 'New Economy Lab' project, i.e. text written by the head of Polish National Agency for Academic Exchange (NAWA) and also by members of leadership team from Polish National Centre for Research and Development (NCBR) and also texts prepared by members of executive team and staff from Nevada Governor's Office of Economic Development (GOED). Papers are also accompanied by three reflections by scholars, in which some additional comments were included.

The book starts with this introductory text by Marcin Wojtysiak-Kotlarski, 'New Economy Lab' project director, which aims to set the scene. Later, Elena Pawęta discusses some aspects of global entrepreneurship after COVID-19 pandemic. This text is followed by three other papers developed by Wojciech Trzebiński, Hyo Jin (Jean) Jeon and Adrian Lubowiecki-Vikuk, which all tackle some operational and behavioral insights for social impact, including topics, like: attitudes to vaccination, racial discrimination in franchising, and marketing in medical tourism.

The next set of papers, which discussed problems regarding demography, public health or economic development, was prepared by the following authors: Claire Burkhardt and Mehmet S. Tosun (government response to COVID-19 in MENA countries), Marek Bryx (sustainable city), Ewa Kosycarz, Maria Ekes and Monika Dędyś (efficiency of health care system).

The next part of this book groups papers on entrepreneurship and internationalization. Wioletta Mierzejewska and Anna Krejner-Nowecka present LPP's internationalization strategy in the context of crises. This is followed by papers of Dijana Mitrovic and Paweł Pietrasieński (supporting internationalization in Nevada: examples of STEP and Nevada Global programs), and also by Avrey Callis (Nevada's innovation-based economic development strategies).

The biggest set of papers in this book is related to topics related to post-pandemic policy, business and academic collaboration. Marcin Wojtysiak-Kotlarski discusses some insights from AACSB and EFMD B, which could help leaders develop business schools of the future. Cezary Błaszczuk and Andrzej Wajs talk about NCBR-Nevada Acceleration Program. Later, Marcin Wajda reflects on the cooperation between the Masovian voivodeship and the state of Nevada. Joanna Stryjek, Hanna Rachoń and Maciej Wieloch talk about initiative for Polish start-ups within UNR-SGH cooperation.

Next two papers in this part of the book were developed by Joanna Franaszek and Łukasz Skrok, and by Tomasz Gigol. Authors discuss, inter alia, the topic summer schools as instruments fostering international academic cooperation, and also the topic of influence of servant leadership on work engagement among the Dean's Office staff.

The book is summarized by closing remarks by Paweł Pietrasiński, SGH Rector's Plenipotentiary for Collaboration with the State of Nevada. Finally, in appendix, additional reflections by Justyna Bętlewska, Izabela Rudzka and Marek Laszuk include additional comments.

As the book was a closing intellectual contribution of 'New Economy Lab' project, the goal was not only to focus on entrepreneurship, economic development and public policy in the context of COVID-19 pandemic, but also to allow key stakeholders of the project to provide information, which would allow them to express important insights related to the project. Many stakeholders decided to get involved and – consequently – this has become the biggest cycle of papers developed within the project.

This book, but also preceding three other volumes and special issue of a journal "Przegląd Organizacji" Nr 1/2021, allowed to report all intellectual contributions of the project developed with SGH-UNR collaboration. Even though the scope of collaboration is very wide, there is a plan considered to develop working groups of faculty from Warsaw and Reno so that collaboration would be narrowed down to smaller specialty fields. To sum up, the general topic of the collaboration – i.e. entrepreneurship, economic development and public policy – was an advantage, on one hand, because it allowed for involvement of many scholars and thereby – the collaboration was boosted. It also was a kind of a limitation, because more focused research could be more valuable in terms of even higher recognition.

* * *

Closing comment

Efforts and hard work within the 'New Economy Lab' were driven heavily by two intentions: (1) to provide lots of opportunities for faculty, students and thereby – for the partnering higher education institutions – to grow, (2) to help SGH Warsaw School of Economics develop into a truly global player on the map of universities of business and economics. Leadership of the project express hope that many could benefit from this job.

PAPERS

Global Entrepreneurship

Global Entrepreneurship. Challenges, Opportunities and Support Directions after COVID-19 Pandemic

Abstract

The COVID-19 pandemic has significantly changed the economic environment and influenced the international business. This article is addressing the topics of the impact of COVID-19 pandemic on international entrepreneurship and the ways how governments can support international businesses in this crisis. The main trends that influence international entrepreneurs are discussed – changes in global supply chain, disruption of institutions and networks, business digitalization, global healthcare innovations, development of social entrepreneurship. The key government support organizations and financial institutions are presented and the ways of international entrepreneurs support are discussed.

Introduction

International business environment has changed significantly since the arrival of COVID-19 pandemic. Before this disruption, business internationalization has become much easier due to the development of telecommunication technology, transport and logistics development [Knight, Cavusgil, 2004]. The outbreak of the pandemic has influenced all aspects of human life and has significantly changed the economic environment [Kuckertz *et al.*, 2004; Zahra, 2021]. External determinants of business internationalization, like transport and logistics advancement, development of international trade were influenced by the ongoing turmoil [Kufel, 2020; Ratten, 2020a]. Given business globalization being one of the key elements of a healthy

¹ Ph.D., Associate Professor, SGH Warsaw School of Economics, Collegium of World Economy, Institute of International Economics.

economy, it is interesting to answer the following questions: **What is the impact of COVID-19 pandemic on international entrepreneurship? How can governments support international entrepreneurship? What are the key success factors currently for businesses going global?**

This study contributes to the development of existing literature on the influence of COVID-19 on international business, taking into consideration specifically entrepreneurial-level determinants of business internationalization and government support propositions. This article presents a synthetic overview of the panel discussion held during the joint SGH – UNR Symposium in the University in Nevada, Reno in April 2022. It is addressing the impact of COVID-19 on international business, and especially on international entrepreneurship. The following sections provide the impact of COVID-19 on entrepreneurship and key success factors for start-ups going global. The last section contains the main conclusions and the directions for the future research.

1. Impact of COVID-19 pandemic on entrepreneurship

COVID-19 has brought major changes to the global business environment. International organizations have been significantly impacted by the social and economical changes in different countries all over the world. There are several global trends that influence international entrepreneurship and are important to mention in the context of this article. Those trends are: changes in global supply chain, disruption of institutions and networks, business digitalization. Each of these factors influence international entrepreneurship and rapid internationalization in their own specific ways and bring both challenges and opportunities for entrepreneurs.

The discussions on **re-shaping global supply chain** have started long before COVID-19. The growing trend for ‘in shoring’ instead was caused by populist movements that were against the dependence on foreign companies [Zahra, 2021; Dachs *et al.*, 2019]. Since the beginning of Covid, those movements became even more active due to the healthcare crisis and shortage of basic medical supplies in many countries. For example, when Chinese factories, where many of those items were produced, got closed, and many other countries prioritized their own citizens before supplying to foreign customers, some countries were unable to adjust their own production to meet the growing domestic demand.

The global supply chain is likely to continue re-shaping based on the COVID-19 experience – that will include relocating activities outside of China and increase in domestic production within the EU and US [Zahra, 2021]. Those changes will

definitely impact global entrepreneurs and their behaviors on the international markets. Decisions on where to locate the business, whom to partner with and on which markets to operate will be influenced by the changing global business environment. Some global ventures that did not see any barriers before might limit their outreach and start focusing on neighboring countries or certain regions.

International business networks were one of the most significant determinants of business internationalization. Companies developed relationships and created strategic alliances in order to exploit and enhance their own resources and to gain benefits from the resources of other firms within their network [Laanti *et al.*, 2007]. Using their networks, entrepreneurs had an opportunity to globalize their activities without significant human or financial resources, as networks allow them to achieve access to complementary resources in different areas like R&D, technology, production, marketing and distribution. Sharma and Blomstermo [2003] stated that the selection of foreign market entry for born global firms is based on their existing knowledge and on the knowledge supplied by their network ties [Sharma, Blomstermo, 2003]. Some authors suggest that not only entrepreneurs use existing networks on the market, they also create new networks to help them in the process of internationalization [Loane *et al.*, 2004]. A significant role in the process of networks creation is played by the born global entrepreneurs themselves.

The arrival of COVID-19 **has disrupted international business networks significantly**, which can have a negative impact on born global activity in the future. It may reduce the flow of ideas, resources, social capital that is needed for rapid internationalization. Moreover, there is a disturbing trend of the declining flow of venture capital across international borders, especially in the emerging economies [Rist, 2020]. However, there is a positive trend of emerging online networks in the form of business support groups, online hackathons supporting young entrepreneurs, online networking groups etc. The ongoing trend of disruption of traditional networks is apparently not a big problem for global entrepreneurs, as they demonstrate a high level of entrepreneurial orientation and resilience.

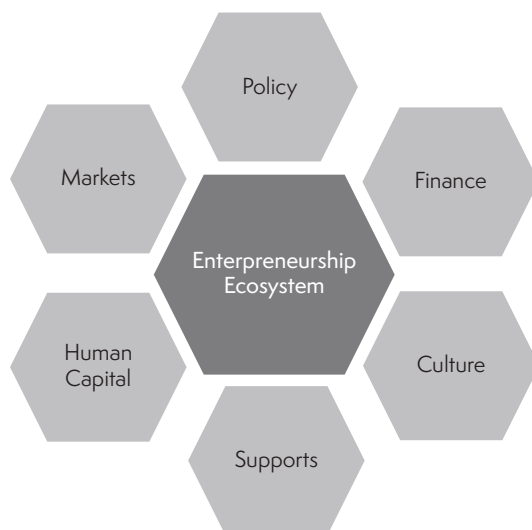
Digitalization of business was one of the ongoing trends before COVID-19 that allowed many born global entrepreneurs to start their businesses internationally immediately. New communication technologies, the availability of the Internet and a lot of digital business tools allowed companies to run business internationally easily. However, only during COVID-19, when many entrepreneurs were forced to close or slow down their businesses, and forced them to completely rethink the way they work. When it became impossible for people to work from offices, to go shopping, or even to educate themselves, digital technology was able to offer innovative solutions which were used only by early adopters before the pandemic.

While for some entrepreneurs, adaptation to the ‘new normal’ went smoothly, others are struggling to adapt their operations to the new digital challenges and were forced to limit their activity [Riberolles, 2020]. Whether businesses manage to adapt to the new trend or not, digitalization is no longer an option, especially for the international firms who want to go global rapidly.

2. Key success factors for start-ups going global and governmental support

Due to the disruptions mentioned in the previous chapter, many governments have introduced measures to support businesses in entering foreign markets. Internationalization is seen as crucial for the survival, growth and long-term viability of businesses, particularly small businesses [Bannò *et. al.*, 2014]. Because of that, most governments have put the policies in place that support internationalization processes of their companies. Several studies suggest that such support accelerates the internationalization process and international performance [Felzensztein *et. al.*, 2015; Hilmersson, Johanson, 2016]. In order to create sustainable economic development, governments attempt to influence different aspects of entrepreneurial ecosystems and come up with support initiatives. However, it is important to understand which elements of the ecosystem are crucial for enhancing business internationalization.

Figure 1. Isenberg’s six domains of an entrepreneurship ecosystem



Source: Isenberg, Onyemah, 2016, pp. 60–79.

There are several aspects of the entrepreneurial ecosystem which have to be taken into consideration in order to support business internationalization. They can be grouped into two clusters – supporting entrepreneurial and internationalization culture and institutional support.

First of all, in order to support entrepreneurial culture, it is important to understand what motivates entrepreneurs to start and grow business. Entrepreneurs are usually divided into two categories: opportunity-driven (those who pursue a unique business opportunity) or necessity-driven (those who need to earn money in the absence of job opportunities). Motivation behind starting a venture can be different, hence support methods will differ as well. **Financial incentives** can be a significant factor for different types of motivations, however the instruments would differ – meeting immediate economic needs or more long-term financial support. Other factors motivating entrepreneurs can be **autonomy** or **challenges**, that are typical for the opportunity-driven entrepreneurs. Another very important motivation type is making a difference that is gaining more and more popularity in the face of *social entrepreneurship development*. More and more companies want to create a profound social or environmental impact by their business activities [GIZ, 2021]. Adopting social missions from the inception by global startups was already a popular trend before COVID-19 [Pedro, McLean, 2006; Zahra *et al.*, 2014]. As the pandemic brought a high level of uncertainty to the business world, especially to the small and medium enterprises, some healthtech startups with a social mission saw an opportunity for innovation [Dordevic, 2020]. The COVID-19 crisis has shown the challenges of public healthcare services and highlighted the needs that can be met by innovative solutions of global companies. Those global startups are showing what can be done to improve the quality of life in their local communities and on the global scale, and at the same time conduct business operations successfully.

Global entrepreneurs are characterized by agility, resilience and entrepreneurial orientation [Pawęta, 2020]. In the COVID-19 crisis this is especially needed as many global startups have to do more and more with limited resources in an increasingly volatile business environment [Kuckertz *et al.*, 2020]. Many of the global entrepreneurs have an international background and international networks that help them to maintain resilience even in crisis. It is important for born global entrepreneurs to maintain their social capital in the long run and to stay in the process of constant learning. Learning and education allows global entrepreneurs to act in new business environments and to work with new customers and stakeholders. Therefore, developing social capital in the entrepreneurial ecosystem is very important, as it increases the number of successful businesses within the community.

Institutional support plays a great role in strengthening entrepreneurial ecosystems and supporting firms internationalization. Entrepreneur support organizations usually provide entrepreneurs with nonfinancial services, enhance knowledge and expertise and provide network of support to develop and grow business. Services provided by such organizations can include trainings and workshops, mentoring and coaching, advisory services, networking with other ecosystem players, peer learning and support, office spaces, back-office support, international connections. Table 1 presents the types of entrepreneur support organizations that provide institutional support for entrepreneurs.

Table 1. Types of Entrepreneur Support Organizations. Source: Strengthening Entrepreneurial Ecosystems. An interactive guide for development professionals

Type of Entrepreneur Support Organization	Characteristics of Entrepreneur Support Organization	Target entrepreneur segment
Entrepreneur accelerator	A cohort-based program which relies on peer group learning. Most accelerators provide mentoring and coaching services and co-working space. Some accelerators offer training and/or financing.	Early-stage startups, disruptive technologies.
Entrepreneur incubator	Focused on providing assets to share among its participants, including office space, wi-fi, and office equipment. Incubators offered some of the first co-working spaces. Sometimes incubators offer other back-office services like accounting services. Incubators often provide more support programming, like networking and mentorship. Entrepreneurs are typically in an incubator for longer period of time, sometimes several years.	Established SMEs, start-ups
Entrepreneur competitions	Many programs provide the same type of program support as accelerators and incubators (training, mentoring, peer learning networking, etc.) without being connected to a site. These programs typically occur over a short period – days or weeks. They use a competition format to create urgency and pressure to accelerate the venture’s progress. Because these programs do not have a physical location and occur over a short period, the cost structure is much smaller than an accelerator. Many of these competitions heavily rely on volunteers and not full-time staff.	Any type of entrepreneur
Entrepreneur training programs	Programs focused specifically on training and domain knowledge transfer. Typically focused on a narrow topic, like how to start up a business or increase your sales/marketing. Often cooperate experts in different areas to provide parts of the training.	Any type of entrepreneur
Mentoring and networking	These organizations take advantage of the magic of the interaction and relationship that happens between people. These can use peer networking like a business association or a more structured mentor program between a more experienced businessperson and a new startup.	SMEs, high growth companies, and established business

Source: GIZ, 2021.

It has been discussed that accelerators and other ESOs have a positive impact on developing entrepreneurs and increasing their revenues and the likelihood of receiving financing. Especially, such programs can support entrepreneurs in building new international business relationships. To achieve that they connect with other entrepreneur support organizations in foreign countries, attract international mentors and investors, use international press or media to promote local ecosystem and entrepreneurs, contact multinational corporations and invite them for cooperation.

Another important group of players in the entrepreneurial ecosystem are financial institutions that provide financial services to entrepreneurs. The lack of access to finance remains a significant barrier to economic development and business internationalization, especially in developing and emerging markets [Abraham, Schmuckler, 2017]. According to the World Bank Enterprise survey results, many entrepreneurs from the developing countries lack proper accounting controls and are not able to create a financial plan. Some of the financial institutions that support entrepreneurs are accelerators, incubators, angel investor networks, corporations, foundations, venture capital firms, private equity firms, crowdfunding platforms, banks. Such institutions are usually doing matchmaking between investors and entrepreneurs seeking financing. Their goals are both to increase supply of finance, and to improve the ability of entrepreneurs to access finance.

Conclusion

This article discussed the challenges, opportunities and support directions of international entrepreneurs after the COVID-19 pandemic. It aimed to analyze the impact of COVID-19 pandemic on international entrepreneurship, how governments can support international entrepreneurship, and what are the key success factors for businesses going global.

The trends that influence international entrepreneurs are: changes in global supply chain, disruption of institutions and networks, business digitalization, global healthcare innovations, development of social entrepreneurship, development of resilience and entrepreneurship orientation. Each of these factors influence international entrepreneurship and rapid internationalization in their own specific ways and bring both challenges and opportunities for entrepreneurs.

It was discussed that governmental support of business internationalization should be aimed at different aspects of entrepreneurial ecosystems. The entrepreneur support organizations like accelerators, incubators, competitions, training programs

and mentoring and networking programs were discussed. Financial institutions and their importance was analyzed as well.

The studies of business internationalization support are relatively new, and the COVID-19 crisis has uncovered new fields for the future potential research. Before COVID-19, taking into consideration the technological advances in communication and logistics and decline in trade barriers, it seemed that the born global business model would become more popular worldwide. Now however, taking into consideration the trends mentioned in this article, it is not clear and requires ongoing research. The field of business internationalization support is dynamic and presents an interesting area both for academics and business practitioners.

References

- Abraham, F., Schmuckler, S. (2017). Addressing the SME Finance Problem, *Research and Policy Briefs from the World Bank Malaysia Hub*, <http://documents1.worldbank.org/cedurated/en/809191507620842321/pdf/Addressing-the-SME-finance-problem.pdf> (accessed: 02.06.2022).
- Bannò, M., Piscitello, L., Varum, C.A. (2014). The Impact of Public Support on SMEs' Outward FDI: Evidence from Italy, *Journal of Small Business Management*, vol. 52(1), pp. 22–38.
- Dachs, B., Kinkel, S., Jager, A. (2019). Bringing it all Back Home? Backshoring of Manufacturing Activities and the Adoption of Industry 4.0 Technologies, *Journal of World Business*, vol. 54(6). DOI: 10.1016/j.jwb.2019.101017.
- Dordevic, N. (2020). Innovation in Healthtech: How Emerging Europe's Start-Ups are Turning COVID-19 Challenges into Opportunities, *Emerging Europe*, <https://emerging-europe.com/business/innovation-in-healthtech-how-emerging-europes-start-ups-are-turning-covid-19-challenges-into-opportunities/> (accessed: 02.06.2022).
- Felzensztein, C., Ciravegna, L., Robson, P., Amorós, J.E. (2015). Networks, Entrepreneurial Orientation, and Internationalization Scope: Evidence from Chilean Small and Medium Enterprises, *Journal of Small Business Management*, vol. 53, pp. 145–160.
- GIZ (2021). *Strengthening Entrepreneurial Ecosystems. An Interactive Guide for Development Professionals*, <https://www.giz.de/en/downloads/giz2021-en-entrepreneurial-ecosystems-guide.pdf> (accessed: 01.06.2022).
- Hilmersson, M., Johanson, M. (2016). Speed of SME Internationalization and Performance, *Management International Review*, vol. 56(1), pp. 67–94.
- Isenberg, D., Onyemah, V. (2016). Fostering Scaleup Ecosystems for Regional Economic Growth, *Innovations*, vol.II (1/2), pp. 60–79.
- Knight, G.A., Cavusgil, S.T. (2004). Innovation, Organizational Capabilities and the Born-Global Firm, *Journal of International Business Studies*, vol. 35(2), pp. 124–141. DOI: 10.1057/palgrave.jibs.8400071 (accessed: 02.06.2022).

- Kuckertz A., Brändle L., Gaudig A., Hinderer S., Reyes C.A.M., Prochotta A. (2020). Startups in Times of Crisis – A rapid Response to the COVID-19 Pandemic, *Journal of Business Venturing Insights*, vol. 13, p. e00169.
- Kufel, T. (2020). ARIMA-Based Forecasting of the Dynamics of Confirmed COVID-19 Cases for Selected European Countries. Equilibrium, *Quarterly Journal of Economics and Economic Policy*, vol. 15(2), pp. 181–204. <https://doi.org/10.24136/eq.2020.009> (accessed: 02.06.2022).
- Laanti, R., Gabrielsson, M., Gabrielsson, P. (2007). The Globalisation Strategies of Business-to-Business Born Global Firms in the Wireless Technology Industry, *Industrial Marketing Management*, vol. 36(8), pp. 1104–1117. DOI: 10.1016/j.indmarman.2006.10.003 (accessed: 02.06.2022).
- Loane, S., McNaughton, R.B., Bell, J. (2004). The Internationalization of Internet-Enabled Entrepreneurial Firms: Evidence from Europe and North America, *Canadian Journal of Administrative Sciences*, vol. 21(1), pp. 79–96. DOI: 10.1111/j.1936-4490.2004.tb00324.x (accessed: 02.06.2022).
- Pawęta, E. (2020). *Born Global Entrepreneurs. Determinants of Rapid Internationalization*, Warsaw: SGH Publishing House.
- Peredo A.M., McLean M. (2006). Social Entrepreneurship: A Critical Review of the Concept, *Journal of World Business*, vol. 41(1), pp. 56–65.
- Ratten, V. (2004). Coronavirus (COVID-19) and Entrepreneurship: Changing Life and Work Landscape, *Journal of Small Business and Entrepreneurship*, vol. 32(5), pp. 503–516. DOI: 10.1080/08276331.2020.1790167 (accessed: 02.06.2022).
- Riberolles H. (2020). *Digitalisation: A Movement Accelerated by the COVID-19 Crisis*, <https://www.primeum.com/en/blog/digitalisation-movement-accelerated-by-the-covid-crisis> (accessed: 30.05.2022).
- Rist K. (2020). *Venture Capital beyond COVID-19*, <https://www.forbes.com/sites/kjartanrist/2020/04/15/venture-capital-beyond-covid-19/#227afb3c1b6d> (accessed: 29.05.2022).
- Sharma, D.D., Blomstermo, A. (2003). The Internationalization Process of Born Globals: A Network View, *International Business Review*, 12(6), pp. 739–753. DOI: 10.1016/j.ibusrev.2003.05.002 (accessed: 30.05. 2022).
- Zahra S., Newey L.R., Li Y. (2014). On the Frontiers: The Implications of Social Entrepreneurship for International Entrepreneurship, *Entrepreneurship: Theory & Practice*, vol. 38(1), pp. 137–158.
- Zahra S.A. (2021). International Entrepreneurship in the Post-COVID World, *Journal of World Business*, vol. 56(1). DOI: 10.1016/j.jwb.2020.101143 (accessed: 01.06.2022).

Behavioral and Operational Insights for Social Impact

Wojciech Trzebiński¹

How Perceiving Vaccines as ‘Natural’ Shapes Vaccination Attitudes: A Worldview Perspective

Abstract

People may perceive vaccines as more or less natural, and it may influence their support for vaccinations. This paper points out that certain people’s worldviews (i.e., the beliefs about the world’s orderliness, anthropocentrism, and love and care for nature) may play a role in this naturalness-based mechanism of vaccination support. Research questions are formulated to suggest the directions for future research.

Introduction

The current COVID-19 pandemic is considered to mark the ‘pandemic era’ characterized by the presence of various globally-spreading outbreaks [Cutler, 2020; Shin, Kang, 2020], and one may assume that vaccines effectively respond to those challenges. Hence, attitudes toward vaccination become a key issue for policymakers and societies – even if some vaccinations are mandatory. As vaccines and vaccination may be treated as products, especially when they are paid for, public support for them can be viewed from the consumer behavior perspective. In this paper, favorable consumer attitudes toward vaccinations are referred to as vaccination support. It may take various forms like perceiving vaccines as effective and safe [Abbas *et al.*, 2018; Hwang, 2020], vaccination intent [Hopfer, 2011], willingness to pay for vaccination [Cerdeira, Garcia, 2021], and vaccination advocacy [Lacey *et al.*, 2015].

¹ Ph.D., Assistant Professor, SGH Warsaw School of Economics, Collegium of Management and Finance, Department of Market, Marketing and Quality.

Perceived vaccine naturalness [Meier *et al.*, 2021] is a factor of vaccination intent, strongly visible in anti-vaccine arguments [Kata, 2012]. However, the role of perceived vaccine naturalness is surprisingly understudied from the consumer behavior perspective [e.g. Meier *et al.*, 2021; Bearth *et al.*, 2022], despite a large amount of research on the role of perceived naturalness for other products [e.g. Li, Chapman, 2012; Machado *et al.*, 2015; Meier *et al.*, 2019]. It may be suggested that when considering arguments in favor or against vaccines, like those pertaining to vaccine (un) naturalness, consumer worldviews may shape the degree to which those arguments resonate among consumers. Few studies [Cao, Li, 2021; Li, Cao, 2020] pertain to the role of the consumer worldview constructs in the naturalness-related mechanism of attitudes toward drugs (but not vaccinations). This gap represents the practical problem in developing vaccination advertising strategies: how to counter the ‘vaccines-are-unnatural’ arguments or provide ‘vaccines-are-natural’ ones across consumer groups with different worldviews or referring to different worldviews? Therefore, this paper aims to formulate research questions related to the naturalness-related mechanism of vaccine attitudes and selected worldviews, i.e., consumer beliefs about the world’s orderliness [Zięba *et al.*, 2018], love and care for nature [Perkins, 2010], and anthropocentrism [Coren, 2015]. Those questions suggest the possible directions for future research on vaccine attitudes.

1. Perceived vaccine naturalness as a factor of vaccination support

While the concept of the naturalness of an object may seem intuitive, it is not easy to establish a precise formal definition [Siipi, 2008]. Namely, ‘naturalness’ may pertain to the object’s properties (like being or acting as a part of a natural world or life) or history (like being free of human origination or intervention). Although consumers may be suspicious about naturalness claims in advertising [Kahraman, Kazançoğlu, 2019], they generally tend to prefer more ‘natural’ products and brands [Machado *et al.*, 2015], including more ‘natural’ drugs [e.g. Di Bonaventura *et al.*, 2008; Li, Chapman, 2012]. This effect is referred to as naturalness bias [Meier *et al.*, 2019]. It may result from people’s belief that naturalness is a positive property and is instrumental to specific goals. Specifically, Meier *et al.* [2019] distinguished between the ‘natural-is-better’ default belief and perceived safety as a mechanism of the naturalness bias.

Ditlevsen *et al.* [2020] demonstrated that non-experts perceived synthetic livestock vaccines as less natural and riskier than other vaccines. Bearth *et al.* [2022] and Meier *et al.* [2021] suggest the naturalness bias as a factor of COVID-19 vaccination intent.

The issue of vaccine naturalness involves aspects of the intervention in the world's order and nature. This paper considers selected consumer worldview constructs that may relate to those aspects. Namely, the consumer beliefs about the world's orderliness may be related to the intervention in the world's order. On the other hand, environmental constructs (anthropocentrism and love and care for nature) may represent the intervention in nature.

2. World's orderliness beliefs and the naturalness-related mechanism of vaccination support

The issue of vaccine naturalness may be related to the degree people view the world as an ordered entity. Namely, if the entire world is perceived as firmly ordered, vaccines may be viewed more as part of this order, which may imply a higher perceived vaccine naturalness. On the other hand, vaccine unnaturalness may be viewed as a threat to or incongruity versus the world's order. Trzebiński *et al.* [2021, 2022] explored the relationships between vaccination intent and the general beliefs about the world's orderliness and positivity. Those beliefs are considered to support life satisfaction, positive mood, and self-efficacy [Zięba *et al.*, 2018]. Consumer behavior studies involve consumer hope [Fazal-e-Hasan *et al.*, 2018; MacInnis, Chun, 2006] and consumer belief in a just world [Wilson, Darke, 2012]. However, to the best of the author's knowledge, no study investigates the role of consumer orderliness beliefs in the naturalness-related mechanism of vaccination support. This gap is meaningful for developing vaccination advertising strategies. That is because ad messages (including those related to vaccine naturalness) can refer to the world's orderliness beliefs and can be aligned to different levels of those beliefs. Therefore, the following research question may be posed:

RQ1. What is the role of consumer beliefs on the world's orderliness in the naturalness-related mechanism of vaccination support?

3. Environmental constructs and the naturalness-related mechanism of vaccination support

Vaccines, especially emerging ones, responding to novel illnesses (like COVID-19), may be primarily viewed by consumers as a human response to a natural threat. Thus, consumer environmental worldviews, that is, their beliefs and attitudes

regarding nature and human-nature relationships, may play a prominent role in the vaccination support mechanism based on perceived vaccine naturalness. Specifically, the environmental worldviews may make people more critical in terms of vaccine naturalness and may make the vaccine (un) naturalness more important for people. For drugs, Li and Cao [2020] demonstrated that consumer connectedness with nature is positively related to the preference for natural (vs. synthetic) drugs. However, connectedness with nature is an umbrella construct that may embrace various beliefs on and attitudes toward nature.

First, people may differ in their beliefs on the position of humans versus nature. Anthropocentrism is a worldview in which humans are considered a superior part of nature [Coren, 2015] and the perfect link in natural evolution [Fortuna *et al.*, 2021]. In consumer behavior literature, anthropocentrism is mainly studied in contrast to ecocentrism as a factor of sustainable consumption [Nordlund, Garvil, 2002; Rahman, Reynolds, 2019].

Second, people may differ in the valence ascribed to nature (positive vs. negative). Love and care for nature [Perkins, 2010] is defined as recognizing nature's intrinsic value and encompasses feelings of awe, emotional closeness, and responsibility for nature. Love/care for nature was demonstrated to be positively related to consumers' green behavior [Wu, Zhu, 2021].

However, the existing literature lacks investigation of the role of environmental worldview constructs (i.e. anthropocentrism and love/care for nature) in the naturalness-related mechanism of vaccination support. Moreover, it remains unknown how ad messages related to the nature and human-nature relationship may shape vaccination support depending on perceived vaccine naturalness. This gap is of high practical importance. Namely, understanding the role of environmental constructs may guide vaccine marketers and policymakers who develop vaccine advertising strategies. Specifically, they may be advised on how to make environmental references in vaccination ads (including those related to vaccine naturalness) and align them to consumer attitudes toward and beliefs about the environment. Therefore, the following research questions may be posed:

RQ2. What is the role of consumer anthropocentrism in the naturalness-related mechanism of vaccination support?

RQ3. What is the role of love and care for nature in the naturalness-related mechanism of vaccination support?

Conclusion

Perceiving vaccines as natural may make vaccine attitudes more favorable [cf. Bearth *et al.*, 2022; Meier *et al.*, 2021]. Thus, identifying the factors playing a role in this mechanism may help build public support for vaccinations. This paper suggests that several kinds of people's worldviews (i.e., consumer beliefs about the world's orderliness, anthropocentrism, and love and care for nature) may be such factors. Pro-vaccination campaigns may refer to those worldviews or target people based on those worldviews. Therefore, answering the above research questions is a promising path for future research on vaccine attitudes.

The moderating role of people's worldviews may be investigated at least twofold. First, further studies may take the form of a survey, measuring people's world, perceived vaccine naturalness, and vaccine attitudes. This way, such studies can assess the role of actual views and vaccine perceptions held by people. Second, the studies may be experimental, involving the manipulation of worldview activation. For example, stimuli vaccination ads may refer to nature's beauty or dangers, which may, respectively, activate or deactivate the idea of love and care for nature. Perceived vaccine naturalness may also be manipulated, as stimuli vaccination ads may refer to the vaccine's naturalness or artificiality. This way, such studies can assess the proposed relationships based on worldviews and perceptions activated by vaccine-promotion messages, which may have valuable practical applications.

References

- Abbas, K.M., Kang, G.J., Chen, D., Werre, S.R., Marathe, A. (2018). Demographics, Perceptions, and Socioeconomic Factors Affecting Influenza Vaccination among Adults in the United States, *PeerJ*, vol. 6, p. e5171.
- Bearth, A., Berthold, A., Siegrist, M. (2022). People's Perceptions of, Willingness-to-Take Preventive Remedies and their Willingness-to-Vaccinate During Times of Heightened Health Threats, *Plos One*, vol. 17(2), p. e0263351.
- Cao, Y., Li, H., (2021). Harmony Between Humanity and Nature: Natural vs. Synthetic Drug Preference in Chinese Atheists and Taoists, *Journal of Religion and Health*. DOI: 10.1007/s10943-021-01314-6.
- Cerda, A.A., García, L.Y. (2021). Willingness to Pay for a COVID-19 Vaccine, *Applied Health Economics and Health Policy*, vol.19(3), pp. 343–351.
- Coren, D. (2015). Anthropocentric Biocentrism in a Hybrid, *Ethics and the Environment*, vol. 20(2), pp. 48–60.

- Cutler, D. (2020). New Rules for the Pandemic Era. In *JAMA, Health Forum*, vol 1(7), p. e200945–e200945.
- Di Bonaventura, M.D., Chapman, G.B. (2008). Do Decision Biases Predict Bad Decisions? Omission Bias, Naturalness Bias, and Influenza Vaccination, *Medical Decision Making*, vol. 28(4), pp. 532–539.
- Ditlevsen, K., Glerup, C., Sandøe, P., Lassen, J. (2020). Synthetic Livestock Vaccines as Risky Interference with Nature? Lay and Expert Arguments and Understandings of ‘Naturalness’, *Public Understanding of Science*, vol. 29(3), pp. 289–305.
- Fazal-e-Hasan, S.M., Ahmadi, H., Kelly, L., Lings, I.N. (2019). The Role of Brand Innovativeness and Customer Hope in Developing Online Repurchase Intentions, *Journal of Brand Management*, vol. 26(2), pp. 85–98.
- Fortuna, P., Wróblewski, Z., Gorbaniuk, O. (2021). The Structure and Correlates of Anthropocentrism as a Psychological Construct, *Current Psychology*, May 11th, pp. 1–13. DOI: 10.1007/s12144-021-01835-z.
- Hopfer, S. (2012). Effects of a Narrative HPV Vaccination Intervention Aimed at Reaching College Women: A Randomized Controlled Trial, *Prevention Science*, vol. 13(2), pp. 173–182.
- Hwang, J. (2020). Health Information Sources and the Influenza Vaccination: the Mediating Roles of Perceived Vaccine Efficacy and Safety, *Journal of Health Communication*, vol. 25(9), pp. 727–735.
- Kahraman, A., Kazançoğlu, İ. (2019). Understanding Consumers’ Purchase Intentions Toward Natural-Claimed Products: A Qualitative Research in Personal Care Products, *Business Strategy and the Environment*, vol. 28(6), pp. 1218–1233.
- Kata, A. (2012). Anti-Vaccine Activists, Web 2.0, and the Postmodern Paradigm – An Overview of Tactics and Tropes Used Online by the Anti-Vaccination Movement, *Vaccine*, vol. 30(25), pp. 3778–3789.
- Lacey, R., Kennett-Hensel, P.A., Manolis, C. (2015). Is Corporate Social Responsibility a Motivator or Hygiene Factor? Insights into its Bivalent Nature, *Journal of the Academy of Marketing Science*, vol. 43(3), pp. 315–332.
- Li, H., Cao, Y. (2020). For the Love of Nature: People Who Prefer Natural Versus Synthetic Drugs are Higher in Nature Connectedness, *Journal of Environmental Psychology*, vol. 71, p. 101496.
- Li, M., Chapman, G.B. (2012). Why do People Like Natural? Instrumental and Ideational Bases for the Naturalness Preference, *Journal of Applied Social Psychology*, vol. 42(12), pp. 2859–2878.
- Machado, J.C., de Carvalho, L.V., Torres, A., Costa, P. (2015). Brand Logo Design: Examining Consumer Response to Naturalness, *Journal of Product & Brand Management*, vol. 24(1), pp. 78–87.
- MacInnis, D.J., Chun, H.E. (2006). Understanding Hope and its Implications for Consumer Behavior: I Hope, Therefore I Consume, *Foundations and Trends® in Marketing*, vol. 1(2), pp. 97–188.
- Meier, B.P., Dillard, A.J., Lappas, C.M. (2019). Naturally Better? A Review of the Natural-is-Better Bias, *Social and Personality Psychology Compass*, vol. 13(8), p. 12494.

- Meier, B.P., Dillard, A.J., Lappas, C.M. (2021). Predictors of the Intention to Receive a SARS-CoV-2 Vaccine, *Journal of Public Health*, Oxford University Press, England, fdab013. DOI: 10.1093/pubmed/fdab013.
- Nordlund, A.M., Garvill, J. (2002). Value Structures Behind Proenvironmental Behavior, *Environment and Behavior*, vol. 34(6), pp. 740–756.
- Perkins, H.E. (2010). Measuring Love and Care for Nature, *Journal of Environmental Psychology*, vol. 30(4), pp. 455–463.
- Rahman, I., Reynolds, D. (2019). The Influence of Values and Attitudes on Green Consumer Behavior: A Conceptual Model of Green Hotel Patronage, *International Journal of Hospitality & Tourism Administration*, vol. 20(1), pp. 47–74.
- Shin, H., Kang, J. (2020). Reducing Perceived Health Risk to Attract Hotel Customers in the COVID-19 Pandemic Era: Focused on Technology Innovation for Social Distancing and Cleanliness, *International Journal of Hospitality Management*, vol. 91, p. 102664. DOI: 10.1016/j.ijhm.2020.102664.
- Siipi, H. (2008). Dimensions of Naturalness, *Ethics and the Environment*, vol. 13(1), pp. 71–103.
- Trzebiński, J., Potocka, A., Trzebiński, W., Krzysztoń, M. (2021). Willingness to Vaccinate Against COVID-19: The Role of Assumptions on the World's Orderliness and Positivity, *Journal of Loss and Trauma* 2021, vol. 26(8), pp. 1–16.
- Trzebiński, W., Trzebiński, J. (2022). Do Optimists Like Vaccines? The Effect of Perceived Vaccine Novelty and Beliefs in the World's Positivity and Orderliness on the Attitudes Toward COVID-19 Vaccinations – the Case of European Young Adults, *Vaccines*, vol. 10(3), p. 379.
- Wilson, A.E., Darke, P.R. (2012). The Optimistic Trust Effect: Use of Belief in a Just World to Cope with Decision-Generated Threat, *Journal of Consumer Research*, vol. 39(3), pp. 615–628.
- Wu, L., Zhu, Y. (2021). How Love of Nature Promotes Green Consumer Behaviors: The Mediating Role of Biospheric Values, Ecological Worldview, and Personal Norms, *PsyCh Journal*, vol. 10(3), pp. 402–414.
- Zięba, M., Surawska, M., Zalewska, A.M. (2018). Relationships Between Personality Traits, General Self-Efficacy, Self-Esteem, Subjective Well-Being, and Entrepreneurial Activity, *Polish Psychological Bulletin*, vol. 49(2), pp. 131–140.

Hyo Jin (Jean) Jeon¹

Racial Discrimination in Franchising and Recommendations for Policy Makers

Abstract

The concept of franchise systems allows local operators, franchisees, to be anonymous while the trademarks that are owned by franchisors serve as a cue to value the position of the business entities. Selecting a local franchisee, who understands the target market, is an important task for a franchisor; however, a fair and equitable process to select a franchisee for a vacant operation is critical. Even though the Federal Trade Commission requires franchisors to disclose obligations and responsibilities prior to the offer or sale of a franchise to a potential franchisee, the franchise disclosure document (FDD) does not provide sufficient information to alert any institutional biasedness that can disadvantage immigrants and minorities. The Federal Trade Commission needs to investigate systematic racial biasedness within franchise systems, to revise the current minimum requirements of the FDD and to strengthen whistle blower programs.

Introduction

McDonald's is one of the first franchise systems that granted franchising rights to African American franchisees in the late 1960s. Since the founding of the National Black McDonald's Operators Association (NBMOA) in 1972, McDonald's has helped African American franchisees to grow with the system [National Black McDonald's Operators Association, 2022]. However, one of the most successful African American McDonald's franchisees, sued McDonald's in 2020 alleging that the franchisor only granted low-income and unprofitable locations to African American franchisees [Jones, 2021]. In fact, three pending cases claimed that the franchisor violated federal civil rights laws against former

¹ Associate Professor, Marketing Department, College of Business, University of Nevada, Reno.

and current franchisees [Minnesota Commerce Department Commerce Actions and Regulatory Documents, 2022]. This raised the concern of institutionalized racial biasedness of franchise systems.

1. Minorities in Franchising Businesses

Since the growth of franchising in the 1960s, franchising has been a gateway business format for immigrants and minorities to achieve the American dream. In franchise businesses, the roles of minorities have increased over the last four decades. In the 1970s, only 1.5% of fast-food franchised units was owned and operated by minorities while 16% of the total U.S. population was based on minorities [Hunt, 1972]. In the 2010s, 30.8% of franchise business are owned by minorities while 18% of non-franchise businesses are owned minorities [International Franchise Association, 2022]. Minority franchisees have gained greater access to financing through franchisors, operational assistance, and franchisors' intellectual properties [Bates, 1995]. However, the traditional norms related to franchise models that are driven by agency theory, resource scarcity theory, and transaction cost economies have not been challenged since there is no sufficient macro level dataset to study the success of minorities in franchise businesses since the 1980s.

2. First Refusal in a Franchise Disclosure Document

The Federal Trade Commission requires franchisors to disclose obligations and responsibilities prior to the offer or sale of a franchise to a potential franchisee. A FDD contains twenty-three items (e.g. litigation, fees, franchisee's obligations, franchisor's assistance, territory, different types of intellectual properties, and renewal, termination, transfer, and dispute resolution) so the potential franchisee can assess benefits and risks of acquiring a franchise [Federal Trade Commission, 2022]. However, a FDD is insufficient to alert any institutional biasedness that can disadvantage minorities.

In one of three pending cases against McDonald's, the African American franchisee raised the abuse of the franchisor's right of first refusal. Under item 17 in the FDD, franchisors list their 'right of first refusal to acquire a franchisee's business.' It also allows franchisors to 'match any offer for the business.' This clause allows a franchisor to select a particular franchisee to acquire an outlet in a certain location and prohibits direct transferring a business from a current franchisee to another

franchisee [Jones, 2021]. For example, McDonald's has exercised its first refusal to repurchase outlets in urban areas, to refurbish them, to flip the businesses, and to sell them at higher prices. Eventually, minority franchisees, who are often allowed to purchase urban outlets, need to pay more to acquire an outlet. In some cases, a franchisor operates a business until it finds a potential franchisee that it sees as an ideal candidate. If this ideal franchisee profile includes race and ethnicity, then this practice is in violation of federal civil rights law.

Conclusion

The challenge about the institutional biasedness is an important topic for franchise systems to address since many immigrants and minorities invest most of their assets to become a franchisee. As witnessed by McDonald's recent litigation cases, institutional biasedness toward certain minorities cannot be identified under the current FDD requirements. Thus, the Federal Trade Commission should consider requiring franchisors to disclosure information about renewal, termination, and transfer based on race, gender, and geographic areas (i.e., urban, suburban, and rural). Especially, franchisors should disclose their exercises of first refusal cases so a potential franchisee can be aware of franchisors' involvement in acquisitions and transferring. Finally, the Federal Trade Commission should promote whistle blower programs to investigate systematic racial biasedness within franchise systems.

References

- Bates, T. (1995). A Comparison of Franchise and Independent Small Business Survival Rates, *Small Business Economics*, vol. 7(5), pp. 377–388.
- Federal Trade Commission (2022). *Franchise Rule*, <https://www.ftc.gov/legal-library/browse/rules/franchise-rule> (accessed: 20.04.2022).
- Hunt, S.D. (1972). The Socioeconomic Consequences of the Franchise System of Distribution, *Journal of Marketing*, vol. 36(3), pp. 32–38.
- International Franchise Association (2022). *Minority Business Ownership*, <https://www.franchise.org/advocacy/minority-business-ownership> (accessed: 20.04.2022).
- Jones, K. (2021). *McDonald's Settles Lawsuit with Black Franchise Owner*, <https://www.cnn.com/2021/12/21/us/mcdonalds-settles-lawsuit-black-franchise-owner/index.html> (accessed: 20.04.2022).

Minnesota Commerce Department Commerce Actions and Regulatory Documents (2022). <https://cards.web.commerce.state.mn.us/> (accessed: 20.04.2022).

National Black McDonald's Operators Association (2022). *Our History*, <https://nbmoa.org/our-history/> (accessed: 20.04.2022).

Adrian Lubowiecki-Vikuk¹

Marketing in Ukrainian Medical Tourism Enterprises: Reflections of a Visiting Scholar Involved in Bilateral Cooperation

Abstract

Searching for external sources of financing for individual research projects has become commonplace among Polish researchers. Considerable support is provided in the form of Polish National Agency for Academic Exchange (NAWA) stipend programmes. The purpose of this article is to share the knowledge gained during the implementation of a project financed by NAWA related to marketing in Ukrainian entities operating on the supply side of the medical tourism market. Additionally, the author shares some reflections on his participation in the “Exchange Programme for students and scientists as part of bilateral cooperation”, addressing the challenges of international academic partnership between the SGH Warsaw School of Economics and the National Technical University of Ukraine ‘Igor Sikorsky Kyiv Polytechnic Institute’. The COVID-19 pandemic and the war in Ukraine form a background for the presented deliberations focusing on the practical applications of research results.

Introduction

No one needs convincing that international academic exchange is important. It influences internationalisation of higher education and affects all actors, i.e. members of the academic community [Tight, 2022]. It provides benefits to the participants’ home academic institution, to the host academic institution and to the participants themselves. Although internationalisation of higher education is a challenge, especially for actors originating from the ‘rest of Europe’ countries,

¹ Ph.D., Associate Professor, SGH Warsaw School of Economics, Collegium of Management and Finance, Institute of Management, Department of Consumer Behavior Research.

where patterns of internationalisation are not as stable as in the western countries, it provides the participants with various new experiences [Tight, 2022].

One way to engage in academic exchange is to apply for participation in the “Exchange Programme for students and scientists as part of bilateral cooperation” (EPSSBC). The aim of this programme is not only to enhance the internationalisation of higher education in Poland but, most importantly, to establish academic cooperation and implement it through the exchange of students and faculty members [NAWA, 2022]. Partner countries, such as Ukraine, also participate in the programme. The idea behind academic placements organised within the framework of the program is to initiate (or expand) cooperation between academic centres in Poland and abroad as well as to deepen the specialised knowledge of participating researchers. It is worth mentioning that the program provides funding to cover the applicant’s living expenses at the host academic institution abroad, and the home university may cover the insurance fees.

The application procedure is not very complicated. First, an academic placement plan for the stay must be designed, describing the activities planned for the stay at the host academic institution and providing the justification for the selection of a given academic institution (an ‘invitation letter’ is also required). The application is submitted through an IT system. The settlement of the application is done similarly and involves submitting a final report and a certificate from the host university.

The author’s month long academic placement, part of a bilateral exchange program, was initially planned for September 2020. However, due to the COVID-19 pandemic it was postponed by a year, which affected the implementation of the research project. The tourist industry was the one that was hit the most with the negative impact of the pandemic. The sanitary regimes and lockdowns resulted in considerable reduction of tourist traffic and in some destinations, the tourist traffic stopped altogether [Koh, 2020]. The increased risks, fear and post-traumatic stress experienced by consumers in the tourism market [Miao *et al.*, 2022], also by those using medical tourism products, was reflected in the marketing decisions of entities operating on the supply side of the medical tourism market.

The purpose of this article is for the author to share the knowledge gained during the implementation of a project related to marketing in medical tourism as well as to reflect on the experience of participating in EPSSBC. Hatcher and Bringle [1977] define reflections as ‘the intentional consideration of an experience in light of particular learning objectives’. In general, the author’s personal reflections are a starting point for the critical review of positive and negative aspects of participating in EPSSBC.

1. Description of the academic placement

The academic placement plan has been completed in accordance with the project schedule. The goal was to identify the marketing activities undertaken by Ukrainian entities operating (also as intermediaries) on the supply side of the medical tourism market and to establish future directions for marketing activities, e.g. those related to outbound medical tourism to Poland. The following research question was formulated:

RQ. What is the role of marketing in medical tourism companies in Ukraine during the COVID-19 pandemic and what are the directions of its development?

During the first week, a literature review of publications in Ukrainian and in English was performed. Specialist internet portals focusing on medical tourism in Ukraine were also reviewed. Over the course of analysis of secondary sources it was found that their authors highlighted the potential of medical tourism in Ukraine [e.g. Solarska, 2018]. However, they did not attempt to critically discuss the marketing activities of entities operating on the supply side of the medical tourism market.

During the second week, an attempt was made to identify the entities operating in the medical tourism market in Ukraine, especially in Kiev, and to create a database of those entities. Following the recommendations of the Medical Tourism Association and using the Ukrainian Association of Medical Tourism database, 15 entities providing medical services for local and foreign patients, i.e. medical tourists, were identified.

During the third week, a direct interview scenario was prepared in cooperation with the academic placement supervisor, and the study was conducted by the author. The interview scenario involved five blocks of questions (in the Ukrainian language) related to: (1) obtaining patients, (2) effectiveness of the marketing mix tools, (3) marketing management in the context of digital marketing, (4) experiences with Polish patients undergoing treatment in Ukraine and Ukrainian patients undergoing treatment in Poland, (5) concepts of marketing activities and their directions in the conditions of the COVID-19 pandemic. An email message was sent to all entities identified in the previous phases of the project, asking them whether they are willing to participate in the study voluntarily and without any remuneration as well as outlining the purpose of the study and scope of the questions. Individual in-depth interviews were conducted with representatives of four entities: an in vitro infertility treatment clinic (38 years in the market); a market-leading group of high ranking private medical entities (present in the medical tourism market for over 20 years); two intermediaries in the medical tourism market operating platforms

dedicated to medical tourism, one of them operating an internet platform dedicated to promoting stem cell treatment offers (present in the market for more than 5 years). For improved comfort of the interviewees, the interviews were held at the companies' premises. The project author acted as moderator. In the case of one interview the academic placement supervisor acted as co-moderator and interpreter. The interviewees were: the head of the foreign patient cooperation department, the head of the marketing and business development department, the chief financial officer together with the marketing manager and the manager together with an arbitrarily selected team of employees.

During the fourth (final) week, the collected materials were analysed and the results were discussed between the teaching-research staff members of the Department of Industrial Marketing of the host university.

Over the course of the research project it was established that:

1. Marketing activities, especially contextual and targeted advertising as well as word of mouth (recommendations provided by satisfied customers), are used to obtain patients/medical tourists. These activities are frequently reinforced through cooperation with medical tourism intermediaries (agencies). The entities analysed remain open to partnerships and cooperation (also with companies sending their employees for treatment as well as with partner healthcare facilities) and take care to provide the highest quality of services. One of the respondents highlighted that this is a challenge as 'the satisfaction of foreign patients is a priority for the company'. The most popular medical tourism service in Ukraine is surrogate motherhood. Very few entities use advanced marketing activities (with the exception of having a well-designed website) because these services are most often selected based on recommendations from existing clients, especially originating from countries more distant to Ukraine. However, it is worth indicating that the medical tourism market in Ukraine is in its initial phases of development and 'its direct participants are learning new approaches to providing services and to communicating with patients'. Thanks to the ongoing reform of the public healthcare system in Ukraine (which started in 2016), there is a considerable potential available in the form of highly-educated physicians and a growing number of private healthcare facilities.
2. Marketing tools used by entities operating on the supply side of the medical tourism market in Ukraine are adjusted accordingly to the results of marketing analyses (market research) and marketing instruments are used comprehensively. Usually, the medical tourism product based on a medical service (e.g. reproductive medicine) is not supplemented with complimentary non-medical services (tourism services, concierge services, translation/interpretation services). The

distribution is detailed precisely, adapted to the individual needs of each foreign patient (minimising the waiting period for the medical service, i.e. 'no queues'). Promotional activities are direct towards foreign patients originating from specific destinations (critical from the company's perspective) and take into consideration the value for clients and client safety, which has become even more important during the pandemic. The personnel (including physicians) and their competencies, especially when it comes to their ability to communicate in the patients' native languages, is an important marketing instrument. However, because of the country's 'Soviet heritage', communicating in English remains a challenge for the medical personnel and it is easier for them to use the Russian language instead. Importantly, the use of marketing mix tools is not diversified accordingly to the patients' country of origin. It was also found that price is not an important part of marketing communications, with the exception of cases when the medical service in Ukraine is considerably cheaper than in the patient's country of origin (e.g. USA, some European countries – especially the UK). The respondents were very well aware that the price of services they offer is very attractive and that in this regard they are very competitive in the Eastern European medical tourism market.

3. In the cases analysed, digital marketing is a key component of marketing activities of entities operating on the supply side of the medical tourism market. Communication through social media, contextual (e.g. content marketing) and targeted advertising (e.g. using SEO – search engine optimisation), email marketing and paid advertisements are particularly important.
4. Three of the entities analysed had experience in providing services to patients from Poland (inbound medical tourism) but considerably less experience in acting as intermediary in organising medical travel to Poland for Ukrainian patients (outbound medical tourism). One of the entities studied did not have any experience of this kind, which results from its scope of activity and specialising in local medical tourism. It is worth noting that a considerable number of inbound medical tourists are Ukrainian citizens with permanent residence in Poland. Polish patients most often choose medical facilities that are located in Western Ukraine. Upon their arrival they use dental services, infertility treatment (including surrogate motherhood which is legal in Ukraine).
5. During the COVID-19 pandemic, digital marketing has become not only 'the most promising method' but a necessity ('technological regime') for the success of the entities analysed. At the same time, the new marketing activities became a challenge, especially for the managers of those entities that provide relatively expensive and specialist medical services (e.g. in vitro fertilisation).

Online consultations (taking place before the patient's arrival) became more popular, which also improved marketing communication. The leading medical entities have implemented an effective system for providing medical services using telemedicine. Designing the patient's experience is important and the respondents were aware that only a satisfied customer will recommend their products to others. Marketing experts try to combine digital marketing with patient experience, however at this time this is not their priority. One of the respondents highlighted that 'healthcare requires privacy and confidentiality and not every customer wants to share information with others'. The pandemic caused a concentration of marketing activities on priority patients, optimising service and building relations (improving cooperation) with other stakeholders in the Ukrainian medical tourism market. The respondents noted that this required creating special marketing strategies and developing promotional activities based on internet tools.

Up until the Russian invasion of Ukraine the latter country was one of the more important and 'cheap' destinations in the European medical tourism market. Medical entities provided specialist medical services e.g. surrogate motherhood and in vitro fertilisation or stem cell treatments. So far, a holistic medical tourism product has been missing, therefore professional medical tourism intermediary services will be in demand in the future. Their role in the market as well as rather low prices of medical services can have a positive impact on the development of inbound medical tourism. However, this requires considerable marketing activity by the medical entities and also by the national government (RQ). Creating a marketing strategy based on the potential and attractiveness of medical tourism destinations, shaping their image and creating their brand requires the use of all marketing mix instruments involving digital tools and, most importantly, engaging the patients and utilising their experiences [e.g. Dryglas, Lubowiecki-Vikuk, 2019a; Dryglas, Lubowiecki-Vikuk, 2019b; Lubowiecki-Vikuk, 2021]. The distinctive character of these services, some of which are prohibited in the patients' countries of origin, require paying more attention to legal and ethical aspects, e.g. by introducing cause related marketing.

2. Reflections on the academic placement

The author is certain that participating in EPSSBC had a positive impact on the development of his scientific career. The ability to use a wealth of library resources and participate in consultations with research staff expanded the author's competencies

in conducting research in the fields of marketing and marketing communications of service companies.

First of all, participating in EPSSBC allowed for establishing cooperation with a foreign academic institution, among others, in designing and conducting studies. The Institute of Management at the SGH Warsaw School of Economics has initiated and organised an (online) doctoral seminar together with its partner from Ukraine. Additionally, both universities exchanged information on the professional interests of their employees to apply for the financing of research from various NAWA programmes. Faculty members from both universities participated in conferences organised by the SGH Warsaw School of Economics and its partner from Kiev. Even though the war affected the developing cooperation, it is still ongoing. As an expression of solidarity with war-torn Ukraine, one faculty member from the organisation unit in which the author had his academic placement was employed at SGH Warsaw School of Economics. It is also worth noting that in these very difficult times the Ukrainian research and teaching staff has new professional career development opportunities resulting from the cooperation under the NAWA programmes.

Secondly, the research material obtained is a valuable source of knowledge within the realm of the author's professional interests [e.g. Lubowiecki-Vikuk, 2021] and it can become a background against which new in-depth research can be designed. The distinctive character and complexity of medical tourism, including marketing management in Ukrainian entities operating on the supply side of the medical tourism market, is becoming a fascinating challenge for researchers and an opportunity to fill the blank spaces related to marketing in tourism, even though it poses some additional implementation-related dilemmas. Thirdly, participating in the academic placement expanded the author's cultural competences related to cooperating with Ukrainian researchers and entrepreneurs.

Without close cooperation of the placement supervisor the desired research project results would not have been achieved. It would have been necessary to gain trust of the representatives of entities operating on the supply side of the medical tourism market. For a Polish researcher this would require extending the project timeline. The commitment of the academic placement supervisor allowed for the successful completion of the project, therefore it is undesirable to marginalise this function and EPSSBC should recognise it more, e.g. by providing them with financial gratification. Additionally, implementing qualitative research in a foreign host country is no easy task. Different socio-economic conditions, especially cultural factors, undoubtedly provide a different reality for researchers, as was experienced by the author. It is possible that if the company representatives received some benefits in return for their active participation in the study, e.g. a study report, the

number of interviews would be greater. Unfortunately, the EPSSBC regulations do not provide for this type of support related strictly to the research project.

From the author's perspective, an added benefit of EPSSBC was the opportunity to teach classes and discuss ethical aspects of conducting scientific and marketing research projects with students. This improved the author's mediation skills, and social competence in better understanding the value of the personality of young Ukrainians [See Shulhina, Dąbrowska, 2022] and provided a better understanding of cultural differences. The academic placement also improved the author's understanding of business culture in medical tourism. Contrary to popular belief there are numerous differences, including differences in mentality, when it comes to initiating and implementing research projects involving Ukrainian and Polish businesses. Participating in EPSSBC also improved the author's key competences, especially when it comes to learning and communicating in foreign languages. Another advantage of the academic placement was the improved cultural awareness and expression of the heritage of Kiev and Ukraine which is even more important in the context of the Russian invasion of that country.

Conclusion

The academic placement concluded 5 months before war broke out in Ukraine. The author is aware that the results obtained may not fully represent the directions of marketing development among entities operating on the supply side of the medical tourism market. However, these results may become a starting point for discussing the direction in which the rebuilding of tourism in general in a country affected by war should proceed. War causes a number of crises: humanitarian, social and economic. Another, which will also become visible is the health crisis that started with the COVID-19 pandemic. Pandemics are not a new phenomenon and, similarly to other crises and disasters, can have a lasting impact on individuals, companies, communities and countries (or tourist destinations) [UNCTAD, 2020]. Therefore it seems that designing a medical tourism product comprising spa, medical and wellness services may help Ukraine rebuild after the war. This applies to medical tourism destinations (e.g. Truskawiec) as well as entities offering specific medical tourism products, e.g. clinics, spa resorts, hotels offering spa and wellness products, travel agencies and medical tourism intermediaries. Thanks to its varied tourism resources, Ukraine can offer a comprehensive scope of tourism experiences, both for local and foreign tourists expecting to enjoy adventure, culture and nature [e.g. Skorupa, Bogacz, 2016; Solarska, 2018].

One has to agree with the opinion expressed by Dolnicar and McCabe [2022] that foreign tour operators should be already developing ideas for tourist packages to be offered in Ukraine. As these authors indicated, previous studies demonstrated that communication based on solidarity, empathy and the willingness to support local inhabitants was a useful tool in marketing of destinations that experienced some form of a disaster. Traditional instruments of marketing composition (product, price, place and promotion) are also important. This is the most universal, solid and stable approach, forming a basis for marketing activities of companies [Kotler, Caslione, 2009]. However, more multiple-layered and interdisciplinary studies will be crucial for the economic redevelopment of Ukraine and establishing the role of tourism in this process after the end of hostilities.

So far, the Ukrainian medical tourism market was highly stratified, prone to corruption and underinvested by the national authorities [WPHI, 2015]. It is worth considering how to support medical tourism entities by eliminating legal loopholes, improving the quality of products offered, rebuilding the investment attractiveness and re-establishing the potential of various regions of Ukraine [Psarova, 2021] with the goal of creating the desired image of a safe medical tourism destination. It is also important to redefine the tasks of leaders and managers operating in the medical tourism business. It is required to look towards the future, trying to predict the upcoming challenges related to medical tourism in these unpredictable times. Therefore, the leaders should not simply focus on what is going on right now, but also make an effort and consider potential future consequences of the present events. An attempt to focus on the future will 'give them the ability to make strategic decisions regarding future investments' [Carey *et al.*, 2022, p. 82]. Moreover, uncertain times are an opportunity to revise price predictions, and so 'managers must decide whether to somehow mitigate the increasing costs or try to carry them over for the customers to bear' [Carey *et al.*, 2022, p. 83].

The author's international academic cooperation was critical for the completion of the project. Still, cooperation between the worlds of science and business and finding our way among cultural differences remains a challenge for researchers. As mentioned before, there are no stable patterns of internationalisation in higher education. Crisis situations such as the COVID-19 pandemic and war should encourage us to review EPSSBC regulations to find answers to the following questions: Should academic placements be organised in a hybrid model? [e.g. Povstyn, 2021]. If so, how would they affect the tightening of bilateral cooperation? Should international cooperation between higher education institutions also involve the business world? What is the role of international cooperation between the parties of a bilateral agreement following a crisis and a disaster? What should the directions of such cooperation be?

Acknowledgments

The research project was made possible thanks to the support of the Polish National Agency for Academic Exchange (NAWA) “Exchange Programme for students and scientists as part of bilateral cooperation” (PPN/WYM/2019/1/00010/U/01). The author would also like to express his gratitude to the academic placement supervisor Professor Liudmyla Shulhina (Department of Industrial Marketing, Faculty of Management and Marketing, National Technical University of Ukraine ‘Igor Sikorsky Kyiv Polytechnic Institute’).

References

- Carey, D., Mayville, W., González, J.P., Remick, T., D’Cruz-Young, C., Franzino, M. (2022). Ukraina: 5 działań, jakie powinni podjąć liderzy [Ukraine: 5 actions that leaders should take], *ICAN Management Review Polska*, vol. 14, pp. 81–83.
- Dolnicar, S., McCabe, S. (2022). Solidarity Tourism. How Can Tourism Help the Ukraine and Other War-Torn Countries?, *Annals of Tourism Research*, vol. 94. DOI: 10.1016/j.annals.2022.103386.
- Dryglas, D., Lubowiecki-Vikuk, A. (2019a). Image of Poland as Perceived by German and British Medical Tourists, *Tourism Review*, vol. 74(4), pp. 861–871. DOI: 10.1108/TR-07-2018-0105.
- Dryglas, D., Lubowiecki-Vikuk, A. (2019b). The Attractiveness of Poland as a Medical Tourism Destination from the Perspective of German and British Consumers, *Entrepreneurial Business and Economics Review*, vol. 7(2), pp. 45–62. DOI: 10.15678/EBER.2019.070203.
- Hatcher, J., Bringle, R. (1997). Reflection, *College Teaching*, vol. 45(4), pp. 153–163.
- Koh, E. (2020). The End of Over-Tourism? Opportunities in a Post-COVID-19 World, *International Journal of Tourism Cities*, vol. 6(4), pp. 1015–1023. DOI: 10.1108/IJTC-04-2020-0080.
- Kotler, Ph., Caslione, J.A. (2009). *Chaotics: The Business of Managing and Marketing in the Age of Turbulence*, New York: Hardcover, AMACOM.
- Lubowiecki-Vikuk, A. (2021). *Consumers’ Perceptions of Marketing Composition in Medical Tourism Supply Entities*, Warsaw: SGH Publishing House (in Polish).
- Miao, L., Im, J., So, K.K.F., Cao, Y. (2022). Post-Pandemic and Post-Traumatic Tourism Behavior, *Annals of Tourism Research*, vol. 95. DOI: 10.1016/j.annals.2022.103410.
- NAWA (2022). *Exchange Programme for Students and Scientists as Part of Bilateral Cooperation*, <https://nawa.gov.pl/en/international-cooperation-and-exchange/exchange-programme-for-students-and-scientists-as-part-of-bilateral-cooperation> (accessed: 09.05.2022).
- Povstyn, O. (2021). Pandemic as a Threat to Academic Mobility or an Opportunity for a New Perspective and Redefinition of Activities, *Youth in Central and Eastern Europe*, vol. 7(11), pp. 61–69. DOI: 10.24917/ycee.2020.11.61–69.

- Psarova, O. (2021). Administrative and Legal Mechanism of Medical Tourism Management in Ukraine, *Studia Sieci Uniwersytetów Pogranicza*, vol. 5, pp. 159–175.
- Shulhina, L., Dąbrowska, A. (2022). A Systems Approach to the Development of Educational Standards for Fostering Personal Values, *Marketing of Scientific and Research Organizations*, vol. 43(1), pp. 1–24. DOI: 10.2478/minib-2022-0001.
- Skorupa, A., Bogacz, A. (2016). The Touristic Activity During War Conflict: A Study of Ukraine, *Society and Education*, vol. 20(1), pp. 349–361.
- Solarska, S. (2018). Potencjał rozwoju rynku turystyki medycznej na przykładzie funkcjonowania kurortu Truskawiec na Ukrainie [The Potential for the Development of Medical Tourism Market, as Demonstrated Using the Example of the Truskawiec resort in Ukraine], In: *Polsko-ukraińskie doświadczenia współpracy euroregionalnej*, K. Rejman, Y. Pachkovskyy, B. Petrecka (Eds.), Jarosław: Wydawnictwo Państwowej Wyższej Szkoły Techniczno-Ekonomicznej im. ks. Bronisława Markiewicza w Jarosławiu, pp. 217–228.
- Tight, M. (2022). Internationalisation of Higher Education Beyond the West: Challenges and Opportunities – the Research Evidence, *Educational Research and Evaluation*, vol. 27 (3–4), pp. 239–259. DOI: 10.1080/13803611.2022.2041853.
- UNCTAD (2022). *Impact of the COVID-19 Pandemic on Trade and Development: Transitioning to a New Normal*, New York: United Nations, United Nations Conference on Trade and Development, https://unctad.org/system/files/official-document/osg2020d1_en.pdf (accessed: 10.05.2022).
- WPHI (2015). *Analiza zagranicznej turystyki medycznej na Ukrainie* [Analysis of Foreign Medical Tourism in Ukraine], Kijów: Wydział Promocji Handlu i Inwestycji Ambasady RP w Kijowie, sectoral study May 14, <https://www.trade.gov.pl/pl/aktualnosci/138353,analiza-zagranicznej-turystyki-medycznej-na-ukrainie.html.pdf> (accessed: 09.05.2022).

Demography, Public Health and Workforce Development

Claire Burkhardt¹, Mehmet S. Tosun²

Government Response to COVID-19 in MENA Countries: Performance and Path Forward

Abstract

More than a year after COVID-19 was first declared a pandemic by the World Health Organization (WHO), the coronavirus continues to plague worldwide health, commerce, and governance. The virus has created a massive stress test for governments, measuring the strengths, efficiencies, and resilience of nations across the world. In this paper, we use the Oxford COVID-19 Government Response Tracker Dataset to descriptively assess the MENA region's response to COVID-19 and overview post-pandemic steps towards reform and improvement. First, we review the state of the region leading up to the pandemic. Then we describe the region's performance and compare the responses of oil importers, exporters, and neighboring country groups. Finally, we examine the pandemic's future impacts, potential paths towards recovery, and reform options for rebuilding.

Introduction and Background

The Middle East and North Africa (MENA) region fared well early on in the pandemic, but their response faltered during a second wave of infections in late 2020. While the region's recovery in 2021 remains predicated on a successful vaccine rollout, limited and inequitable access hinders these goals in less wealthy and oil importing countries. As the region begins rebuilding, governments should strengthen health institutions, increase economic diversification, address rising debt levels, expand social programs, and invest in digital infrastructure.

¹ Davidson Academy, UNR, Reno, Nevada.

² Professor of Economics, University of Nevada, Reno.

COVID-19 has posed a particularly difficult challenge for countries in the MENA region, whose governments tend to have strongly paternalistic social contracts with their citizens. Citizens are often dependent on their governments for education, health services, food subsidies, and a disproportionate quantity of jobs in the public sector [Ianchovichina, 2018]. Consequently, governments in MENA have been subject to larger expectations for effective crisis mitigation even as the region remains encumbered by widespread lack of government trust and economic resilience.

Governments are still reckoning with the impacts of the Arab Spring from over a decade ago, which challenged the legitimacy of the Arab World's aforementioned authoritarian social contract. Despite the scale of outcry and upheaval, productive change has been minimal. The region still maintains the highest rates of youth unemployment and inequality globally [Assouad, 2021].

Syria, Yemen, Iraq, and Libya are mired in conflict derived from Arab Spring uprisings. The private sector remains constrained, institutional distrust runs rampant, and volatile oil prices have left governments stripped of the funds needed to implement subsidies or redistribution policies to reverse these negative trends.

The Arab Spring also failed to reform underdeveloped, understaffed, and often inequitable health systems in the region. Healthcare access and quality vary across the region, but generally 'the health community, including international health institutions, has utterly failed to prioritise a region facing endemic conflict and conflagration' [Horton, 2019]. Nine Arab States lie below the WHO's minimum threshold recommendations for medical personnel [The Economist, 2020] – across the region, there are just 14 doctors and 20 hospital beds per 10,000 people [Falah Hasan, 2021]. In contrast, the EU has 35 doctors and 52 hospital beds per 10,000 people. In total, 'Arab countries constitute 6% of the world's population yet they only spend 2% of global spending on the healthcare sector' [Falah Hasan, 2021]. While Gulf Cooperation Council (GCC) countries fare better than importers, poorer and war-torn countries like Sudan, Somalia, Lebanon, Iraq, Yemen, Egypt, and Libya are particularly ill-prepared for a global health crisis [El-Zein *et al.*, 2014].

Additionally, economic stagnation looms on the horizon due to the region's overreliance on oil as the main economic driver of the region. For many Gulf Cooperation Council (GCC) countries, 'the hydrocarbon sector continues to account for over half of real economic output, and more than 70% of budget revenues and export earnings', and even oil importers are dependent on exporters for workers' remittances and investment [El Mahmah, Kandil, 2020]. The oil price plunges during the Great Recession, the 2010s oil glut, and the COVID-19 pandemic have periodically thrown the region's economy into chaos, illustrating the consequences of an eventual oil decline. Independent of these drastic price plunges, MENA has

already exhausted most of the dramatic fiscal gains from their oil reserves but remains stubbornly under-diversified in other economic fields in the public sector. Moreover, the private sector remains significantly impeded by ‘the macroeconomic environment and structural constraints’ such as ‘access to finance... corruption... growth and external competitiveness’, which continues to hinder development in unestablished industries [Baduel *et al.*, 2019].

1. MENA’s COVID Response

Spring 2020: Immediate lockdown

Given the region’s tumultuous pre-pandemic situation, the MENA region initially showed surprising capability in its response to the COVID-19 crisis. In the two weeks after the WHO declared a global pandemic, the region responded in sync with most governments globally, instituting lockdowns, social distancing, and economic restrictions. Early on, Arab governments benefitted from ‘the early phases of the pandemic [which] catered to the region’s comparative advantage, in that implementation of the initial containment measures fell largely upon the army and the police – long among the most powerful and well-resourced institutions within the region’ [Beschel, Yousef, 2020]. Despite some nuances, both oil importers and exporters responded with swift, stringent, and relatively successful lockdowns; ultimately achieving lower average case rates than the global aggregate (Figure 7).

However, not all went well. Restrictions created opportunities for authoritarian states to further crackdown on dissidents. Countries like Algeria, Egypt, and most GCC governments used their emergency powers as excuses to repress free speech (Amnesty International), target journalists, and suppress protests [Allinson, Sanders, 2021]. Others governments faced the opposite problem, as conflict regions and fragile states like Syria, Libya, Iraq, and Yemen – whose governments already teetered on the edge of complete collapse – struggled to enforce restrictions or even adopt any response strategy at all.

GCC countries also struggled with uneven response efforts along class divides. Most oil exporters provided extensive support to nationals while simultaneously overlooking housing, healthcare, or other protective measures for their migrant workforce, who have long been marginalized both legally and socially. In Qatar, where ‘labour accommodation camps are notoriously overcrowded [and lacked] any type of social distancing’ [Amnesty International, 2020], cases among migrant workers began rising exponentially, ballooning to nearly 29,000 in the first two

months of the pandemic [Tadros, 2020]. These inequities hampered exporters' restrictions efforts across the board, since 'when only one group has any meaningful access to the social protections and high-quality healthcare on offer by the State, then any model of pandemic preparedness is quickly overwhelmed and becomes unsustainable for everyone' [Dar, 2020].

Despite these hurdles, both exporters and the Arab region at large maintained case per capita infection levels well below global averages during the spring and summer months of the pandemic. Though exporters' slightly less stringent lockdowns (and bungling of protection for migrant workers) yielded higher new cases per capita than importers, they ranked higher on overall government response largely due to their more substantial economic support (Figure 1, Figure 2, Figure 8). When compared to neighboring regions (the European Union, South Asia, Sub-Saharan Africa, and the United States), MENA consistently ranked above Sub-Saharan Africa and the United States but below South Asia and the EU for new cases; however, they were beaten only by South Asia for stringency during the first three months of the pandemic (Figure 2, Figure 7).

From an economic perspective, the region faced an additional crisis from plummeting oil prices, 'which tumbled by more than 70% since the beginning of 2020, falling to around \$ 20 per barrel by the end of April' [El Mahmah, Kandil, 2020]. Though OPEC+ quickly managed to stabilize prices at roughly \$ 40 a barrel, global demand remained low, leaving the region's most important revenue source strained even as the pandemic demanded increased spending and spiked debt levels.

Summer 2020: A lull

With economic pressures pushed to the forefront during the summer months, the region's COVID-19 response quickly became a measure of resiliency. Faced with still-rising cases, most exporters opted to keep their restrictions in place despite the economic cost, whereas importers with lower case numbers and less fiscal space generally opted to reopen their economies during the summer months. In total, fiscally-strained importers began mirroring the index performances of the less-wealthy Sub-Saharan Africa, while the wealthier exporters charted more closely with South Asia on the indices.

At first, the diverging strategies worked fairly well for exporters and importers. Exporters managed to plateau their new death rate in July, and importers maintained low new deaths per capita rates and decreased stringency throughout the summer months (Figure 2, Figure 6). This good fortune didn't last. Fragile states and conflict territories continued seeing increasing cases and deaths – many of which

went unaccounted for in official statistics. Another crisis hit in early August, when the devastating Beirut explosion in Lebanon left over 300,000 people homeless in Lebanon and skyrocketed the nation's COVID-19 cases by 220% [Sherlock, 2020]. Moreover, as restrictions loosened and hotspots grew, MENA's porous borders made it difficult for any single nation to isolate flare-ups and prevent COVID-19 from traveling around the region.

Fall & Winter 2020: The second wave

Cases began rising steadily in September for importers and in October for exporters due to a perfect storm of strained health systems, decreased government support, and continued economic pressure. While governments recognized the need to contain the virus, they generally lacked either the willpower or the ability to sustain significant economic closures. The region had exhausted most of its health systems and economic reserves fighting the first wave of the virus, leaving states ill-prepared to deal with a second wave. Government response and stringency indexes (formerly falling) plateaued but never increased even as cases continued to rise (Figure 1, Figure 2). Facing decreased fiscal space, importers also significantly cut economic support (mostly in the form of debt relief) and continued to eschew fiscal stimulus, increasing the pressure on an already economically unstable populace to work, avoid quarantine, and transmit the virus (Figure 4). By the time the WHO warned of a second COVID-19 wave in the region in early November, the numbers of new COVID-19 deaths per capita had already doubled from summer rates.

A primary cause of this second wave was overstrained health systems. For example, early pandemic leaders like Morocco, Jordan, and Tunisia all struggled with healthcare shortages and institutional failure within the very structures that had been initially crucial to their success in slowing the virus during the spring. Morocco suffered huge medical personnel shortfalls, falling 32,000 doctors below the WHO's recommended threshold, even as the country's total cases rose to over 8% of all cases in the region by the end of November [Abouzzohour, 2021]. Moving into December, importers marginally increased their containment and health and stringency indices in December, but even so, cases and deaths per capita continued to increase (Figure 2, Figure 3).

By December exporters – unlike importers – enjoyed a decline in their new case rate (Figure 8), most likely because they maintained higher rates of economic support and better sustained their health system – two measures directly enabled by the exporters' relative prosperity. Exporters' deaths per capita dropped in December, and their fatality rate has similarly converged at a rough average rate of 2%. Led by

the UAE, exporters' fiscal stimulus reached ~\$ 1398 per capita by year-end, almost 10x that of importers (~\$ 153). While the vast majority of countries maintained pandemic debt relief throughout 2020, only roughly half of the countries had some form of COVID-related income support.

Although exporter countries were now performing slightly better than importers, MENA's overall performance at the end of 2020 was similar to its performance at the beginning of the pandemic. After diverging in June, exporters' and importers' stringency re-converged with each other and with South Asia at the end of the year (Figure 2). Similarly, exporters' overall government response, containment and health, and economic support ended the year sitting above importers (and Sub-Saharan Africa) but below South Asia, the USA, and the EU (Figure 1, Figure 3, Figure 4).

2021: Looking to a vaccine

In 2021, nations are anticipating COVID-19 vaccinations as the best way out of the pandemic. Despite a January decline, cases have continued to increase as importers' containment measures remain relatively plateaued (Figure 3, Figure 8). And while exporters have strengthened their restrictions, these measures haven't prevented rising cases (or new variants) since the turn of the year (Figure 8). Like the rest of the world, the region's best hope of recovery lies in a COVID-19 vaccine, but logistic, fiscal, and equity issues surround the acquisition and distribution of vaccines.

Nearly every non-wealthy GCC oil exporter is struggling to obtain vaccines. According to the IMF's April 2021 Regional Economic Outlook, seven countries in the MENA region (all the GCC countries and Morocco) can be categorized as early inoculators: nations that began distributing vaccines in December 2020 or January 2021 and expect to vaccinate 'a significant share of their population by the end of 2021.' Another seven fall into the slow inoculators category and are not expected to vaccinate a significant portion of their population until mid-2022. A final five countries are late inoculators that will have little-to-no access to vaccines without COVID-19 Vaccines Global Access initiative (COVAX) or international assistance. These late inoculators 'are not expected to achieve full vaccination until 2023 at the earliest.'

Consequently, the UN's COVID-19 Vaccines Global Access initiative (which has pledged to deliver 2 billion vaccine doses to developing countries by the end of 2021) remains the most likely way that much of the region will receive vaccines in the near term. Unfortunately, COVAX remains burdened by administrative, financial, and supply limitations, leaving the ultimate efficacy of this initiative

unknown [Guarascio, 2020]. Distribution also remains a problem: ‘beyond gaining access to vaccines, it will be a challenge disseminating them to many parts of the MENA region, including to countries in conflict or rural areas lacking adequate cryogenic storage facilities’ [Beschel, Yousef, 2020]. Though the MENA region has fared better than expected in the global pandemic, its path out of the pandemic remains uncertain and deeply inequitable.

2. Steps Towards Recovery

Coordinating healthcare structures

Given that the COVID-19 pandemic is a health crisis, the number one priority of the region should be improving the existing health system and initiating regional vaccine and disease coordination to navigate out of this pandemic. While countries do need to prioritize vaccines, ‘in the short term, the main priority remains ensuring that healthcare systems are adequately resourced... [with] continuing investment in testing, therapies, and personal protective equipment’ [Azour, 2021]. Importer countries, in particular, should take steps to reinforce their healthcare system and increase medical coverage if at all possible. Exporters – particularly GCC countries with stronger existing systems – should focus on strengthening access for migrant, rural, and underserved populations while taking leadership in regional initiatives to assist neighboring countries. Though MENA remains widely fractured along political and religious divides, COVID-19 is a non-divisive common enemy, and countries should seize on this unique opportunity to build interregional cooperation that lasts beyond the pandemic.

One possibility is the creation of a long-overdue regional Centre for Disease Control or a similar intergovernmental institution. In the region, ‘virtually all countries have established central coordinating committees to address the virus... improving the quality of policy harmonization and operational integration in a region known for rigid stove-piped ministries’ [Beschel, Yousef, 2020]. COVID-19 may provide an opening for science-based policy to more permanently take root in the region; countries should strive to ‘create a paradigm shift in governance and establish formal channels for Arab scientists, engineers, and medical professionals to actively engage in government decision making and inform policies, now and in the post-COVID-19 era’ [Najib, 2021].

Building Economic Resilience

As a result of the pandemic and the March oil price plunge, the Middle East North Africa (MENA) region suffered an estimated 3.4% GDP contraction in 2020. Though rebound is expected for oil exporters and countries with access to vaccines in 2021, growth is likely to be sluggish for fragile, conflict-ridden, and impoverished states. To make economic matters worse, the region's debt levels are teetering on unsustainability due in part to huge pandemic spending deficits. The MENA debt level sits at 56.4% of the region's GDP, and more than $\frac{1}{3}$ of Arab nations suffer a debt to GDP ratio that is greater than 70%. For the rest of this pandemic, governments navigating a high-stakes tradeoff of short-term crisis spending vs. long-term debt costs should prioritize immediate 'reforms that improve debt transparency and the quality of public investment' (World Bank). In a post-crisis environment, MENA governments will need to re-evaluate their fiscal health and consider consolidation, refinancing, or restructuring of debt obligations [Gatti *et al.*, 2021].

As the debt crisis looms, so does the need for economic diversification in a region almost singularly reliant on petroleum exports for wealth. Though OPEC+ managed to stabilize the price of oil after its March 2020 freefall, global oil demand has remained low. In a pre-pandemic world, oil revenues were projected to begin decreasing around 2040 due to falling global demand [Mirzoev *et al.*, 2020], but some forecasters are now predicting that peak demand was actually reached and passed in 2019 [Evans, 2020]. Globally, countries are expected to focus their post-pandemic investments on renewable energy and green infrastructure which means oil exporters may miss out on some of the economic rebound from post-pandemic growth [Kabbani, Ben Mimoune, 2021]. Although oil markets have enjoyed a stronger-than-expected recovery in 2021 thanks to vaccine optimism, the medium-term fate of oil remains unclear.

Independent of the pandemic's ultimate impact, economic diversification away from oil and oil-reliant sectors should remain the top priority for governments across the region. By broadening non-oil exports, expanding the private sector, and promoting foreign direct investment, governments can begin to wean their economies off of oil dependency. Successful creation of non-oil dependent industries will likely depend on 'three pillars: (1) introducing a fiscal framework that allocates oil and gas revenues into either short-term rents or long-term investments with minimum economic distortions; (2) enabling an export-oriented private sector that is not dependent on oil and gas to grow and thrive; and (3) building a capable and motivated workforce outside the public sector, including entrepreneurs' to further growth [Kabbani, Ben Mimoune, 2021].

Expanding the private sector is a key first step for governments (particularly GCC countries) to promote diversification. Historically, GCC countries have leveraged oil wealth to fund an overgrown public sector while limiting the non-oil private sector in order to maintain close control over the economy and job market, thus solidifying their oligarchy. Though their governments have been reluctant to release the private sector and diminish their own influence, diversification would create less economic volatility for these countries whose livelihoods are often directly tied to any fluctuations in global oil prices [IMF Staff, 2016]. In doing so, exporters would also be able to broaden their revenue base, avoid fiscal squeezes like the one they faced in 2020, and mitigate the future problem of falling global oil demand. A more robust private sector could also increase employment opportunities – one of the region’s long-standing problems and a central cause of the Arab Spring.

Addressing Equity and Social Issues

While increased privatization will help employment rates, the region also needs to address structural issues. An additional 45 million people in the MENA region are expected to fall into poverty due to the pandemic, which has starkly exposed the region’s relative lack of social protection or safety nets – particularly for the informal workers who comprise over 64% of the total labor force [Abdo, Almasri, 2020]. In total, ‘almost all countries in MENA [spend] less than 1.2% of GDP on social protection... with only 40% of [the poorest individuals] able to access coverage.’ Aid is also disproportionately inaccessible to women, who have been hit harder by the pandemic and new burdens of unpaid care in the past year. In total, ‘of the estimated 16 million informal workers in the Middle East, 89% will be severely impacted and have no social protection,’ particularly migrants and refugees [Abdo & Almasri, 2020]. The pandemic exacerbates two related issues: first, disadvantaged groups have disproportionately lost jobs and income and are consequently in desperate need of social support. Second, these groups also suffer diminished employment prospects (particularly outside of the informal economy) in a post-pandemic world.

For example, the EU’s Emergency Social Safety Net, a cash assistance program that supports 1.7 million Syrian refugees in Turkey, saw a 242% increase of applications in June 2020 due to ‘the economic impact of COVID-19 with the associated loss of employment, particularly in the informal sector’ where refugees disproportionately work [Little *et al.*, 2021]. Despite the increase in need, the program was not expanded due to lack of funding, political issues, and technical challenges. Programs like these are likely to become even more essential in the future, for ‘given the uncertainties of

the post-COVID-19 economic environment, the hoped-for integration of refugees into the formal labour market has become a less realistic proposition' [Little *et al.*, 2021].

Governments need to stop relying on already-strained external aid programs and institute stronger national social safety nets. Existing protections that often overlook the most marginalized groups – women, young workers, migrants, and refugees – need to be reformed and expanded to cover the informal economy. The biggest hurdle for social programs in the MENA region remains covering the informal 'workers who are struggling the most... [and] are the ones who are not registered in social insurance systems' thus, any aid program will ultimately be ineffective without coverage reform [Krafft *et al.*, 2021].

In order to provide the funding for the expansion of income support and healthcare for the most vulnerable populations, governments should consider instituting new, more progressive tax systems. In particular, 'there is room for those countries to increase their taxes on income (and lower taxes on consumption) to raise more tax revenue and at the same time address the rising inequality in the region' [Burkhardt, Tosun, 2020].

More broadly, MENA states need to implement good-faith reforms for the issues raised during the Arab Spring, many of which trace back to the disenfranchisement of the same groups disproportionately affected by the pandemic. Social safety nets are a necessary part of structural reform, but employment programs for women and young workers, formal labor rights for migrants, and broader integration of the informal economy are also all necessary for improvement.

Despite the challenges, there is some reason for optimism. MENA governments – particularly GCC countries – have enough wealth to fund these social changes, they simply need the political will to implement them. Governments should capitalize on the momentum provided by the pandemic to institute progressive taxation and significant redistributive reforms to ensure that all citizens have access to basic social needs.

Expanding Digital Infrastructure

Increased digital infrastructure needs to be a primary priority of countries as they recover. The pandemic has drastically increased the demand for broadband service, which is likely to linger long beyond lockdowns. Though there is access to broadband across much of the region, increased demand has caused 'network congestion, decline in average Internet speed and deterioration of service quality even in relatively mature markets' [Guermazi, 2020]. Since reliance on digital communication will not disappear after the pandemic, governments need to increase

reliability and access to broadband in order to mitigate a growing digital divide. Inequity also remains a problem, as ‘long-term sustainability and satisfactory use of internet services are not affordable to low-income groups. [For example], a smartphone unit... represents 96% of the average income of the poorest 20%’ of the population [El-Hamidi, 2020]. If governments do not address these challenges, ‘unequal access to quality broadband connectivity may jeopardize stability and increase social inequality [for those] without adequate access to the Internet to hook up to the new normal.’

While the region has not entirely ignored e-governance, broadly speaking ‘digital government efforts in the MENA countries are still perceived as technical support activities and not as a core strategic component for development corpus’ [Dhaoui, 2021]. The pandemic offers the MENA region an opportunity to change this paradigm and continue to develop the digital communication, coordination, and e-health strategies that they’ve adopted during the pandemic. Moving forward, countries should take note of digital health success strategies. For example, Saudi Arabia successfully leveraged a digital-first strategy to run a centralized healthcare appointment, e-consultation, and e-perspective services system to fight the pandemic. Similar services, along with telemedicine, should ‘finally become a part and a parcel of daily medical consultations [along with] alternative models of care to move services from hospitals to home based care’ [Falah Hasan, 2021].

The pandemic has accelerated the pace of digital adoption by healthcare, industry, governments, and workers globally. Digital services, access, and infrastructure have become key to fighting the pandemic, and they will remain vital to maintaining productivity and growth in a post-pandemic world. As a result, the MENA region should make corresponding investments in these key areas.

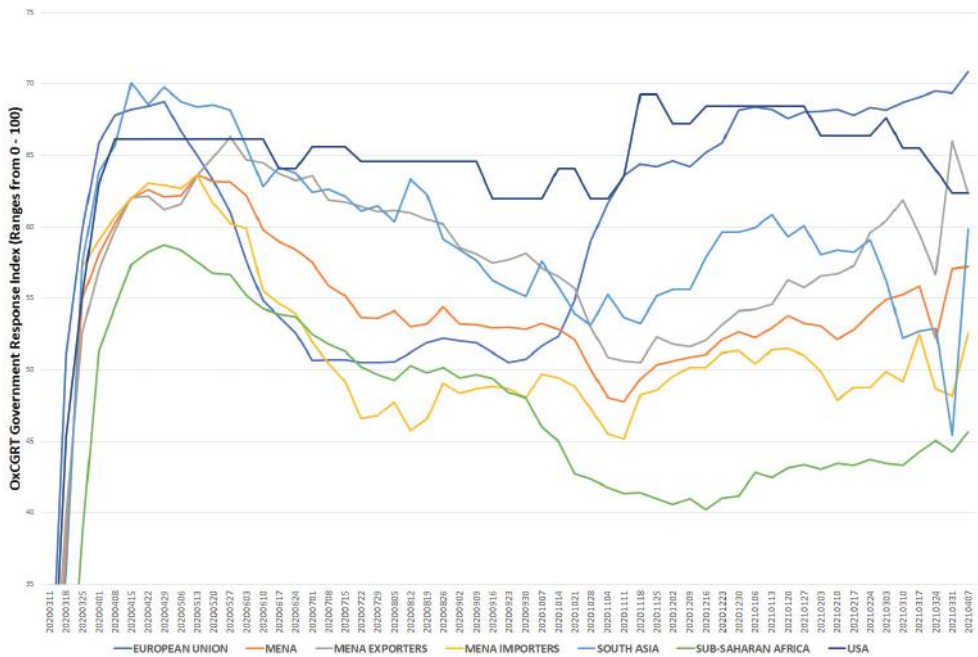
Conclusion

The pandemic has only intensified pre-existing flaws in the MENA region’s social, economic, and government structures. While the region has performed better than expected during the COVID-19 crisis, it faces a myriad of structural challenges on its road towards recovery. Many countries now face dual ticking clocks in the form of their looming economic deterioration and their own citizens’ threat of a second Arab Spring without significant reform. In the post-pandemic world, governments will be forced to implement the paradigm shifts they have avoided in the decade since the Arab Spring. These shifts will necessitate ‘walking a razor’s edge. Reforms need to be sufficiently fast to satisfy the region’s disgruntled citizens –

mostly the youth among them – but change will need to be well designed, so that it does not run into resistance from powerful elites’ [Belhaj, Hoogeveen, 2020]. As they look towards recovery, MENA governments must make a choice: they can view the pandemic as a one-off global disaster and attempt to return to their pre-pandemic status quo, or they can view the pandemic as a catalyst for the reform necessary to improve the lives of citizens while increasing the region’s resilience and stability for the future.

Figures

Figure 1. Charts OxCGRT’s Government Response Index concerning COVID-19 of selected geographic aggregates from March 11, 2020 through April 7, 2021



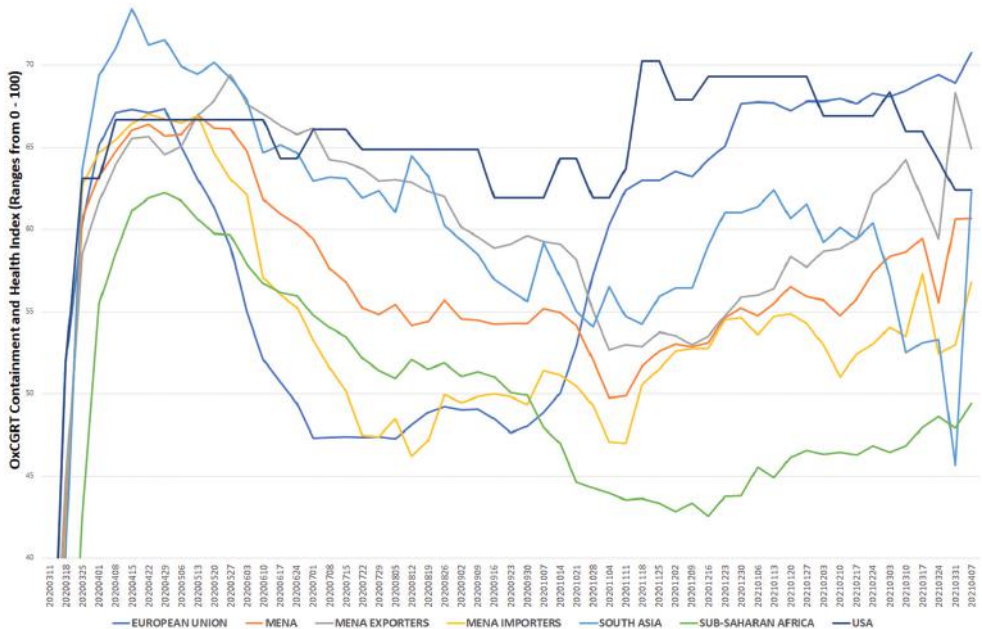
Source: OxCGRT, 2021.

Figure 2. Charts OxCGRT's Stringency Index concerning COVID-19 of selected geographic aggregates from March 11, 2020 through April 7, 2021



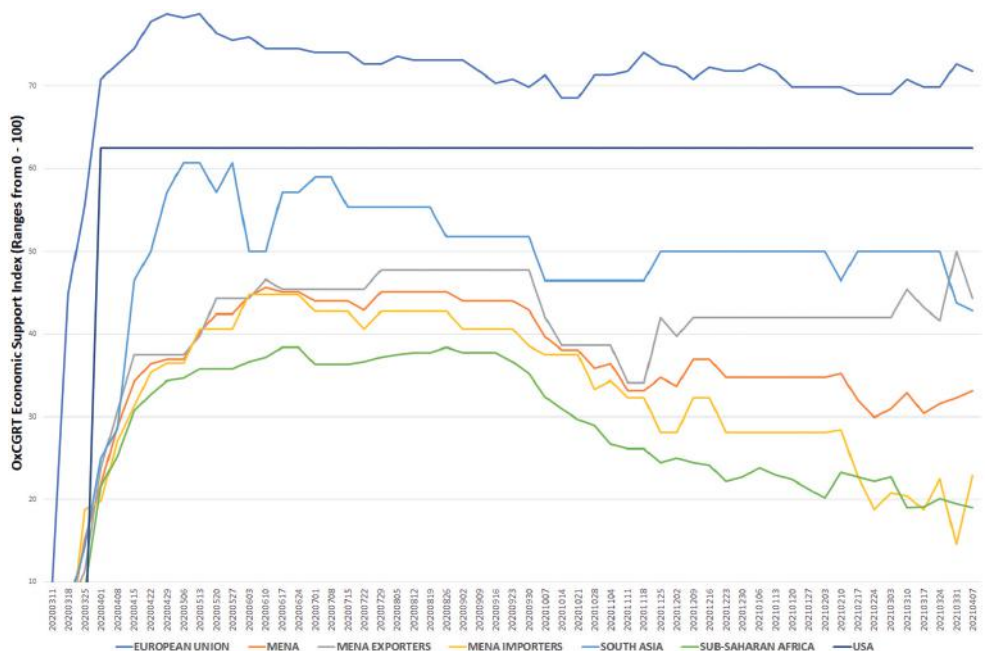
Source: OxCGRT, 2021.

Figure 3. Charts OxCGRT's Containment and Health Index concerning COVID-19 of selected geographic aggregates from March 11, 2020 through April 7, 2021



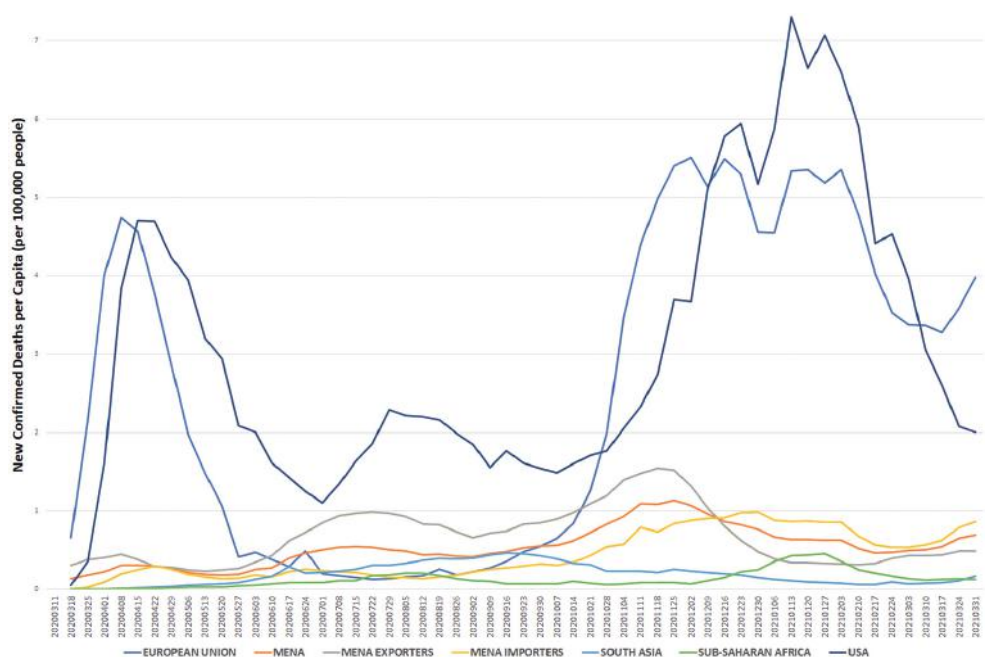
Source: OxCGRT, 2021.

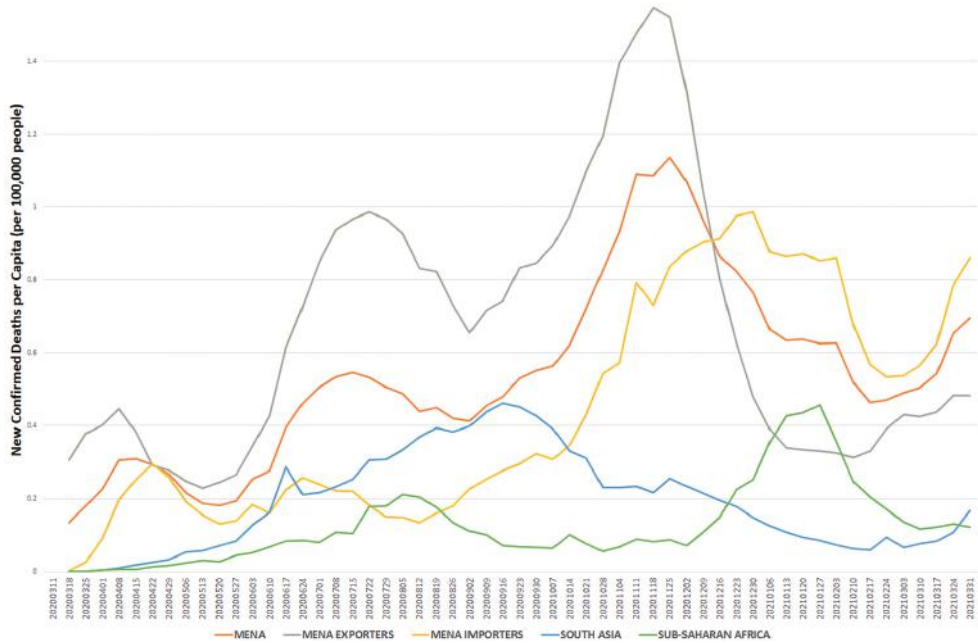
Figure 4. Charts OxCGRT’s Economic Support Index concerning COVID-19 of selected geographic aggregates from March 11, 2020 through April 7, 2021



Source: OxCGRT, 2021.

Figures 5 & 6. Charts new confirmed deaths per 100,000 people due to COVID-19 in selected geographic aggregates from March 11, 2020 through April 7, 2021

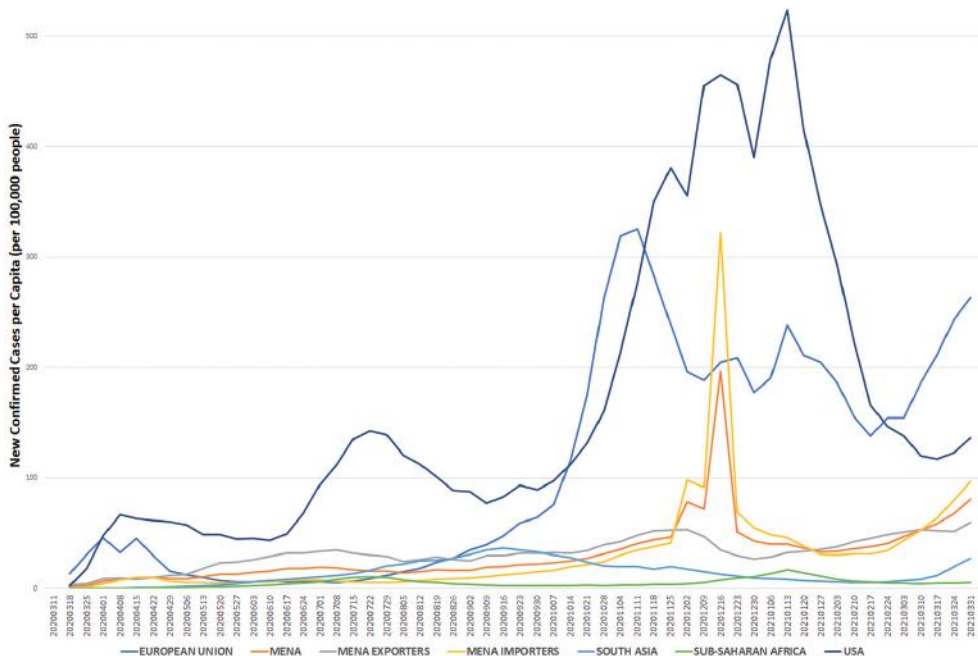


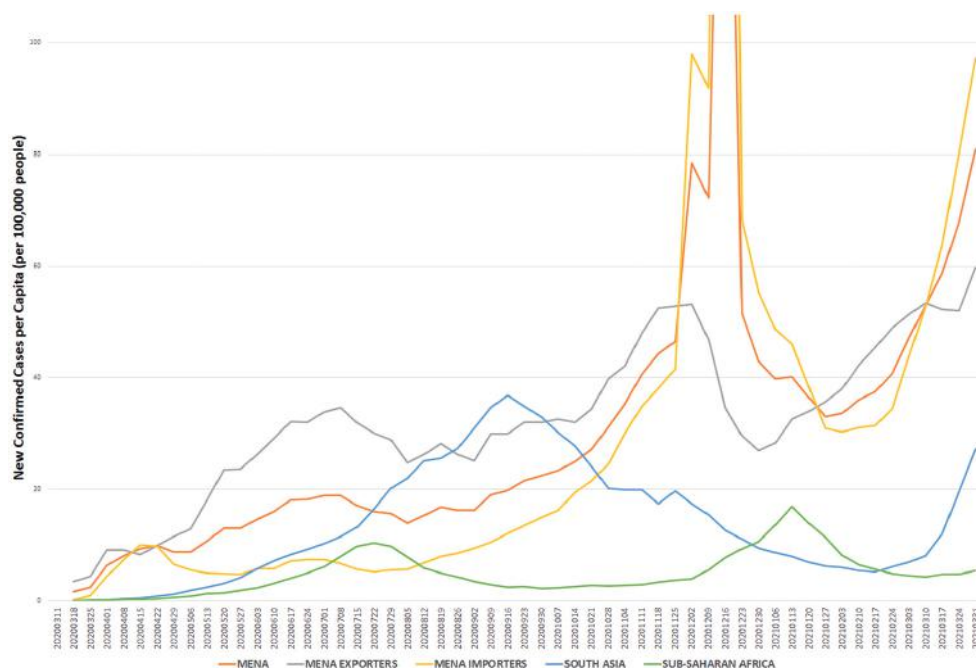


Note: Figure 6 omits the European Union and the USA in order to provide a closer look at trends in the remaining country aggregates. Underlying data is taken from OxCGRT.

Source: OxCGRT, 2021.

Figures 7 & 8. Charts new confirmed cases per 100,000 people due to COVID-19 in selected geographic aggregates from March 11, 2020 through April 7, 2021





Note: Figure 8 omits the European Union and the USA in order to provide a closer look at trends in the remaining country aggregates. The sudden spike in cases for Arab Importers and the Arab World on December 12, 2020 is derived from Turkey's sudden, upward revision of their confirmed COVID-19 cases due to previous underreporting. Regardless of this outlier, cases still sharply increased this week; see Figure 6 to observe the impact of the region's second COVID-19 wave and continued increase in confirmed deaths during December 2020. Underlying data is taken from OxCGR.T.

Source: OxCGR.T, 2021.

References

- Abdo, N., Shaddin A. (2020). For a Decade of Hope not Austerity in the Middle East and North Africa, *Oxfam*, August. DOI: 10.21201/2020.6355.
- Abouzzohour, Y. (2021). *One Year of COVID-19 in the Middle East and North Africa: The Fate of the "Best Performers"*, <https://www.brookings.edu/blog/order-from-chaos/2021/03/22/one-year-of-covid-19-in-the-middle-east-and-north-africa-the-fate-of-the-best-performers/> (accessed: 12.05.2021).
- Abouzzohour, Y. (2021). *Policy and Institutional Responses to COVID-19 in the Middle East and North Africa: Morocco*, <https://www.brookings.edu/research/policy-and-institutional-responses-to-covid-19-in-the-middle-east-and-north-africa-morocco/> (accessed: 12.05.2021).
- Allinson, T., Lewis S. (2021). Arab Uprisings Struggle Amid Lockdowns, *Deutsche Welle*, <https://www.dw.com/en/arab-uprisings-struggle-amid-coronavirus/a-53027193> (accessed: 12.05.2021).

- Amnesty International (2020). *Qatar Migrant Workers in Labour Camps at Grave Risk Amid COVID19 crisis*, March 20, <https://www.amnesty.org/en/latest/news/2020/03/qatar-migrant-workers-in-labour-camps-at-grave-risk-amid-covid19-crisis/> (accessed: 12.05.2021).
- Amnesty International (2020). *COVID-19 Is New Pretext for Old Tactics of Repression in GCC*, 15 October, <https://www.amnesty.org/download/Documents/MDE0431362020ENGLISH.pdf> (accessed: 12.05.2021).
- Assouad, L. (2020). Inequality and Its Discontents in the Middle East, *Carnegie Endowment for International Peace*, Carnegie Middle East Center, <https://carnegie-mec.org/2020/03/12/inequality-and-its-discontents-in-middle-east-pub-81266> (accessed: 12.05.2021).
- Azour, J. (2021). Cooperation Critical to Reducing Divergent Paths to Recovery in Middle East and Central Asia, *IMF*, February 4, <https://blogs.imf.org/2021/02/04/cooperation-critical-to-reducing-divergent-paths-to-recovery-in-middle-east-and-central-asia/>, (accessed: 12.05.2021).
- Baduel, B., et al. (2019). Private Sector Job Creation in Mena: Prioritizing the Reform Agenda, *IMF Working Paper*, WP 19/206, September.
- Belhaj, F., Hoogeveen, J. (2021). *MENA: It Is Urgent to Rebuild the Social Contract for Post-Covid Recovery*, WorldBank, October 29, <https://blogs.worldbank.org/arabvoices/mena-urgent-rebuild-social-contract-post-covid-recovery> (accessed: 12.05.2021).
- Beschel, R.P., Jr, Tarik Y. (2020). *The Middle East and North Africa and COVID-19: Gearing up for the Long Haul*, December 13, <https://www.brookings.edu/opinions/the-middle-east-and-north-africa-and-covid-19-gearing-up-for-the-long-haul/> (accessed: 12.05.2021).
- Burkhardt, C., Mehmet T. (2020). Taxation in MENA: Composition, Trends and Policy Options – Economic Research Forum (ERF), *ERF Policy Portal*, November 24, <https://theforum.eref.org.eg/2020/11/24/taxation-mena-composition-trends-policy-options/> (accessed: 12.05.2021).
- Dar, O. (2020). Is COVID-19 an Opportunity for More Equitable Health Systems in the Middle East?, *View*, April 3, <https://www.euronews.com/2020/04/03/covid-19-pandemic-and-health-systems-in-the-middle-east-a-chance-for-a-new-beginning-view> (accessed: 12.05.2021).
- Dhaoui, I. (2021). E-Governance For Sustainable Development In MENA Countries, *ERF Policy Portal*, March 22, <https://theforum.eref.org.eg/2021/03/22/e-governance-sustainable-development-mena-countries/> (accessed: 12.05.2021).
- El-Hamidi, F. (2020). Broadband: Is MENA Ready? Economic Research Forum (ERF), *ERF Policy Portal*, December 15, <https://theforum.eref.org.eg/2020/12/15/broadband-mena-ready/> (accessed: 12.05.2021).
- El Mahmah, A., Kandil M. (2020). Economic Challenges for the GCC Countries after COVID-19, *ERF Policy Portal*, May 2020, <https://theforum.eref.org.eg/2020/05/20/economic-challenges-gcc-countries-covid-19/> (accessed: 12.05.2021).
- El-Zein, A., et al. (2014). Health and Ecological Sustainability in the Arab World: A Matter of Survival, *The Lancet*, February, vol. 383(9915), pp. 458–76.

- Ianchovichina, E. (2018). Eruptions of Popular Anger, *World Bank*, <https://openknowledge.worldbank.org/bitstream/handle/10986/28961/9781464811524.pdf?sequence=5&isAllowed=y> (accessed: 12.05.2021).
- Carbon Brief (2020). *Analysis: World Has Already Passed 'Peak Oil', BP Figures Reveal*, September 15, <https://www.carbonbrief.org/analysis-world-has-already-passed-peak-oil-bp-figures-reveal> (accessed: 12.05.2021).
- Falah Hasan H. (2021). Legal and Health Response to COVID-19 in the Arab Countries, *Risk Management and Healthcare Policy*, vol. 14, March, pp. 1141–54.
- Gatti, R., et al. (2021). Living with Debt: How Institutions Can Chart a Path to Recovery in the Middle East and North Africa, *Mena Economic Update*, April 2021. DOI: 10.1596/978-1-4648-1699-4. License: Creative Commons Attribution CC BY 3.0 IGO.
- Guarascio, F. (2020). Exclusive WHO. Vaccine Scheme Risks Failure, Leaving Poor Countries no COVID Shots Until 2024, *Reuters*, December 16, <https://www.reuters.com/business/healthcare-pharmaceuticals/exclusive-who-vaccine-scheme-risks-failure-leaving-poor-countries-no-covid-shots-2020-12-16/> (accessed: 12.05.2021).
- Guermazi, B. (2020). Digital Transformation in the Time of COVID-19: The Case of MENA, *WorldBank*, July 29, <https://blogs.worldbank.org/arabvoices/digital-transformation-time-covid-19-case-mena> (accessed: 12.05.2021).
- Horton, R. (2019). Offline: Global Health has Forgotten the Arab World, *The Lancet*, April, vol. 393(10179), p. 1398.
- IMF Staff (2016). *Economic Diversification In Oil-Exporting Arab Countries*, International Monetary Fund, 2016.
- Kabbani, N., Nejla B.M. (2021). Economic Diversification in the Gulf: Time to Redouble Efforts, *Brookings Institute*, January 31, <https://www.brookings.edu/research/economic-diversification-in-the-gulf-time-to-redouble-efforts/#footnote-6> (accessed: 12.05.2021).
- Krafft, C., et al. (2021). The Impact of COVID-19 on Labour Markets: Evidence from Morocco and Tunisia, *ERF Policy Portal*, February 28, <https://theforum.erf.org.eg/2021/02/28/impact-covid-19-labour-markets-evidence-morocco-tunisia/> (accessed: 12.05.2021).
- Little, Simon, et al. (2021). COVID-19 And The Emergency Social Safety Net (ESSN) And Conditional Cash Transfers For Education (CCTE) Programmes, *Social Protection Approaches to COVID-19 (SPACE)*, March, https://reliefweb.int/sites/reliefweb.int/files/resources/COVID-19-and-the-Emergency-Social-Safety-Net-ESSN-and-Conditional-Cash-Transfers-for-Education-CCTE-programmes_CALP.pdf (accessed: 12.05.2021).
- Mirzoev, T., et al. (2020). The Future of Oil and Fiscal Sustainability in the GCC Region, *International Monetary Fund: The Middle East and Central Asia Research Department*, November.
- Najib, D. (2021). COVID-19 and the Arab World – Between a Rock and Hard Place, *Science & Diplomacy*, January, https://www.sciencediplomacy.org/sites/default/files/najib_2021.pdf (accessed: 12.05.2021).
- OxCGRT (2021). <https://www.bsg.ox.ac.uk/research/research-projects/covid-19-government-response-tracker> (accessed: 07.04.2021).

- Sherlock, R. (2020). After Beirut Explosion, Lebanon Sees a Spike in Coronavirus Infections, *NPR*, September 2, <https://www.npr.org/sections/coronavirus-live-updates/2020/09/02/908726243/after-beirut-explosion-lebanon-sees-a-spike-in-coronavirus-infections> (accessed: 12.05.2021).
- Tadros, A. (2020). Coronavirus Spreads 'Exponentially' in Qatar's Labor Camps, *CBS News*, May 19, <https://www.cbsnews.com/news/coronavirus-in-qatar-spreads-exponentially-in-migrant-worker-labor-camps/> (accessed: 12.05.2021).
- The Economist (2020). *Much of the Arab World is Short of Doctors*, November 21, <https://www.economist.com/middle-east-and-africa/2020/11/21/much-of-the-arab-world-is-short-of-doctors> (accessed: 12.05.2021).
- World Bank (2021). *Mena Economies Face Rapid Accumulation of Public Debt*, April 2, <https://www.worldbank.org/en/news/press-release/2021/04/02/strong-institutions-will-be-key-to-mena-recovery-amid-rapid-accumulation-of-public-debt> (accessed: 12.05.2021).

Marek Bryx¹

Sustainable City as a Requirement of Demography, Public Health and Workforce Development

Abstract

The aspiration to have a healthy society is not only the search for new healing cures, but above all prevention, which consists in ensuring that the society can live in healthy environmental conditions. Then the society is able to develop both quantitatively and qualitatively. It is able to develop its personality, spiritual development and professional skills.

The following text shows the relationship between the natural human environment, which is the city, and the health and satisfaction of other human needs. An attempt is made to define the city and to explain the terms smart city, eco city green city and sustainable city. Especially the latter is important in humanity's pursuit of conditions that enable demographic growth, community health and workforce development.

The research method used in this article is primarily the analysis of literature, comparative analysis and designation analysis of definitions occurring in various sciences related to the city. An important point of the research is the search for connections between various values of living in the city.

Introduction

The title of the session ("Demography, Public Health and Workforce Development") is extremely expired and inspiring. Development of demography, public health and workforce is crucial challenge in today's world, written in the UN Sustainable development Goals. The pandemic of COVID-19 has shown how important is healthy living conditions that can prevent the spread of disease.

¹ Professor, SGH Warsaw School of Economics, Collegium of Business Administration, Department of Innovative City.

We must realize that the natural habitat of mankind has become a city. Since half of the population has lived in cities, and by 2050 this will be two-thirds of the population, we must not only think of our cities as the natural environment of man, but we must take care of its proper development in accordance with the needs of mankind who are rooted in the natural but live in urban environment.

The purpose of this paper is to show what a healthy environment means, what its enduring features are, how we should go about building one, and what impact they have on health, demographic and workforce development.

1. What is a city? What distinguishes cities?

It is worth realizing that when we act to protect the natural environment or to preserve nature in or outside cities, we are not doing it for the environment, but for ourselves, because it is we who live in this environment. The city is not a separate element of the environmental system, but a part of it. That is why it is so important to shape it in the right way. We do not have another planet to live on, so the point is to make our Earth friendly for us, and we can only achieve this if we take care of it.

Each of us instinctively feels what a city is, but the urbanized area called a city has many definitions. Different sciences deal with its development and functioning and each of them offers its own definition of a city. We can look at a city as:

- administrative (formal-legal) space squeeze in between the administrative boundaries;
- physical space constituted by the territory, buildings, infrastructure;
- functional space (economic) referring to the spheres of production, services and consumption, but also marketing;
- social space characterized by people, social groups, and institutions;
- cultural space characterized by the presence of cultural and heritage values, but also the occurrence of hybridization processes, trans-culturalism, trans-ethnicity.

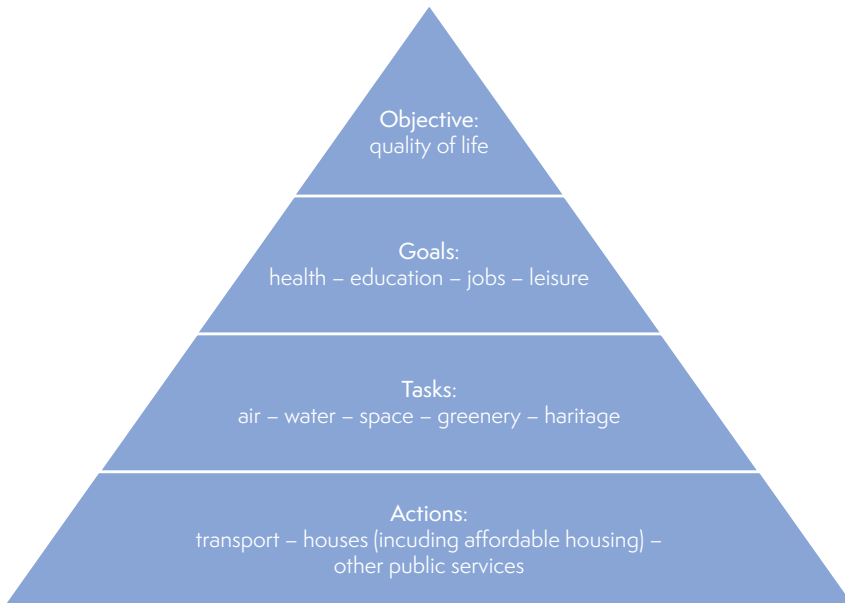
These are just five of many. A full definition of a city would have to combine the above aspects and several additional ones such as the issue of heritages and their use, green and blue areas and others. Most importantly, each city tries to emphasize its uniqueness, which results not only from its geographical location, but also from the skillful use of all the features that this location has allowed to be created over the years of the development of this urban unit. Cities try to be unique, build some icons that make them distinguish because it attracts tourists and new residents. As a result, they become not only famous and intriguing, but also can earn more revenue, which allows them to continue their grow to make them even more attractive.

Competition between cities for tourists and revenue from them is increasing, but there are cities, like Barcelona, whose residents can no longer stand the pressure of thousands of tourists during the tourist season. Thus, there is a contradiction between the City Hall's expectation of higher revenues and the residents' desire for a quiet life. This contradiction must be solved by the authorities of each city, taking into account public participation in solving these problems.

2. What do people need to live in the cities?

We can provide multiple answers to this question. We need fresh water and food, but also fresh air, green areas, houses to live in them, nice neighbors and friendly neighborhoods. Ultimately, however, all actions taken and detailed tasks solved must lead to the achievement of the main objectives, which ultimately can be summed up in one form, i.e. improvement of the quality of life in the city. This is illustrated in Figure 1.

Figure 1. Expectations from a city



Source: Bryx M., Rudzka I., Lipiec J., 2015, p. 43.

The pyramid in Figure 1 shows the technical activities to achieve the important goals for citizens and the main objective. On the other hand, it does not say anything

about the social relations, whose positive or negative influence is visible in all activities taken by a city government. However, it is obvious that basic actions (e.g. housing, public transport) and a friendly environment create conditions for building trust between citizens, and finally it creates their openness and innovativeness. Building new relations, not hierarchical, but based on shared responsibility of local authorities and citizens for the present and the future of the city, is a concept of co-governance, with public participation as its important element. With the development of democracy, governance becomes its key point at the local level and is an important part of building a friendly city.

3. New concepts: smart city, green city, eco city, sustainable city

In recent years, various terms have been used to describe resident-friendly cities: smart city, green city, eco city, sustainable city. The question arises: what are the differences between these concepts and what do they have in common?

It seems that what these concepts have in common is the desire to create a city friendly to the inhabitants, corresponding to their needs, and at the same time, with its name emphasizing a selected issue related to the functioning and development of the city.

From this point of view, **smart city** relies mainly on the development and wide access to the latest technologies through various applications. In such a city, an e-government appears, where one can run errands without leaving home. In a smart city, technology finds the best connections by public transport and shows the savings in CO² emissions compared to driving the same distance in a private car. It also gives a number of additional benefits to all those who can use the latest technological solutions. However, even those who have problems with using it get a lot of information thanks to new technologies, e.g. waiting time for a particular streetcar. Smart city is supposed to speed up various processes and facilitate access to services provided by the city hall. In order to achieve this, it must be saturated with technology, which is supposed to be friendly to inhabitants and make residents' lives easier, more efficient in various fields of their activities and increase the efficiency and effectiveness of local government.

Green City puts emphasis on having green areas and easy access to them for everyone. Although not all green spaces are public, as we also have private greeneries, the former dominate and free access to them is extremely important for residents. The functions performed by greenery in the city include primarily [Czarnecki, 1960, s. 8]:

- Health and biological – greenery has a protective function for the city’s residents, shielding them from dust, smoke, and strong winds. It is also responsible for the suppression of noise arising from traffic routes and railroads by dispersing or absorbing sounds. Vegetation is important in purifying the air by collecting dust on the surface of its leaves and simultaneously producing oxygen. It ultimately modifies the microclimate of the city.
- Social, psychological and educational – green areas are places of active and passive rest. They make it possible to play sports, go for walks and children’s games, which facilitates relaxation and improves well-being. Contact with nature is important for proper human development, it teaches respect not only for greenery, but also for animals living in parks, greens or boulevards. Botanical and zoological gardens play a didactic role.
- Aesthetic, artistic, and visual – greenery is characterized by a large seasonal variation, e.g. by different leaf colors in different seasons of the year, thanks to which it introduces variety into the city’s structure and creates a clear contrast with urban buildings. Flora influences the shape of the city landscape and gives it a specific character, emphasizes its architecture and complements it.
- Protective – creating various types of shields along traffic routes to protect roadways from blowing snow and from strong winds. It also introduces bands separating the built-up space which is important in case of fire

The functions listed above confirm the positive, multifaceted effects of greenery on the mental and physical health of people living in the city.

Eco city is the ideal city that is a perfectly balanced urban unit. It includes the idea of green city, smart city and also is ready to response for different urban challenges.

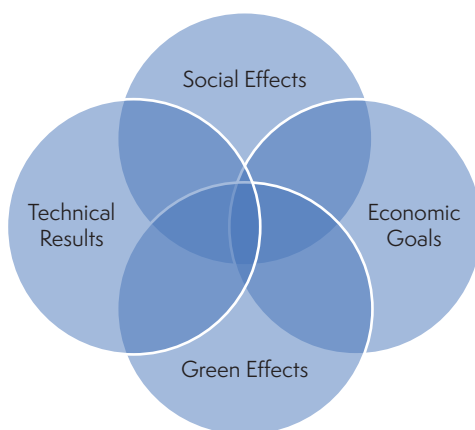
Eco City therefore strives to implement all the actions shown in Figure 1, from providing efficient public transport, to supporting residents in obtaining adequate housing for their family size and providing them other services. It is also a city that delivers to residents and visitors with clean water and air, sufficient green space, and public spaces for interaction and building relationships between people. As Gehl writes, [2013, p. 133] it provides an important opportunity to be present in the public environment.

Public spaces, green or not, are necessary to build normal relations between people, to meet socially, to build mutual trust and a sense of security, to exchange views, for example on the development of the city in which we live. Pandemic COVID-19 proved that we cannot function normally when we are closed in four walls. Although technology allows us to move virtually to other places and participate in many online events, it does not give full satisfaction to users of this technology, because building relationships and networks in our consciousness still requires live contacts.

As a result of these and other developmental activities, the inhabitants of eco city not only live in healthier conditions, but they are also provided with education at every level, jobs appropriate to their qualifications, opportunities for recreation and can feel a full member of the municipal community. Achieving this state requires building and implementing a city development strategy, based on its resources and competitiveness, taking into account all these aspects important for residents, which ultimate goal is to increase the quality of life in the city and the satisfaction of its residents.

Sustainable city is closely related to the word 'development'. Since the first Rome Report, we know that the development of the world, and therefore of every city and society, should take place in a balanced, sustainable way. In my opinion, it is a never-ending process of balancing different aspects of city development, giving directions and development priorities and implementing them. This process never ends, just as urbanization never ends. Although we are dealing with the emergence of degraded areas in cities, it is sustainable urban development that should ensure their elimination and regeneration to a new, higher level of usability, taking into account the level of growth of the whole city. The issues of urban degradation and revitalization are specific problems, which, however, fits into the policy and strategy of shaping sustainable urban development.

Figure 2. Balanced development of a city



Source: Own elaboration.

The balancing of city growth by municipal authorities, with participation of inhabitants, concerns all aspects of development, which include mainly:

- Social effects – education, health, cooperation, collaboration;

- Technical results – infrastructure development (roads, water supply, sewerage, optical fibre);
 - Economic goals – prosperity of residents, management efficiency, positive city budget, marketing, competitiveness;
 - Green zone effects – recreation, sports, mental and physical health, relationship building;
- As illustrated in Figure 2.
Consequently, an eco-city is a main goal of sustainable development.

4. Five characteristics of sustainable cities

To create an eco-city people (citizens and local authority together) must develop it in a suitable (sustainable) way. An aspiration to be an eco-city means to fulfil all important conditions and work according to the rules of sustainability.

The first characteristic says that sustainable city is a multi-structure human settlement, which aspires to be close to the natural eco-system. 'Aspire' means to take a different action to revive, rebuild, protect or implement ecosystems inside a city. And by this eco-system we mean all the activities shown in figure 1.

The second characteristic of sustainable city sometimes referred to as eco-human settlements is a rule to produce not more waste than a city can assimilate. The problem of garbage and especially plastic becomes a key issue for ecology, for ensuring that other species can live freely on earth, according to their nature. Even wild animals, such as bears, try to feed on the leftovers from garbage dumps, which is easier than living according to the nature, but this way of nutrition will degenerate the whole species. Sustainable cities need to take care of not only the plants but also the animals without letting them degrade. Especially since all the consequences of littering the environment are impossible for us to assess. Figure 3 shows special waste boxes to prevent bears from feeding on leftovers

The third characteristic concerns overconsumption. The scale of consumption is not only to be able to assimilate of all garbage, but also not to consume more renewable resources than the city can produce. In this way, the city maintains a stable balance of these resources, which gives hope that they will be preserved for future generations.

The fourth characteristic desired from a sustainable city means that not only a city government but especially inhabitants must have positive impact on the city environment by their lifestyle. Without a common approach and joint constant sustainable actions, it is not possible to achieve the result of a sustainable city. Local

authorities must feel a strong support, even expectation, of the local community to build together a sustainable living environment.

Figure 3. 'Keep our bears wild' – anti-bears garbage cans



Source: Own elaboration.

The fifth characteristic of sustainable city it's kind of in a different, non-environmental zone of operation. It requires that all citizens of an eco-city must confess and abide by the fundamental principles of fairness and justice. This may seem surprising at first, but Figure 1 and Figure 2 clearly indicate the need for social effects as well, because they are parts of a sustainable city. This in turn requires an equitable approach to all residents and the creation of development opportunities for them. This applies especially to housing conditions as well as opportunities for education, health care, etc.

Conclusions

So, finally we can say that the principal rule of an eco-city clearly shows that it is not built for an idea but for the local society, to create the best kind of life and solutions for development. It explains why an eco-city must be against social and other exclusions, but it is for the integrated, friendly and cooperative society. So it is mean that it is a hard objective required to be implemented together by governments (local, regional and central) an citizens.

So if we remember that our environment is the city in which we want to live in health and happiness, we must make efforts to create it as a sustainable urban area.

References

- Bryx M., Rudzka I., Lipiec J. (2015). *Green Urban Regeneration Project* (e-book). Warsaw: CeDeWu.
- Czarnecki W. (1960). *Planowanie miast i osiedli*, tom I. Warszawa–Poznań: PWN.
- Gehl J. (2013). *Życie między budynkami*, wyd. II. Kraków: RAM.
- United Nations (2022). *UN sustainable development goals*, <https://sdgs.un.org/goals> (accessed: 09.05. 2022).

Ewa Kosycarz¹, Maria Ekes², Monika Dędys³

The Efficiency of the Health Care System from the Perspective of Financing, Human Capital, and Infrastructure: The Case of Poland

Abstract

The aim of this article is to evaluate and compare the efficiency of the healthcare system across regions of one country. It was decided to analyze regions in one country because the state regulations governing healthcare sector investments and services are identical across all regions, but also because all these regions have similar climate and lifestyle patterns (diet, exercise, etc.). Considering these similarities, what are the factors that might have given rise to variations in the efficiency of healthcare systems among regions? The article investigates three different sources of potential inefficiencies depending on input perspective i.e., financing, human capital, and infrastructure. The paper presents the customised sequence of selected methods based and built on Data Envelopment Analysis used to compute and compare the efficiency of healthcare system across all Polish regions. The CCR method and cross-efficiency scores were used in order to examine the performance of healthcare institutions, taking into account different aspects of their activity i.e., financial, professional (human resources), and infrastructural inputs. Furthermore, the coefficient of variation and maverick index of regions were used to distinguish the most efficient units. The results show that the ranking of regions is very responsive to the inputs used.

¹ Ph.D., Assistant Professor, SGH Warsaw School of Economics, Collegium of Socio-Economics, Department of Economic Theory.

² Ph.D., Assistant Professor, SGH Warsaw School of Economics, Collegium of Economic Analysis, Institute of Mathematical Economics.

³ Ph.D., Assistant Professor, SGH Warsaw School of Economics, Collegium of Economic Analysis, Institute of Econometrics, Probabilistic Methods Unit.

Introduction

The study addresses the issue of decentralization of health care management from the point of view of such determinants such as the level of financing, human capital, and infrastructure equipment. The aim of the study is to check whether the efficiency of the use of available resources in the health care system is differentiated among voivodships. Differentiation, if any, may be the result of a certain degree of decentralization arising from management powers at the level of health care entities, local government units or branches of the NFZ (National Health Fund).

The literature often discusses whether health care should be centrally managed and financed or whether it should be decentralized. The opinions are divided and in the history of research and health system reforms in different countries we can observe two opposing trends: at certain times recommending decentralization [Bossert, 2011; Burski, 1998; Peckham *et al.*, 2005; Vargas, 2010] or, on the contrary, seeing positive features of centralized health management in certain areas [Kristiansen, Santos, 2006; Magnussen *et al.*, 2007]. The definition of decentralization in health care is not strict [Saltman, Bankauskaite, 2006]. It can be considered in different areas and, as Saltman and Bankauskaite point out, there are many different, inconsistent and even contradictory approaches to defining decentralization in health care from a policy perspective. What is more, Saltman and Bankauskaite consider the concept of decentralization in terms of political, administrative and fiscal decisions. In our study we adopt an approach of administrative decentralization, based on the concept of new public governance, where health care entities (public and private) operate under 'private law' [Busse *et al.*, 2002]. The implementation of such decentralization may consist in entrusting the management of the provision of medical services to local authorities, while at the same time creating health policies and maintaining control at central, governmental level.

At present, the system of financing and management of health care in Poland can be defined as centralized, however with some decentralized elements, among others, in the areas of financing, human capital management and infrastructure.

The financial decentralization elements include, among others, ownership structure of health care entities, possibility of subsidizing health care entities (both by the owner/authority, which very often are local authorities), possibility of buying additional services by the local government, complementary activities at the local government level related to prevention and health promotion. Elements of financial decentralization also include expenditure from the EU funds, where the beneficiaries are health care entities, local authorities, or non-profit organizations.

Despite many recent decisions at central level concerning minimum wages and minimum employment standards, the management of the staff of the health care entity is the responsibility of its superior. It can be hypothesized that regional conditions may differentiate the comfort of medical staff management due to heterogeneity in staff supply, epidemiological conditions, etc.

Equipping with infrastructure is the responsibility of health care entities and their constituent bodies. What is important to point out is that at central level, there are some regulations defining the minimum infrastructure requirements to be met by a health care entity in order to be allowed to provide services.

The aim of the article is to check whether the above-mentioned decentralization elements have an impact on the differentiation of the efficiency of health care provision in particular voivodships.

Undoubtedly, the level of funding seems to be crucial in the efficiency test. It has been repeatedly included in models evaluating health care systems in international literature [Joumard *et al.*, 2010; Evans *et al.*, 2001; Kumbhakar, 2010; Grosskopf *et al.*, 2006; Crémieux *et al.*, 1999]. The mainstream of public funds for health services in Poland comes from the National Health Fund. NFZ obtains funds mainly from social security contributions. The funds are divided among regions according to an algorithm which takes into account:

- the number of insured individuals registered in the regional branch of the Fund;
- statistical groups, segregated by age and sex;
- separated groups of health care services, including highly specialized services;
- health risk corresponding to a given group (Act of 27 August 2004 on health care services financed from public funds, 2016).

In addition to the above-mentioned criteria for calculating the distribution of public financing there is one more – the impact of the patient's migration.

There are two problematic issues among criteria used by NFZ to distribute funds:

- 'migration' money, which should be repaid among regional NFZ offices;
- the number of insured individuals registered in the regional branch of the Fund.

The 'migration' money sometimes is repaid with significant delay. It may last even a few years [Węgrzyn, 2015].

In Poland the voivodships with the largest number of highly specialized clinics are Mazowieckie and Śląskie. In our research we try to find out whether the large number of incoming patients affects the efficiency of these regions.

The impact of medical staff resources on the level of efficiency is a deliberate consideration, as in the case of health care (service industry), there is by nature a low possibility of replacing work with capital. The delivery of a medical service requires

that the provider and the patient (consumer) meet in person, rarely succeeding in replacing the provider with technology. Medical technology is rather used as a tool to support the work of medical personnel.

It seems interesting to analyze whether the observed influence of medical personnel on the effectiveness of providing medical services at the provider's level is confirmed by the effectiveness of the system covering the province. As indicated by Bartel, Phibbs, Beaulieu, & Stone [2011], an appropriate number of qualified nurses contributes to the reduction of the patient's hospitalization time. This is due to three factors: if nurses provide better care, there will be fewer complications such as infections or bedsores. A sufficient number of well-trained nursing staff also ensures better management of the drugs, i.e., drugs administered on time and in the right doses. The authors of the study also indicate that a sufficient number of nursing staff also helps to avoid some of the 'missed care', which may increase the length of stay (and therefore costs). According to Kalisch, Landstrom and Williams [2009], after analyzing negligence reported by nursing staff in the survey, main factors responsible for missed care include labor resources (85%), material resources (56%) and communication (38%). Examples of such mistakes include delayed or missed feeding, poor hygiene, missed treatment, patient education, discharge planning or lack of emotional support.

It's not just the nursing staff that are in the scientists' area of interest. The work and location in the health care system of physicians is an important element of economic analyses, effectiveness and quality of the health care system [Puig-Junoy, 1998; Park *et al.*, 2013].

It is worth mentioning that the use of infrastructure, understood as the number of beds, the number of diagnostic equipment and the number of operating theatres, are very often used in studies on the efficiency of the health care system [Rohrer, 1988; Sultan, Crispim, 2018; Büchner *et al.*, 2016]. An interesting look at the medical infrastructure is presented by David Ikkersheim and his team [Ikkersheim, 2013]. They examine the degree of concentration of medical infrastructure in the context of the quality and effectiveness of care services in chronic diseases (general practitioners) and comprehensive and acute care (hospital). A number of studies are devoted to the analysis of the impact of specific infrastructural solutions on the quality and effectiveness of medical services [Kayhart, 2019].

1. Background

The method used in this research, to compare the efficiency of the performance of healthcare system in Polish regions, is the Data Envelopment Analysis (DEA), which was introduced by Charnes, Cooper and Rhodes in 1978. The efficiency considered here is the Farrell's efficiency [Farrell, 1957], i.e. the ratio of the weighted outputs and weighted inputs. Applying this nonparametric method, the group of decision making units (DMU), which produce some outputs using some inputs (all units produce the same outputs making use of the same inputs) was considered. Solving a specific optimization problem for each DMU its optimal weights were found what enabled to distinguish the fully efficient DMUs which form benchmarks for inefficient units. The efficiency considered in DEA models is the relative efficiency among the considered group of DMU's and it is their technical efficiency, because no prices are taken into account [Cooper *et al.*, 2007].

The efficiency of healthcare systems has been measured by various DEA models since mid – 80s [Gouveia *et al.*, 2016; Ozcan, 2008]. The choice of variables describing inputs and outputs depends on the context of a research, i.e. whether the efficiency of hospitals or hospital departments, the efficiency of the healthcare organizations on the level of a region or a country, or the efficiency of the healthcare systems in various countries are compared. What is important, and is mentioned in the paper of Sexton *et al.* [1986], is that the number of all variables should not be too large compared to the number of DMUs under consideration. Otherwise, too many effective units are obtained, and a satisfying ranking of efficiency is not achieved. Therefore, when applying the DEA analysis variables need to be chosen very carefully in order to accurately describe the performance of the considered units on the one hand and to avoid putting too many variables into the model on the other. There are many refinements of the DEA model that allow to obtain the full ranking of the DMUs. One way to deal with this problem is to exclude the DMU under evaluation from the reference set [Andersen, Petersen, 1993; Datar *et al.*, 1990; Du *et al.*, 2014; McClellan, 1997]. This model known as super-efficiency DEA model is widely used in construction of ranking. However, there are some drawbacks of this solution. Some efficiency scores may exceed one, which causes difficulties in interpretation. Furthermore, the super-efficiency model can be infeasible. In this research, the cross-efficiency analysis, proposed by Doyle and Green [Doyle, Green, 1994] is applied. Cross-efficiency is the method which shows the peer-appraisal ranking of a given DMU instead of its self-appraisal position. In the cross-efficiency approach the DMU is characterized by the average efficiency calculated on the base of optimal weights of all units. There are also other methods of refining the CCR efficiency

ranking such as benchmarking methods, which use the information on the number of units for which a given efficient unit is a benchmark, methods using multivariate statistical tools, such as canonical correlation analysis and discriminant analysis or methods which rank inefficient units. The review of ranking methods is given in the paper of Adler *et al.* [2002].

This paper proposes the analysis and comparison of efficiency of healthcare organizations in Polish regions (voivodeships). The subject has already been examined, for example in the paper of Kujawska [2013], but using only the classic DEA method. The research concerning the efficiency of healthcare systems across different regions in Taiwan is the subject of the paper of Yang [2017], while the performance of public healthcare delivery in Greek prefectures was examined in the paper of Halkos and Tzeremes [2011]. Cross-countries comparison of the healthcare systems efficiency is the main topic e.g. in Hollingsworth and Wildman [2002], H. Hadad *et al.* [2013], or Samut and Cafri [2016].

2. Methods

This paper uses the cross-efficiency approach based on the CCR model [Sexton, 1986; Doyle, Green, 1994; Charnes *et al.*, 1978]. Cross-efficiency measures the average performance of each DMU, taking into account optimal weights of all DMU's (including itself). Since this is a case of relatively few decision-making units (16 regions) the classical CCR analysis of efficiency generates a large number of fully efficient units which does not allow for them to be ranked properly. Therefore, was decided to use the cross-efficiency method. The problem in cross-efficiency approach is the non-uniqueness of optimal weights for some DMU's. There are many solutions to this problem in the literature (the extended review is given in Wang, Chin and Wang [2012]). The procedure of choosing the unique optimal weights for the given DMU from the set of all optimal weights can take into account the situation of other DMU's (so called benevolent and aggressive solutions) or can only concentrate on some other goal to achieve by the DMU under consideration. In this research the latter approach, which is proposed in the paper of Wang, Chin and Wang [2012], was applied. The authors propose to choose the optimal weights for a given DMU in order to minimize the weight disparity in cross-efficiency evaluation. The following section presents the model applied in this paper.

CCR

Let's assume there are n decision making units which produce k outputs by use of m inputs. Denote by x_{ri} the volume of the r^{th} input used by the i^{th} DMU and by y_{ti} the volume of the t^{th} output produced by the i^{th} DMU. Let us consider the DMU $_i$. The *virtual input* of the DMU $_i$ is defined by

$$I_i = \sum_{r=1}^m v_{ri} x_{ri}$$

and the *virtual output* by

$$O_i = \sum_{t=1}^k w_{ti} y_{ti} ,$$

where v_{ri} and w_{ti} are some, unknown yet, weights. The objective of the DMU under consideration is to maximize the ratio

$$\frac{O_i}{I_i}$$

by setting the weights v_{ri} and w_{ti} . Therefore, for each DMU ($i = 1, 2, \dots, n$) the following fractional programming problem is solved in order to find the optimal input weights v_{ri} and output weights w_{ti} .

$$\max \theta_i = \frac{\sum_{t=1}^k w_{ti} y_{ti}}{\sum_{r=1}^m v_{ri} x_{ri}}$$

subject to

$$\frac{\sum_{t=1}^k w_{ti} y_{tj}}{\sum_{r=1}^m v_{ri} x_{rj}} \leq 1 \quad \text{for } j = 1, \dots, n$$

$$v_{ri} \geq 0 \quad \text{for } r = 1, \dots, m$$

$$w_{ti} \geq 0 \quad \text{for } t = 1, \dots, k$$

The optimal objective value θ_i^* is not greater than 1 and it is interpreted as the efficiency of the DMU $_i$. All DMU's which obtain the efficiency 1 and there exist at least one optimal system of weights (v_i^*, w_i^*) such that $v_i^* > 0, w_i^* > 0$ are called efficient.

Cross-efficiency

The cross-efficiency evaluation of DMU's is done by applying the optimal weights of a given DMU_j to all remaining units and calculating the cross-efficiencies

$$\theta_{ij} = \frac{\sum_{t=1}^k w_{tj}^* y_{ti}}{\sum_{r=1}^m v_{rj}^* x_{ri}}$$

for all $i = 1, 2, \dots, n$. If cross-efficiencies for all $j = 1, 2, \dots, n$, are computed then the matrix of cross-efficiencies θ_{ij} is obtained. The main diagonal of this matrix is formed of the CCR efficiencies of decision making units under consideration. Averaging cross-

efficiencies across the i^{th} row, that is calculating $e_i = \frac{1}{n} \sum_{j=1}^n \theta_{ij}$, the peer-appraisal of

a DMU_i according to the optimal weights of all DMU's is obtained. Optimal weights of different DMU's can vary a lot among them so the average cross-efficiency can give a better insight into the performance of a given DMU than the CCR efficiency does. It can also help to describe how good or poor is the performance of this DMU compared to all remaining DMU's. In this paper uses the coefficient of variation

$CV_i = \frac{\sigma_i}{e_i}$, where σ_i is the standard deviation of the data set $\theta_{i1}, \theta_{i2}, \dots, \theta_{in}$, and the

maverick index

$$M_i = \frac{\theta_{ii} - \frac{1}{n-1} \sum_{j \neq i} \theta_{ij}}{\frac{1}{n-1} \sum_{j \neq i} \theta_{ij}}$$

The latter, introduced by Doyle and Green [1994], measures the difference between the self-appraisal and the peer-appraisal scores. The higher is the value of M_i , the higher is the asymmetry between the self- and peer-appraisal of the DMU_i. The high value of this index means that the high CCR-efficiency of the DMU_i is probably caused by a system of weights which is substantially different from optimal weights of remaining units [Wang *et al.*, 2012].

However, the problem with cross-efficiencies arises if a DMU_i has more than one system of optimal weights (v_i^*, w_i^*). Then, the resulting cross-efficiencies may differ depending on which system of optimal weights are chosen. Here, it was decided to follow the approach presented in the paper of Wang *et al.* [2012]. The authors propose to choose the system of weights in order to minimize the disparity

among the optimal weights. It is done by two-steps procedure. First, all optimal systems of weights for the DMU_i under consideration are found. Then, the optimal system of weights satisfying an additional condition is chosen and denote by

$$\bar{w}_i = \frac{1}{k} \sum_{t=1}^k w_{ti} y_{ti}, \quad \bar{v}_i = \frac{1}{m} \sum_{r=1}^m v_{ri} x_{ri}$$

which are in fact averages of weighted output and input. If optimal weights are considered, then the following is obtained: $\bar{w}_i^* =$

$$\frac{1}{k} \sum_{t=1}^k w_{ti}^* y_{ti} = \frac{1}{k} \theta_{ii}^* \quad \text{and} \quad \bar{v}_i^* = \frac{1}{m} \sum_{r=1}^m v_{ri}^* x_{ri} = \frac{1}{m}.$$

Wang, Chin and Wang [2012] suggest to measure the diversities among the weights of inputs and outputs by two p -norms, from which the following is chosen:

$$J'_p = \left(\left| \sum_{t=1}^k \frac{w_{ti}^* y_{ti}}{\theta_{ii}^*} - \frac{1}{k} \right|^p + \sum_{r=1}^m \left| v_{ri}^* x_{ri} - \frac{1}{m} \right|^p \right)^{\frac{1}{p}},$$

where p is a parameter. Therefore, the second step of the procedure is to find the optimal weights minimizing the value of the norm J'_p . In case where $p = \infty$ the norm J'_∞ has the form:

$$J'_\infty = \max \left\{ \max_t \left| \frac{w_{ti}^* y_{ti}}{\theta_{ii}^*} - \frac{1}{k} \right|, \max_r \left| v_{ri}^* x_{ri} - \frac{1}{m} \right| \right\}.$$

Thus, the task is to solve the following optimization problem:

$$\max \delta$$

subject to

$$\sum_{r=1}^m v_{ri}^* x_{ri} = 1$$

$$\sum_{t=1}^k w_{ti}^* y_{ti} = \theta_{ii}^*$$

$$\sum_{t=1}^k w_{ti}^* y_{tj} - \sum_{r=1}^m v_{ri}^* x_{rj} \leq 0 \quad \text{for } j = 1, 2, \dots, n \quad j \neq i$$

$$\frac{w_{ti}^* y_{ti}}{\theta_{ii}^*} - \delta \leq \frac{1}{k} \quad \text{for } t = 1, \dots, k$$

$$\frac{w_{ti}^* y_{ti}}{\theta_{ii}^*} + \delta \geq \frac{1}{k} \quad \text{for } t = 1, \dots, k$$

$$v_{ri}^* x_{ri} - \delta \leq \frac{1}{m} \quad \text{for } r = 1, \dots, m$$

$$v_{ri}^* x_{ri} + \delta \geq \frac{1}{m} \text{ for } r = 1, \dots, m$$

$$v_{ri}^*, w_{ti}^*, \delta \geq 0 \text{ for } t = 1, \dots, k, r = 1, \dots, m$$

3. Data

Three different sources of potential inefficiencies on the side of inputs are considered – the way of usage of human capital, financing and infrastructure. Since the number of regions in Poland is 16 there was not considered all kinds of inputs and outputs in one model. Sarkis in [2007] quotes four rules of thumb concerning the number of variables versus the number of DMUs. Golany and Roll [1989] give the rule of thumb stating that the number of units should be at least twice the number of inputs and outputs considered, Bowlin [1998] states that the model should involve three times the number of DMUs as there are input and output variables and finally Dyson *et al.* [2001] recommend a total of two times the product of the number of input and output variables. In analyzed case there are 16 DMUs then the number of all variables should not exceed five according to those rules.

In the group of human capital inputs there are considered the number of physicians with the right of practice and the number of nurses and midwives with the right of practice. The financial input is the sum of the public funds from NFZ, local governments and government budget. The infrastructure inputs are the number of hospital beds and the number of operating rooms. All data are normalized per 10000 inhabitants. Outputs are the number of hospital inpatients and surgical services performed, both outputs are also normalized per 10000 inhabitants. The variables chosen in the model are commonly used in the research concerning the comparison of healthcare efficiency among different regions. In our view they reflect the performance of the healthcare system from financial, human resources and infrastructural perspective. All data relate to 2015 and the sources of data are financial plan of NFZ for 2015 [NFZ, 2014], and the GUS report *Zdrowie i ochrona zdrowia w 2015 roku* [GUS, 2017].

4. Results

The following charts present the results concerning cross-efficiency of Polish regions with regard to the human capital (Table 1), financing (Table 2) and infrastructure (Table 3) inputs respectively.

Table 1. CCR and cross-efficiency results concerning human capital inputs

Region	CCR	Cross-efficiency	CV_i	M_i
warmińsko-mazurskie	1	0.97775	0.03906	0.02431
lubuskie	1	0.96743	0.04723	0.03605
zachodniopomorskie	1	0.94424	0.10686	0.06330
kujawsko-pomorskie	0.99425	0.91099	0.07349	0.09778
wielkopolskie	0.99659	0.90623	0.07357	0.10729
opolskie	1	0.87236	0.12113	0.15759
pomorskie	1	0.87049	0.14406	0.16027
świętokrzyskie	0.96733	0.86288	0.08641	0.12967
łódzkie	1	0.84582	0.14352	0.19684
mazowieckie	0.94165	0.84488	0.13783	0.12348
lubelskie	0.88133	0.84084	0.06883	0.05123
śląskie	0.92184	0.83851	0.08470	0.10684
podkarpackie	0.97724	0.83443	0.09206	0.18405
podlaskie	0.86113	0.77408	0.09446	0.12080
małopolskie	0.81096	0.77067	0.07690	0.05581
dolnośląskie	0.81971	0.76838	0.07758	0.07208

Source: Own research.

Table 2. CCR and cross-efficiency results concerning financial inputs

Region	CCR	Cross-efficiency	CV_i	M_i
śląskie	1	0.99037	0.00878	0.01037
lubelskie	1	0.98864	0.02778	0.01221
mazowieckie	0.99520	0.98482	0.01293	0.01097
zachodniopomorskie	0.98448	0.97405	0.01521	0.01089
podlaskie	0.99569	0.96960	0.05142	0.02900
łódzkie	0.99732	0.96598	0.05972	0.03445
podkarpackie	0.98986	0.95977	0.05803	0.03376
pomorskie	1	0.95568	0.02244	0.04976
świętokrzyskie	1	0.95166	0.08801	0.05433
warmińsko-mazurskie	0.97337	0.94981	0.04803	0.02630
dolnośląskie	0.95036	0.93556	0.03429	0.01655
opolskie	0.98072	0.91354	0.03178	0.07921
małopolskie	0.91466	0.90428	0.02739	0.01277
wielkopolskie	0.93432	0.90394	0.06142	0.03578

cont. Table 2

Region	CCR	Cross-efficiency	CV_i	M_i
kujawsko-pomorskie	0.89655	0.88760	0.00811	0.01097
lubuskie	0.87436	0.85360	0.04729	0.02598

Source: Own research.

Table 3. CCR and cross-efficiency results concerning infrastructural inputs

Region	CCR	Cross-efficiency	CV_i	M_i
lubuskie	1	0.98600	0.02681	0.01571
świętokrzyskie	1	0.97200	0.04993	0.03050
podlaskie	0.99358	0.96800	0.02783	0.02877
warmińsko-mazurskie	0.97671	0.94100	0.06079	0.04076
pomorskie	1.00000	0.93200	0.14269	0.07774
zachodniopomorskie	0.96377	0.90100	0.12765	0.07525
opolskie	1	0.88400	0.07769	0.14094
wielkopolskie	0.99039	0.88200	0.19876	0.13134
podkarpackie	0.93893	0.87800	0.11556	0.07462
łódzkie	0.95477	0.86200	0.17846	0.11600
lubelskie	0.91912	0.85900	0.12264	0.07443
mazowieckie	1	0.84100	0.30675	0.20337
kujawsko-pomorskie	0.89733	0.82900	0.14972	0.08762
małopolskie	0.93355	0.82800	0.21451	0.13699
dolnośląskie	0.88540	0.80100	0.17963	0.11349
śląskie	0.82829	0.71300	0.26531	0.17469

Source: Own research.

Figure 1 presents box plots of cross-efficiency scores for various inputs. Thick segments denote the median, thin segments outside the box – the range. The box shows the position of 50% of DMU's.

In Table 4 there have been summarized the results of rankings of regions under various inputs.

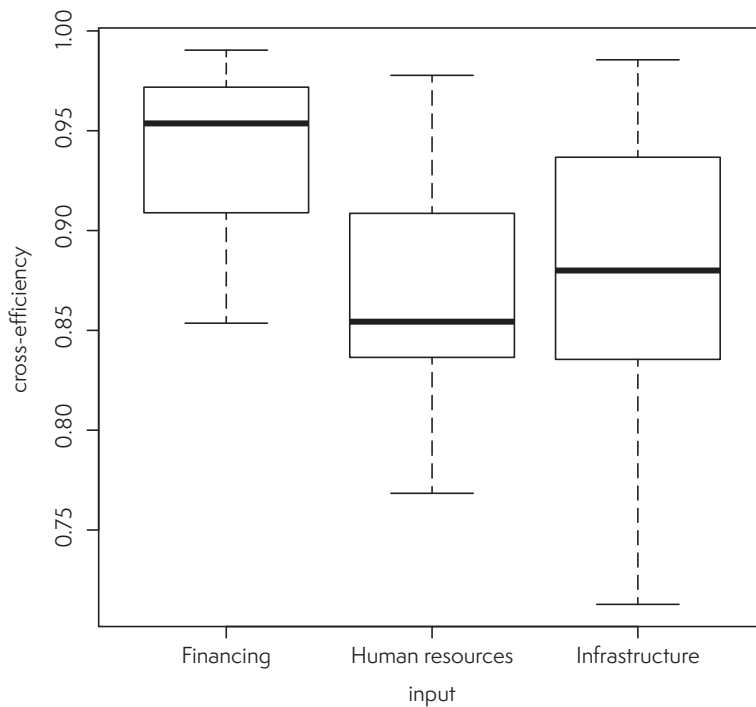
Table 4. Rankings of regions under various inputs

Regions	Financing	Human resources	Infrastructure
dolnośląskie	11	16	15
kujawsko-pomorskie	15	4	13
lubelskie	2	11	11

Regions	Financing	Human resources	Infrastructure
lubuskie	16	2	1
łódzkie	6	9	10
małopolskie	13	15	14
mazowieckie	3	10	12
opolskie	12	6	7
podkarpackie	7	13	9
podlaskie	5	14	3
pomorskie	8	7	5
śląskie	1	12	16
świętokrzyskie	9	8	2
warmińsko-mazurskie	10	1	4
wielkopolskie	14	5	8
zachodniopomorskie	4	3	6

Source: Own research

Figure 1. Box plots of cross-efficiency scores for various inputs



Source: Own research.

5. Discussion

As can be observed from the results, the number of efficient DMU's is quite large – from four to six efficient units. Calculating average cross-efficiency allows to differentiate efficient units. Moreover, in the cross-efficiency ranking not all efficient units are at top positions due to the fact that optimal weights of some efficient units may be extremely specific in the whole set of optimal weights. Generally, the cross-efficiency score is higher for CCR-efficient DMU's with lowest coefficient of variance and lowest maverick index, and the latter perfectly reflects the ordering of CCR-efficient units.

There were obtained the most homogenous results for financial inputs. The coefficient of variation of cross-efficiencies of all regions in this case was equal to 0.04 while for the case of human resources input it was 0.07 and for infrastructure inputs the CV was 0.08. It seems then that the finance management of healthcare units in all regions achieves quite the same level. Śląskie region is the most efficient and Mazowieckie region is the third in the cross-efficiency ranking of all regions regarding financial input. It can be postulated that this effect appears due to the large migration which substantially increases output in these regions while the financing is delayed [NFZ, 2016; Nowosielska, 2012].

In the case of infrastructure inputs, Śląskie region is last in the ranking of cross-efficiency and Mazowieckie region is 12th. The reason for this is the large number of hospital beds and operating rooms in these regions versus the moderate number of inpatients (e.g. in Świętokrzyskie region the number of inpatients is larger than in Śląskie). This phenomenon may be caused by the fact that Mazowieckie and Śląskie have many highly specialized medical centers. The treatment in this kind of hospitals takes more time than average.

The case of Lubuskie region is quite interesting. This region is highly effective regarding human and infrastructure inputs (second and first place in rankings respectively) and its cross-efficiency is lowest regarding financial inputs. This is the only region in Poland, according to [Rzeczpospolita, 2017], in which healthcare units had the budgets balanced in 2015. Since the data do not include healthcare units' borrowing needs, which implies incomplete representation of financial situation, this may explain the low position of Lubuskie in the ranking considering financial inputs.

Conclusion

The results of this research show that Polish regions are quite homogenous with respect to the performance of healthcare units. The main reason for this is the fact that the budget financing and healthcare system is the same. However, there were observed differences in efficiency across regions which may be implied by the factors like delays of payments for treatment of migrating inpatients, net-borrowing of healthcare units and concentration of highly specialized hospitals in some regions. Based on the results presented we are not able to distinguish one single leading region nor one single most inferior region among Polish regions. The position of a given region in the ranking depends strongly on the criteria used.

References

- Adler N., Friedman L., Sinuany-Stern Z. (2002). Review of Ranking Methods in the Data Envelopment Analysis Context, *European Journal of Operational Research*, vol. 140, pp. 249–265.
- Andersen P., Petersen N.C. (1993). A Procedure for Ranking Efficient Units in Data Envelopment Analysis, *Management Science*, vol. 39(10), pp. 1261–1264.
- Bartel A.P., Phibbs C.S., Beaulieu N., Stone P. (2011). Human Capital and Organizational Performance: Evidence from the Healthcare Sector, National Bureau of Economic Research, *Working Paper Series*, vol. 17474.
- Bossert T.J., Mitchell A.D. (2011). Health Sector Decentralization and Local Decision-Making: Decision Space, Institutional Capacities and Accountability in Pakistan, *Social Science Medicine*, vol. 72(1), pp. 39–48.
- Bowlin W.F. (1998). Measuring Performance: An Introduction to Data Envelopment Analysis (DEA), *Journal of Cost Analysis*, vol. 15(2), pp. 3–27.
- Büchner V.A., Hinz V., Schreyögg J. (2016). Health systems: changes in hospital efficiency and profitability, *Health Care Management Science*, vol. 19(2), pp. 130–143.
- Burki S.J., Perry G.E., Dillinger W.R. (1998). Empowering Mayor, Hospital Directors, or Patients? The Decentralization of Health Care. In: *Beyond the center: decentralizing the state* (pp. 75–86), S.J. Burki, G.E. Perry, W.R. Dillinger (Eds.). Washington, D.C.: The World Bank.
- Busse R., van der Grinten T., Svensson P.G. (2002). Regulating Entrepreneurial Behavior in Hospitals: Theory and Practice. In: *Regulating Entrepreneurial Behaviour in European Health Care Systems* (pp. 126–145), R.B. Saltman, R. Busse, E. Mossialos (Eds.). Buckingham: Open University Press.
- Charnes A., Cooper W.W., Rhodes E. (1978). Measuring the Efficiency of Decision Making Units, *European Journal of Operational Research*, vol. 2(6), pp. 429–444.

- Cooper W.W., Seiford L.M., Tone K. (2007). *Data Envelopment Analysis. A Comprehensive Text with Models, Applications, References and DEA-Solver Software*, New York: Springer US.
- Crémieux P.-Y., Ouellette P., Pilon C. (1999). Health Care Spending as Determinants of Health Outcomes, *Health Economics*, vol. 8(7), pp. 627–639.
- Datar S., Banker R., Das S. (1990). Analysis of Cost Variances for Management Control in Hospitals. In: *Research in Governmental and Nonprofit Accounting* (pp. 269–291), J.M.P. James L. Chan, Rowan H. Jones (Ed.). Elsevier Science.
- Doyle J., Green R. (1994). Efficiency and Cross-Efficiency in DEA Derivations, Meanings and Uses, *The Journal of the Operational Research Society*, vol. 45(5), pp. 567–578.
- Du J., Wang J., Chen Y., Chou S.Y., Zhu J. (2014). Incorporating Health Outcomes in Pennsylvania Hospital Efficiency: An Additive Super-Efficiency DEA approach, *Annual of Operations Research*, vol. 221(1), pp. 161–172.
- Dyson R.G., Allen R., Camanho A.S., Podinovski V. V, Sarrico C.S., Shale E.A. (2001). Pitfalls and protocols in DEA, *European Journal of Operational Research*, vol. 132(2), pp. 245–259.
- Evans D.B., Tandon A., Murray C.J.L., Lauer J.A. (2001). Comparative Efficiency of National Health Systems: Cross National Econometric Analysis, *British Medicine Journal*, vol. 323(7308), pp. 307–310.
- Farrell M.J. (1957). The Measurement of Productive Efficiency, *Journal of Royal Statistical Society, Series A*, vol. 120(3), pp. 253–290.
- Główny Urząd Statystyczny (2017). *Zdrowie i ochrona zdrowia w 2015 roku*.
- Golany B., Roll Y. (1989). An Application Procedure for DEA, *Omega*, vol. 17(3), pp. 237–250.
- Gouveia M.C., Dias L.C., Antunes C.H., Mota M.A., Duarte E.M., Tenreiro E.M. (2016). An Application of Value-Based DEA to Identify the Best Practices in Primary Health Care, *OR Spectrum*, vol. 38(3), pp. 743–767.
- Grosskopf S., Self S., Zaim O. (2006). Estimating the Efficiency of the System of Healthcare Financing in Achieving Better Health, *Applied Economics*, vol. 38(13), pp. 1477–1488.
- Hadad S., Hadad Y., Simon-Tuval T. (2013). Determinants of Healthcare System's Efficiency in OECD Countries, *The European Journal of Health Economics*, vol. 14, pp. 253–265.
- Halkos G.E., Tzeremes N.G. (2011). A Conditional Nonparametric Analysis for Measuring the Efficiency of Regional Public Healthcare Delivery: An Application to Greek Prefectures, *Health Policy*, vol. 13(1), pp. 73–82.
- Hollingsworth B., Wildman J. (2002). Efficiency and Cross Efficiency Measures: a Validation Using OECD Data, *Centre for Health Program Evaluation, Working Paper 132*.
- Ikkersheim D., Tanke M., van Schooten G., de Bresser N., Fleuren H. (2013). Modeling Hospital Infrastructure by Optimizing Quality, Accessibility and Efficiency via a Mixed Integer Programming Model, *BMC Health Service Research*, vol. 13(1), p. 220.
- Joumard I., Hoeller P., André C., Nicq C. (2010). *Health Care Systems: Efficiency and Policy Settings*, OECD Publishing. DOI: 10.1787/9789264094901-en.
- Kalisch B.J., Landstrom G., Williams R.A. (2009). Missed Nursing Care: Errors of Omission, *Nursing Outlook*, vol. 57(1), pp. 3–9.
- Kaya Samut P., Cafri R. (2016). Analysis of the Efficiency Determinants of Health Systems in OECD countries by DEA and panel Tobit, *Social Indications Research*, vol. 129, p. 113–132.

- Kayhart D. (2019). Using an Existing DICOM Infrastructure to Enhance the Availability, Quality, and Efficiency of Imaging Throughout the Healthcare Enterprise, *Journal of Digital Imaging*, vol. 32(1), pp. 75–80.
- Kristiansen S., Santoso P. (2006). Surviving Decentralisation?: Impacts of Regional Autonomy on Health Service Provision in INDONESIA, *Health Policy*, vol. 77(3), pp. 247–259.
- Kujawska J. (2013). Wykorzystanie metod nieparametrycznych do pomiaru efektywności opieki szpitalnej w Polsce, *Studia Ekonomiczne*, vol. 168, pp. 111–124.
- Kumbhakar S.C. (2010). Efficiency and Productivity of World Health Systems: Where Does Your Country Stand?, *Applied Economics*, vol. 42(13), pp. 1641–1659.
- Magnussen J., Hagen T.P., Kaarboe O.M. (2007). Centralized or Decentralized? A Case Study of Norwegian Hospital Reform, *Social Science Medicine*, vol. 64(10), pp. 2129–2137.
- McClellan M. (1997). Hospital Reimbursement Incentives: An Empirical Analysis, *Journal of Economics & Management Strategy*, vol. 6(1), pp. 91–128.
- Narodowy Fundusz Zdrowia (2016). *Łączne sprawozdanie finansowe narodowego funduszu zdrowia za okres 1.01–31.12.2015 r.*
- Narodowy Fundusz Zdrowia (2014). *Plan finansowy NFZ na 2015 rok*, <http://nfz.gov.pl/bip/finanse-nfz/> (accessed: 12.04.2022).
- Nowosielska K. (2012). Rozliczenia finansowe między oddziałami NFZ: Chory spoza województwa rujnuje finanse NFZ-u, *Rzeczpospolita*, February 07.
- Ozcan Y.A. (2008). *Health care Benchmarking and Performance Evaluation*, Springer. DOI: 10.1007/978-0-387-75448-2.
- Park S., Lee J., Ikai H., Otsubo T., Imanaka Y. (2013). Decentralization and Centralization of Healthcare Resources: INVESTIGATING the Associations of Hospital Competition and Number of Cardiologists per Hospital with Mortality and Resource Utilization in Japan, *Health Policy*, vol. 113(1), pp. 100–109.
- Peckham S., Exworthy M., Powell M., Greener I. (2005). *Decentralisation, Centralisation and Devolution in Publicly Funded Health Services: Decentralisation as an Organisational Model for Health-Care in England*, London: Health Services Management Centre.
- Puig-Junoy J. (1998). Measuring Health Production Performance in the OECD, *Applied Economics Letters*, vol. 5(4), pp. 255–259.
- Rohrer J.E. (1988). Efficiency and the Supply of Hospital Beds in Metropolitan Areas, *Journal of Public Health Policy*, vol. 9(3), pp. 393–402.
- Saltman R.B., Bankauskaite V. (2006). Conceptualizing Decentralization in European Health Systems: A Functional Perspective, *Health Economics, Policy and Law*, vol. 1(2), pp. 127–147.
- Sarkis J. (2007). Preparing Your Data for DEA. In: *Modeling Data Irregularities and Structural Complexities in Data Envelopment Analysis* (pp. 305–320), J. Zhu and W.D. Cook (Eds.). Boston: Springer US.
- Sexton T.R., Silkman R.H., Hogan A.J. (1986). Data Envelopment Analysis: Critique and Extensions, *New Directions for Program Evaluation*, issue 32, pp. 73–105.
- Sultan W.I.M., Crispim J. (2018). Measuring the Efficiency of Palestinian Public Hospitals During 2010–2015: An Application of a Two-Stage DEA Method, *BMC Health Service Research*, vol. 18(1), p. 381.

- Szpitalę dumą regionu (2017). *Rzeczpospolita*, November 30.
- Vargas Bustamante A. (2010). The Tradeoff Between Centralized and Decentralized Health Services: Evidence from Rural Areas in Mexico, *Social Science Medicine*, vol. 71(5), pp. 925–934.
- Wang Y.M., Chin K.S., Wang S. (2012). DEA Models for Minimizing Weight Disparity in Cross-Efficiency Evaluation, *Journal of Operational Research Society*, vol. 63(8), pp. 1079–1088.
- Węgrzyn, M. (2015). Wpływ algorytmu podziału środków finansowych na możliwość realizacji zadań wojewódzkich oddziałów narodowego funduszu zdrowia. In: *Zarządzanie ryzykiem w opiece zdrowotnej. Nadzór i kontrola zarządcza*, D.W. Maria Węgrzyn (Ed.). Wrocław: Prace Naukowe Uniwersytetu Ekonomicznego we Wrocławiu.
- Yang C.C. (2017). Measuring Health Indicators and Allocating Health Resources: a DEA-Based Approach, *Health Care Management Science*, vol. 20, pp. 365–378.

Entrepreneurship and Internationalization

LPP's Internationalization Strategy and the Experience of Recent Crises

Abstract

The process of internationalization of a company is influenced by many factors. One of the most important are economic and political crises. The aim of the paper is to present the internationalization process of the LPP Group – the largest Polish retail group, and the impact of COVID-19 pandemic and Ukraine war on this process. The paper presents LPP's internationalization way, response to crises and further growth directions through internationalization. The conclusions indicate the need for flexible response and the fact that crises trigger the modernization of the business model.

Introduction

Internationalization strategy is a basic way of corporate growth [Chandler, 1997; Ansoff, 1957]. Globalization and trade liberalization are factors favoring the internationalization of enterprises. Enterprises often choose internationalization as a strategy that can generate rapid revenue growth. Choosing this strategy implies making a series of choices about the markets, the form and timing of entry, and more.

Internationalization is a dynamic process. It is influenced by factors related to the specificity of the industry as well as economic, political, legal, and technological conditions. Factors relating to the general environment are particularly strong and may disrupt the internationalization process and even contribute to a significant deterioration of enterprise performance.

¹ Ph.D., Associate Professor, SGH Warsaw School of Economics, Collegium of Management and Finance, Institute of Management, Department of Strategic Management.

² Ph.D., Assistant Professor, SGH Warsaw School of Economics, Collegium of Management and Finance, Institute of Management, Personnel Strategies Unit.

The aim of the article is to present the process of internationalization of the LPP business group and to discuss the influence of the COVID-19 pandemic and Ukraine war on this process. The case study method is implemented as it is well-established and commonly used research method in social sciences. It allows for in-depth understanding of the research problem by answering questions such as “how?” and “why?” [Yin, 2003]. In this paper case study unit is a deliberately selected business group – LPP group – and the data was collected through desk research [Jaleel and Prasad, 2021], including the data from financial reports, press publications and websites.

The paper is organized as follows. In Section 1 the LPP business group is described. Section 2 presents the internationalization process of the LPP business group. Section 3 describes the influence of the COVID-19 pandemic and Ukraine war on the internationalization process of the LPP business group. Finally, we draw some conclusions.

1. LPP business group

LPP is one of the largest family business groups in Poland dealing with design, manufacturing, and distribution of clothes. The history of LPP begins in 1991 when Marek Piechocki and Jerzy Lubianiec established Mistral, a company trading in textiles imported from Asia. In 1995 the company changed its name to LPP after the names of its founders (Lubianiec, Piechocki, and Partners). Nowadays, owners identify the core business as ‘designing and selling fashion’ [Stankunowicz, 2019]. The current portfolio of LPP’s fashion brands includes: Reserved, Cropp, Mohito, House, and Sinsay. All the brands are positioned in the Affordable Fashion Retail segment. The main brand is Reserved. It was established in 1998 and is available off-line on 26 markets and on-line on 33 markets. Reserved generates over 38.4% of sales. The next brand is Cropp – a streetwear brand that was established in 2004. Cropp’s sales share is 10.9%. The House and Mohito brands were bought in 2008. House is a casual brand for young people and its sales share is 9.2%. Mohito is a brand for women and it generates 8.2% sales. The youngest brand is Sinsay, which was set up in 2013 and offers fashion at low prices. It was designed for young women of 15–24 and is now offering an assortment for women, men, and children, as well as home and beauty products. Sinsay is a very dynamic brand whose sales share is 32.7%.

The LPP business group has been listed at the Warsaw Stock Exchange since 2001 (since 2014 as part of the WIG20 index and it is also part of the prestigious MSCI Poland index). The sales network covers entire Poland, the countries of

Central, Eastern, and Western Europe, the Balkans and the Middle East. LPP has 3 design offices and 2 offices abroad designated for working with suppliers. At present, the LPP business group is composed of the parent company, 8 domestic subsidiaries, and 25 foreign affiliates. It operates in 39 countries. LPP subsidiaries are based in the following countries: Estonia, Lithuania, Latvia, Hungary, Czech Republic, Russia (2), Ukraine, Belarus, Romania, Bulgaria (2), Slovakia, Croatia, Germany, Serbia, Macedonia, Finland, the United Kingdom, Bosnia and Herzegovina, Kazakhstan, Slovenia (2), Lebanon, and the United Arab Emirates. In addition, there are offices based in Shanghai (China) and Dhaka (Bangladesh), responsible for contacts with suppliers. LPP employs 31.8 thousand people in offices and sales and distribution structures in Poland, Europe, and Asia. In 2022 the total number of LPP stores reached 1,856.

2. Internationalization process of the LPP business group

The internationalization process of the LPP group started from its foundation, although at the beginning it was passive internationalization. LPP supplied from Asia and in 1997 opened its first office in Shanghai. The aim was to search for suppliers, supervise manufacturing, and pursue quality control. Active internationalization was launched in 2002. Figure 1 shows its foreign expansion through brick-and-mortar and on-line stores.

LPP started internationalization from close markets. These were Russia, Latvia, Estonia, Hungary, and Czech Republic. Next, the group systematically entered Ukraine, Slovakia and Lithuania, Romania and Bulgaria. The strategy of strengthening the expansion to the West in 2014 meant entering Germany, the largest clothing market in Europe, the fourth largest in the world, very mature and focused on the presence of international brands. In 2015 LPP also began its expansion to the Middle East (ME), i.e., Egypt, Qatar, Kuwait, Saudi Arabia. Although LPP's business model assumes building a network based on its own stores due to economic and political conditions in the Middle East markets, LPP brand stores in this region operate on a franchise basis (in cooperation with an experienced local partner) and introduces a wide range of women's fashion in the first stage of the launch. The company addresses its offer on this market to 40% of UAE residents earning less than \$ 2,000 per month (mainly Europeans, Asians and Americans living there). The expansion to the Arab market, especially the presence in the United Arab Emirates due to their strategic position, might open the way to the Middle East, South Asia, and North Africa markets.

Strengthening the position of the brands in Germany encouraged LPP to its further expansion in Western Europe – it entered Great Britain in 2017 and Finland in 2019. The company then decided to develop its commercial network in the Eastern Europe region (Belarus 2017) and strengthen its presence in the Balkans – first in Serbia (2017) and then in Bosnia and Herzegovina (2019). In 2018, the company opened its stores in Israel – another Middle East market, Slovenia and Kazakhstan. LPP’s ambition is to enter at least one new market each year so after a year of expectations caused by the pandemic that forced the company to postpone its development plans, LPP made its debut in Northern Macedonia, the seventh country in South-Eastern Europe, in which the Polish clothing manufacturer conducts brick-and-mortar sales.

Figure 1. LPP’s foreign expansion through brick-and-mortar and on-line stores

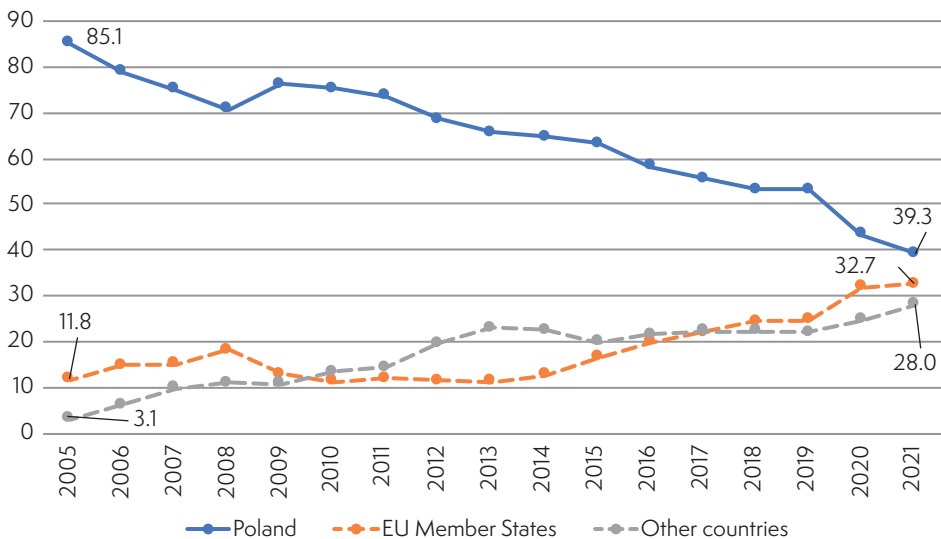


Source: LPP financial statements.

As a result of the long internationalization process, the LPP offer is available in 39 countries, including 26 off-line countries and 33 on-line countries. Figure 2 shows the growing market diversification of LPP's revenues.

Since the entry of LPP on the stock exchange, a systematic decrease in revenues achieved on the Polish market and a simultaneous increase in revenues from foreign markets can be observed. In 2019, the revenues earned abroad were almost equal to those achieved in Poland. This proves the consistent implementation of the internationalization strategy. The actions taken by LPP translate into a change in the revenue structure, but also into brand recognition on foreign markets and an increase in the competitive advantage. In 2022, LPP is present in six geographical areas, on three continents, and plans further geographical expansion. The geographical areas of operation are: Poland, Central and Eastern Europe (Czech Republic, Slovakia, and Hungary), countries of the Baltic Sea Region (Lithuania, Latvia, Estonia), the Eastern Europe Region (Ukraine, Russia, Belarus, Kazakhstan), Southeast Europe (Bulgaria, Serbia, Croatia, Macedonia, Romania, Slovenia, Bosnia and Herzegovina), Middle East (Egypt, Qatar, Kuwait, the United Arab Emirates, and Israel). Western Europe (Germany, Great Britain, Finland). LPP declares further geographic diversification of revenues, especially on European Union markets.

Figure 2. LPP's revenue generated in individual geographic markets (%)



Source: LPP's financial data.

It is worth mentioning that expansion, as understood by LPP, means not only debuts in other countries, but also an increase in retail space or the availability of

its brands' offer in the e-commerce channel in those markets where the company is already present [Pochłopień, 2021]. LPP is now putting a lot of faith in Sinsay with a goal to open as many as 400 stores in the European Union in 2022. They want to develop two solid pillars of the company – flagship Reserved and Sinsay (its youngest brand), and to implement further expansions from this stable position. The Sinsay brand will open its stores in Greece and Italy, while the first Reserved franchise stores will appear in Cyprus. The development of the brand's retail network will also be continued in Germany and Great Britain. The company will also focus on developing its e-commerce business. The company sees great potential in this area in countries such as Austria, Italy, and Germany.

3. Impact of the COVID-19 pandemic and Ukraine war on the internationalization process of the LPP business group

In recent years, two factors have significantly influenced the LPP performance. It was a crisis caused by the spread of the SARS-Cov-2 virus and the outbreak of the war in Ukraine.

COVID-19 pandemic

The COVID-19 pandemic has hit heavily the retail industry around the world. Shopping malls were closed and brick-and-mortar stores were open only in four countries that LPP operated in. It was a very difficult situation as LPP generated most sales from off-line shops. Their closure resulted in a sharp deterioration of the enterprise's financial performance. The LPP business group has taken a number of actions to reduce the negative impact of the COVID-19 pandemic. First of all, it was an intensive development of e-commerce. The on-line availability of brands was increased, and Paneuropean on-line store was set for European Union countries. Additionally, LPP increased its expenditure on on-line marketing and brand positioning. The COVID-19 pandemic forced LPP to focus more on the omnichannel concept and increase availability of fashion collections. LPP declares that due to the COVID-19 pandemic qualitative and quantitative growth of its on-line channel is a priority. The aim is to integrate traditional and on-line shopping. However, efficiently functioning e-commerce requires improving the distribution center and logistics. During the COVID-19 pandemic, LPP has focused its activities on the expansion of the distribution network, including distribution centers and warehouses dedicated to e-commerce services.

The COVID-19 pandemic has also resulted in increased investment in modern technology. LPP primarily focuses on investments in modern technologies in logistics and customer service. In terms of customer service, these are activities that follow world trends in the retail industry related to offering a wide range of sales and after-sales services along with the implementation of the omnichannel concept.

Other steps taken in response to the COVID-19 pandemic include reducing the costs of stores and headquarter costs, but also reducing the volume of orders, reducing capital expenditure, and not paying dividends. Activities aimed at reducing costs consisted in renegotiating the rental rates for store space, partial exit from shopping malls, as well as reducing the plans to open new stores. The changes also concerned the supply chain management. The COVID-19 pandemic has shut down some factories, such as in Bangladesh and India. Thus, LPP focused on the ongoing modification of the supply chain.

All the activities mentioned above have contributed to a change in LPP's sales structure. In 2021/2022 sales from on-line activity accounted for 28.2% and grew from 12% in 2019. However, 39% of on-line sales were generated by the Polish market. We argue that the COVID-19 pandemic has heavily impacted LPP's business model and accelerated its digital transformation. The LPP business group reoriented its investment and focused more on e-commerce and modern technology implementation. Although, firstly COVID-19 pandemic had a negative impact on LPP's performance, finally it was a factor triggering changes that build the company's competitive advantage.

Ukraine war

From the very beginning the company was thinking big and treated the markets of Russia and Ukraine in the long term. These countries entail more risk than in the European Union but LPP was strongly determined to invest and grow its business in there because since 2004 the sales recorded in Russia and Ukraine have been growing at a yearly rate of 81.75% and 41.70%, respectively. Strong investment in Russia and Ukraine started in 2009 and had its culmination in 2012, when 45% of the company's capital expenditure was spent there. In 2015, LPP considered giving up its market development in Russia and Ukraine for geopolitical reasons (the ongoing crisis in Ukraine and very bad diplomatic relations between Poland and Russia), which did finally not happen. As Marcin Piechocki, son of the company's founder, said, they cured themselves of self-aggrandizement. The company wants to be the best where they are, and not go everywhere and try to conquer Western Europe by force. At the beginning of 2021 the key markets were Poland and Russia,

which together with Ukraine and Romania had a huge potential of 180 million people. Of over 2,200 stores 553 were in Russia and 159 were in Ukraine – almost a third of the company's total estate.

The existing rational policy in the field of sales network management focused on expansion in regions where the greatest potential for development was perceived, i.e., the markets of Eastern Europe, such as Russia or Ukraine (and the Balkans), suddenly collapsed in 2022.

LPP pulled out of both markets shortly after the war started on February 24 2022, when Russia invaded Ukraine. The retailer closed all 139 of its stores in Ukraine and shifted its administration offices from Kyiv to Lviv in Western Ukraine. The management board of LPP, taking into account the restrictions on Russia by the EU, decided to close all its brands' stores in the Russian market. The company has suspended the transport of goods, as well as all its investments and development plans. It has also stopped online sales of its entire brand portfolio.

The decision to suspend business activity in Ukraine – and to discontinue all sales both online and in retail stores on the Russian market – meant a nearly 25% loss of revenue for LPP, leaving behind an inventory headache. LPP's share price has fallen by 7.5%, with a year-to-date collapse of almost 40%. The biggest fall took place on the day of the Russian invasion. According to LPP's financial statement, the two countries were among the company's largest foreign sales performance drivers in the third quarter of the fiscal year 2022 (FY22). LPP did not have production lines in both countries. In Russia, it had a distribution center and a warehouse dedicated to online sales. The company did not have such facilities in Ukraine.

At the end of April 2022, the LPP group decided to terminate its operations in Russia after 20 years of presence on this market and to sale of RE Trading OOO and LLC Re Development, which are registered in Russia to Chinese investors. Under the agreement of the parties to the transaction, the buyer will not acquire the right to use the names and trademarks of the clothing brands owned by LPP S.A., but will acquire the right to sell all the goods belonging to the Russian company. Reserved in Russia is now called Re, House is XC (HS), Mohito is M, Cropp is CR, and Sinsey is called CUH (SIN).

Since the company could not predict the future situation in war-stricken Ukraine, it had decided to focus on EU markets where it was already present. They also support the plan to enter Albania with the offer of all five LPP brands in 2022. In 2023 the company wants to debut in three more markets, especially in Southern Europe.

Conclusion

After the difficult period of the pandemic, the company faced further challenges related to losing a significant part of the sales network. The challenges concerned, among others, delays in deliveries of containers with goods and a large increase in transport costs, significantly higher production prices resulting from rising prices of cotton and raw materials, unavailability of RFID chips, computers, and materials for building stores. The problem in the future may be the accelerating inflation or recently reported downtime in Chinese factories due to power cuts. With supply chains still in a mess and warehousing and logistics costs rising, LPP is braced for a profits and margin squeeze. The impact of the COVID-19 pandemic on the operation and internationalization of the LPP group was both negative and positive. Negative because it contributed to the financial loss. On the other hand, the positive aspects of the COVID-19 pandemic are the transformation of the business model, which was associated with faster e-commerce development, technological development, and active supply chain management.

After the COVID-19 pandemic, the LPP had to face another crisis – the Ukraine war. The Ukraine war changed the approach of companies to Eastern business. Many companies have withdrawn from the Russian market completely and do not intend to return to it. However, some of those who in the first stage of the war decided to close its branches in Ukraine now resumed their activities. First because different regions of Ukraine are affected by the conflict to a different extent. The war in Ukraine shows how double-edged economic sanctions are. Although they are introduced against the aggressor, they affect not only this state, but at the same time they are felt by companies that are involved in a given market. The war in Ukraine, like any crisis, is not only a situation that must be overcome, but above all, a lesson from which to draw conclusions for the future. Thus, the first lesson is the diversification of sales markets. Eastern markets were one of the most profitable for LPP (as opposed to the very 'crowded' markets of Western Europe). If the situation does not normalize quickly, then exported products will have to be placed on the internal market and may temporarily put pressure on lower selling prices. The second lesson shows that crises break out unexpectedly and that a good crisis plan and financial cushion give the confidence to run a business even in difficult times. The LPP company still intends to expand geographically, but there is no question of its aggressive expansion in the fixed-line networks. The declaration of the LPP group to further geographic diversification of revenues, especially on European Union markets is consistent with Johanson and Vahlne's [2009] statement that an important factor determining

the geographic directions of expansion and the ways of entering individual foreign markets is the existing network of relationships, because it creates the possibility of identifying and then taking advantage of market opportunities.

The company has no plans to create new brands, considering such activities to be too time-consuming (at least 1.5 years of conceptual work) and requiring continuous investments. They prefer to improve the five brands they own, which complement each other well and are constantly evolving. The last time the company tried its strength in the premium segment with the Tallinder brand in 2015 was not a successful attempt. Summing up the experience of the recent crises, LPP focuses on its e-commerce and stabilization.

The question still remains how the current crisis situations, and especially the strong disappointment with the need to withdraw involvement from the Eastern market (Russia), will affect the directions of further internationalization of LPP, the development from a national enterprise, through an international one, to a global one.

References

- Ansoff, H.I. (1957). Strategies for Diversification, *Harvard Business Review*, vol. 35(2), pp. 113–124.
- Appendix to LPP Current Report (2022). *Aktualizacja informacji nt. wpływu skutków konfliktu zbrojnego w Ukrainie na działalność Grupy LPP oraz wstępne wybrane skonsolidowane dane finansowe GK LPP za rok 2021/22*, September, <https://www.lppsa.com/wp-content/uploads/2022/03/Za%C5%82%C4%85cznik-RB-09-2022-Aktualizacja-informacji-nt.-wp%C5%82ywu-skutk%C3%B3w-konfliktu-zbrojnego-w-Ukrainie-na-dzia%C5%82alno%C5%9B%C4%87-Grupy-LPP-oraz-wst%C4%99p.pdf> (accessed: 05.05.2022)
- Chandler, A.D. (1997). Strategy and Structure. In: *Resources firms and strategies. A readers in the resource-based perspective*, N.J. Foss (Ed.). New York: Oxford University Press.
- Johanson, J., Vahlne, J.-E. (2009). The Uppsala Internationalization Process Model Revisited: From Liability of Foreignness to Liability of Outsidership, *Journal of International Studies*, vol. 40, pp. 1411–1431.
- LPP Current Report (2022). *Aktualizacja informacji nt. wpływu skutków konfliktu zbrojnego w Ukrainie na działalność Grupy LPP – LPP SA*, December, <https://www.lppsa.com/> (accessed: 05.05.2022).
- LPP Current Report (2022). *Komunikat Zarządu Spółki LPP dotyczący decyzji o zakończeniu działalności w Rosji – LPP SA*, RB 19, <https://www.lppsa.com/> (accessed: 05.05.2022).
- LPP (2014). The Coming Opportunity to Buy this Top Fashion Retailer's Shares at Lower Prices (OTCMKTS:LPGDF), *Seeking Alpha*, <https://seekingalpha.com/article/2290363-lpp-the-coming-opportunity-to-buy-this-top-fashion-retailers-shares-at-lower-prices> (accessed: 05.05.2022).

- LPP Press Information (2014). *LPP wzmacnia ekspansję na Zachód*, October 9, <https://www.lppsa.com/informacje-prasowe/lpp-wzmacnia-ekspansje-na-zachod> (accessed: 05.05.2022).
- LPP zawiesza działalność operacyjną w Rosji, <https://strefainwestorow.pl/wiadomosci/20220307/lpp-zawiesza-dzialalnosc-operacyjna-w-rosji#:~:text=LPP%20zawiesza%20dzia%C5%82alno%C5%9B%C4%87%20operacyjn%C4%85%20w%20Rosji%20Zarz%C4%85d%20LPP%2C,w%20Rosji%20oraz%20dostarczanie%20towar%C3%B3w%20handlowych%20do%20Rosji> (accessed: 05.05.2022).
- Pochłopeń, J. (2021). Ekspansja zagraniczna LPP, *Forbes*, December 16, https://konto.onet.pl/pl/mandatory?client_id=forbes.pl.okonto.front.onetapi.pl&state=%2Fhandel%2Fekspansja-zagraniczna-lpp-nie-tylko-kolejne-kraje-ale-tez-wzrost-powierzchni%2Fgl3 w4lx&redirect_uri= (accessed: 05.05.2022).
- Stankunowicz, E. (2019). Twarzy wam nie pokażę. Ale wewnątrz bez oporów, *Forbes*, April 25, <https://www.forbes.pl/biznes/lpp-wywiad-z-zalozycielem-firmy-markiem-piechockim/r0m6rcb> (accessed: 20.04.2022).
- Wirtualne Media (2022). LPP bez Rosji i Ukrainy straci prawie 25 proc. wpływów, liczy na 5 mld zł z e-commerce, December 4, <https://www.wirtualnemedi.pl/arttykul/lpp-bez-rosja-i-ukraina-straci-prawie-25-proc-wplywow-liczy-na-5-mld-zl-z-e-commerce> (accessed: 05.05.2022).
- Yin R.K. (2003), *Case Study Reserach: Design and Methods*, 3rd ed., Sage, Thousand Oaks, CA.
- Zatoński, M. (2021). W LPP rusza zmiana pokoleniowa, *Puls Biznesu*, June 29, pb.pl (accessed: 20.04.2022).

Supporting Internationalization of Nevada-Based Companies through Export of Their Goods and Services – On the Examples of STEP and Nevada Global Programs

Abstract

Federal-state export initiative, State Trade Expansion Program (STEP), is gaining momentum in Nevada and since May 2020 GOED organized over 50 export promotion and marketing campaigns. Despite the pandemic, GOED has been able to increase an intensity of relations with foreign partners. During this time of recovery, Nevada has aimed to create new, high-wage jobs and retain stable, export-based careers. The STEP program enables GOED to capture those opportunities and aids in Nevada's economic recovery.

The objective of the Nevada Global (NVG) platform is to promote Nevada as an entry point to the U.S. market for international companies, which introduces additional foreign direct investment into regional economy, new jobs, and higher wages. Although the primary goal of the platform is to position Nevada as a competitive soft-landing site that will capture companies interested in entering the U.S. market, there is another, export related goal of the NVG – to promote services offered by business support institutions and commercial ventures to foreign companies. In that sense NVG supports exporting of Nevada-based services to foreign clients making it an innovative tool for local companies' internationalization.

¹ Nevada Director, U.S. Small Business Administration – State Trade Expansion Program & International Business Development Coordinator, International Trade Division, Nevada Governor's Office of Economic Development.

² Director of International Trade, Nevada Governor's Office of Economic Development and Associate Professor of SGH Warsaw School of Economics.

The overall goal of this chapter is to present two completely different ways of supporting export of goods and services offered by local companies which should be used as complementary techniques, not substitutive ones.

Introduction to STEP

Nevada continues to assist its small businesses in pursuing their global trade agenda objectives. In 2021, Nevada exported \$ 10.6B in goods to foreign markets [U.S. Department of Commerce, 2022]. This has been over a 16% in overall export sales increase since 2019. Trade of goods and services supported 376,700 Nevada jobs (20.4%) – one in five. Labor participation in trade-based careers between 2020 and 2021 have seen an increase of over 7% [U.S. Department of Commerce, 2022].

With the eight-step process for leading change introduced by Dr. John P. Kotter over four decades ago, observations of building a guiding coalition and enabling actions by removing barriers have been implemented in the Nevada international trade strategy [Kotter, 1995, p. 2]. In order to transform the global trade agenda approach and sustain acceleration with instituting change, Nevada GOED leveraged existing relationships in the exports and foreign direct investment attraction ecosystem and cultivated new relations with other key stakeholders at the U.S. federal, state, regional, and local level, alongside with the Nevada global partnership network. Nevada is still recovering from the COVID-19 pandemic due to the hard hit on the hospitality and tourism sector. A new plan for recovery and resilience has been enacted to promote new, long-lasting, high-quality jobs and expand sources of external revenue. Specifically, it was identified that creating long-term resilience would be enabled through global trade, and therefore export expansion has been a main priority to support micro-, small-, and medium-sized enterprises.

‘Exports create new high-quality job opportunities and export-related jobs typically pay an average of 18% more than the average domestic wage. When companies export, they gain access to a new customer base and support additional domestic job creation in logistics, financial services, and other industries. In accordance with the priorities set out within Every Nevadan Recovery Framework [Sisolak, Frierson, Cannizzaro, Conine, 2021, p. 4], since 2021 GOED has continued supporting disadvantaged communities; strengthening the Nevada workforce; supporting small businesses and revitalizing the State’s economy.’ [Roland, Sullivan, 2020, p. 16].

Customers in 191 countries and territories buy Nevada-made goods and services. STEP clients are increasing their competitiveness and selling of their goods and services to customers overseas during COVID-19 pandemic and recovery. During

this time, jobs are more important than ever, and export is a significant tool that generates jobs for Nevada. To boost their international sales, small businesses directly benefit from various program supported tools: online sales market research, cross-border digital marketing, selling on marketplaces, eCommerce innovation lab, market intelligence, access to the global direct-to consumer logistics, foreign market sales trips, international trade shows, foreign trade missions, subscription services provided by the U.S. Department of Commerce, export research tools, compliance testing, design of marketing media, website translation, localization, and search engine optimization [U.S. SBA, 2022].

Strategic Background and Export Data Analysis

The guiding coalition of the federal and state government teams has become the organizational champion for the cause. The combination of the Nevada partners at federal level, U.S. Department of Commerce, International Trade Administration sector-economic-country expertise and export promotion-enforcement-compliance-policy expertise enable us to analyze U.S. industries' trade issues and needs holistically, make recommendations, and take actions. The strength of the U.S. economy continues to depend on a vibrant marketplace and the strategy is focused on the goals to 'Drive U.S. Innovation and Global Competitiveness, Foster Inclusive Capitalism and Equitable Economic Growth, Address the Climate Crisis Through Mitigation, Adaptation, and Resilience Efforts, Expand Opportunity and Discovery Through Data, and Provide 21st Century Service with 21st Century Capabilities' [Raimondo, 2022, p. 2].

In order to increase Nevada exports and FDIs, global markets strategies involve multi-layer approach with the primary focus on leading export promotion by delivering customized, in-depth assistance that exceeds client expectations and delivers results that benefit Nevada businesses and leading inward investment promotion by aligning markets, FDI greenfield flows, partnerships, and industry/community-specific initiatives to enhance Nevada investment attractiveness and supply chains.

One of the instruments proven to be fundamental in Nevada during the pandemic to support the global trade has been the State Trade Expansion Program (STEP) [GOED, 2021, p. 52]. Companies that export often have a diverse portfolio which enables them to weather fluctuations in the domestic economy and are generally more competitive in all their markets and a key to expanding any business is finding more customers and 95 percent of the world's customers live outside of

the U.S. In 2021, Nevada exported \$ 10.6B, making it the 33rd largest exporter out of the 53 exporters in the US [Sismoe, Hidalgo, 2022, p. 1]. Fastest growing exports destinations (March 2021 – March 2022) have been Mexico (with \$ 174M, 385% growth), Switzerland (\$ 48.7M, 22.1%), and South Korea (with \$ 36.3M, 155%). In 2021 the top exports of Nevada were: Gold in unwrought forms non-monetary (\$ 2.28B), Electronic integrated circuits (\$ 781M), Parts and accessories of data processing (\$ 716M), Copper ores and concentrates (\$ 677M), and Electronic integrated circuits: processors and controllers (\$ 634M).

The rationale of STEP

State Trade Expansion Program is a federal-state trade and export initiative to make matching-fund awards to states to assist their small businesses with entering and succeeding in the international marketplace. The program is funded in part through a grant with the U.S. Small Business Administration (SBA) and administered by GOED International Trade Division on behalf of the state. STEP targets export promotion of the ‘new to export’ and ‘market expansion’ small businesses GOED was able to attract and acquire new clients, especially from the underserved communities, such as African American/Black, Asian American, Hispanic American, Native American, Veteran & Service-Disabled Owned businesses, Rural Businesses, Women-Owned businesses, and other socially and economically disadvantaged businesses through enhanced digital services and omnichannel marketing.

Over 85% of the program award directly benefits Nevada small businesses and almost 15% indirectly through government support mechanism, Nevada STEP continues to promote export development opportunities to a broad range of small business communities while building a pipeline to develop small businesses into new exporters and support existing exporters through global partnerships.

With new-to-export companies, the strategic method includes recruitment through innovation centers, incubators, accelerators, regional development authorities and market-expansion companies are referred through partner network and exporting community, including the U.S. Department of Commerce and Nevada District Export Council.

Nevada GOED supports its companies throughout the whole export market research process. Three fundamentals for export market research include strategic planning, primary and secondary research [Sandler, 2017, p. 2–4]. The first step in entering an export market is to create a comprehensive global plan that looks at both opportunities and potential risks. Primary research is particularly useful

in helping American companies assess which countries offer the best potential for its products or services, while secondary research considers market demographics, industry data and an overview of opportunities, regulations, and business customs.

STEP Results

Since 2011, Nevada GOED has received \$ 2,158,610 in grant funding with the objective to increase the number of Nevada exporters, increase export sales, and support small business communities, which have generated over \$ 60M in export sales. A number of various factors measuring the program success, e.g. export promotion wins, export sales figures, number of activities provided to the exporting business community, percentage of eligible small business concerns, return on investment outperformed the results reported during the period 2012–2019 and doubled in size since 2020 until May 2022 [Mitrovic, 2022, p. 7].

In 2021, GOED successfully closed STEP 8 Grant Year (federal fiscal year 2019). This marked the second consecutive year of 100% utilization rate due to the increased demand for exporting resources; and the results have been prominent in our post-pandemic recovery with 66.4 – to – 1.0 Return on Investment (RoI), we have seen the highest RoI to date. Again, being the first in the nation, Nevada successfully closed STEP 9 Base Year (federal fiscal year 2020) in January 2022 with the RoI of 62.78. The total of 32 STEP firms, out of which 50% – 16 firms certified as disadvantaged companies, generated \$ 15,664,668 in export sales.

Since 2021 GOED organized over 100 different export promotional events (face-to-face STEP promotions and webinars rural tours; 5 trade missions to Poland, Slovenia, United Arab Emirates, Turkey, and in cooperation with the Department of Commerce trade missions to Egypt, Kuwait, Israel, Morocco, Saudi Arabia, and Qatar; press releases; interviews; social media posts, and informational sessions). GOED has an extensive network of partners in over 50 countries on 6 continents, available to assist Nevada STEP clients in their export endeavors.

Nevada is honored to embrace future export support opportunities after winning in 2021 the recognition at the highest federal level – President’s ‘E’ Award for export service providers’ excellence in export. ‘E’ Award program was established by Executive Order of President Kennedy in 1961 and represents the highest recognition any U.S. entity can receive for making a significant contribution to the expansion of U.S. exports [The President’s ‘E’ and ‘E Star’ Awards, 2016]. The ‘E’ Awards Committee was very impressed with Nevada support of export promotion during 2017–2021 for 152 small businesses, nearly half of which came from underserved business

communities. GOED undertaking of numerous foreign trade missions to different markets, such as Australia, Canada, Croatia, the Czech Republic, India, Israel, Japan, Poland, Slovenia, South Korea, was also particularly notable. According to the U.S. Department of Commerce, achievements have undoubtedly contributed to national export expansion efforts that support the U.S. economy and create American jobs [GOED, 2021, p. 51].

Nevada Global Rationale

Nevada's economic development diversification depends on the strengths and activities of locally grown companies as well as on those coming from outside of the state, including foreign firms. The geographic distribution of foreign innovative companies entering the US market is irregular. The study by the European Commission on Transatlantic Dynamics on New High Growth Innovative Firms [Onetti, 2016], which focuses on the growing phenomenon of dual companies, i.e. high-tech startup companies present in both markets: European (as the first phase of their market expansion) and American (as the second internationalization phase), shows that the US is the typical destination for 83% of European dual companies, and among them over a half chose the Silicon Valley.

Successful entrepreneurial clusters are geared toward globally scalable companies that are inclined to radical, not incremental, innovation. This is certainly the case with Silicon Valley and the opportunity for Nevada to bring scalable foreign high-tech companies to the Silver State. Because the US is the final destination of clear majority of European high-tech companies looking for market and financing opportunities (in most cases they can't scale up domestically and are forced to launch their products in the US where they have a much greater chance of gaining faster traction and revenues), successes in building awareness around Nevada's priority sectors and high-quality mentoring services associated with them have been redirecting the influx of selected companies to the Silver State.

Leveraging and enhancing existing local capabilities is critical for regions to be global innovation hubs. Many cluster strategies fail when they attempt to engineer an entire new cluster. A more effective approach is to build upon and enhance existing Nevada capabilities and sources of comparative advantage to compete with other US states and countries.

Nevada Global (NVG) platform promotes Nevada as an entry point to the U.S. market for international companies, which introduces additional foreign direct investment into regional economy, new jobs, and higher wages. Through

the program, participants are connected to a wealth of resources, mentors, and partners. The primary goal of the platform is to position Nevada as a competitive soft-landing site that will capture companies interested in entering the U.S. market through the so called a 'dual model'. The European Commission's data confirm that dual companies have been able to raise more capital compared to companies that followed a more local growth path [Onetti, 2016] It means that they have much greater chance of gaining faster traction and revenues resulting in the above average wages offered to local employees.

NVG Platform In-A-Glance

The Nevada Global (NVG) program started in 2018 and has been gaining momentum ever since. Through the NVG platform, GOED helps to boost Nevada's presence internationally, while promoting Foreign Direct Investment opportunities, and generating export growth for Nevada companies through promoting the export of business support services. The program is based on international partnerships with foreign regional authorities and their business agencies. Each foreign partner works with the division to administer a highly competitive selection process where foreign companies compete for selection to travel to Nevada and participate in the mentoring program. GOED plans an inclusive program that highlights Nevada and connects the companies to a wealth of resources. The participants get the opportunity for exclusive tours and mentoring from experts in multiple sectors. The programs have been so successful because of the strong international and local Nevada partnerships.

Nevada has entered into agreements with several governments and economic development institutions, agreeing to cooperate on building such a recruiting platform. For example, Nevada has entered into agreements with the Marshal's Office of Lublin creating the Nevada Lubelskie Acceleration Bridge. This strong partnership supports the efforts of Polish companies coming to Nevada and supporting Nevada's local partners to expand to Europe, mostly thorough exporting of their services.

Major international partners of the program are: National Center for Research & Development in Warsaw³, already mentioned Lubelskie Region as well

³ Based on the Agreement between Republic of Poland and State of Nevada where both sides agreed to build a sophisticated acceleration program for Polish companies planning to land in Nevada, the first cohort of competitively selected 5 companies visited Nevada May 22–28, 2022. Co-organized by Governor's Office of Economic Development (GOED) and the National Center for Research and Development in Poland (NCBR) program was managed in cooperation with several partners in Nevada supporting GOED's Nevada Global platform representing Nevada's top universities, co-working

as Mazowieckie Marshal Office, and SGH Warsaw School of Economics. They are talks about extending the program for the Silesia region as well. Those partners have and will continue to sponsor some of Nevada's top mentors to travel to Poland to participate in the mentoring at the Bootcamp and Demo Day. Nevada Global has international partners in Central and Eastern Europe and expansion plans aimed at Slovenia, Turkey, Japan, Republic of Korea, Singapore, Malaysia, and Taiwan among other countries. Currently program has 28 partners statewide and keep on building Nevada's community [more on this see Tosun, Pietrasieński, 2019].

Figure 1. Partnerships between Government, Business Support & Academic Entities in NVG platform



Source: Nevada Governor's Office of Economic Development.

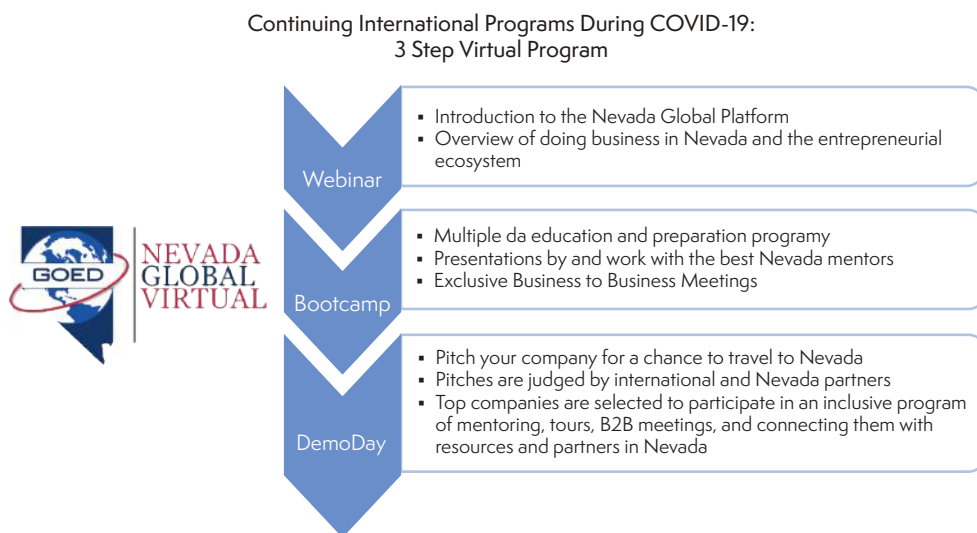
spaces, business support institutions, innovation centers, leading incubators, and accelerators. Visiting companies met with representatives and mentors from Business Assembly, StartUpNV, Reno-Sparks Chamber of Commerce and Vegas Chamber, UNR (NCAR, InNEVation Center, Ozmen Center for Entrepreneurship), Nevada Small Business Development Center, Vegas International Innovation Center and Startup Vegas, UNLV Blackfire Innovation and Polish Consulate in Las Vegas, among others.

The 2nd Cohort of companies from NCBR are coming for another acceleration program in Nevada scheduled for June 13-17, 2022.

One of the most difficult aspects of acceleration programs is selecting the most promising companies from the group of early-stage firms. The NVG platform closely collaborates with professional business support organizations in foreign countries to ensure that only the most promising companies are selected, with the potential for the highest probability of success in Nevada.

The Nevada Global program is based on international partnerships with foreign regional authorities and their business agencies. Each foreign partner works with the division to administer a highly competitive selection process where foreign companies compete for selection to travel to Nevada and participate in the mentoring program. The foreign partners accept and assess applications from companies to participate in the program. They then administer a Bootcamp for training and preparations for the top twenty companies. After the Bootcamp, the companies participate in a Demo Day where the companies present their pitches to be judged by a panel of Polish and Nevada judges. After calculating the judging scores, the top ten companies are selected to participate in the program in Nevada.

Figure 2. Phases of Nevada Global Virtual Program



Source: Nevada Governor's Office of Economic Development.

Due to the COVID-19 pandemic and related travel restrictions, a decision was made to move the Nevada Global platform to a hybrid sphere, with a virtual beginning and finale in person. The phased character of the program is based on introductory webinars, which also include pre-selection of candidates. Those who meet the preconditions go to the so-called Bootcamp, where they 'virtually' meet with

American mentors. At such an on-line grouping, they are being prepared to present themselves to potential investors and business partners. The culmination of the virtual part of the program is e-Demo Day, during which the presented companies are assessed by the jurors in terms of their preparation for internationalization and chances for a successful entering the American market, as well as the scalability of the business formula they present. The highest rated ventures join a cohort of companies going to Nevada in person for a typically 1 – week pre-acceleration program covering the North and South part of the state.

As an innovative business acceleration platform, Nevada Global platform emphasizes the key role of the influx of entrepreneurs to Nevada, while acknowledging the catalytic role that can be played within the program by mature technology corporations from the Silver State in attracting the most promising startups and, eventually, entering into some forms of collaboration with them.

Conclusion

A focus on enhanced globalization projects at both the state and regional levels will assist Nevada companies to begin to export their products and services and many others to increase export. Over the past decade Nevada had aggressively pursued its mission to assist businesses in reducing unemployment and bolstering the economy to drive industry diversification and exports. Nevada will support the growth of exports and FDI by expanding services to more businesses, ensuring more regions and workers benefit, including those from underserved communities, while at the same time international partnerships are also necessary to tackle global economic challenges. Through bilateral and multilateral engagements to address common goals, from fragile global supply chains to R&D and innovation and by strengthening cooperation with allies and partners and working toward a global economic agenda based on shared principles, Nevada and the U.S. will meet parallel goals for domestic economic revitalization and competitiveness.

Having in mind the FDI attraction goal of the Nevada Global concept, there is another, export related rationale of the NVG – promoting services offered by business support institutions and commercial ventures to foreign scaleups. Then, NVG platform supports exporting of Nevada-based services to foreign clients and – in that sense – it serves the state economic development as a creative tool to promote services of leading local entrepreneurial organizations, mentor groups, coworking spaces, top incubators, and accelerators.

Therefore, the overall goal of this chapter, which was to present diversified ways of supporting export of goods and services – in this case – in the state of Nevada, by offering to local companies STEP program and NVG platform at the same time, has been achieved. It has been also proven that both of those export promotion approaches are not substitutive but complementary techniques.

Reference List

- Kotter, J.P. (1995). Leading Change: Why Transformation Efforts Fail, *Harvard Business Review*, May – June, p. 2, <https://hbr.org/1995/05/leading-change-why-transformation-efforts-fail-2> (accessed: 20.05.2022).
- Mitrovic, D. (2022). *Governor's Finance Office Briefing*, Nevada Legislative Council Bureau, <https://ws.onehub.com/workspaces/1351631/files/2530773427> (accessed: 20.05.2022).
- Onetti, A. (2016). *Transatlantic Dynamics of New High-Growth Innovative Firms*. Brussel: European Commission's Directorate-General for Research and Innovation.
- Pietrasieński, P., Tosun, M. (2019). *Building Bridges Between Nevada and Poland Through Academic and Business Acceleration Programs – on the Example of Partnership Between the SGH Warsaw School of Economics, the University of Nevada. Reno – College of Business and the Governor's Office of Economic Development, Entrepreneurship, Economic Development & Public Policy – In Search of Synergies*. Warsaw: SGH Publishing House, Warsaw.
- Raimondo, G. (2022). *U.S. Department of Commerce Strategic Plan 2022–2026*, <https://goed.nv.gov/wp-content/uploads/2021/01/Nevada-Recovery-and-Resiliency-Plan-FINAL.pdf> (accessed: 20.05.2022).
- Roland, S., Sullivan, J.R. (2020). *Nevada's plan for Recovery & Resilience*. SRI International.
- Sandler, G. (2017). *3 Fundamentals for Export Market Research*, https://www.americanexpress.com/en-us/business/trends-and-insights/articles/3_fundamentals-export-market-research/ (accessed: 20.05.2022).
- Simoes, A., Hidalgo, C.A. (2022). *Observatory of Economic Complexity*, <https://oec.world/en/resources/about> (accessed: 20.05.2022).
- Sisolak, S., Frierson, J., Cannizzaro, N., Conine, Z. (2021). *Every Nevadan Recovery Framework*, https://nvhealthresponse.nv.gov/wp-content/uploads/2021/04/Every-Nevadan-Recovery-Framework_final.pdf (accessed: 20.05.2022).
- The Nevada GOED (2022). *Nevada Global at the Nevada Governor's Office of Economic Development*, June, <https://goed.nv.gov/programs-incentives/international-trade/nv-global-platform/> (accessed: 05.06.2022).
- The Nevada GOED (2021). *Nevada Governor's Office of Economic Development Annual Report 2021, International Trade Division*, <https://goed.nv.gov/wp-content/uploads/2021/02/GOEDAnnualReport20Proof3-new.pdf> (accessed: 20.05.2022).

- U.S. Commercial Service (2016). *The President's 'E' and 'E Star' Awards*, <https://2016.export.gov/exportawards/> (accessed: 20.05.2022).
- U.S. Department of Commerce (2022). *Bureau of Economic Analysis*, <https://apps.bea.gov/international/factsheet/factsheet.html#000> (accessed 20.05.2022).
- U.S. Small Business Administration (2022). *State Trade Expansion Program*, <https://www.sba.gov/funding-programs/grants/state-trade-expansion-program-step> (accessed: 20.05.2022).
- WiserTrade (2022). *Market Subscription Platform*, <https://www.wisertrade.org/home/portal/index.jsp> (accessed 20.05.2022).

Avrey Callis¹

Nevada's Innovation-Based Economic Development Strategies in a Post-Pandemic World

Abstract

Nevada's hospitality industry was disrupted by the COVID-19 pandemic, and the state needed creative, focused solutions to regain economic growth. With research by SRI International and Brookings, the Nevada Governor's Office Develops a state strategy in December 2020 to spur innovation through public resources, programs, and funding opportunities for companies residing in the state. Since implementation, new resources and opportunities for development have come to fruition in the state, and this paper will analyze some of the new programs that have been developed or are currently in work through this strategy. From business resource fairs being established for SME development, to funding projects and proposals in the works, the Nevada Governor's Office of Economic Development is spending ample time and resources to develop startup and small business development using innovation-based strategies to spur and preserve growth in the state. In doing so, it has been used as a leading state strategy to redevelop Nevada post-pandemic, lower unemployment rates, and lessen reliance on the hospitality sector within the state.

Introduction

COVID-19 disrupted the hospitality industry world-wide. In the U.S. alone, 'The leisure and internal tourism indicated a steep decline amounting to \$ 2.86T, which quantified more than 50% revenue losses' [Abbas *et al.*, 2021]. Nevada harbors one of the world's strongest and most famous entertainment and tourism destinations: Las Vegas. Las Vegas faces economic difficulty and finds new, creative

¹ University of Nevada, Reno.

solutions, how exactly is Nevada using innovation to recover from the COVID-19 Pandemic? The main objective of this paper is to introduce a new case study for Nevada's state government approaches to innovation-based economic recovery and outline the early stages of spurring entrepreneurship, innovation, and SME activity for the state.

Background and Review of Literature

In the U.S., employment in spaces of entertainment or leisure has declined by 56% [Cajner *et al.*, 2020]. Nevada was no different. The leisure and hospitality (L&H) industry in Nevada lost \$ 34B in 2020, with visitor spending declining 52.2% between 2019 and 2020, falling from \$ 36.9B to \$ 17.6B [Szydelko, 2020]. In April 2020, Nevada had an unemployment rate of 28.2% [Jeremias, 2020]. Overall, the pandemic caused a create amount of economic insecurity for Nevada residents, many of which were working in the hospitality industry in the state.

Las Vegas is Nevada's largest metro area, and its intensity and reliance on hospitality makes it one of the hardest hit cities by the pandemic. Brookings finds that Las Vegas' employment in L&H has still not returned to the same level of operation during early 2019, hovering just around 200,000 total jobs compared to 300,000 jobs at the start of 2019. Las Vegas lost 23% of their L&H jobs as of June 2021 [Kiser, 2022]. Kiser also finds that Las Vegas is the third most hurt city for unemployment in this industry due to COVID-19. Overall, the density of L&H businesses and sub-sectors that rely on tourism in the region to remain operational has led to economic issues in the state.

Nevada's cities are not recovering at a comparable or successful rate in the L&H industry when compared to other states and cities, but there is a universal trend for a slow recovery [Kiser, 2022]. As Nevada embraces a specific, innovation-based economic strategy, looking at other uses of this strategy is important. Upon further literature review, very little was found that could be deemed comparable to the unique situation that Nevada is operating within. In several countries in Asia, innovation-based economic development has been a priority for economic development. Park and Kim find that increasing Research and Development expenditures as one of the key ways to be successful with this strategy [Park, Kim, 2021]. Another researcher, Smith, finds that regional development of ecosystems sometimes fall short when utilizing innovation-based economic development. She recommends that entrepreneurs should be the driving force behind ecosystem and region development for successful innovation-based, entrepreneurial policies and

programs [Smith, 2022]. “Innovation Based Economic Development” is empirically found to grow workforce, and could be a good way to put Nevada’s back to work and lower the high unemployment rates [Lalkaka, 2002].

Overall, with little research done on utilizing innovation-based economic development as a recovery solution following the COVID-19 pandemic specifically for hospitality-based state economies, Nevada’s strategy is unique.

Before moving forward, specifying what innovation is and how it can be implemented as a strategy for economic development is very important. After reading several papers, the best definition available is based on the collection of hundreds of different academic definitions of innovation. It states that ‘Innovation’ is ‘the operationalization of creative potential with a commercial and/or social motive by implementing new adaptive solutions that create value, harness new technology or invention, contribute to competitive advantage and economic growth’ [Singh, Aggarwal, 2021]. This will be important to further discussion of the topic.

Methods

This study uses qualitative research methodology to review the public Nevada Plan for Recovery and Resilience for 2021 and analyze strategies for implementation in the state. This will create a significant background for the innovation-based economic strategy behind the motivations of Nevada’s economic development organization (EDO), the Nevada Governor’s Office of Economic Development. As statewide policies, programs, and developments are put into motion, looking at the benefits, results, or qualitative impacts of these developments will be important in developing a case study of the uniqueness of Nevada’s innovation-based economic development.

Results

Nevada’s “Plan for Recovery and Resilience” is aligned with many initiatives to ‘build back better’, a trend that Gossling finds to be a motivator for new policy and programs around the world for post-pandemic recovery [Gossling, 2022]. This comprehensive plan drives Nevada’s efforts to recover from the lingering effects of the pandemic and build economic resilience in the state. The plan was arranged by researchers with SRI International and Brookings, and it discusses the goals for Nevada. It highlights main topic areas for the strategy, titled, ‘Resources for the People and Businesses, Business Support and Expansion, Workforce for the

Next Economy, New Technology Businesses, and Data and Integrated Planning for Decision Making' [SRI International, 2020]. GOED's responsibility in promoting these areas for innovation-based economic development is to focus on "Technology Driven Development, Responsible and Sustainable Growth, and Comprehensive Placemaking" [SRI International, 2020].

Nevada's focus on both economic recovery and resilience is an important factor in analyzing the successes of this strategy, now and in the future. When looking specifically at how innovation helps economic recovery, we can look to see if new jobs are being created to put unemployed Nevadans to work and lower unemployment rates. We can also see if innovation grows attraction for investment in industry as it grows from other states and countries. According to GOED, New businesses will have an economic and social support system by reducing failure rate by up to 85%, so looking to business success in the long-term will be a good measure of economic recovery success [GOED, 2022].

On the other hand, Nevada GOED also aims to support economic resilience for the state. Possible benefits or signs of program success in the future is the long-term diversification of Nevada's traditional economy to withstand economic pressure. Additionally, Nevada could observe a shift in culture for doing business in the state. Research shows that the culture of SMEs is to be resilient and withstand outside pressure due to flexibility of entrepreneurs [Alonso *et al.*, 2020]. Lastly, a way to observe the long-term resilience of innovation in the state is to see if Nevada strays from its historical reliance on tourism and hospitality industries, sectors, and sub-sectors for jobs and revenue.

So far, in these efforts from GOED, many new programs and completions of longer projects in this area have popped up around the state. One example the plan discussed is creating an office for ESBs and SMEs. This is already being designed and organized by GOED and is underway for construction to provide a hub of resources to motivate small business development in Nevada. A second example of a goal for the Nevada strategy is innovation ecosystem development. Nevada GOED recently announced an initiative to create a Governor's Subcommittee of Startups and Venture Capital to discuss ecosystem changes and new policies and programs that can help entrepreneurs of all stages in Nevada. The third example worth highlighting in the plan is creating resources to spur entrepreneurship. The Nevada Department of Business and Industry recently hosted a Small Business Resource fair in May 2022. This fair created new modes of accessibility in showcasing different resources available for SMEs to grow within the state. A last example that the plan highlights as a possible tactic for the strategy could be establishing an Innovation Fund. This fund, while not currently being enacted will aim to spur creativity for the state. Nevada already

fosters state small business credit initiatives like Battle Born Venture and collateral support programs. Nevada Opportunity Fund and Nevada Knowledge Fund have been successful in promoting research, development, and innovation in the state. Seed funding for different cities has also become a prominent source of funding for early-stage startups

Other quantitative measures have shown some success of the innovation-based economic development strategy. Nevada is expected to have the second-fastest rate of job growth in the tech industry through 2026, estimated to be 20.4% growth [Wargo, 2020]. 5,000 technology-based or startup positions are expected to be created in Southern Nevada by 2026 [Wargo, 2020]. This means that the focus on innovation will be an astute focus of current demands and patterns in the state's workforce. Furthermore, Capital Funding for startups in Northern Nevada 2021 reached over \$ 1.4B, with over 400 jobs created [Roedel, 2022; Associated Press, 2022]. The current pool of state grant funding is estimated over \$ 50M for small businesses in the state [Metz, 2021].²

While it has only been a little over a year since these strategies were first implemented, there has been substantial progress in the innovation space to drive economic development that is not reliant on tourism.

Conclusion

Overall, Nevada's focus on innovation as an economic development strategy for post-pandemic recovery and long-term resilience is off to a strong start in the state. Nevada is utilizing innovation to spur economic development, diversify the economy, grow job opportunities in sub-sectors, and find new ways to put Nevadans back to work. New interest in technology and related entrepreneurial industries is growing SMEs through new efforts to utilize innovation to economically recover. These new jobs will create better resilience against future global events after further efforts to capitalize on current momentum. By taking the multiple recommendations and program ideas offered in the state plan, the Nevada government can promote SME creation and reinforce long-term success of small businesses in Nevada. Despite the large toll Nevada's economy took at the peak of COVID-19 around the world, the current strategy has been successful in jumpstarting a new energy that focuses on small businesses, entrepreneurship, ESB and Startup support, and funding opportunities for SMEs.

² Local governments often also offer their own grant programs.

References

- Abbas, J., Mubeen, R., Terhemba Iorember, P., Raza, S., Mamirkuloza, G. (2021). Exploring the Impact of COVID-19 on Tourism: Transformational Potential and Implications for a Sustainable Recovery of the Travel and Leisure Industry, *Current Research in Behavior Sciences*, p. 2. DOI: 10.1016/j.crbeha.2021.100033.
- Alonso, A.D., Kok, S.K., Bressan, A., O'Shea, M., Sakellarios, N., Koresis, A., Buitrago Solis, M.A., & Santoni, L.J. (2020). COVID-19, Aftermath, Impacts, and Hospitality Firms: An International Perspective. *INTERNATIONAL, Journal of Hospitality Management*, vol. 91. DOI: 10.1016/j.ijhm.2020.102654.
- Associated Press (2022). Reno-Area Startups Raised \$1.4B in Capital, 15-Fold Increase, *Las Vegas Sun*, February 6, <https://lasvegassun.com/news/2022/feb/06/reno-area-startups-raised-14b-in-capital-15-fold-i/> (accessed: 24.04.2022).
- Cajner, T., Crane, L.D., Decker, R.A., Grigsby, J., Hamins-Puertolas, A., Hurst, E., Kurz, C., Yildirmaz, A. (2020). The U.S. Labor Market During the Beginning of the Pandemic Recession, *Brookings Papers on Economic Activity*, <https://bfi.uchicago.edu/working-paper/2020-58/> (accessed: 24.04.2022).
- Gossling, S., Schweiggart, N. (2022). Two Years of COVID-19 and Tourism: What we Learned, and What we Should Have Learned, *Journal of Sustainable Tourism*, vol. 30(4). DOI: 10.1080/09669582.2022.2029872
- Jeremias, S. (2020). Nevada's Casino-Driven Economy was Booming. Then the Coronavirus Hit, *Deseret News*, December 14, <https://www.deseret.com/indepth/2020/12/14/22160087/nevada-job-market-unemployment-and-expiring-benefits-congress-covid-19-pandemic-las-vegas> (accessed: 24.04.2022).
- Kiser, D. (2022). Cities Most Impacted by Hospitality Industry Job Losses, *MoneyGeek*, March 21, <https://www.moneygeek.com/coronavirus/cities-most-hospitality-jobs-impacted-coronavirus/> (accessed: 24.04.2022).
- Klein, A., Smith, E. (2021). "You Never Know": Work and Precarity in Las Vegas Before and During COVID-19, *Brookings*, July 20, <https://www.brookings.edu/research/you-never-know-work-and-precarity-in-las-vegas-before-and-during-covid-19/> (accessed: 24.04.2022).
- Lalkaka, R. (2002). Technology Business Incubators to Help Build an Innovation-Based Economy, *Journal of Change Management*, vol. 3(2), pp. 167-176.
- Metz, S. (2021). Nevada Governor Signs Bill Sending \$50 Million to Business Grant Fund, *Reno Gazette-Journal*, February 12, <https://www.rgj.com/story/news/politics/2021/02/12/nevada-governor-signs-bill-sending-50-million-business-grant-fund/6746921002/> (accessed: 24.04.2022).
- Nevada Governor Steve Sisolak (2022). Nationally Ranked Startup Accelerators to Locate in Las Vegas and Reno gener8tor Las Vegas, gener8tor Reno-Tahoe accelerators to spur business formation and job growth throughout Nevada, *gener8tor*, March 8, https://gov.nv.gov/News/Press/2022/2022-03-08_gener8tor/ (accessed: 24.04.2022).

- Park, T., Kim, J.Y. (2021). An Exploratory Study on Innovation Policy in Eight Asian Countries, *Journal of Science and Technology Policy Management*, vol. 13(2), pp. 267–297, https://www.emerald.com/insight/content/doi/10.1108/JSTPM-03-2021-0036/full/html?utm_source=rss&utm_medium=feed&utm_campaign=rss_journalLatest (accessed: 24.04.2022).
- Qin, F., & Chen, G. (2022). Vulnerability of Tourist Cities' Economic Systems Amid the COVID-19 Pandemic: System Characteristics and Formation Mechanisms – A Case Study of 46 Major Tourist Cities in China, *Sustainability*, vol. 14(5). DOI: 10.3390/su14052661 (accessed: 24.04.2022).
- Roedel, K. (2022). EDawn: 'Dramatic Increase' in Startups Relocating to Reno-Sparks, *KUNR*, January 5, from <https://www.kunr.org/business-and-economy/2022-01-05/edawn-increase-startups-relocating-reno-sparks> (accessed: 24.04.2022).
- Shoro, N., Lochhead, C. (2021). Las Vegas' Economy is Booming, but 70K Jobs Have Yet to Return, *Las Vegas Review-Journal*, September 4, <https://www.reviewjournal.com/business/casinos-gaming/las-vegas-economy-is-booming-but-70k-jobs-have-yet-to-return-2433906/> (accessed: 24.04.2022).
- Singh, S., Aggerwal, Y. (2021). In Search of a Consensus Definition of Innovation: A Qualitative Synthesis of 208 Definitions Using Grounded Theory Approach, *Innovation: The European Journal of Social Science Research*, vol. 35(2), pp. 177–195. DOI: 10.1080/13511610.2021.1925526 (accessed: 24.04.2022).
- Smith, H.L. (2021). Chapter 4: Entrepreneurs, Entrepreneurship Policy and Regional Innovation Systems. In: *Unlocking Regional Innovation and Entrepreneurship* (pp. 63–79), I. Bernhard, U. Gråsjö, Ch. Karlsson (Eds.). Monograph Book, ElgarOnline. DOI: 10.4337/9781800371248.00008 (accessed: 24.04.2022).
- SRI International (2020). *Nevada's Plan for Recovery & Resilience*, December, <https://goed.nv.gov/wp-content/uploads/2021/01/Nevada-Recovery-and-Resiliency-Plan-FINAL.pdf> (accessed: 24.04.2022).
- Szydelko, P. (2021). Pandemic Took its Toll on Las Vegas Tourism in 2020, *Travel Weekly*, August 10, <https://www.travelweekly.com/North-America-Travel/Insights/Las-Vegas-2020-tourism-numbers-plunge> (accessed: 24.04.2022).

Post-Pandemic Policy, Business and Academic Collaboration

Marcin Wojtysiak-Kotlarski¹

Business School of the Future – Some Insights from AACSB and EFMD

Abstract

This text is intended to report on insights and suggestions presented in sort of AACSB whitepaper on the future of management titled: ‘Five Forces Driving the Future of Business Education’ [AACSB, 2022], which was presented during recent ICAM for the first time. Insights introduced in aforementioned text will be shortly presented and also commented briefly. Moreover, readers will be referenced throughout the text also to other articles on the discussed topic, published also by EFMD, another leading accreditation organization, competing worldwide with AACSB. Author believes that reflecting on those insights may be considered by future scholarly initiatives of various types. Not only international research and exchange programmes like ‘New Economy Lab’ supported by National Agency for Academic Exchange (NAWA), but also many other projects.

Introduction

SGH Warsaw School of Economics is a very strong player on the higher education marketplace in Central and Eastern Europe. SGH pursues a unique and diligently-developed strategy. Many features of SGH distinguishes our university of economics and business from other higher education institutions. A lot of attention is paid to developing young people into responsible citizens. Motto of SGH is the following: “SGH shapes leaders”.

SGH Warsaw School of Economics actively takes part in biggest global and international associations of business schools, which include AACSB, EFMD, AMBA, GBSN, PIM or CEEMAN. Participation in those networks allows us to get a lot of

¹ Ph.D., Associate Professor, SGH Warsaw School of Economics, Collegium of Management and Finance, Institute of Management, International Strategies Unit.

valuable inspiration and insights from the network of higher education professionals. This text is inspired by author's participation in International Conference Annual Meeting 2022 (ICAM), which is the biggest event of AACSB community taking place each year. This April, down in New Orleans, Louisiana, USA, more than 1200 individuals from all across the globe, gathered to discuss current trends in business education.

From time to time, AACSB issues reports or thought papers on very important topics for the community for business schools. Some of the recent topics included *inter alia*: microcredentials, societal impact, artificial intelligence, virtual and augmented reality, lifelong learning, and many more. The recent publication of a thought report regarding the future of management education was given a special attention during recent ICAM. AACSB believes that business schools have a very profound role in shaping our communities.

Five Forces Driving Future of Management Education in the Context of AACSB Philosophy

AACSB is a global association of business schools, which encourages not a one-and-only model for excellence, but promotes diverse paths to high-quality outcomes in business education. Within accreditation projects, evidence of continuous quality improvement in three vital areas: engagement, innovation, and impact – are crucial. Moreover, 'AACSB acknowledges and values the diversity among its membership, but it also recognizes that all of its accredited members share a common purpose – preparing learners for meaningful professional, societal, and personal lives' [AACSB, 2020].

Guiding principles should be understood as shared ideals of AACSB accreditation, which guide accredited schools in behaviors, values, attitudes, and choices as they relate to strategy and operations of the business school. Each AACSB accredited institution should support the following guiding principles: ethics and integrity, societal impact, mission-driven focus, peer review, continuous improvement, collegiality, agility, global mindset, and diversity and inclusion [AACSB, 2020, pp. 15–16].

Business schools generally declare respect to the AACSB guiding principles. It seems to be relatively easy to do so, however adherence to AACSB standards requires a lot more effort and acceptance of the continuous improvement mindset and practices. All for the benefit of the higher education institutions within the initial accreditation processes, i.e. applying for accreditation.

So in context of AACSB philosophy, including guiding principles and standards as core parts, the report on five forces driving the future of management education was published. It is a sort of a food-for-thought document. Changes in higher education and shifts in learner demographics force business schools to revisit their strategies.

AACSB has identified five forces (meaning: suggestions, insights) that will/should help business schools achieve systemic change in response to shifting societal and business needs:

- 1) commit to positive societal impact,
- 2) embed principles of DEIB (diversity, equity, inclusion, and belonging) into organizational culture and strategic planning,
- 3) evaluate existing partnerships and create new ones to ensure the business school is solution-driven and relevant to learner and industry needs,
- 4) strategically invest in technologies that serve diversified learner needs and address educational demands of the future,
- 5) equip faculty for success as their roles expand to meet new expectations in the learner experience.

All the insights are presented in more detail in the following part of the text. Some additional comments are provided with references to additional valuable resources.

Insight 1: Commit to positive societal impact

Simon Sinek, who has been a keynote speaker at recent ICAM, claims that: ‘The responsibility of business is to use its will and resources to advance a cause greater than itself, protect the people and places in which it operates, and generate more resources so that it can continue doing all those things for as long as possible’ [AACSB, 2022].

Sir Richard Lambert, Chancellor of Warwick University in Britain, on the other hand, mentions the purpose of business as one of four key issues which expected for business schools these days. There is a call for new definition of business. The other three issues include: (1) embracing diversity, (2) dealing with uncertainty, (3) and a challenge to understand and teach learners about the role and workings of the government [Lambert, 2022].

According to AACSB research, these days consumers and employees put pressure on prioritizing purpose, but many companies do not advance societal impact. Such observations are in line with findings from earlier article of BCG, a consulting firm. According to them, societal issues could not any longer be perceived as something additional, unimportant, but it should be at the core of business.

‘The result can be a more reliable growth path, a reduced risk of negative, even cataclysmic, events, and, most likely, increased longevity’ [Beal *et al.*, 2022].

AACSB encourages the community of business schools to reflect on if and how they produce research with impact and develop the knowledge, skills, and behaviors required of future societal impact leaders. In this context it is suggested to consider expanding incentives and success metrics for faculty to address societal impact in their research, teaching, and outreach [Serafeim, 2020].

Insight 2: Embed principles of DEIB into organizational culture and strategic planning

Diversity, equity, inclusion, and belonging are sort of buzzwords, not only on AACSB agenda. Oftentimes in AACSB documents, the abbreviation DEIB is used to denote those four ideas under one umbrella. Undoubtedly, this is a very broad topic. EFMD for instance, in of recent issues of GlobalFocus Magazine, presents some comments regarding inclusion (or inclusivity): ‘(...) higher education has a responsibility to ensure that talented people, whoever they may be, get into higher education. Inclusivity must be systemic. Higher education must be inclusive in its operation, in its student recruitment, but also in the knowledge delivered to students. This requires different actions at different levels, but in all cases involving all stakeholders’ [Jaegler, Fagnot, 2022].

Higher education institutions may implement DEIB practices differently. AACSB formulates some detailed suggestions in that regard, related – for instance – to admissions and faculty body. Business schools should rethink admissions and work to change the view of a ‘typical’ business student in order to attract a diverse pool of candidates. At the same time, a diverse faculty body helps attract a diverse pool of learners. There seems to be a clear link between diversity and internationalization processes, which can drive each other. In the context of this insight, AACSB suggests to review strategic plan to identify if DEIB agenda is properly addressed.

Insight 3: Evaluate existing partnerships and create new ones to ensure the business school is solution-driven and relevant to learner and industry needs

Strategic partnerships are a very broad topic, which is considered by deans across the world. Strategic partnerships could relate to cooperation with different types

of external stakeholders. Not only other higher education institutions, but also companies or various state agencies. AACSB seems however to be paying most of the attention to partnerships with business (the industry). According to the report, there is a lot of criticism among business leaders about ‘the inability of business schools to keep up with industry’s changing needs’ [AACSB, 2022].

In an increasingly competitive and disruptive environment, strategic collaboration with various stakeholders is critical to creating value. There is a broad literature on that topic. Oftentimes, authors present the impact perspective in that context, where external stakeholders are identified. There are at least six different types of stakeholders around management education and business schools: (1) academia, (2) students, (3) the private sector, (4) media, (5) professional and trade organizations, and (6) the government and public sector [Kalika, 2022].

At SGH Warsaw School of Economics, for instance, there is a very wide portfolio of 60+ student research clubs and other student associations and organizations, which have strong ties to industry. Students, also in many cases supervised by faculty, carry out business projects for the industry. This is an alternative to internships. Some higher education institutions have however a lot of catching up to do in that regard.

In general, one could agree that business schools ‘need to develop stronger connections with external entities to address real-world challenges and ensure that their learners are prepared to lead’ [AACSB, 2022]. Consequently, ‘business schools should critically assess current partnerships and ensure they fulfill strategic priorities’ [AACSB, 2022]. For instance, decisions would have to be made to quit some partnerships, which are of minor importance and not promising to develop in the future.

Insight 4: Strategically invest in technologies that serve diversified learner needs and address educational demands of the future

In industry after industry, dominant, established firms face a tsunami of digital disruption. Gryllaki and Kyriakopoulos claim that ‘just as firms continue to grapple with how to embrace digital transformation, so now business schools puzzle how to teach it’. They ask a question how can a business school survive the gales of digital transformation [Gryllaki, Kyriakopoulos, 2022].

In this context, AACSB reminds that Facebook’s 2021 rebranding to Meta Platforms opened a compelling discussion about how the metaverse is an increasingly likely phenomenon rather than a far-fetched idea. Observing those changes, business schools ‘are pushed to evaluate their portfolio of learning environments and expand

their immersive experiences, allowing learners the flexibility to move from in-person to virtual seamlessly' [AACSB, 2022]. Online is perceived only as 'emergency learning'. 'The future of online learning must be an entirely new experience to best serve learners and remain sustainable' [AACSB, 2022]. Therefore, AACSB suggests to stay current with best practices in the evolving landscape of technology in business and to develop curriculum that supports the future workforce.

Arnoud De Meyer, Professor Emeritus and Former President, Singapore Management University gives the following advice in the context of how business schools take advantage of latest technology advancements: 'My advice is to invest in a manageable portfolio of digital experiments and projects, and ensure that you consolidate and share your learning from each of these projects across the whole school. Do not commit to a fixed, immovable strategy but keep flexibility, commit to learning and maintain a degree of freedom in the portfolio of partners with whom you will need to work' [Meyer, Bieger, Xavier, 2022].

Digital transformation is a challenge. In another article published recently by AACSB BizEd Magazine, author claims that 'one of the top three reasons why so many digital transformations fail is that the company underestimates what needs to be done and considers automating processes the same as achieving digital transformation' [Speculand, 2022]. Many HEIs successfully navigated through COVID-19 pandemic with the help of ICT, but the question about best and sustainable teaching delivery approaches of the future still remains.

Insight 5: Equip faculty for success as their roles expand to meet new expectations in the learner experience

Free multimedia available online put pressure on faculty who often shift from subject matter expert and lecturer to more of a coach or mentor role. A new role of a 'star professors' who create engaging and fun learning experiences seem to be emerging. Stars could be assisted by supporting faculty and staff needed by delivering content to learners. This sounds slightly revolutionary, but AACSB formulates a clear suggestion to evaluate the faculty portfolio to determine whether faculty have the necessary skill sets to meet b-school goals and expected learner outcomes [AACSB, 2022].

In this context, Andrew Hoffman, Hoilcim (US) professor of sustainable enterprise, pushes the discussion on the role of faculty even further. He seeks to inspire academic scholars to bring their work to the public that need it, and to inspire administrators to make public engagement more acceptable within HEIs.

Such challenges are not new, because some deans would claim – on the contrary – that faculty should mostly support the execution of the business school mission, on site, in the school [Holcim, 2022].

Considerations regarding future role models of scholars do not relate only to teaching, but also to research. Basically, scholarship is a valuable endeavor, but oftentimes research has mostly disciplinary-specific value and addresses narrow, theoretically driven questions. ‘It also tends to favor the ‘lone researcher’ model, supporting individual research at a time when society’s grand challenges require solutions born of diverse, cross-disciplinary perspectives’ [Laing, 2021].

Business models of business schools cannot be similar. HEIs must differentiate, especially after the pandemic, which to a significant extent made academic institutions look and act similar due to widespread use of almost the same technologies. ‘While one size fits all strategy might have worked in the past, continuing that approach could be a risky endeavor. As online education becomes more popular, it extends the reach of many programs so that courses taught by the best professors and institutions are available to students anywhere in the world at any time’ [Kaplan, 2021].

Conclusion

Clearly, author of this paper agrees that it is time to reform free-market capitalism by redefining the purpose and responsibility of corporations. The practice of maximizing shareholder value has led to high debt, market instability, and corporate scandal. In current times, more corporate leaders, academics, and investors are starting to favor an inclusive model of capitalism that provides benefits to all stakeholders. There is a huge responsibility on business schools. Many hope they can help redefine capitalism by teaching students to consider how all stakeholders are impacted by business decisions [Ho, 2022].

The insight report published and presented recently by AACSB may be considered as a great inspiration for business schools, which seriously think and develop their future. Valuable comments to the topics presented in the report by BizEd Magazine (AACSB) and GlobalFocus Magazine (EFMD) add and develop a lot on these topics. Now, when we are finalizing our ‘New Economy Lab’ grant supported by National Agency for Academic Exchange (NAWA) is being finalized, such valuable inspirations will not only help us develop future projects, but also may be generally considered by business school administrators in shaping brighter future of HEIs they manage.

References

- AACSB (2020). *Guiding Principles and Standards for Business Education*.
- AACSB (2022). *Five Forces Driving the Future of Business Education*.
- Beal, D., Eccles, R., Hansell, G., Lesser, R., Unnikrishnan, S., Woods, W., Young, D. (2017). *Total Societal Impact: A New Lens for Strategy*, <https://www.bcg.com/publications/2017/total-societal-impact-new-lens-strategy> (accessed: 12.06.2022).
- De Meyer, A., Bieger, T., Xavier, R. (2022). *Digitalising Management Education: Exploring the Possible*, <https://www.globalfocusmagazine.com/digitalising-management-education-exploring-the-possible> (accessed: 12.06.2022).
- Gryllaki, M., Kyriakopoulos K. (2019). Through the Labyrinth, *Global Focus. The EFMD Business Magazine*, <https://www.globalfocusmagazine.com/through-the-labyrinth> (accessed: 12.06.2022).
- Ho, S.S. M. (2022). Optimizing Stakeholder Values, *Global Focus. The EFMD Business Magazine*, <https://www.aacsb.edu/insights/articles/2022/05/optimizing-stakeholder-values> (accessed: 12.06.2022).
- Holcim, A. (2021). The Engaged Scholar, *Global Focus. The EFMD Business Magazine*, <https://www.globalfocusmagazine.com/the-engaged-scholar/> (accessed: 12.06.2022).
- Jaegler, A., Fagnot, I. (2022). Inclusivity Matters!, *Global Focus. The EFMD Business Magazine*, <https://www.globalfocusmagazine.com/inclusivity-matters/> (accessed: 12.06.2022).
- Kalika, M. (2019). *The Impact of Business Schools: Increasing the Range of Strategic Choices*, <https://blog.efmdglobal.org/2019/02/25/the-impact-of-business-schools-increasing-the-range-of-strategic-choices> (accessed: 12.06.2022).
- Kaplan, A. (2021). *Business Schools: Differentiate Yourselves!*, <https://www.aacsb.edu/insights/articles/2021/06/business-schools-differentiate-yourselves> (accessed: 12.06.2022).
- Laing A., Richter A., Mason K., Mijnhardt W. (2021). *A New Future for Research*, <https://www.aacsb.edu/insights/articles/2021/08/a-new-future-for-research> (accessed: 12.06.2022).
- Lambert R. (2016). What Does Business Want from Business Schools?, *Global Focus. The EFMD Business Magazine*, <https://www.globalfocusmagazine.com/what-does-business-want-from-business-schools/> (accessed: 12.06.2022).
- Serafeim G. (2020). Social-Impact Efforts that Create Real Value, *Harvard Business Review*, September-October.
- Speculand R. (2021). *Key Principles of Digital Transformation*, <https://www.aacsb.edu/insights/articles/2021/07/key-principles-for-digital-transformation> (accessed: 12.06.2022).

Cezary Błaszczuk¹, Andrzej Wajs²

NCBR-NAP: NCBR-Nevada Acceleration Program – Helping Polish Start-ups Follow their Dreams

Abstract

The 2017 Letter of Intent signed by the then Polish Deputy Prime Minister and Minister of Science and Higher Education Jarosław Gowin and former Governor of the State of Nevada Brian Sandoval has triggered a bilateral acceleration activity between the National Center for Research and Development (NCBR) and Governor's Office for Economic Development (GOED). The activity is aimed at facilitating top Polish start-ups make their way to the Nevada and US markets, thus helping them follow and fulfill their 'American Dream'. Even though it was not easy to start the activity and then COVID-19 has gotten in the way, the unfaltering flexibility and perseverance of all parties involved have eventually brought us on the cusp of the actual acceleration process in Nevada in the spring of 2022.

Introduction/Genesis

In the beginning, on October 18th, 2017, was a number of words composing a letter of intent which Mr. Jarosław Gowin, the then Deputy Prime Minister and Minister of Science and Higher Education of the Republic of Poland signed with Mr. Brian Sandoval, the then Governor of the State of Nevada.

¹ Graduate of the University of Silesia and the National School of Public Administration. Has worked in Brussels as Head of the Regional Office of Silesia Voivodeship. Since 2009 has held various managerial roles at the National Centre for Research and Development, most recently as Director of the Department for International Cooperation since 2020.

² MA in English Philology from Warsaw University and post-diploma graduate of Warsaw School of Economics in Foreign Service. Formerly British Embassy Warsaw; since 2014 has held various roles at the National Centre for Research and Development where he currently works as Project Coordinator at the Department of International Cooperation.

It was not the only letter of intent signed by Governor Sandoval that day, but it had a unique property. Others were signed on a regional level, between the State of Nevada and a number of Polish voivodeships. The one with the Polish DPM was different as it had a nationwide significance. Bottomline: to explore the potential for enhancing networks, alliances and collaborative projects between the State of Nevada and the Republic of Poland designated organizations. These organizations will strive to deliver mutual economic benefits and be interested in developing a joint acceleration program aimed to bridge Nevada's and Poland's innovation ecosystems and support early-stage technology companies.

Poland declared to design organization which will prepare the Polish part of the acceleration program through a competitive process aimed at selecting those of highest potential for growth through participation in the acceleration process, which will take place in Nevada on the next stage.

The State of Nevada Governor, in order to create pathways for market access for start-ups and established technology companies through mentorship programs, declared to assess the potential of start-ups recommended by Poland. Nevada also announced it would create a mentorship program to provide recommendations for start-ups in terms of the best and most relevant types of mentoring in establishing contacts with other businesses, prospect investors, universities, business support institutions and local authorities.

Progressus

Beginnings are hard. The more so as not only the said letter of intent was unique. The same applied to the very nature of the program designed through it. A mechanism had therefore to be worked out in order to redesign the program into an acceleration activity which would allow NCBR to take on a nationwide scheme already successfully conducted on a regional level by Lubelskie Voivodship.

But we got there eventually. February 2020 saw the rollout of *NCBR-NAP: NCBR-Nevada Acceleration Program*, directed at start-ups with the highest growth potential from across Poland. The start-ups' thematical areas had to match both the top priority areas of Nevada, e.g. data storage, HoReCa, hospitality, smart cities or water technologies, and Polish national smart specializations. The result expected is to lead to the commencement of cooperation between companies and institutions from Poland and the State of Nevada in the broadly understood area of innovation, including commercialization of technological solutions offered as well as supporting cooperative forms of R&D activity.

As Professor Paweł Pietrasieński of the Warsaw School of Economics and also Director for International Trade at GOED pointed out back then, not everyone knows that Nevada is a thriving business-academia center where KGHM Polska Miedź S.A. owns the largest opencast copper mine in the United States of America. Young Polish companies have great business ideas and only need a little support to enter foreign markets, while in Nevada there are people who can really provide such support. GOED works with the best partners experienced in accelerating companies, as proved by Polish entrepreneurs from the Lublin voivodeship. Some of them have already started their operations in Nevada. *Therefore, we are waiting with great hope for innovative start-ups from all over Poland*, Professor Pietrasieński concluded.

Epidemus

Tough times do not last. And it is important to be able to turn them into new beginnings. But who would have thought at the beginning of 2020 that we will have to wait until 2022 to be able to finally bring this activity to a conclusion? Well, first things first.

By a quirk of fate also known as COVID-19 slowly creeping towards Poland, the number of start-ups that applied to take part in NCBR-NAP was slightly lower than expected. This led to NCBR inviting all applicants to the first part of the activity called Bootcamp Warsaw. Originally scheduled for the turn of March and April 2020 in Warsaw, the Bootcamp is an intensive, 4 – day scheme of consultations, mentorship and workshops with renown experts from Poland and Nevada. This was to be followed by the Demo Day – a 3–5 minute-long pitching session and Q&A with the audience, subsequently evaluated by experts from Poland and Nevada to select the magnificent 10 that would participate in the actual acceleration scheme in Nevada.

The pandemic has unfortunately caused NCBR and GOED to suspend all the above for almost 2 years. Throughout that time all parties, participants and organizers alike, have demonstrated remarkable patience, perseverance and willingness to continue when the COVID-19 grip would have loosened. It was only in November 2021, with the reinstatement of flights between the EU and the U.S., that a light at the end of the tunnel appeared. Ultimately 11 start-ups took part in Bootcamp Warsaw in February 2022 and 10 of them will accelerate in Nevada in May and June 2022, in two cohorts of five.

Conclusion

The June 2019 visit of NCBR representatives to Nevada alongside Polish President Andrzej Duda on the occasion of the Polish Business and Innovation Week in Nevada was to be a kind of a reconnaissance before commencing NCBR – NAP. Again, no one would have thought that the April 2022 symposium will mark the end of that recce and precede the arrival of both cohorts to Nevada.

Apart from GOED, NCBR cooperates with SRI International and took part in a workshop organized in Washington D.C. We have since learned that the East Coast also highly acclaims Nevada mentorship skills. We therefore rest assured that Nevada experts are one of the best around and Polish entrepreneurs are lucky to be able to benefit from their practical knowledge.

For NCBR, cooperation with Nevada is yet another direction of expanding its network of foreign partners and at the same time creating new R&D and market possibilities for Polish entities. As the pandemic grip appears to have loosened and the worldwide geopolitical situation hopefully stabilizes, NCBR aims not to rest on its laurels but strive to further its collaboration with Nevada. Organizations such as GOED together with the Polish-American Chamber of Commerce in Nevada, Nevada Institute for Autonomous Systems, Waterstart, StartUp NV, Adams Hub, UNLV International Gaming Institute, Ozmen Center for Entrepreneurship or UNR InNEVation Center, to name but a few, have plenty opportunities on offer for Polish entrepreneurs.

With its unique properties, NCBR – NAP perfectly complements many other NCBR programs and activities focused on a wide range of support for domestic entities, ranging from developing a research idea, through project development work, to supporting existing companies and their global aspirations based on the know-how developed thanks to R&D. It is an intention of NCBR that the scheme with Nevada pave the way for the development of this and other acceleration activities.

We therefore believe that the success of NCBR – NAP pilot, after 2 years of waiting in the wings, will attract more ambitious, young Polish entrepreneurs with high development potential willing to enter the American and other markets abroad. And that thanks to this new experience, they will be able to adapt their business ideas to foreign requirements which will result in opening businesses overseas and raising new funds.

Marcin Wajda¹

Reflections on the Cooperation between the Masovian Voivodeship and the State of Nevada in the Post-Pandemic World

Abstract

The article presents the thoughts of the author on the cooperation between Masovia and the State of Nevada in the post-pandemic reality. Apart from the comments and remarks that concern the cooperation between the Territorial Self-Government of the Voivodeship and the State of Nevada, it contains a broader analysis of the potential cooperation between the SGH Warsaw School of Economics and the UNR. The paper focuses on three key areas: general cooperation, the implementation of the programme “Masovia as the accelerator of global enterprises” and building the resilience of economies after the COVID-19 pandemic.

Introduction

The cooperation between the State of Nevada and the Masovian Voivodeship started in 2017 with the visit of Mr Brian Sandoval who was then the Governor of the State of Nevada, in Warsaw [Forum Samorządowe, 2017]. This meeting resulted in signing the letter of intent on starting the cooperation between Masovia and the State of Nevada on the 8th of September 2018. Since that moment, the Masovian Voivodeship and the State of Nevada have been partner regions.

This cooperation is realised on numerous planes, e.g. by funding the Polish-American special award in the competition Start from Masovia. Two start-ups from the Masovian Voivodeship with the potential to develop their operations in the United

¹ Ph.D., Assistant Professor, SGH Warsaw School of Economics, Collegium of Social-Economics, Department of Treasury.

States were selected by the jury of the competition and participated in a one-week acceleration programme in Nevada in 2019. Another example of joint activities was the 'Day of Nevada', which was an event organised by the Territorial Self-Government of the Masovian Voivodeship and the SGH Warsaw School of Economics in 2017 [Masovian Voivodeship Portal, 2017]. The event included some networking meetings and scientific and economic panel discussion sessions.

Later, representatives of the Territorial Self-Government of the Voivodeship met the representatives of the Office of the Governor of the State of Nevada and the University of Nevada in Reno during their visits in Poland. During those meetings, possibilities of further cooperation between the regions were discussed. Unfortunately, the pandemic limited the possibilities of cooperation between the State and the Voivodeship to a minimum. As a result, we must hope to continue the cooperation in the new, post-pandemic reality.

1. In what areas can Masovia and Nevada cooperate?

If we look at the long-term strategic documents and the megatrends or mega-challenges currently faced by the Western world in a broader perspective, we will certainly find many areas for cooperation between Masovia [Masovian Regional Planning Office, 2014] and Nevada [GOED, 2021]. Our common problems and challenges are the climate crisis and the shift from fossil fuels, for example to eco-mobility. It is also digitisation, to make our economies even more competitive and to support the innovativeness of enterprises as well as research and development activities. Another area is making transport more environmentally friendly and developing smart cities. However, this also refers to investment in humans, because, according to research, this ensures stable economic growth in the mid- and long-term perspective. Other challenges are eliminating spatial socio-economic disparities and reinforcing democracy. If we look closely, these are not challenges for the central government, but first of all for regional and state authorities. These are specific projects and programmes of regions and states (and cities) whose aim is to contribute to achieving the global objectives. However, the actions of regional and local authorities are essential. It is also important to support the cooperation between NGOs, because they also contribute to the improvement of the socio-economic situation and increased participation of citizens. In conclusion, there is a great potential for the development of cooperation between Masovia and the state Nevada.

2. The project “Masovia as an Accelerator of Global Enterprises” as an example of cooperation

The project “Masovia as an accelerator of global enterprises” is conducted jointly by the Territorial Self-Government of the Masovian Voivodeship, the SGH Warsaw School of Economics and the Warsaw Stock Exchange. The total value of the project amounts to PLN 7 928 055.15 (approx. \$ 1.8M). The realisation of the project is financed by the National Centre for Research and Development [Masovian Voivodeship Portal, 2021].

The cooperation with the State of Nevada in the realisation of the project will take place on two planes. Firstly, the SGH Warsaw School of Economics and the University of Nevada in Reno will cooperate on developing the content. Secondly, the enterprise support ecosystem in Nevada will be one of several such systems analysed in the programme. As a result, the Territorial Self-Government of the Masovian Voivodeship will cooperate on this task with the Governor’s Office of Economic Development.

The main objective of the project is to find a new model of the cooperation between administration, science, and business, which will contribute to the development of Masovian enterprises and their improved globalisation. The participants will search for practical solutions and good practices in supporting businesses. One of such good examples in Nevada may be the “Ozmen Center for Entrepreneurship”, which operates at the University of Nevada in Reno.

Using the experiences of Nevada will be valuable, as the spatial structures of the economy in both regions are very similar. The Masovian Voivodeship is a region where we are witnessing a polarisation of growth within the agglomeration of Warsaw [Bański, Czapiewski, Mazur, 2020], while in the State of Nevada, the growth is concentrated around the city of Las Vegas [Data USA, 2022]. Thus, the challenge in the project will consist in developing such model of the cooperation triangle (science-administration-business) that will serve both the developed and underdeveloped parts of Masovia.

The project “Masovia as an accelerator of global enterprises” is a perfect example of the potential cooperation between the Masovian Voivodeship, the State of Nevada, the WSE, and the UNR.

3. Building the resilience of the economy after the recession caused by the COVID-19 pandemic

The European Union is still suffering from the consequences of the COVID-19 pandemic, for example due to higher inflation and unemployment rates or problems with supply chains. This is even more problematic, as there still are regions in Europe that have not recovered from the crisis of 2008 (e.g. the unemployment there is still higher than it was before 2008). Polish economy and the European Union have to be resistant to these phenomena, because growing internal economic disparities lead to political tensions. To build this resistance, the European Union supports its Member States in shifting to renewable energy sources, developing manufacturing or service specialisations of regions, digitisation of the economy, and increasing investments in human capital, as part of lifelong learning. It also supports cross border cooperation or the exchange of students and scientists in the ERASMUS programme, as well as joint research and development projects as part of HORIZON Europe. Additionally, the EU allocated EUR 750 billion to overcome the recession after the COVID-19 pandemic and, for the first time in its history, incurred debt [European Commission Portal, 2022]. These funds will be spent on investments in innovation, digitisation, RES, or environmentally friendly transport.

As one may notice, the European Union pays great attention to building resistance of the economy to the occurrence of unpredictable events, so-called 'black swans'. The authorities of the State of Nevada also conduct intensive activities aimed at strengthening the local economy after the COVID-19 pandemic. The possibility to share knowledge and experiences between Masovia and Nevada is certainly a great opportunity for both regions in this field.

Conclusion

The cooperation between Masovia and the State of Nevada has been developing continuously for almost 4 years. Although the process was slowed down by the COVID-19 pandemic, the cooperation continues to develop. An example may be the realisation of the project "Masovia as an accelerator of global enterprises". However, it is necessary to start thinking about further actions for the next 4 years now. Institutionalised, constant sharing of experiences, good practices, as well as new projects in the areas that are interesting for the Territorial Self-Government of the Masovian Voivodeship, the authorities of the State of Nevada, the WSE, and the UNR, may be the factors that will contribute to further development of the

cooperation. Additionally, Masovia and Nevada may become 'gateways' for each other for the cooperation with other regions in Europe and in the USA, for example during the realisation of joint projects. The achievements so far and the potential further opportunities allow us to suppose with great probability that the cooperation between Masovia and Nevada will continue to grow successfully.

Reference List

- Bański J., Czapiewski K., Mazur M. (2020). Policentryczność rozwoju Mazowsza, Mazowsze: *Studia Regionalne*, vol. 10, pp. 71–88.
- Data USA (2022). Las Vegas, <https://datausa.io/profile/geo/las-vegas-nv#economy> (accessed: 12.06.2022).
- European Commission Portal (2022). NextGenerationEU, https://europa.eu/next-generation-eu/index_en (accessed: 12.06.2022).
- Forum Samorządowe (2017). Współpraca Mazowsza i Nevady rozkwita, http://www.forumsamorzadowe.pl/aktualnosci/2671,0,8.html,0_wspolpraca_mazowsza_i_nevady_rozkwita.html (accessed: 12.06.2022).
- The Nevada GOED (2022). Nevada's Plan for Recovery & Resilience, Nevada Governor's Office of Economic Development, <https://goed.nv.gov/wp-content/uploads/2021/01/Nevada-Recovery-and-Resiliency-Plan-FINAL.pdf> (accessed: 12.06.2022).
- Masovian Voivodeship Portal (2017). Dzień Nevady w Szkole Głównej Handlowej w Warszawie, <https://innovacyjni.mazovia.pl/aktualnosci/dzien-nevady-w-szkole-glownej-handlowej-w-warszawie.html> (accessed: 12.06.2022).
- Masovian Voivodeship Portal (2021). Gospostrateg III–Mazovia Global, <https://innovacyjni.mazovia.pl/dzialania/mazovia-global.html> (accessed: 12.06.2022).
- Masovian Regional Planning Office (2014). Strategia Rozwoju Województwa Mazowieckiego do 2030 roku, Mazowieckie Biuro Planowania Regionalnego, https://www.mbpr.pl/user_uploads/image/PRAWE_MENU/STRATEGIA%20ROZWOJU%20WOJEWODZTWA%20MAZOWIECKIEGO%20DO%20ROKU%202030/SRWM%20SKR%20POL.pdf (accessed: 12.06.2022).

UNR-SGH Cooperation: A 'Soft Landing' Initiative for Polish Start-ups

Abstract

The literature indicates that relationships constitute one of the crucial factors for start-ups internationalization. However, establishing the right relationship in a foreign start-up ecosystem is often not an easy task to do. For that reason, in case of the university students' startups, universities seem to be perfect institutions to support such processes and help their students (or graduates) to create relationships in order to internationalize their businesses.

The aim of the article is to develop a more detail understanding of so-called 'soft landing' initiatives, implemented by cooperating universities, for the internationalization of the university students' start-ups. The article covers a case study framed around the cooperation between the University of Nevada in Reno and SGH Warsaw School of Economics, including the entrepreneur support organizations that closely cooperate with both the universities, supporting start-ups development and internationalization.

Introduction

The cooperation agreement between the University of Nevada in Reno (UNR) and SGH Warsaw School of Economics (SGH) was signed in 2017. It focuses on joint research, exchange of academic staff and students, and promotion of entrepreneurship, including the support for academic start-ups. Looking at the UNR-SGH partnership from a wider perspective, it became a trigger for the development of much broader cooperation – between the State of Nevada and Poland.

¹ Ph.D., Assistant Professor, SGH Warsaw School of Economics, Collegium of Socio-Economics, Institute of International Studies, International Security Unit.

² Ph.D. Candidate, SGH Warsaw School of Economics, Collegium of Management and Finance, Institute of Management.

³ Ph.D., Assistant Professor, SGH Warsaw School of Economics, Collegium of Management and Finance, Department of Economics and Finance of Local Government.

The aim of the article is to develop a more detail understanding of so-called ‘soft landing’ initiatives, implemented by cooperating universities, for the internationalization of start-ups originating from the universities. The article presents a case study framed around the UNR – SGH cooperation, also including the entrepreneur support organizations that closely cooperate with both the universities to support start-up development and internationalization. Additionally, the authors seek to answer the question whether the model of supporting start-ups in Nevada should be regarded as transferable to other markets, with a special focus on the Polish start-up ecosystem.

The article first reviews the source literature, which builds the theoretical foundation for the analysis of the case study, indicating the importance of the relationships in the process of start-up internationalization. Next, the soft-landing program for Polish start-ups in Nevada is discussed. In the following section, the model of start-up support used by Biz Assembly⁴ in cooperation with UNR is analyzed to assess its applicability to use in supporting the Polish start-up ecosystem. The final part of the article reaches general conclusions. Additionally, the authors seek to answer the question whether the model of supporting start-ups in Nevada should be regarded as transferable to other markets, with a special focus on the Polish start-up ecosystem.

1. Start-up internationalization: the role of relationships – literature review

Start-ups constitute a specific group of enterprises, and it is why the literature on the drivers of firms internationalization often do not apply to them [Cannone, Ughetto, 2014; Costa, Soares, de Sousa, 2017]. From the start-ups’ viewpoint, the answer to the question ‘whether to internationalize’ is not just a matter of choice, but often a condition of development and market survival. For instance, M. Yang and P. Gabrielsson [2017] indicate that contemporary start-ups that deal with deep tech or digital spaces often consider internationalization as a critical factor needed to access partners in order to develop the necessary innovations. All of that tends to make start-ups internationalize at a very early stage, that is, in their first years of activity. This phenomenon of early internationalization has been extensively studied both from a conceptual and an empirical perspective, giving rise and substantial

⁴ Biz Assembly is a not-for-profit organization dedicated to educating and facilitating business creation and growth in Nevada and beyond. It is run by a group of business mentors and business owners.

improvement to the field of studies on the so-called born global firms [Rialp, Rialp, Knight, 2005; Zucchella, Palamara, Denicolai, 2007].

The literature indicates that start-ups, even in their pre-commercial stages of development, are heavily reliant on establishing relationships and leveraging the capabilities of their business partners to support product development and initiate revenue [Schepis, 2021; Vasilchenko, Morrish, 2011]. As they are new players in the market, they need partners to demonstrate their credibility and trustworthiness. The process of establishing suitable relationships is, therefore, an essential aspect of the start-up internationalization and, in consequence, business partners are regarded as a major predictor of a start-ups' survival and success in the market [Oviatt, McDougall, 2005; Schepis, 2021]. However, the important thing about start-ups is that they do not only rely on formal business networks but also are able to access valuable bridging ties through informal and mediated connections [Ojala, 2009; Schepis, 2021]. As Schepis [2021, p. 2063] points out, in this case 'boundary-spanning ties support access to trust-based social and business networks, thereby overcoming the various issues relating to entering new markets'.

2. 'Soft landing' for Polish start-ups in Nevada

Polish (as well as European) start-ups fail to scale, which often is the reason why they also fail in general [European Commission, 2020]. To avoid this, start-up ecosystems try to cooperate with each other and support the flow of start-ups from one ecosystem to another. For this purpose, soft landing programs are implemented. These programs aim to help start-ups go abroad and explore a new ecosystem with minimal risk and cost. In other words, they help start-ups from one country land softly – without crashing – into the market of another country [Chen, 2020, p. 461].

As previously mentioned, the relationships and interactions taking place within the ecosystem are of huge importance. By joining the ecosystem, even within the home country, entrepreneurs actually learn that they cannot build a successful company on their own, which means that they need to cooperate with numerous partners. Once they want to enter a foreign ecosystem, the relationships within the host ecosystem become even more important, because they help the entrepreneurs to be seen as credible and trustworthy partners.

Box 1. US start-ups: MacroHydro LLC

An American agriculture start-up based in Reno, Nevada, MacroHydro LLC, is a company that specializes in hydroponic control systems, controlling both nutrients and Ph using hardware and software. MacroHydro's software uses a machine learning algorithm to find the correct amount of each nutrient that plants need using sensors in the water to help software define the proper amount of nutrients to use. The main principle of the system is to save farmers time and money by reducing nutrient usage and continuously monitoring water parameters to help farmers have better control over their growing operation.

All three founders started the company in response to their own need to monitor their house plants. The three of them: Beau Safken – CEO, Brian Sneed – CTO and Joshua Conken – CMO, got called back to the office after 2 years of working remotely. Brian came up with a device to monitor and dose Ph and then Beau saw an opportunity to make this device available more broadly. All three of them competed in the UNR Sontag entrepreneur competition and are now on a path forward to make this company a reality.

The main market is cannabis growers that use hydroponic or water systems for growing their plants. There are other companies that make hardware but none so far that are making enterprise level control software that controls the hardware. MacroHydro is a company setup to remotely and actively monitor any hardware system that can be connected to a local network.

MacroHydro is soon partnering with a hardware company to become their software creator and start selling packaged hardware/software to growers all over the United States.

Over the past 20 years, the ecosystem in Nevada has gone through a big transition. It switched from gambling and construction industries to the development of new technologies, and it became known for its high concentration of companies dealing with battery technologies. Nowadays, there are many reasons to do business in Nevada. Firstly, the region is favorable in terms of taxes and government policy. In addition, the favorable environment for development is also created by Nevada's companies, which want to act like modern players, thinking of the future in alternative technologies, and aiming to have an impact on the global projects that are going on. For that reason, Nevada has developed a plan to expand worldwide. The expansion starts with Europe, including Poland. Its first stage covers partnerships with universities, which are considered to be stable and reputable partners. In the case of Poland, the first university partner chosen for such a partnership is SGH Warsaw School for Economics. Apart from SGH, there are also many other important Polish institutions taking part in the cooperation, such as: the Marshal's Office of the Mazowieckie Voivodeship, the Polish National Agency for Academic Exchange (NAWA), and the National Centre for Research and Development (NCBR).

On the American side, there are three main actors involved in the Nevada – Poland cooperation: the Nevada Governor's Office for Economic Development (GOED), the University of Nevada in Reno, and a non-profit organization – Biz Assembly (formerly Entrepreneurs Assembly). The latter was created 10 years ago and since that time has been working in conjunction with UNR, together mentoring start-ups from all around the United States. Later on, the initiative expanded

beyond the US market (for example, it was implemented in Africa). At present, it plays a very important role in the internationalization process of Polish start-ups. The organization offers a mentoring project, for which thousands of people apply, and a great entrepreneurial community is created. In the words of the founder of Biz Assembly – Westfield [2022]: ‘the organization helps to think differently, act differently and realize how to get to know the market and customer’. The members of Biz Assembly indicate the importance of bringing students to the community. The aim of the organization is to make students work together with entrepreneurs in order to guide them through things, which the entrepreneurs had struggled with at the beginning of their business activity, so that the students could achieve success much quicker in the future.

Box 2. Polish start-ups: Instise

A Polish technological start-up based in Warsaw, Instise, is a company that offers a platform which allows business and brands ambassadors to create fruitful cooperations which are secure for both sides. Users of all kinds of smartphones can create influencer campaigns, which are later matched with proper accounts for the best outcome quality. The platform solves the problem of finding high-quality brand ambassadors, securing the deal, and taking care of the quality of the outcome.

Instise’s team interviewed hundreds of influencers, asking them about challenges connected with their job. According to the interviewees, their communication with the business was often handled via email: long discussions, lots of threads and unclear payment terms. Addressing those issues, Instise brought clear terms about the date, scope, media details and the payments. Thus, Instise platform makes everything clear before parties start cooperation.

The platform offered by Instise allows an easy start with influencer marketing for a business without any knowledge in this field. Creating a campaign for the product is straightforward. After indicating the kind of product, putting a description and a price a campaign is ready. Then the list of people who want to cooperate is available. Instise monitors influencer accounts and checks their quality – detecting fake followers and accounts which are putting too many advertisements. Based on the feedback platform constantly introduces new functionalities covering the working flows. Its focus is on the speed and security of the transactions.

The platform was founded by two engineers, one of them from Warsaw and the other one from Kraków. They have seen the need for such a tool while running their own businesses. Both with significant experience in business and also technology came up with an idea of how to automate and secure processes in influencer marketing. System was introduced to the market at the beginning of 2022. According to the latest Influencer Marketing Benchmark Report, the influencer marketing industry is set to grow to approximately \$16.4B in 2022 [Influencer Marketing Hub, 2022]. The market has grown steadily year by year to have the biggest jump since the beginning of 2022. The data shows that 80% of consumers have purchased something via an influencer recommendation. This means that influencer marketing is not just about brand recognition – it can lead directly to sales. If the product is right, consumers are willing to click through the links on posts and make a purchase.

As far as Polish start-ups are concerned, the idea is to bring them to the U.S. to find out what is their target market fit and where is their competitive fit. There is also a need to assess and understand what makes the two markets different, what deficits they have and how to cope with them [Westfield, 2022]. For example, Europe, including Poland, is way out ahead of the U.S. in terms of telephone applications

and banking systems development. However, in many other areas technological development in the U.S. is way ahead of Europe. For this reason, it is a huge opportunity for European companies to come to the United States: there is a great market that provides a huge possibility to create partnerships, especially the ones in technology.

The program offered by UNR and Biz Assembly makes students (and their start-ups) go through different steps. Together with the mentors, they look at target market analysis, competition analysis, and then check if the results are the same, similar or different as in Europe, with a special focus on Poland. The program's mentors help determine whether there is a 'quick fit', that is, a possibility to enter the market within weeks or months, rather than years. Its important mission is to bring start-ups into real entrepreneurial situations and let them explore the entrepreneurial ecosystem. The intention is to make real business, not case studies. Some of the start-ups (both Polish and American) that had the opportunity to use the advice of Biz Assembly mentors are presented in Box 1, Box 2, and Box 3.

Box 3. Polish start-ups: DoxyChain

A Polish technological start-up based in Warsaw, DoxyChain, is the bridge between WEB 2.0 and WEB 3.0. DoxyChain offers a modular solution for optimizing document management processes with an unprecedented level of security and intuitiveness. DoxyChain brings smart contracts into WEB 2.0 business.

Built on Tendermint Core, the DoxyChain blockchain is a unique global solution. The DoxyChain blockchain was designed by domain experts with business processes in mind, in which documents in the broadest sense of the word appear. Thus, DoxyChain enables customers to simply migrate towards transparency. The company shapes the future of businesses by providing a complete blockchain DMS infrastructure.

The DoxyChain blockchain guarantees inviolability, securing all actions performed on a document in an irrefutable way. Smart contracts govern the document lifecycle from the blockchain level and decentralization that guarantees security and transparency of the network co-created by clients. DoxyChain ensures the possibility of integration with other systems and a protocol that meets all legal and corporate requirements. Blockchain also means scalability – an extremely cost-effective protocol is implemented by DoxyChain partner and customers (Proof-of-Authority). The DoxyChain network remains open, transactions are validated by the partners and anyone can view the blockchain. A complementary service to blockchain is a platform and a set of libraries and documentation, which allow for simple integrations with clients' existing systems.

DoxyChain creates a new standard in security while allowing customers to manage their document workflow in an easy and extremely intuitive way. DoxyChain platform is distinguished by a number of functionalities, including blockchain-secured e-signature, verification of signatories, dynamic forms, dedicated workflows, management of folder permissions, cloud storage of documents and API.

DoxyChain was founded in 2019 by four blockchain technology enthusiasts: Gabriel Dymowski, Piotr Żelazko, Marcin Lorenc, Rafael Schultz and today is being developed by 20 people. DoxyChain already has many accolades (from 10 promising Warsaw-based start-ups). It has also been entered in the Register of Trust Service Providers kept by the National Bank of Poland.

The mission of the program is also to prepare start-ups for external financing (e.g. from business angels or venture capital funds), so that they understand that for any dollar taken from investors, the investors expect a return. No matter whether it is


public or private money, at least 10–20% return on invested capital is to be expected; it is the founders' job and obligation, and start-ups need to be aware of it, as well as take it into account while applying for financing. Surprisingly, young entrepreneurs do not always think that way, and this might create problems for them in the future.

The program also focuses on the creation of a network, aiming at connecting people, including students. Westfield [2022] points out that the power of networks is beyond the business, as it creates a trust factor. If an entrepreneur begins with trust, everything else works. In other words, trust is key to creating relationships that might take the business to the next level, enabling a successful future.

3. Supporting business in Nevada – the case of Biz Assembly and UNR cooperation

As it has been already mentioned, Nevada state is going through a deep transformation of its economy – from traditional businesses, which were dominant in the state like gambling, hospitality, and construction towards more advanced technologies and innovation based sectors. What is also important is that it is a neighbor state to California with its world leading start-up ecosystem in the Bay Area. That neighborhood can be perceived both in terms of threats and opportunities. The main threat is that the most interesting and scalable business initiatives would prefer to be located in the Bay Area rather than in the state of Nevada. On the other hand, main opportunity is that the cost of running a business and the cost of living are much lower in Nevada. That is especially important for early-stage start-ups with no high initial funding like for example, students' start-ups, as they do not have sufficient funds to start and sustain the business. Another opportunity is that when the Nevadan start-up is developing and eventually it is looking for following rounds of funding, they are available just 'around the corner'. That situation implies a different strategy toward supporting start-ups in their development. While Californian actors of the start-up scene are mainly in the situation where their effort is targeted to select the right business idea, their activities are aimed towards tools to select attractive ideas out of many. A typical idea here is to standardize somehow the way the business is presented and venture capital funds, accelerators, incubators and other actors of Californian ecosystem require startups to follow a certain scheme (see Figure 1). Typically, there is no support (at least on the selection stage), rather assessment and decision if to work with the selected team or not. That 'typical' structure may be perceived as very logical and useful, but it requires certain maturity from the start-up founders.

Figure 1. Structure of the pitch deck required by different venture capital funds, mentors or in successful start-up pitches



What should be on your **pitch deck?**
according to VC's and successful startups

	500 Startups	Guy Kawasaki	Sequoia CAPITAL	NextView Ventures	Crowdfunder	Airbnb Pitch Deck
Slides	11	10	11	15+	12	13
Executive Summary				•		
Problem	•	•	•	•	•	•
Solution/Value Proposition	•	•	•	•	•	•
Market Validation/ Why Now?			•	•	•	•
Product	•		•			
Market Size	•		•	•		•
Business Model	•	•	•	•	•	•
Underlying Magic	•	•		•		
Competition	•	•	•	•	•	•
Competitive Advantage	•					•
Marketing Plan / Go-to Market	•			•	•	•
Founding Team	•	•	•	•	•	•
Board/Advisors			•	•		
Traction / Milestones	•	•		•	•	
Press / User Testimonials				•		•
Fundraising	•	•	•	•	•	•
Financial / Use of Funds		•	•	•	•	

Source: Slidebean Founder Platform, 2019.

Biz Assembly idea of entrepreneurial development is different, as the transitional Nevada economy needs to support entrepreneurs in starting businesses in newly developing branches. The network of experienced mentors and founders is aimed at supporting the business in its development and overcoming the growing pains. The idea of presenting the business is different from the typical one, presented in Figure 1. The main tool is based on the widely known Business Model Canvas [Osterwalder, Pigneur, Clark, 2010]. The model (See Figure 2) can be printed out on a large surface so that groups of people can jointly start sketching and discussing

business model elements with post-it notes or board markers. It is a hands-on tool that fosters understanding, discussion, creativity, and analysis.

Figure 2. Business Model Canvas template

Key Partners	Key Activities	Value Proposition	Customer Relationships	Customer Segments
	Key Resources		Channels	
Cost Structure		Revenue Streams		

Source: Own elaboration based on: Osterwalder, Pigneur, Clark, 2010.

Although widely used and effective, it was not sufficient for the purpose of the Biz Assembly. It needed to be modified so it meets the requirements. The requirements referred to the concept of supporting founders in their start-up development. Firstly, Biz Assembly's idea was to work with founders during the workshops called BA Roundtables. The main assumptions of BA Roundtables are [Westfield, 2022]:

- founders helping founders,
- small groups with experienced mentor/facilitators and peers mentoring,
- integrated, systematic path toward successful business launch.

Secondly, there was a need of a customized tool to support these assumptions and requirements. For the purpose of BA Roundtables the Business Model Canvas was lacking:

- ability to easily and clearly track the progress of the start-up with overcoming the identified challenges from meeting to meeting,
- possibility of clear presentation of the business evolving and pivoting over time,
- high emphasis on the product-market fit and selling as a primary of a start-up so it can be financially sustainable as soon as possible.

Those assumptions were implemented by Biz Assembly and its leader Matt Westfield into a new tool to support the process for launching and growing a business. The idea was to simplify the business model by identify key issues which must be achieved to increase its chance to succeed. Also, the checklist was divided into 3 main stages of business maturity – 1) Ideation (Customer Discovery), 2) Prototype (Customer Validation), 3) Probability/Systems (Customer Creation) (See Table 1).

Table 1. Biz Assembly process for launching and growing a business – check list



Checklist		Entrepreneur's Name: _____ Business Model/Name: _____					Date: _____						
			S1	S2	S3	S4	S5						DELIVERABLE
													BA Assessment forms NABC Statement BMC - WIP Concept statement - draft
Ideation	Customer Discovery												Value proposition, NABC Concept Test Results Pricing Plan from Buyer Survey Tgt Mkt stats; cus. profile Profit analysis (unit & bus P&L) Marketing plan outline Bus. Model Canvases drafted
Prototype	Customer Validation												Prototype product or service Marketing plan outline Competitive advantage Unit & business P&L Org. Chart with names Customer Survey Updated Bus. Model Canvases
Profitability / Systems	Customer Creation												Salés thru channels to tgt Org. Chart with names/gaps Sales summary w/accts; PO #s Unit P&L Exec. Summary; BP draft Exit Plan Pitch slide deck
													Success Chart

Source: Westfield, 2022.

The construction of the tool enables founders to easily set goals and track their progress, even though the members of the subsequent Roundtables might rotate. But most of all, it allows the business to verify and designate the road map for the business to achieve success. Of course, for the Roundtable idea to be so efficient, no matter what tool would be used, it needs experienced and open-minded experts. That is one of the assumptions, which makes this initiative so special – it is 'founders for founders'. It is worthy to underline that it is a non-profit organization, but if the start-up succeeds, then there is a custom that it supports the organization. Also, which may be very important, some of the members of the Roundtables are business angels and they can get financially involved as investors during or after the series of Roundtables.

Conclusion

The cooperation agreement signed between UNR and SGH became a trigger for the development of much broader cooperation between the State of Nevada and Poland. In consequence, a highly valuable 'soft-landing' initiative for Polish start-ups was created. The initiative not only helps the start-ups originating from Poland to explore the Nevadan ecosystem with reduced risk and cost, but also enables them to connect quickly with other actors in the ecosystem's network, and thus – gain the position of a trustworthy business partner.

The idea to bring Polish companies to the U.S. market is just the first stage of the cooperation. The next stage will focus on bringing American start-ups to Europe. As regards the start-up ecosystem in Poland, the experience of the State of Nevada can be somehow relevant for its development. The transition period aiming at supporting innovative and competitive businesses is common for both the ecosystems in question, as well as an aim to emphasize the product-market fit.

The tools and solutions used in Nevada, after adapting to local requirements, can be helpful to support business with high market potential in other countries. In case of Poland, that can be done through cooperation with e.g. Biz Assembly, UNR, SGH, NCBR and the Mazowieckie Voivodeship authorities. This will enable the validation of whether the model of cooperation works both ways, and if this is true, it might be possible to expand it even further. In other words, there is no doubt that the analyzed model of supporting start-ups in the Nevadan market should be regarded as a good practice. However, the transferability of this model – due to different socio-economic conditions – cannot be taken for granted.

Acknowledgements

The authors would like to express their special thanks to Biz Assembly Mentors and Participants of the 4th UNR College of Business – SGH Warsaw School of Economics Joint Symposium “Entrepreneurship, Economic Development and Public Policy in the Post-Pandemic World” (Reno, US, April 27, 2022) for their help, sharing expert knowledge, and valuable comments. This research was financed from the funds of the Polish National Agency for Academic Exchange.

Reference

- Cannone G., Ughetto E. (2014). Born Globals: A Cross-Country Survey on High-Tech Start-Ups, *International Business Review*, vol. 23(1), pp. 272–283.
- Chen Y.-S. (2020). International Soft Landings of Wetland Entrepreneurship in Asia. In: *Disruptive Technology: Concepts, Methodologies, Tools, and Applications* (pp. 461–476). DOI: 10.4018/978-1-5225-9273-0.
- Costa E., Soares A.L., de Sousa, J.P. (2017). Institutional Networks for Supporting the Internationalisation of SMEs: The Case of Industrial Business Associations, *Journal of Business and Industrial Marketing*, vol. 32(8), pp. 1182–1202.
- European Commission (2020). *The Soft-Landing Project*, <https://cordis.europa.eu/project/id/780914> (accessed: 29.05.2022).
- Influencer Marketing Hub (2022). *Influencer Marketing Benchmark Report*, <https://influencermarketinghub.com/influencer-marketing-benchmark-report/> (accessed: 24.05.2022).
- Ojala A. (2009). Internationalization of Knowledge-Intensive SMEs: The Role of Network Relationships in the Entry to a Psychically Distant Market, *International Business Review*, vol. 18(1), pp. 50–59.
- Osterwalder A., Pigneur Y., Clark T. (2010). *Business Model Generation: A Handbook For Visionaries, Game Changers, and Challengers*. Strategyzer series. Hoboken, NJ: John Wiley & Sons.
- Oviatt B.M., McDougall P.P. (2005). Defining International Entrepreneurship and Modelling the Speed of Internationalization, *Entrepreneurship Theory and Practice*, vol. 29(5), pp. 537–553.
- Slidebean Founder Platform (2019). *Pitch deck structure: What to include in a pitch deck outline*, <https://slidebean.com/blog/pitch-deck-structure> (accessed: 31.05.2022).
- Rialp A., Rialp J., Knight G.A. (2005). The Phenomenon of International New Ventures, Global Start-Ups and Born Globals: What Do we Know After a Decade (1993–2002) of exhaustive scientific inquiry?, *International Business Review*, vol. 14, pp. 147–166.
- Sinkovics, N., Sinkovics, R.R., Yamin, M. (2014). The Role of Social Value Creation in Business Model Formulation at the Bottom of the Pyramid – Implications for MNEs?, *International Business Review*, vol. 23(4), pp. 692–707.

- Schepis D. (2021). How Innovation Intermediaries Support Start-Up Internationalization: A Relational Proximity Perspective, *Journal of Business & Industrial Marketing*, vol. 36(11), pp. 2062–2073.
- Sørensen O.J., Hu Y. (2014). Triple Helix Going Abroad? The Case of Danish Experiences in China, *European Journal of Innovation Management*, vol. 17(3), pp. 254–271.
- Vasilchenko E., Morrish S. (2011). The Role of Entrepreneurial Networks in the Exploration and Exploitation of Internationalization Opportunities by Information and Communication Technology firms, *Journal of International Marketing*, vol. 19(4), pp. 88–105.
- Westfield M. (2022). Start-up Session during the 4th UNR College of Business – SGH Warsaw School of Economics Joint Symposium “Entrepreneurship, Economic Development and Public Policy in the Post-Pandemic World”, Reno, US, April 27, 2022.
- Yang, M., Gabrielsson, P. (2017). Entrepreneurial Marketing of International High-Tech Business-to-Business New Ventures: A Decision-Making Process Perspective, *Industrial Marketing Management*, vol. 64, pp. 147–160.
- Zucchella A., Palamara G., Denicolai S. (2007). The Drivers of the Early Internationalization of the Firm, *Journal of World Business*, vol. 42(3), pp. 268–280.

Joanna Franaszek¹, Łukasz Skrok²

Summer Schools as Instruments of Fostering International Academic Cooperation

Abstract

In the text, we summarize the experience gathered within organization of workshops in advanced game theory and decision theory, conducted as a summer school aimed at PhD students and graduate students with academic interests, SummerLab: Games & Decisions in 2019 and 2021. The project has been prepared in a partnership of SGH Warsaw School of Economics, Faculty of Business, Economics and Law, The University of Queensland, and School of Economics and Management of the University of Porto and financed by the Polish National Agency for Academic Exchange within the International Academic Partnerships program. We reflect on the experience with reference to the insight from the economics of education literature.

Introduction

The New Economy Lab project has been conducted by the SGH Warsaw School of Economics along with six partnering institutions: University of Nevada Reno – College of Business (USA), Ryerson University (Canada), Northeastern Illinois University (USA), The Faculty of Business, Economics and Law, The University of Queensland (Australia), School of Economics and Management of the University of Porto (Portugal) and University of Salerno (Italy) since December 2018. Due to pandemics, the project is to end in June 2022, instead of the initially planned end in November 2020. The project has been conducted within the International

¹ Ph.D., Assistant Professor, SGH Warsaw School of Economics, Collegium of Economic Analysis, Institute of Mathematical Economics, Department of Mathematical Economics.

² Ph.D., Assistant Professor, SGH Warsaw School of Economics, Collegium of World Economy, Department of Business Economics.

Academic Partnerships program and entirely financed by the Polish National Agency for Academic Exchange.

The project has been interdisciplinary, blending both economics and management science with other academic disciplines, including computer sciences and health sciences. The project has been internally organized into four subprojects, differing by a particular blend of academic fields, point of focus (i.e., extent of focus on research or teaching), and partnering institutions involved. All undertaken activities have been, however, bound by a common theme – the challenges for academics and society resulting from evolving dynamics of the global economy, with a particular focus on the ‘New Economy’ – emergence and increasing prominence of information, content or IP-based industries, their impact on market structures, business models, research methodologies and tools, and biological grounds of existence of human.

The aim of this text was to evaluate the experiences of the participants in two workshops in advanced game theory and decision theory, SummerLab: Games & Decisions. The evaluation enable us to pose hypotheses about the effectiveness of summer workshops in teaching and draw conclusions for future perspectives for international cooperation.

1. Short history of the SummerLab: Games & Decisions

The SummerLab: Games & Decisions workshops were one of the New Economy Lab subprojects, intended at fostering international cooperation. They were aimed in principle at PhD students and graduate students considering pursuing an academic career, and have been conducted twice, both in the in-person form in 2019 and a fully online form in 2021.

In the in-person form, the classes were spread over the course of two weeks in July 2019, with 8 hours of classes per day, all taken at the SGH Warsaw School of Economics. There were 32 participants from four continents, recruited within an open call, that was disseminated through varied academic networks, plus 9 lecturers from Australia (with Faculty of Business, Economics, and Law, the Queensland University, the partnering institution), Poland (SGH Warsaw School of Economics), and Portugal (School of Economics and Management of the University of Porto, with additional involvement of an academic from Católica Porto Business School).

The SummerLab 2019 offered seven advanced, graduate-level courses in recent developments in game theory:

- Advances in inductive game theory (Jeff Kline),
- Digital Economics: a Game Theoretical Analysis (Joana Rita Pinho Resende, Paula Sarmiento, Joana Pinho da Silva, Joao Correia da Silva),
- Time (In) consistency and Costly Self-Control (Łukasz Woźny),
- Range Effects for Decisions Under Risk and Time Delay (Michał Lewandowski),
- Theory of Markets with Asymmetric Information and Strategic Communication (Joanna Franaszek),
- Modelling Preferences for Health States to Support Public Decision Making (Michał Jakubczyk),
- Explaining departures from Nash Equilibrium (Michał Lewandowski).

Initially thought of as an experiment, blending advanced research, high-level teaching, and a relatively rare (for Poland) organizational form, the workshops brought very positive feedback from the participants and teachers. This has resulted in the decision to hold another edition in 2020. Due to the outbreak of the COVID-19 pandemics, however, the workshops have had to be postponed. Eventually, they were held in a fully online, abridged form in December 2021 in a less dense form (8 teaching hours, at most 2 per day, over a period of 15 days).

2. Motivation behind the SummerLab: Games & Decisions

The goals of SummerLab were to develop academic cooperation between the partnering institutions, as well as to strengthen SGH Warsaw School of Economics' position in the European and global academic market.

The context that should be taken into account when assessing motivation to conduct a research-intensive summer school at SGH involves two significant gaps characterizing the Polish system of higher education. First, on a general level, international recognition of Polish institutions is limited. In the QS World University Rankings 2022, no Polish university was to be found in the first three hundred positions [QS, 2022]. In the 2021 ARWU, in the first four hundred positions [ShanghaiRanking Consultancy, 2021]. In THE World University Rankings 2022, in the first five hundred positions [Times Higher Education, 2022]. Secondly, though publicly available data on professors' salaries, in general, remains elusive (e.g., is based on nonrandom surveys) for most countries, earnings in Poland can be safely assumed to be on average several times lower (4–6) than, for example, in the USA [AAUP, 2022] or the UK [Times Higher Education, 2016].

Moreover, while the concept of summer schools is already well-established in economics, especially in the top US universities³, there were very few formal, research-intensive summer courses in Poland or, in general, in Eastern Europe. The SummerLab was intended to fill this gap and create a new endeavor for research-oriented Polish and international students to enjoy an intensive course on the recent developments in modern game theory.

Organizing a summer school was both a practical solution, that facilitated smooth cooperation of the academic staff, as well as recruitment of international students. Moreover, summer schools are an effective way to learn [Marshall, Lafond, Vallente, 2012; Carman, Bartsch, 2017], and research-oriented experiences 'are impactful means of recruiting and preparing students for graduate academic programs' [Lopatto, 2007] and they significantly enhance the likelihood that the participant applies for, and completes PhD program [Becker, Rousse, Chen, 2016]. In fact, some students prefer summer school learning, as it enables them to focus exclusively on one advanced topic [Marshall, Lafond, Vallente, 2012].

The school was also an opportunity for the lecturers, who are all active researchers in game theory, to communicate and discuss new research ideas, as well as observe the state of the art within different strands of game theory. The objective of the meeting was to strengthen already existing informal relationships into long-run cooperation in both teaching and research.

3. Assessment of the SummerLab: Games & Decisions

The outcomes of both SummerLab workshops have been assessed with the use of qualitative and quantitative tools, aimed at measuring the students' satisfaction and opinion on the courses.

During the 2019 edition, we have conducted short in-person interviews with thirteen participants. They have unequivocally expressed satisfaction with the workshops, emphasizing that the crucial factors have been:

- the high quality of lecturers and lectures, the diversity and/or novelty of topics covered;
- opportunity to meet other participants, at the same sharing interest in research and of multicultural background, ability to talk about important articles;
- organization of the event;
- possibility to visit Poland and Warsaw for the very first time.

³ See Hoyt & McGoldrick (2017) for an overview.

When asked if they would change anything, the participants have most often mentioned shortening at least some of the working days (they all consisted of 8 teaching hours). Some students also suggested increasing the number of applied sessions and more materials for beforehand preparations. Nevertheless, interviewees assessed that they would recommend the workshops to PhD students, graduate students interested in an academic career (especially within theoretical economics), and even some faculty members of their universities.

We have also conducted online surveys 6 and 12 months after the event. The first one was filled in by 12 participants. The results were consistent with the interviews: 8 participants would definitely recommend SummerLab to their colleagues, 2 would rather do so, while it was difficult to say for 2. None chose 'rather no' or 'definitely no'. A similar distribution of answers (8/1/3/0/0) was found for the question about applying to another SummerLab in 2020 or 2021, if it had new content. When asked to grade their overall experience during the workshops in general on a 1–5 scale, nine participants chose 5, and three chose 4. When asked about how much they would pay for a right to participate in such workshops themselves (including catering), eight participants gave valuations from a range of [\$ 150, \$ 1250], with \$ 375 the median value. They have also pointed out, when asked about the impact of SummerLab on them, that, e.g., they have kept in touch with people met during the workshops, both socially and professionally, improved their confidence in their academic career, and were shown new research avenues. Figure 1 summarizes answers to the question in which we asked interviewees to name five notions/keywords that come to their minds when they think about SummerLab. It further emphasizes that it turned out it was possible to combine an intense, research-oriented event with networking and socializing nature of the event.

Figure 1. Illustration of answers to the question about notions or keywords associated with SummerLab



Source: Own elaboration.

The survey conducted 12 months after the event was further answered by 9 people, 7 of which have completed the first survey. The other two have answered the questions described above in a comparable manner. Within this survey, 4 participants declared that they 'have made a significant life decision over the last year that could be said as influenced by your participation in SummerLab 2019', for 3 it was difficult to say and 2 answered negatively. Two have explicitly mentioned methods or theories learned during SummerLab in their own research, one introducing insight into the grading system at the university, while another one mentioned having used game theory in decision making at a family company.

Interestingly, when asked: 'If the value (for you) of your participation in SummerLab 2019 was 10, what in your opinion would be the value of taking part in such an event that was 100% online?' the answers were from [3–9] range, with a median 6.

At the time of writing, the 2021 online edition has not been fully assessed. Qualitatively, we observed that it was more difficult to attract the interest of potential participants. In 2019 we have received 92 valid applications, with a few more incoming after the deadline. For the 2021 edition, we have only received 12 applications, mostly from PhD students. Admittedly, the scheduling of the event was incomparable, the content abridged and timeframe of recruitment narrower, therefore one cannot draw definite conclusions. Furthermore, we have noticed greater difficulty, than during the in-person edition, to keep most of the participants fully engaged.

Conclusion

The risk for many Higher Education Institutions all over the world would be the educational market transforming into a superstar market, not unlike proposed by Rosen [1981]. Vertical differentiation, imperfect substitution for consumers and economies of scale in production would combine to create a strongly imbalanced market, with a few top universities attracting global audiences and the rest resigned to a constant financial struggle. The experiences of the MOOCs courses before the pandemics, however, suggest that such a view would be an oversimplification of the education process. Though challenging methodologically, existing research suggests that combining online and in-person forms in a well-prepared manner is rather the more effective form of teaching [e.g. Means *et al.*, 2012; Bralić, Divjak, 2018].

In the short survey about the SummerLab workshops, the participants confirmed that they found the format to be an effective way of teaching and fostering international academic cooperation. The participants reported the workshops

to impact their academic and professional decisions and general satisfaction with the quality of the event.

Our experience suggests that even in the highly specialized cases in-person forms of teaching have a significant role to fulfil. We argue that this could include short, flexible educational forms such as summer schools that facilitate sharing and combining scarce human resources from Higher Education Institutions from all over globe. The opportunity to embed oneself in multicultural setup and initiate relations that can be sustained online is a welcome add-on in the context of social capital building capacity.

References

- AAUP (2022). *2021–22 Faculty Compensation Survey*, <https://www.aaup.org/our-work/research/FCS> (accessed: 20.05.2022).
- Becker, C.M., Rouse, C.E., Chen, M. (2016). Can a Summer Make a Difference? The Impact of the American Economic Association Summer Program on Minority Student Outcomes, *Economics of Education Review*, vol. 53, pp. 46–71.
- Bralić, A., Divjak, B. (2018). Integrating MOOCs in Traditionally Taught Courses: Achieving Learning Outcomes with Blended Learning, *International Journal of Educational Technology in Higher Education*, vol. 15(1), pp. 1–16. DOI: 10.1186/s41239-017-0085-7.
- Carman, C.A., Bartsch, R.A. (2017). Relationship Between Course Length and Graduate Student Outcome Measures, *Teaching of Psychology*, vol. 44(4), pp. 349–352. DOI: 10.1177/0098628317727912.
- Hoyt, G.M., McGoldrick, K. (2017). Promoting Undergraduate Research in Economics, *American Economic Review*, vol. 107(5), pp. 655–659.
- Lopatto D. (2007). Undergraduate research experiences support science career decisions and active learning, *CBE – Life Sciences Education*, vol. 6(4), pp. 297–306.
- Marshall, P.A., Lafond, S.E., Valente, J.G. (2012). Do Students Learn in Summer School College Majors Classes? Grade Comparison and Student Self-Assessment Indicate in the Affirmative, *Journal of the Arizona-Nevada Academy of Science*, vol. 43(2), pp. 61–66.
- Means, B., Toyama, Y., Murphy, R., Baki, M. (2013). The Effectiveness of Online and Blended Learning: A Meta-Analysis of the Empirical Literature, *Teachers College Record*, vol. 115(3), pp. 1–47. DOI: 10.1177/016146811311500307.
- QS Quacquarelli Symonds (2022). *QS World University Rankings 2022*, <https://www.topuniversities.com/university-rankings/world-university-rankings/2022> (accessed: 20.05.2022).
- Rosen, S. (1981). The Economics of Superstars, *The American Economic Review*, vol. 71(5), pp. 845–858, <http://www.jstor.org/stable/1803469>.
- Shanghai Ranking Consultancy (2021). *Academic Ranking of World Universities*, <https://www.shanghairanking.com/rankings/arwu/2021> (accessed: 20.05.2022).

Times Higher Education (2016). *In the money? UK University Salaries 2015-16*, https://www.timeshighereducation.com/sites/default/files/breaking_news_files/uk_university_salaries_2015-16.pdf (accessed: 20.05.2022).

Times Higher Education (2022). *World University Rankings*, <https://www.timeshighereducation.com/world-university-rankings/2022/world-ranking> (accessed: 20.05.2022).

Influence of Servant Leadership on Work Engagement among the Dean's Office Staff

Abstract

The essence of servant leadership involves satisfying the stakeholders' needs. Many studies confirmed the impact of servant leadership on employees. This paper investigates the influence of servant leadership on the subordinates' work engagement in the university administration sector. Organizational identification has proven to be a mediator of this impact. The age of the employees turned out to be a moderator of the relationship between leadership and work engagement.

Introduction

Servant leadership is a practical demonstration of socially responsible leadership orientation in an organisation [Hunter *et al.*, 2013]. The concept of servant leadership is universal and can be used in the context of various organisations, at different management levels and in different cultures [Eva, Robin, Sendjaya, Van Dierendonck, Liden, 2019; Roberts, 2018, Van Dierendonck *et al.*, 2017].

The essence of servant leadership involves satisfying the stakeholders' needs [Lemoine, Hartnell, Leroy, 2019; Christensen, Mackey, Whetten, 2014]. A leader-servant accepts their moral responsibility not only for the success of the organisation but also for their subordinates, the organisation's clients and other stakeholders [Ehrhart, 2007]. The impact of servant leadership (SL) on the immediate subordinates were observed in relation to the phenomena contributing to the staff's well-being,

¹ Ph.D., Assistant Professor, SGH Warsaw School of Economics, Collegium of Management and Finance, Institute of Management, Personnel Strategies Unit.

e.g. job satisfaction and work engagement [Van Dierendonck, 2011]. They are the elements of a sustainable approach to employees, which build healthy organisations [Di Fabio, 2017].

Scientific research emphasises the need for continuous leadership development among university administration managers [Morris, Laipple, 2015]. The leading role of a dean or deputy dean is a challenge, but there are not many people starting their academic career with a plan to take such a function [Sayler, Pedersen, Smith, Cutright, 2019]. Poland's dean's office staff are professionals who require training and self-improvement. This paper investigates the influence of servant leadership on the subordinates' job satisfaction and work engagement in the university administration sector [de Sousa, Van Dierendonck, 2014].

1. Literature review and development of hypotheses

Servant leadership vs work engagement

Servant leadership is a holistic approach to leadership which develops followers based on the altruistic and ethical motivation of the leaders [Greenleaf, 1977], resulting in greater work engagement and effectiveness [Eva *et al.*, 2019]. Greenleaf [1991, p. 27] claimed that a servant leader is, primarily, a servant. According to a definition, servant leadership is 'a model that identifies serving others – including employees, customers, and community – as the number-one priority' [Spears, 2002, p. 4]. The authors of another definition described servant leadership as 'a group-oriented approach to leadership that emphasises serving others' [Schaubroeck, Lam, Peng, 2011, p. 865]. This leadership style is a demonstration of socially responsible orientation. Studies revealed a universal nature of servant leadership in different cultures [Eva *et al.*, 2019] and types of organisations: business, non-profit, health care, education and public administration [Cerit, 2010].

Work engagement was defined as a relationship between a person's identity and professional role [Kahn, 1990]. Britt [1999] claimed that engagement means a sense of responsibility for one's work. The work engagement definition adopted in the paper describes it as 'a positive, fulfilling, work-related state of mind that is characterised by vigour, dedication, and absorption' [Schaufeli, Salanova, González-Romá, Bakker, 2002, p. 74]. Vigour is perceived as an experience of high energy level and eagerness to do the entrusted work. Devotion to work stands for an enthusiastic approach and a sense of importance and pride. Finally, absorption means greater

focus while maintaining the ability to quit one's job [Schaufeli, Taris, Van Rhenen, 2008]. Work engagement is opposite to burnout [Maslach, Schaufeli, Leiter, 2001].

Servant leadership affects employee engagement by subjectification of employees [de Sousa, Van Dierendonck, 2014]. Many qualitative and quantitative studies confirmed the impact of servant leadership on employees [e.g. de Sousa, Van Dierendonck, 2017]. Servant leaders try to understand their followers and demonstrate empathy and an individualised approach, which boosts positive energy among the staff members and leads to work engagement [De Clercq, Bouckennooghe, Raja, Matsyborska, 2014]. The deliberations above resulted in formulating the following hypothesis.

Hypothesis 1. Servant leadership positively contributes to the subordinate's work engagement

Servant leadership, organisational identification and work engagement

Organisational identification is based on the social identification theory [Tajfel, 1978]. Typically, it is described as general compliance with individual and organisational values [Riketta, 2005]. Organisational identification is defined as the 'perception of oneness with or belongingness to the organisation' [Ashforth, Mael, 1989, s. 34]. Owing to organisational identification, employees who strongly identify themselves with their workplace follow the organisational values and personally experience any occurrences concerning the employer [Ashforth, Mael 1989; Mael, Ashforth, 1992].

Previous studies revealed that organisational identification increases work engagement [Van Knippenberg, Van Schie 2000]. Organisational identification was demonstrated to positively affect work engagement and (indirectly) job satisfaction [Karanika-Murray, Duncan, Pontes, Griffiths, 2015]. As a result of the analyses, the following hypothesis was formulated.

Hypothesis 2. Organisational identification contributes positively to job satisfaction.

Lee, Park and Koo [2015] stated that employees' organisational identification makes a foundation for other organisational approaches and behaviors. Moreover, organisational identification is often an impact mediator of different actions and phenomena occurring in an organisation on the staff's behavior [Gigol, 2021; Riketta, 2005]. For instance, organisational identification turned out to be a mediator between servant leadership and the subordinate's performance [Chughtai, 2016] and between servant leadership and the staff's civic behavior [Zhao, Liu, Gao,

2016]. Organisational identification was also a mediator between servant leadership and work engagement [de Sousa, Van Dierendonck, 2014]. Hence, the following research hypothesis.

Hypothesis 3. Organisational identification is a mediator between servant leadership and the subordinate's work engagement.

Age as the moderator of the relationship between servant leadership and work engagement

Work engagement changes slightly depending on the staff's age [Schaufeli, Bakker, Salanova, 2006]. A 'senior employee' typically applies to a staff member in the age range between 40 and 75 years. Kooij, Jansen, Dijkers and de Lange [2010] demonstrated that age is a significant moderator of HR practice's impact on the staff's engagement. The employees who perceived themselves as older than the rest of their workmates were more engaged in their work [Kooij, de Lange, Jansen, Dijkers, 2008]. However, owing to flexible career adaptation to different personal needs, middle-aged employees can maintain their motivation and productivity throughout their careers [Bal, Van Kleef & Jansen, 2015] Research carried out by Jacobs, Renard and Snelgar [2014] also demonstrated that senior employees are more engaged in their work than younger ones. In addition, senior employees are more interested in job security and loyalty to their company than younger staff members [James, McKechnie, Swanberg, 2011]. In relation to the above, another hypothesis was proposed.

Hypothesis 4. The study participants' age is a moderator of the relationship between servant leadership and work engagement, mediated by organisational identification.

2. Research

Research methods and tools

A quantitative research method was used for the analysis. Servant leadership was investigated with the SL – 7 questionnaire, being a short version of SL – 28 [Liden *et al.*, 2015]. It is one of the three questionnaires investigating servant leadership and is considered reliable [Eva *et al.*, 2019]. Four independent translators translated the questionnaire, and then the Polish version and its understanding were discussed by three expert scientists with broad research experience.

Work engagement was tested with the Polish language version of *the UWES 9 – Utrecht Work Engagement Scale*, made available by the questionnaire authors [Schaufeli, 2013]. It is a short version of the UWES [Schaufeli, Bakker, Salanova, 2006].

A single-item social identification (SISI) measure was used to study organisational identification [Postmes, Haslam, Jans, 2012]. The scale turned out to be highly reliable, valid and useful [Reysen, Katzarska-Miller, Nesbit, Pierce, 2013]. ‘I identify myself with my organisation’ was the statement used in the questionnaire. A seven-point Likert scale was used, where 1 meant ‘I completely disagree’ and 7 meant ‘I fully agree’.

Research procedure and respondents

Dean’s office staff from Polish universities were the respondents. A link to an e-questionnaire was posted in several social media groups for dean’s office employees. The deadline for submitting the answers was April 2020. The study population included 157 people. Women constituted 93.6% of the respondents. People aged 30–39 formed the largest group (37.6%) in the study population; 35% of the study participants were aged 40–49 years, 17.8% were over 50, and 7.6% were under 30 years of age. Most respondents (86%) held master’s degrees. A large group was represented by persons holding managerial (38.9%) or specialist positions (38.9%). Most respondents (70.7%) had been working at the university for at least seven years. In most cases (47%), the respondents’ universities employed at least 1,000 people, whereas 17.8% had a headcount of 500–999 people. Public universities were the employers for 85.4% of the respondents.

Descriptive statistics of the examined variables

Table 1 summarises the obtained factorial load values for the work engagement questionnaire.

Table 1. Factorial load values obtained in a confirmatory factor analysis concerning work engagement

Dimension	Item	Item number	Factorial load
Vigour	When I get up in the morning, I feel like going to work	5	0.72
	At my job, I feel strong and vigorous	2	0.88
	At my work, I feel bursting with energy	1	0.93

cont. Table 1

Dimension	Item	Item number	Factorial load
Dedication	I am proud of the work that I do	7	0.73
	My job inspires me	4	0.75
	I am enthusiastic about my job	3	0.42
Absorption	I get carried away when I am working	9	0.51
	I am immersed in my work	8	0.48
	I feel happy when I am working intensely	6	0.70

Source: Own study.

The lowest factorial load values were obtained for items 3 and 8. Still, the factorial loads of +/- 0.40 fulfil the minimum level of structure interpretation [Hair, Black, Babin, Anderson, 2019, p. 151]. Then, the minimum required sample is 200, and in the referenced study, it was $N = 159$. The load values of 0.50 or higher are considered practically significant. In such a case, the required sample amounts to 120 [Hair *et al.*, 2019]. Therefore, no conclusions shall be drawn from our study for the dedication factor only. We treat work engagement as a whole in our study. Many authors claim that vigour determines most work engagement [e.g. Kulikowski, 2019].

Table 2 summarises the factorial load values for different items in the servant leadership questionnaire.

Table 2. Factorial load values obtained in exploratory factor analysis of servant leadership

Item number	Item	Factorial load
1	My leader can tell if something work-related is going wrong.	0.81
2	My leader makes my career development a priority.	0.81
3	I would seek help from my leader if I had a personal problem.	0.79
4	My leader emphasises the importance of giving back to the community	0.60
5	My leader puts my best interests ahead of his/her own.	0.80
6	My leader gives me the freedom to manage difficult situations in the way that I feel is best.	0.49
7	My leader would NOT compromise ethical principles in order to achieve success.	0.79

Source: Own study

The lowest value of factorial loads was discovered for item 6. Nonetheless, factorial loads of 0.40 are considered to fulfil the structure's minimum interpretation level [Hair *et al.*, 2019, p. 151–152] Load values of +/- 0.50 or higher, as in item 6, are regarded as practically significant [Hair *et al.*, 2019, p. 151–152]. Therefore,

the minimum required sample shall amount to 150 for 0.45 loads, while for 0.50, the sample shall include at least 120 respondents. In the presented study, it was $N = 157$. The structure was defined well enough.

Table 3 shows descriptive statistics for the analysed interval variables. The summary was supplemented with the result Kolmogorov-Smirnov test used to verify the assumed normal distribution of the analysed variables; Cronbach's α measurement reliability indices made another addition to the study summary.

Table 3. Descriptive statistics of the studied variables

Variables	<i>M</i>	<i>SD</i>	<i>min</i>	<i>max</i>	<i>Z</i>	<i>p</i>	α
Organisational identification	5.25	1.56	1.00	7.00	0.20	0.001	-
<i>Vigour</i>	10.45	4.51	0	18	0.13	0.001	0.83
<i>Devotion</i>	12.19	3.76	3	18	0.13	0.001	0.65
<i>Absorption</i>	12.71	3.97	2	18	0.18	0.001	0.66
Work engagement	35.35	10.71	6	54	0.12	0.001	0.87
Servant leadership	2.80	0.83	1	5	0.09	0.002	0.86

M – mean value; *SD* – standard deviation; *min* – minimum value; *max* – maximum value; *Z* – Kolmogorov-Smirnov test; *p* – statistical significance; α – Cronbach's α measurement reliability index

Source: Own study.

Statistically significant deviations from normal distribution were observed for all analysed variables, and that is why subsequent statistical analyses were carried out with the bootstrapping method. The lowest values of the measurement reliability indices were obtained for the devotion and absorption levels.

Analysis of the relationship between the analysed variables

Table 4 summarises Pearson correlation coefficients between the analysed variables, determined with the bootstrapping method. The statistically significant correlations are marked in bold.

Table 4. Coefficients of correlation between the analysed variables were determined with the bootstrapping method

	1.	2.	3.	4.	.
1. Organisational identification	-				
2. Vigour	0.285÷0.573	-			
3. Devotion	0.502÷0.712	0.549÷0.760	-		

cont. Table 4

	1.	2.	3.	4.	.
4. Absorption	0.339÷0.599	0.401÷0.671	0.675÷0.822	–	
5. Work engagement	0.468÷0.681	0.800÷0.901	0.880÷0.935	0.812÷0.907	–
6. Servant leadership	0.102÷0.398	–0.003÷0.299	0.150÷0.417	0.035÷0.306	0.086÷0.354

Source: Own study.

Statistically significant positive correlations were obtained between organisational identification and the other analysed variables. The intensity of vigour, devotion and absorption, i.e., work engagement dimensions, were positively correlated. Moreover, the intensity of devotion and absorption was positively correlated with servant leadership.

Organisational identification as the mediator of the relationship between servant leadership and work engagement. Age as the moderator of the relationship between servant leadership, organisational identification and work engagement

Organisational identification was analysed as the mediator of the relationship between servant leadership and work engagement. The mediators and moderators were selected for the study based on in-deep literature data [MacKinnon, Coxe, Baraldi, 2012]. As recommended, the bootstrapping method was used for moderation and mediation testing [Hayes, 2013]. The research sample ($N = 157$) was numerous enough for mediation effect testing [MacKinnon, Coxe, Baraldi, 2012]. Age was analysed as the moderator of the relationship between ethical and servant leadership, organisational identification and work engagement. The analyses were carried out in Hayes' PROCESS, model No. 59 [Hayes, 2013, p. 455]. The calculations were made based on the bootstrapping method. The verified relationship flowchart is shown in Figure 1.

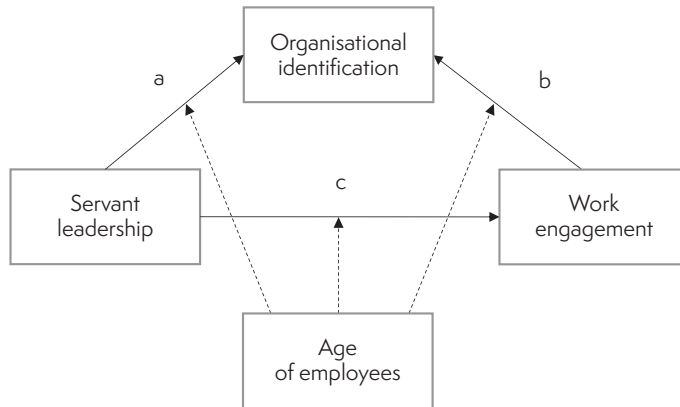
The results of the mediation analysis are summarised in Table 5.

Organisational identification was a statistically significant mediator between servant leadership and work engagement. The higher the servant leadership intensity, the higher the organisational identification was. Moreover, organisational identification translates onto greater work engagement.

The values of interaction effect tests are summarised in Table 6.

Statistically, significant interaction effects were revealed between the study participants' age and ethical leadership and between the study participants' age and servant leadership.

Figure 1. Verified flowchart of the relationships between the variables



Source: Own study.

Table 5. Results of mediation analysis

Mediator	a	b	c	Intermediate effect	R ²
Organisational identification	0.01÷0.41	0.20÷0.51		0.03÷0.16	0.41

R² – explained variance ratio

Source: Own study.

Table 6. Values of interaction tests between the age, job seniority and managerial position and relationships in the mediation model

Interactions	Servant leadership
Age x a	-0.56 , 0.07
Age x b	-0.54 , 0.01
Age x c	0.18, 0.74

Source: Own study.

The analysis results of mediation moderated by the respondents’ age are summarised in Table 7.

Table 7. Results of moderated mediation analysis

Age	a	b	c`	Indirect effect	R ²
20–39 years	0.19÷1.20	0.55÷1.37	-0.39÷0.04	0.11÷0.54	0.38
40+ years			0.10÷0.47	0.01÷0.19	

R² – explained variance ratio.

Source: Own study

Organisational identification was a statistically significant mediator of the relationship between servant leadership and work engagement in both age groups, i.e., persons aged 20–39 and those at least 40 years old. In the group of older respondents, organisational identification was a partial mediator, while in the younger group, it was a total mediator. The higher the servant leadership level, the higher the organisation identification intensity was, consequently, greater work engagement.

3. Discussion

The study results provide more evidence to support previous study results on the leadership impact on the staff's well-being in a broad sense [Eva *et al.*, 2019; Van Dierendonck *et al.*, 2014]. Moreover, the mediating role of organisational identification was confirmed [de Sousa, Van Dierendonck, 2014]. It is the mediator of servant leadership's influence on work engagement. Job satisfaction and work engagement are the elements of well-being [Schaufeli, Taris, Van Rhenen, 2008]. Servant leadership's influence on job satisfaction and work engagement via organisational identification make this leadership style socially supporting responsible leadership towards employees of the essential stakeholders. Still, the relationship was moderated by the respondents' age, and senior employees reached into other sources motivating them to work engagement. Servant leadership is not a factor that influences the work engagement of persons over forty as much as it does in the case of younger staff members.

The presented study discusses servant leadership's positive impact on immediate subordinates. It seems to be a universal leadership style that applies to public management. Leadership concepts in business are gradually adapted to management in public administration [Gigol, 2016]. The servant leadership concept suits this purpose very well as it does not accentua. This way, it fits the professions that are service, mission or vocation, and it fits the business. Business objectives are achieved somehow 'in the meantime'.

Conclusion

The presented results include several constraints. Primarily, the research population was relatively small, and therefore generalisation of the results should be approached cautiously. On the other hand, the study group was coherent and

included only the dean's office staff. Finally, the study was cross-sectional, which induces careful interpretation of the results. A long-term future study is recommended.

A positive influence was discovered of the leadership approach on organisational identification and work engagement, which are elements of sustainable staff management. Hence, they can be regarded as essential elements of socially responsible leadership. The study's practical implications suggest that servant leadership is a theory that should be developed and taught at universities and business schools. The difficulty is related to the fact that this leadership style is deeply rooted in altruistic internal, often spiritual, humane or religious motivation, which is hard to build in contemporary institutions.

References

- Ashforth, B.E., Mael, F. (1989). Social Identity Theory and the Organization, *Academy of Management Review*, vol. 14(1), pp. 20–39.
- Bal, P.M., van Kleef, M., Jansen, P.G. (2005). The Impact of Career Customization on Work Outcomes: Boundary Conditions of Manager Support and Employee Age, *Journal of Organizational Behavior*, vol. 36(3), pp. 421–440.
- Britt, T.W. (1999). Engaging the Self in the Field: Testing the Triangle Model of Responsibility, *Personality and Social Psychology Bulletin*, vol. 25(6), pp. 698–708.
- Cerit, Y. (2010). The Effects of Servant Leadership on Teachers' Organizational Commitment in Primary Schools in Turke, *International Journal of Leadership in Education*, vol. 13(3), pp. 301–317.
- Chughtai, A.A. (2016). Servant Leadership and Follower Outcomes: Mediating Effects of Organizational Identification and Psychological Safety, *The Journal of Psychology*, vol. 150(7), pp. 866–880.
- De Clercq, D., Bouckenoghe, D., Raja, U., Matsyborska, G. (2014). Servant Leadership and Work Engagement: The Contingency Effects of Leader-Follower Social Capital, *Human Resource Development Quarterly* 2014, vol. 25(2), pp. 183–212.
- de Sousa, M., Van Dierendonck, D. (2014). Servant Leadership and Engagement in a Merge Process Under High Uncertainty, *Journal of Organizational Change Management*, vol. 27(6), pp. 877–899.
- de Sousa, M., Van Dierendonck, D. (2017). Servant Leadership and the Effect of the Interaction Between Humility, Action, and Hierarchical Power on Follower Engagement, *Journal of Business Ethics*, vol. 141(1), pp. 13–25.
- di Fabio, A. (2017). Positive Healthy Organizations: Promoting Well-Being, Meaningfulness, and Sustainability in Organizations, *Frontiers in Psychology*, November 14. DOI: 10.3389/fpsyg.2017.01938.
- Ehrhart, M.G. (2007). Leadership and Procedural Justice Climate as Antecedents of Unit-Level Organizational Citizenship Behavior, *Personnel Psychology*, vol. 57(1), pp. 61–94.

- Eva, N., Robin, M., Sendjaya, S., Van Dierendonck, D., Liden, R.C. (2019). Servant Leadership: A Systematic Review and Call for Future Research, *The Leadership Quarterly*, vol. 30(1), pp. 111–132.
- Gigol, T. (2021). Leadership, Religiousness, State Ownership of an Enterprise and Unethical Pro-Organizational Behavior: The Mediating Role of Organizational Identification, *Plos One*, vol. 16(5), e0251465.
- Gigol, T. (2016). Przywództwo w nowoczesnej administracji publicznej, *Zeszyty Naukowe PWSZ w Płocku*, vol. 24, pp. 247–256.
- Greenleaf, R.K. (1977). *Servant leadership: A journey into the Nature of Legitimate Power and Greatness*. Mahwah: Paulist Press.
- Greenleaf, R.K. (1991). *The Servant as Leader*, Robert K. Greenleaf Center, Newton Centre.
- Hair, J., Black, W.C., Babin, B., Anderson, R. (2019). *Multivariate data analysis* (8th ed.), Andover: Cengage.
- Hayes, A.F. (2013). *Introduction to mediation, moderation, and conditional process analysis: A regression-based approach*, New York: Guilford Publications.
- Hunter, E.M., Neubert, M.J., Perry, S.J., Witt, L.A., Penney, L.M., Weinberger, E. (2013). Servant Leaders Inspire Servant Followers: Antecedents and Outcomes for Employees and the Organization, *The Leadership Quarterly*, vol. 24(2), pp. 316–331.
- Jacobs, S., Renard, M., Snelgar, R.J. (2014). Intrinsic Rewards and Work Engagement in the South African Retail Industry, *SA Journal of Industrial Psychology*, vol. 40(2), pp. 1–13.
- James, J.B., McKechnie, S., Swanberg, J. (2011). Predicting Employee Engagement in An Age-Diverse Retail Workforce, *Journal of Organizational Behavior*, vol. 32(2), pp. 173–196.
- Christensen L.J., Mackey, A., Whetten, D. (2014). Taking Responsibility for Corporate Social Responsibility: The Role of Leaders in Creating, Implementing, Sustaining, or Avoiding Socially Responsible firm Behaviors, *Academy of Management Perspectives*, vol. 28(2), pp. 164–178.
- Kahn, W.A. (1990). Psychological Conditions of Personal Engagement and Disengagement at Work, *Academy of Management Journal*, vol. 33(4), pp. 692–724.
- Karanika-Murray, M., Duncan, N., Pontes, H.M., Griffiths, M.D. (2015). Organizational Identification, Work Engagement, and Job Satisfaction, *Journal of Managerial Psychology*, vol. 30(8), pp. 1019–1033.
- Kooij, D.T., de Lange, A.H., Jansen, P.G., Dikkers, J.S. (2008). Older Workers' Motivation to Continue to Work: Five Meanings of Age, *Journal of Managerial Psychology*, vol. 23(4), pp. 364–394.
- Kooij, D.T., Jansen, P.G., Dikkers, J.S., De Lange, A.H. (2010). The Influence of Age on the Associations Between HR Practices and Both Affective Commitment and Job Satisfaction: A Meta-Analysis, *Journal of Organizational Behavior*, vol. 31(8), pp. 1111–1136.
- Kulikowski, K. (2019). One, Two or Three Dimensions of Work Engagement? Testing the Factorial Validity of the Utrecht Work Engagement Scale on a Sample of Polish Employees, *International Journal of Occupational Safety and Ergonomics*, vol. 25(2), pp. 241–249.
- Lee, E.S., Park, T.Y., Koo, B. (2005). Identifying Organizational Identification as a Basis for Attitudes and Behaviors: A Meta-Analytic Review, *Psychological Bulletin*, vol. 141(5), pp. 1049–1080.

- Lemoine, G.J., Hartnell, C.A., Leroy, H. (2019). Taking Stock of Moral Approaches to Leadership: An Integrative Review of Ethical, Authentic, and Servant Leadership, *Academy of Management Annals*, vol. 13(1), pp. 148–187.
- Liden, R.C., Wayne S.J., Meuser J.D., Hu J., Wu J., Liao C. (2015). Servant Leadership: Validation of a Short Form of the SL – 28, *The Leadership Quarterly*, vol. 26(2), pp. 254–269.
- MacKinnon, D.P., Cox, S., Baraldi, A.N. (2012). Guidelines for the Investigation of Mediating Variables in Business Research, *Journal of Business and Psychology*, vol. 27(1), pp. 1–14.
- Mael, F., Ashforth, B.E. (1992). Alumni and Their Alma mater: A Partial Test of the Reformulated Model of Organizational Identification, *Journal of Organizational Behavior*, vol. 13(2), pp. 103–123.
- Maslach, C., Schaufeli, W.B., Leiter, M.P., Job Burnout, *Annual Review of Psychology*, vol. 52(1), pp. 397–422.
- Morris, T.L., Laipple, J.S. (2015). How Prepared are Academic Administrators? Leadership and Job Satisfaction within US Research Universities, *Journal of Higher Education Policy and Management*, vol. 37(2), pp. 241–251.
- Postmes, T., Haslam, S.A., Jans, L. (2013). A Single-Item Measure of Social Identification: Reliability, validity, and utility, *British Journal of Social Psychology*, vol. 52(4), pp. 597–617.
- Reysen, S., Katzarska-Miller, I., Nesbit, S.M., Pierce, L. (2013). Further Validation of a Single-Item Measure of Social Identification, *European Journal of Social Psychology*, vol. 43(6), pp. 463–470.
- Riketta, M. (2005). Organizational Identification: A Meta-Analysis, *Journal of Vocational Behavior*, vol. 66(2), pp. 358–384.
- Sayler, M.F., Pedersen, J., Smith, M.C., Cutright, M. (2019). Hidden Leaders: Results of the National Study of Associate Deans, *Studies in Higher Education*, vol. 44(7), pp. 1119–1129.
- Schaubroeck, J., Lam, S.S., Peng, A.C. (2011). Cognition-Based and Affect-Based Trust as Mediators of Leader Behavior Influences on Team Performance, *Journal of Applied Psychology*, vol. 96(4), pp. 863–871.
- Schaufeli, W.B. (2013). *Utrecht Work Engagement Scale*, <http://www.wilmarschaufeli.nl> (accessed: 20.05.2022).
- Schaufeli, W.B., Bakker, A.B., Salanova, M. (2006). The Measurement of Work Engagement with a Short Questionnaire: A cross-national study, *Educational and Psychological Measurement*, vol. 66(4), pp. 701–716.
- Schaufeli, W.B., Salanova, M., González-Romá, V., Bakker, A.B. (2002). The Measurement of Engagement and Burnout: A Two Sample Confirmatory Factor Analytic Approach, *Journal of Happiness Studies*, vol. 3(1), pp. 71–92.
- Schaufeli, W.B., Taris, T.W., Van Rhenen, W. (2008). Workaholism, Burnout, and Work Engagement: Three of a Kind or Three Different Kinds of Employee Well-Being?, *Applied Psychology*, vol. 57(2), pp. 173–203.
- Spears, L.C. (2002). Tracing the Past, Present, and Future of Servant-Leadership. In: *Focus on Leadership: Servant Leadership for the Twenty-First Century* (pp. 1–18), L.C., Spears, M., Lawrence (Eds.), New York: John Wiley & Sons.

- Tajfel, H.E. (1978). *Differentiation Between Social Groups: Studies in the Social Psychology of Intergroup Relations*, London: Academic Press.
- Van Dierendonck, D (2011). Servant Leadership: A Review and Synthesis, *Journal of Management*, vol. 37(4), pp. 1228–1261.
- Van Dierendonck, D., Sousa, M., Gunnarsdóttir, S., Bobbio, A., Hakanen, J., Pircher Verdorfer, A., Cihan Duyan, E., Rodriguez-Carvajal, R. (2017). The Cross-Cultural Invariance of the Servant Leadership Survey: A Comparative Study Across Eight Countries, *Administrative Sciences*, vol. 7(2), p. 8.
- Van Knippenberg, D., Van Schie, E.C. (2000). Foci and Correlates of Organizational Identification, *Journal of Occupational and Organizational Psychology*, vol. 73(2), pp. 137–147.
- Zhao, C., Liu, Y., Gao, Z. (2016). An Identification Perspective of Servant Leadership's Effects, *Journal of Managerial Psychology*, vol. 31(5), pp. 898–913.

**CLOSING REMARKS ON THE
FUTURE OF MAZOVIA-NEVADA
COLLABORATION**

Paweł Pietrasieński¹

The 4th SGH – UNR International Symposium and the Future of Collaboration between Mazovia and Nevada and Their Top Universities

The International Symposium on Economic Development, Public Policies and Entrepreneurship in the Post-Pandemic World has just ended in Reno, Nevada (April 26–30, 2022). It was the 4th joint symposium organized by SGH Warsaw School of Economics, UNR College of Business, and supported by Nevada Governor's Office of Economic Development (GOED) and sponsored by National Agency for Academic Cooperation based in Warsaw (NAWA).

Besides researchers' exchanges supported by the grant on both sides (till now more than 70 scholars and students participated in those exchanges in the last 3 years), the 4th International Symposium focused on joint research projects, but also academic startups.

So far, it was the biggest inward mission to Nevada with more than 20 researchers, 5 student startups and representatives of two major grant institutions in Poland: already mentioned NAWA and National Center for Research and Development (NCBR). The Symposium was opened by UNR President Brian Sandoval (former Governor of Nevada) and GOED Deputy Director Bob Potts was one of key-note speakers. One of the academic scaleups created originally at SGH, Faktorama, has already established a presence in Nevada and hired a UNR student to run the US operations based in Reno. It is another proof that the project named 'New Economy Lab' has actively helped not only in the internationalization of SGH and UNR, but also student startups on both sides of the Atlantic.

¹ Director of International Trade, Nevada Governor's Office of Economic Development and Associate Professor of SGH Warsaw School of Economics.

Poland and Nevada have robust cultural and economic ties, which has resulted in an increase in business relations with Poland in the State. The Robinson Mine in Elko, owned by KGHM, is the biggest Polish investment in the United States and the major producer of copper in Nevada; numerous Polish-owned businesses operate across the State, and 15,000 Poles and 40,000 Americans of Polish descent are living in Nevada. But the bilateral collaboration between top universities in Poland and Nevada has a long history and it has been a pretty unique comparing to other Poland – US academic relations.

Referring to the future of SGH – UNR collaboration it is worth to mention that in January 2021 a grant from NCBR competition called Gospostrateg III was won under a name “Mazovia as an accelerator of global enterprises”. The winning consortium members are: SGH Warsaw School of Economics, Mazowieckie Voivodship Marshal’s Office, and Warsaw Stock Exchange (GPW). What is even more important, Nevada has been named as a referral state to Mazovia in the project and a major research support will be given from the UNR College of Business.

The main goal of the project is to transform the Mazowieckie Voivodeship into an accelerator of global enterprises by building a knowledge base on key global markets and developing and implementing an effective model of cooperation between administration, science and business, taking into account the conditions of the Mazovia region. The benefits of the project include an increase in the level of internationalization and capitalization of Mazovian enterprises, as well as deepening the knowledge about potential foreign expansion markets and challenges related to the process of business globalization among Mazovian enterprises, scientists, and officials. Moreover, it is expected that the spatial social and economic differences will be eliminated by identifying and using instruments supporting the development of Mazovian enterprises and removing barriers to the diffusion of innovation and the development of SMEs.

Therefore, the main goal is to transform the Mazowieckie Voivodeship into a region of acceleration of global enterprises by building a knowledge base on key global markets and developing and implementing an effective model of cooperation between business, science, and regional and local administration, taking into account the conditions of the Mazowieckie Voivodeship. The project assumes two specific objectives:

1. A detailed study of the conditions of running a business in key regions of the world economy for the expansion of companies from the Mazowieckie voivodeship and examining good practices regarding the triangle of administration-science-business relations in leading ecosystems, with particular emphasis on activities related to supporting the global expansion of companies.

An important added value of this part of the work will be the proposal of an optimal model of supporting the global expansion of companies – in contrast to the traditional approach based on staged internationalization. Moreover, drawing on American patterns will be a significant advantage of the project. The inspiration will be the Silicon Valley, as a region on a global scale, in which a large group of leading technology companies (e.g. Apple, Google, HP, etc.) was born. However, the project recognizes the uniqueness of this region, which results in a low transferability of experiences to other centers. For this reason, the State of Nevada was chosen as the leading partner region, where the most translatable solutions from Silicon Valley were used thanks to its geographical proximity. It should be emphasized that the SGH research team will include leading visiting professors from the University of Nevada Reno.

2. Development of the Road Map and effective implementation tools for the proposed model of supporting internationalization of companies through cooperation between business, science, and administration in the Mazowieckie Voivodeship.

The Road Map will include a model approach to the globalization of Mazovian enterprises with a high internationalization potential from various sectors for the needs of smart specialization of the region, improving the integration of all participants in economic life and implementing best practices taking into account the conditions of the Mazowieckie Voivodeship aimed at transforming Mazovia into an accelerator of global enterprises.

One of the major challenges in Mazowieckie is an ineffective cooperation within the triangle of relations: administration-science-business (so called Triple Helix model). But for example, this tri-cooperation in the State of Nevada works very effectively. There are very strong and multi-level relationships between the Governor's Office of Economic Development (GOED), the higher education system, including the Universities of Nevada, Reno (UNR) and Las Vegas (UNLV), and the broadly understood business community and their organizations. GOED has created a special Knowledge Fund (KF) to support the commercialization of innovative solutions developed at universities and cooperation between the world of science and business. An institution supported by KF is the Nevada Center for Applied Research (NCAR) operating at UNR, which is a unique institution that creates commercial cooperation between business, researchers, and students, and allows companies unlimited access to university knowledge resources and research infrastructure.

A special example is the Nevada Global platform created by GOED², connecting top business support institutions, leading university centers and business leaders.

² More on that you can find in the chapter titled "Supporting internationalization of Nevada-based companies through export of their goods and services – on the examples of STEP and Nevada Global programs" authored by Dijana Mitrovic & Paweł Pietrasieński.

The UNR College of Business, partner of the initiative, hosts the federal institution supporting small and medium enterprises – Nevada Small Business Development Center (NSBDC) and the academic incubator Ozmen Center for Entrepreneurship, grouping experienced mentors from both UNR and the business sphere, supported by the Ozmen family – owners of the largest family-owned space company in the world – Sierra Nevada Corporation (SNC). Students establishing start-ups have direct assistance in registering a company, marketing research, preparing and implementing internationalization and globalization strategies.

It should be underlined that Mazovia and Nevada have rich industrial traditions and technologically advanced industries, such as the aviation industry and related autonomous systems, smart cities, and advanced water technologies. Considering the similarities between the two regions, it is justified to establish cooperation between them in the economic field, as well as to support joint activities of other institutions operating in these regions like universities. Therefore, there is no coincidence that the largest program of Polish academic cooperation outside Europe is carried out in the USA in Nevada (as a strategic partnership between SGH Warsaw School of Economics and the University of Nevada Reno-UNR).³

In addition to the above, the Mazowieckie Voivodeship has developed a multi-phase acceleration program with the State of Nevada – Mazovia-Nevada Acceleration Bridge, to which companies from the ‘Start from Mazowsze’ competition are recruited. There is no other such a state in the USA within which Poland has such an extensive cooperation (including acceleration programs with NCBiR and the Lublin province, testing of autonomous systems with the Warsaw Institute of Aviation, or already mentioned the multidimensional involvement of KGHM with the largest Polish investment in the USA in Ely, Nevada). For those reasons, modeling the solutions developed for Mazovia based on Nevada’s experiences will constitute a significant novelty of the project, especially in the context of supporting the global expansion of Polish companies and creating the right conditions for their development. That is why future relations between Poland and Nevada, and SGH & UNR in particular, look pretty bright.

References

- Parker, E., Pietrasieński, P., Tosun, M., Wachowiak, P., Wojtysiak-Kotlarski, M. (Eds.). (2019). *Entrepreneurship, Economic Development and Public Policy – In Search for Synergies*. Warsaw: SGH Publishing House.

³ More about this cooperation see Parker *et al.* [2019].

APPENDIX

Reflections

Justyna Bętlewska¹

Cooperation between SGH Warsaw School of Economics and the College of Business University of Nevada, Reno – Current Status, Perspectives and Conclusion for the Future

Abstract

The idea of international strategic partnerships, demonstrated on the example of a joint initiative of creating an international symposium of two universities, is of particular importance for the development of international relations. The article focuses particularly on the presentation of the author's thoughts on the prospects of participation in such an event for both the university and the researcher. It is precisely such events that have so many benefits, from which each participant takes individual inspiration.

Introduction

The aim of the publication is to present the author's views on the idea of international academic partnerships, the purpose of creating such partnerships on the example of two universities, as well as to indicate the perspectives and opportunities for the university and the researcher resulting from the participation in such an event. Additionally, the aim of the publication is to present the author's reflections on the possibility of using the effects of participating in such an event – plans for the future made in connection with participation in such an event.

¹ Ph.D. Candidate, SGH Warsaw School of Economics, Collegium of Management and Finance.

The described symposium is already the fourth common scientific event, taking up extremely important topics covering such aspects as: entrepreneurship, start-ups, new technologies, family businesses, etc.

1. The essence of international strategic partnerships

The idea of strategic partnerships at a university is to create and develop lasting relationships and solutions for didactic, scientific and implementation cooperation. Creating relations based on strategic partnerships is of great importance for building long-term development and systemic relations in the area of internationalization.

From the perspective of universities, such partnerships can be established in the following ways:

1. Building partnerships based on grant programs.
2. Inviting a business partner to work with you.
3. Creating international partnerships.
4. Developing partnerships built locally with local government institutions and non-governmental organizations and partnerships between universities with different educational profiles.

At the same time, it is worth emphasizing that there is no single correct formula for building an ideal partnership model. Each created partnership has an individual character resulting from the assumed objectives, specific local conditions and resources [Górska, 2019]. Therefore, it is important for the development of the university to look for new opportunities to benefit from strategic partnerships.

Therefore, one of the tasks of the university should be to seek common areas for the development of such partnerships, as well as to improve those relationships that have already been established. Of particular importance is the creation of international partnerships, demonstrated on the example of SGH Warsaw School of Economics and The College of Business University of Nevada, Reno.

The example of cooperation that exists between these universities only confirms the belief that a successful cooperation that has been going on for several years between the mentioned universities can be a good example of a case study on how to create a good international cooperation.

2. New perspectives for the University and the researcher

International strategic partnerships, especially those that involve creating joint events such as a conference, are increasingly important. Creating a conference together requires an active involvement of both parties, dedicating time and attention to that event, which can support the establishment of better mutual relationships. Participating in such a conference has many benefits for both the university and the event's participants, which can be categorized into two groups, as shown in Table 1.

Table 1. Benefits of attending an international symposium in Reno

No.	Name of benefit	Area
1.	Area related to the conference event	<ul style="list-style-type: none"> ▪ practical exchange of knowledge with the best experts ▪ getting to know opinions of experts who represent not only various scientific disciplines but also other countries and continents ▪ inspiring meetings and exchange of experience ▪ exploring current and practical events
2.	Personal/self-perception	<ul style="list-style-type: none"> ▪ the opportunity for a personal face-to-face contact – not just by hosting an online event and participating online ▪ the kind of reward and personal recognition associated with attending such an event ▪ an event in itself – after the COVID-19 pandemic and the U.S. shutdown ▪ getting to know each other better through face-to-face interactions – not just online

Source: Own elaboration.

The summary of benefits of the participation in a symposium presented by the author creates new perspectives for universities by deepening the already established relationships between universities. In turn, for the researcher and the academic, attending such an event can especially inspire establishing new contacts and relationships that may result in a joint research article or grant in the future. The mere fact of making a contact with the Reno university staff during the symposium provides new opportunities to create relationships based on trust and creates the possibility of becoming a priority, should the foreign university seek, for example, a partner for a joint project. The preparation of such a symposium is quite the social event, from which each participant draws completely different inspirations and experiences in a completely different way. Therefore, such events also provide an opportunity for conversations in a less formal atmosphere, which is facilitated by backstage talks during breaks at the conference. The new bonds that are formed make it easier to cross barriers that would be difficult to jump over if this symposium were held online. For both, the School of Economics and the University of Reno, this was a mutually important and memorable event for a very long time.

It is worthwhile to look at this event from a different perspective, namely, what can be further developed. In this area, one should especially notice the need for more frequent direct meetings, even in the form of academic exchange, visiting universities and guest lectures at mutual universities.

3. Future perspectives and plans

Participation in such an event can undoubtedly motivate the author of the publication to further explore various fields of knowledge, especially related to the activities of international start-ups. It is also a great opportunity to write a joint article with a foreign expert in the field in which the author specializes. Moreover, thanks to such an exchange of the author's thoughts with a foreign scientist, new and extremely valuable publications may be created, not only limited to writing an article but including writing an interesting book publication. It also creates room and field for submitting joint international strategic partnership grants or academic exchanges between the two universities. Nothing can replace personal contact, even the best online conference, which is why the author keeps in touch with the persons met there, which contributes to the creation of joint initiatives that will result in new publications in the future. Participating in such a symposium further helped to develop team plans for other extremely interesting events planned for the future.

Conclusion

The analysis of this event led the author to describe the major conclusions:

1. Fostering international strategic partnerships to create collaborative international initiatives is especially important in the 21st century.
2. Attending such an event enriches each participant, both scientifically and emotionally.
3. The opportunity to meet face to face with such interesting scientists brings with it new scientific inspirations and experiences that have been missing during the last two years of the pandemic and the transition to online living.
4. The most interesting conclusion of the symposium is that each of its participants received an individual opportunity for scientific development. How this will be used in the future is important. Additionally, the more meetings and interactions, the better the collaboration.

5. The diversity in the experience of scientists is extremely mutually inspiring.
6. Attendance at this symposium led to greater ideas about the possibility of developing this collaboration.
7. The remarkable openness and scientific curiosity of the University of Reno professors is noticeable.

The above points do not exhaust all ideas but can be a starting point for further analysis and ideas to deepen this remarkable collaboration. Going to this symposium was an extremely valuable and learning experience. The exchange of knowledge, experiences and scientific reflections in such an unusually natural and captivating space was something memorable for everyone.

Such an event especially shows how valuable it is to create such partnerships, especially for researchers, which translates directly to universities.

Reference

- Górska, M. (2019). Rola partnerstwa i współpracy na rzecz rozwoju społecznej odpowiedzialności uczelni – jak inicjować współpracę?, *Forum Odpowiedzialnego Biznesu*, December 4, <https://odpowiedzialnybiznes.pl/artykuly/rola-partnerstwa-i-wspolpracy-na-rzecz-rozwoju-spoecznej-odpowiedzialnosci-uczelni-jak-inicjowac-wspolprace> (accessed: 30.05.2022).

Izabela Rudzka¹

The Influence of ‘Good Environment’ on Cooperation, Personal Development and Future Actions – Inspirations and Reflections from Joint Trip to the 4th Symposium of the College of Business (UNR) and SGH Warsaw School of Economics: “Entrepreneurship, Economics Development and Public Policy in the Post Pandemic World”

I had the opportunity to participate in a trip to Nevada, to the University of Reno, as part of the 4th Symposium of the UNR College of Business – SGH Warsaw School of Economics titled: “Entrepreneurship, Economics Development and Public Policy in the Post Pandemic World”, summarizing previous cooperation between SGH in Warsaw and UNR in Reno. Both the symposium and the university made a very positive impression on me. The meetings and sessions were characterized by high substantive utility, which already during my stay resulted in contacts between Polish and American participants of the symposium. I think this situation will bring further initiatives to strengthen cooperation in other projects and increase involvement of SGH employees in international cooperation.

In terms of the content value of the stay, I can highlight 3 areas that, to a very large extent, allowed me to get added value from my stay at this excellent event.

¹ Ph.D., Assistant Professor, SGH Warsaw School of Economics, Collegium of Business Administration, Institute of Corporate Finance and Investment, Business Bankruptcy Research Unit.

The first is the area related to the practical part of the trip, dedicated to startups. In this domain, the involvement of UNR staff in the organization, promotion and comprehensive development of start-ups should be emphasized.

I think that the actions of UNR employees are a very good example to follow in our home solutions. The scale of this activity, special events, separation of special rooms, involvement of specialists with outstanding skills, association, and integration of various activities into one organism, arouses admiration and is an element worth disseminating. I regret that except for the first meeting at GOED, the College of Business, attending the conference sessions of the main Symposium was not possible to attend the parallel start-ups sessions. From the backstage conversations one could learn that they were extremely inspiring for our young start-ups and their leaders. Also important was the fact that the meetings were attended by practitioners who motivated young businessmen to further action and development.

I make no secret of the fact that during these talks I managed to agree on future start-up cooperation on a project I want to carry out in which, relates to mitigating the effects of war and helping Ukraine. If the project is successful, it will be a great added value for international communities, including academia. The talks implementing the next phase are expected to take place at the end of May 2022. The preliminary analyses presented have met with great approval and understanding from the business side.

The second, main substantive area in which I had the opportunity to participate, were panel discussions during the lectures. The first of the panel leaders was Prof. Marcin Wojtysiak-Kotlarski. The day also included presentations of research results by scientists from both universities.

In this panel the issues of international entrepreneurship were discussed. The main thread of the discussion was the importance of small and medium-sized enterprises, especially in high-tech industries, which are geared to serve the international market from the beginning.

This session was moderated by the host – Prof. Mehmet S. Tosun from UNR.

The last session was again dedicated to entrepreneurship. It highlighted the role and involvement of the entrepreneur in building the organization, the importance of CSR principles, building a competitive position, using new technologies for various solutions, especially data security. Supply chains in the context of environmental protection and the impact of pandemics on supply chain changes were also discussed.

The next day of the Symposium started with very interesting presentations mainly by UNR PhD students. However, I was most interested in the speech of assistant professor Sandun Perera, who presented a retail sales model that reveals

the problem of cannibalism between retailers. The basic conclusions of the speech, were as follows:

1. The retailer should (almost always) price differentiate regular customers and donors.
2. Under some market conditions, it is optimal for the retailer to be in ‘Scarcity’ scenario.

In the next speeches one could learn about the currently conducted research in the areas of public policies, marketing issues, or areas related to sustainable development. The sixth session was devoted to areas of cooperation in post-pandemic activities. Session six was devoted to areas of cooperation in post-pandemic activities. This panel was attended primarily by delegates from institutions creating project activities in Poland dedicated to various groups of beneficiaries, but primarily associated in their activities with projects created by the Polish academia. The panelists included the Director of Polish National Agency for Academic Exchange, representatives of The National Centre for Research and Development and Marshal’s Office of Mazovia.

Summing up the sessions, we can note that the main area of discussion was global entrepreneurship and its importance for the development of individual countries and its disruption during the pandemic. The discussions analyzed the economic situation and the entrepreneurial environment after the pandemic, considered the issues and consequences of Russia’s aggression against Ukraine, creating a new global situation, including disrupted supply chains, causing increased uncertainty and risk, the further consequences of which are difficult to predict at this time. Despite the negative assessment of the situation, one could see a lot of optimism and faith in humanity’s ability to overcome crises and further development.

Both the panelists and the discussants stressed the importance of actions for health care and demographic development as necessary elements for the development of societies. In the discussion, Professor M. Bryx (SGH) drew attention to the importance of the urban environment as a natural environment for the majority of mankind and its necessary sustainable development in order to achieve the effects discussed by the panelists. This discussion was particularly close to my heart, as I also deal with issues of urban development and revitalization, which should always result in an improved quality of life in the city.

Among the various topics and studies presented, I was particularly interested in: “How Perceiving Vaccines as Natural Shapes Vaccination Attitudes: A Worldview Perspective”, presented by assistant professor W. Trzebiński (SGH).

Unusual was also the research of assistant professor Ł. Skrok, from SGH, who presented results of his research titled: “An almost winner’s and jumpy careers: impact of early-stage results on careers of ski jumpers.”

Hyo Jin (Jean) Jeon's presentation on "Racial Discrimination in Franchising and Recommendations for the Policy Makers" was also important.

The third, and particularly important, area of impact of the trip was the networking workshops held indoors and outdoors, which resulted in broad and deep collective and individual effects. An increase in self-awareness, insight into one's own self-esteem, the establishment of new relationships, the beginnings of friendships, and above all, getting to know one another, people who until then, despite working in the same institution, had not had the opportunity to get to know one another in person, brought great added value. It allowed for talks about joint, further substantive actions for the future. In my opinion, it is of particular importance in building the SGH potential for international projects in the future.

To sum up, it is necessary to emphasize the high substantive value of the joint trip and the very high organizational level of the project, for which I would like to thank the organizers in particular. It also seems that the choice of the place and the deepening of the cooperation enabled particular participants and the whole group to achieve a synergy effect which would not have been possible if the meeting had taken place in other circumstances and in other place than that planned by the organizers.

For me personally, apart from the startup issues and soft skills workshops, the inspiring thing was the fact that most of the speakers tried to show the researched phenomena in the form of mathematical models. I will certainly use this myself to a greater extent than before.

Marek Laszuk¹

The Student Entrepreneurship Ecosystem at the University of Nevada, Reno

Abstract

This article is a summary of the symposiums that took place on April 26–28, 2022 at the University of Nevada in Reno. The purpose of the meetings was to get to know the entrepreneurship support system at the visited university. Students of all colleges and schools, if they are interested in developing their startup, can take part in Entrepreneurship Classes, the LunchNevada networking program and competitions. The main element of the entrepreneurship support system is the Ozmen Center for Entrepreneurship, which is responsible for the Entrepreneurials assembly process for launching and growing a business. In this process, great attention is paid to Customer discovery, validation and creation.

Introduction

This article is a summary of the symposiums that took place on April 26–28, 2022 at the University of Nevada in Reno. The purpose of the meetings was to get to know the entrepreneurship support system at the visited university.

1. Entrepreneurship Education Model at the University of Nevada in Reno

Students of all colleges and schools, if they are interested in developing their startup, can take part in Entrepreneurship Classes, the LunchNevada networking

¹ Ph.D., Assistant Professor, SGH Warsaw School of Economics, Collegium of Business Administration, Institute of Enterprise, Family Business Unit.

program and workshops organized by the Ozmen Center for Entrepreneurship. After these classes, they can enter the Sontag Competition or start their business.²

The developed concepts of their businesses can clash with reality, where as part of Lunch Nevada competitions they can get \$ 500 for their teams, and more importantly, establish networking with investors. Additionally, you can get up to \$ 50,000 for your new business during the Sontag Competition. The purpose of these meetings is to verify startups' business assumptions, in particular: Product/Service Value Proposition, Product – Market Fit, Target market. The obtained funds can be used for: Testing/technology validation, MVP in the form of moc-up or prototype, IP Protection and Market validation.

For young entrepreneurs, the university provides: Innovation Center, incubation space in Applied Research Facility, 3D scanning/modeling and laser cutting in DeLaMare Library MarketSpace, dynamic media lab and dataworks and @One in the Knowledge Center, and FabLab in the Arts Building for art or technology.

2. Ozmen Center at the University of Nevada in Reno

Ozmen Center, as the main unit providing entrepreneurship education, offers programs in the field of small entrepreneurship (Entrepreneurship minor), MBA with Entrepreneurship Emphasis and 10 different Entrepreneurship classes from fundamentals to sales, marketing, finance, venture creation and social entrepreneurship. Studies in this area at the basic level (Graduate) are carried out by about 60 students, while in recent years the number of Undergraduate students has been systematically increasing and currently there are about 450 of them.

Entrepreneurial assembly process for launching and growing a business, which is implemented by Ozmen Center, consists of the following stages: Customer discovery (ideation), Customer validation (prototype), Customer creation (profit ability/system).

As part of the process, the student should produce and deliver the following outcomes³:

1. 0 stage:
 - a. Assessment form – Entrepreneur's Skills Entry Assessment/Capabilities Documents
 - b. NABC Form

² Presentation by Professor Mehmet Tosun on April 26, 2022, Reno, Nevada.

³ Presentation by Professor Matt Westfield on April 28, 2022, Reno, Nevada.

- c. Business Model Canvas
 - d. Concept Statement Test and Buyer Preferences Survey.
2. Customer discovery:
- a. The Value Proposition – Have, and can articulate, a well-formulated new business value-proposition,
 - b. Concept Test Results – Have tested your ‘Pretotype’ idea with at least 25 actual potential customers,
 - c. Pricing Plan from Buyer – Have tested your pricing structure with at least 25 actual potential customers,
 - d. Target Market (statistics) and Customer Profile – Clear understanding of your target market (size, growth & segmentation),
 - e. Preliminary Unit Profit Analysis – Clear understanding of profit model (unit level and business level),
 - f. Marketing Plan Outline – Clear understanding of how you will find, keep and grow customers,
 - g. Business Model Canvas drafted – Complete all sections of Business Model Canvas.
3. Customer validation:
- a. Demonstratable Prototype Ready For Testing – Have a demonstratable prototype ready for customer testing,
 - b. Plan for business Sustainability: The Marketing Plan – Can show business sustainability by product roadmap, sells pipeline, profitability, fundability, etc.,
 - c. Competitive Advantage – Can show business defensibility (barriers to entry) with a unique; protectable ‘secret source’,
 - d. Business Profit and Loss Statement (P&L) – Can show business profitability at the unit level and whole business level,
 - e. Create An Organization Chart, Identify The ‘Core’ Management Team – Have a core management team identified,
 - f. Customer survey – Can demonstrate ‘proof of adoption’ through actual satisfactory customer usage,
 - g. Updated BMC – Updated Business Model Canvas.
4. Customer creation:
- a. Sales thru channels to target – Can show business model scalability in terms of markets and channels,
 - b. Organization chart with names/gaps – Have a complete (necessary and sufficient management team in place,
 - c. Sales summary – Have generated first revenues, regardless of profitability,
 - d. Unit P&L – Have generated unit sale profitability,

- e. Unit Summary BP draft – 2 pages Executive Summary complete; Business Plan draft completely scrubbed by a Mentor,
- f. Unit Plan – Have a liquidity plan for in your startup including equity ProForma and acquisition suitors,
- g. Pitch under deck – Presentation deck complete, scrubbed by Mentor (for investors or for getting new business.

Findings

The main element of the entrepreneurship support system at the University of Nevada is the Ozmen Center, which is responsible for the Entrepreneurials assembly process for launching and growing a business. In this process, great attention is paid to Customer discovery, validation and creation.

References

Biz Assembly (2022). *Official Web Page*, <https://www.bizassembly.org/> (accessed: 20.05.2022).

ANNEX

Symposium Programme

The 4th UNR College of Business – SGH Warsaw School of Economics
Joint Symposium “Entrepreneurship, Economic Development and Public Policy
in the Post-Pandemic World”

Clark Room, Morrill Hall, UNR
April 27–28, 2022

The 4th Symposium will take place in Morrill Hall at the University of Nevada, Reno campus. We plan to have a total of 6 sessions with 3 panel sessions with 5 speakers and 3 regular session with four/five 12–15-minute paper presentations in each session (and up to 30 minutes for questions and discussion). We are including separate sessions for students and entrepreneurs, which will be new this year. This symposium is also supported by the Nevada Governor’s Office of Economic Development (GOED) International Division. The Polish National Agency for Academic Exchange (NAWA) provided financial support.

Symposium Organizers

- Ashley Melendez and Jaqueline Gutierrez – College of Business, UNR (Technical and Logistical)
- James Leonhardt, Professor – UNR College of Business
- Mehmet S. Tosun – Director of International Programs, UNR
- Paweł Pietrasieński – Director of International Trade, GOED, SGH
- Marcin Wojtysiak-Kotlarski – Collegium of Management and Finance, SGH
- Elena Pawęta – Collegium of World Economy, SGH
- Hanna Rachoń – Collegium of Management and Finance, SGH

Wednesday, April 27, 8.30 am – 5.30 pm

Opening remarks:

Clark Room, Morrill Hall, UNR

8.30–9.00 am

Gregory Mosier – Dean, UNR College of Business

Agnieszka Chłoń-Domińczak – SGH Vice-Rector for Research

Grażyna Żebrowska – Director, National Agency for Academic Exchanges

Agnieszka Ratajczak – Director, Office of International Cooperation, National Center for Research & Development

Symposium Organizers

Brian Sandoval – President, University of Nevada Reno (and former Governor of the State of Nevada) – welcome address at 9.30 am

Session 1: “Global Entrepreneurship” (panel session)

Clark Room, Morrill Hall, UNR

9.00–10.30 am

(One hour panel discussion, 30 mins for questions from the audience and further discussion)

Session Chair: Marcin Wojtysiak-Kotlarski, SGH**Panelists**

- Chris Yount
- Dick Bartholet/Matt Westfield, UNR Ozmen Center
- Perm Singh (Winner of the Sontag Competition, TBC), UNR
- Elena Pawęta, SGH
- Marcin Wojtysiak-Kotlarski, SGH

10.30–11.00 am Coffee Break

Session 2: “Behavioral and Operational Insights for Social Impact”

Clark Room, Morrill Hall, UNR

11.00 am–12.30 pm

(15 mins presentations, 30 mins questions from the audience and discussion)

Session Chair: James Leonhardt**Presenters**

- Ron Lembke – Associate Professor and Chair of Marketing Department, UNR, “Blockchain”
- Sandun Perera – Assistant Professor of Business Analytics and Operations, UNR, “Pricing/Bundling”
- Wojciech Trzebiński – Assistant Professor and Chair of Marketing Department, SGH, “How Perceiving Vaccines as Natural Improves Vaccination Attitudes: A Worldview Perspective”
- Łukasz Skrok – SGH, “An Almost Winner’s Curse and Jumpy Careers: A Long-Run Impact of Early-Career Results of Professional Ski Jumpers”
- Hyo Jin (Jean) Jeon – Associate Professor of Marketing, UNR, “Racial Discrimination in Franchising and Recommendations for the Policy Makers”

Startup Session 1 (Parallel to academic session 2)

Meeting at the Ozmen Center for Entrepreneurship, Ansari Business Building, AB 402

11.00–12.30 pm

Session Chair: Matt Westfield, UNR**Participants:** startups from UNR and SGH**Mentors:** Agnieszka Ratajczak, Cezary Wajs, Elwira Lorenz, Danuta Sulowska, Jakub Ananicz, Maciej Wieloch, Marek Laszuk, Albert Tomaszewski**Notes:** Hanna Rachoń, Joanna Stryjek

12.30–2:00 pm Lunch Break

**Session 3: “Demography, Public Health and Workforce Development”
(PANEL SESSION)**

Clark Room, Morrill Hall, UNR

2.00–3.30 pm

(One hour panel discussion, 30 mins for questions from the audience and further discussion)

Session Chair: Mehmet S. Tosun

Panelists

- Muge Akpınar-Elci – Dean School of Public Health, UNR
- Agnieszka Chłoń-Domińczak – SGH Vice-Rector for Research
- Tom Harris – Professor of Economics, UNR
- Ewa Kosycarz – Assistant Professor, SGH
- Mehmet S. Tosun – Professor of Economics, UNR

Startup Session 2 (Parallel to academic session 3)

Meeting at the Ozmen Center for Entrepreneurship, Ansari Business Building, AB 402

2.00–3.30 pm

Session Chair: Matt Westfield, UNR and Maciej Wieloch, SGH

Participants: startups from UNR and SGH

Mentors: NCBR, Elwira Lorenz, Jakub Ananicz, Maciej Wieloch, Marek Laszuk

Notes: Hanna Rachoń, Joanna Stryjek

3.30–4.00 pm Coffee Break

Session 4: “Entrepreneurship and Corporate Investment”

Clark Room, Morrill Hall, UNR

4.00–5.30 pm

(15 mins presentations, 30 mins questions from the audience and discussion)

Session Chair: Frank Fossen

Presenters

- Frank Fossen – Associate Professor of Economics, UNR, “The Cost of Health Insurance and Entry into Entrepreneurship”
- Lidia Danik – SGH, “The Use of Networks as a Differentiating Factor Between Domestic and Foreign Market-Oriented Enterprises”
- Serhat Yildiz – Assistant Professor of Finance, and Qun Wu, Associate Professor of Finance, UNR, “The Impact of Country-Level Investor Protection on Economic Policy Uncertainty and Corporate Investment Link”

- Wioletta Mierzejewska/Anna Krejner-Nowecka – SGH, “Internalization Strategy of Family-Owned Business Groups – LPP Case Study”

Thursday, April 28, 8.30 am – 12.00 pm

Session 5: “Graduate Student Session”

Clark Room, Morrill Hall, UNR

8.30–10.00 am

(15 mins presentations, 30 mins questions from the audience and discussion)

Session Chair: James Leonhardt

Presenters

- Armina Karapetian – PhD student, Management, UNR, “Measuring the ‘Social Influence’ Function”
- Avrey Callis – GOED, UNR Graduate “Utilizing Innovation for Nevada’s Recovery and Resilience”
- Veronika Scavacini – Graduate Student, Economics, UNR, “Central and Local Government Response to COVID-19: International Evidence”
- Dat Huynh – PhD student, Economics, UNR, “Tax Elasticity of Border Sales: A Policy Framework”

Startup Session 3 (Parallel to academic session 5)

Meeting at the Ozmen Center for Entrepreneurship, Ansari Business Building, AB 402

8.30–11.30 am

Pitching Session of Startups

5 mins – intro

10 startups × 5 mins per pitch + 5 mins of feedback

15 mins – concluding remarks & discussion

Notes: Albert Tomaszewski, Marek Laszuk

10.00–10.30 am Coffee Break

**Session 6: “Post-Pandemic Policy, Business and Academic Collaboration”
(PANEL SESSION)**

Clark Room, Morrill Hall, UNR

10.30–12.00 pm

(One hour panel discussion, 30 mins for questions from the audience and further discussion)

Session Chair: Paweł Pietrasieński, Director of International Trade, GOED/SGH

Panelists

- Grażyna Żebrowska – Executive Director, NAWA
- Cezary Błaszczuk – NCBR

- Winnie Dowling – Interim Director, Nevada SBDC
- Marcin Wajda – SGH and Mazowieckie Marshal Office
- Paweł Pietrasieński – GOED/SGH

12.00–1.00 pm Lunch Break (Ansari Business Building, Student Lounge)

UNR-SGH Executive Session (lunch meeting, AB 408A)

12.00–1.30 pm

Travel to Gar Woods Restaurant in Tahoe for Symposium Dinner

Leave from hotels at 2.30 pm

Dinner Speaker: Bob Potts, Deputy Executive Director, GOED



OFICyna WYDAWNICZA SGH
SZKOŁA GŁÓWNA HANDLOWA W WARSZAWIE
www.wydawnictwo.sgh.waw.pl

