

## SUMMARIES

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Henryk Gurgul, Robert Syrek: **The relationship between WIG-subindexes: evidence from the Warsaw Stock Exchange** ■ *Managerial Economics* 2014, vol. 15, no. 2

*JEL Classification:* G15, C32, C58

**Keywords:** *WIG-sectoral subindexes, R regular copulas, dependence*

Evidence on links among the major Warsaw Stock Exchange subindexes using daily data from the period of 2011.03.01 to 2014.07.21 is provided in the paper. The empirical study for eleven WIG-sectoral subindexes with 844 observations was conducted by means of Regular Vine Copulas. The application of these copulas allowed us to identify the pairwise structure of the dependence of subindexes under study. The results confirm the leading role of the banking sector in the Polish economy. The dependence structure of the WIG-banking subindex and other subindexes is, in general, asymmetrical. The links between returns of the subindexes are more pronounced in the left tails; i.e., in the bear phase of financial markets. This study suggests the usefulness of Regular Vine Copulas in analyzing dependence structures of a number of financial time series.

Jessica Knoll, Anna Feigenbutz: **Integrated reporting – a “one-size-fits-all” solution!?** ■ *Managerial Economics* 2014, vol. 15, no. 2

*JEL Classification:* M41, M49

**Keywords:** *reporting, disclosures, accounting*

In a world of constantly growing streams of information, extensive transparency in public and private environment as well as recent financial crises, it seems to be essential to enhance reporting to a higher, more sophisticated level that considers these changes. Especially, the worldwide financial crisis showed that a separated view on financial and non-financial reporting and an orientation on solely short-term information are no longer appropriate for many stakeholders. Integrated Reporting – representing a symbiosis of financial and non-financial information – might be a solution to satisfy the changing stakeholder needs. In order to establish this idea, the International Integrated Reporting Council (IIRC) was initiated aiming to provide quantitative and qualitative guidance in form of a framework for organizations on how to conduct integrated reporting. One of the main questions that arises within this context is whether IR is “a one size fits all”-solution or if there is a substantial need for sector-specific requirements. Therefore, this article provides not only a theoretical background on the concept of IR but also shows some results of experiences examining reporting habits of several, cross-sectoral companies participating in the IIRC’s pilot programme. Additionally, general and sector-specific requirements as well as chances, challenges and a prospect of IR have to be considered. This article analyses if a general framework on IR is sufficient or if there is the necessity to work on sector-specific requirements.

Andrzej W. Kozina: **Negotiations as a tool of business strategy creation** ■ *Managerial Economics* 2014, vol. 15, no. 2

*JEL Classification:* M19

**Keywords:** *negotiations in the company, negotiations within the process of company's strategy creation, multiparty negotiations, multiply negotiations, negotiation strategies*

The objective of the paper is to describe the author's concept of considering the negotiations between internal stakeholders as a specific tool for the creation of company's strategy. Firstly, the definition of such negotiations is presented, in the context of the general interpretations of negotiations. The most important is their definition as interactive decision making process. Secondly, specific features of such negotiations as a tool for business strategy creation are discussed. Two types of those negotiations are distinguished: multiparty and multiply ones. Thirdly, the possible strategies for conducting such negotiations are suggested, according to their two types. Finally, the assessment of proposed concept is presented, i.e. its advantages and disadvantages are listed as well as the directions for further research are pointed out.

Mariusz Kudełko, Małgorzata Wejer: **Selected implications of negative externalities – on the example of the Polish energy sector** ■ *Managerial Economics* 2014, vol. 15, no. 2

*JEL Classification:* D04, D52

**Keywords:** *market failure, effective allocation of resources, negative and positive externalities, modelling of the Polish energy sector*

The aim of this paper is to present selected issues of the effective allocation of resources and its function in optimal decision-making processes. The authors focus on the economic consequences of market failure in the case of external effects – both positive and negative. It has been characterized from the theoretical perspective by illustrating the economic implications of this situation for producers (producers surplus), consumers (consumer surplus), and the environment (external costs and benefits). This paper shines a light on effective levels of production, the subsidies to producers (in the case of positive externalities), or correcting tax (in the case of negative externalities). Moreover, the decision rules that are used in the cost-benefit analysis (a method supporting the decision-making process undertaken by both private entities and public authorities) are given. There are specific examples of its application in order to achieve allocative efficiency. An exception of its use is to achieve cost efficiency, which does not ensure that a project, program, or policy is socially optimal and desirable. The second part of this paper includes theoretical implications of market failure. The results of the authors' mathematical model that is used to optimize long-term energy sector development are presented. The importance of the presented results is that they reflect development of the Polish energy sector, both from the private and public viewpoint, taking into account the adverse effects caused by the emission of gaseous pollutants. Consumer and producer surpluses were the bases to estimate costs and benefits of change in the social welfare. It has been proven that the use of private welfare criterion is incorrect. The internalization of external costs (which means including them in decision-making criterion, significantly – i.e., 24%) increases the level of social welfare achieved on the scale of the whole Polish energy sector.

**Anna Rogozińska-Pawelczyk: The role of the psychological contract in knowledge management** ■ Managerial Economics 2014, vol. 15, no. 2

*JEL Classification:* D23, D24, D83

**Keywords:** *knowledge management, psychological contract, organisational capability*

This article presents an analysis of relationships between the psychological contract and the propensity for knowledge to be created, stored, and transferred within an organization. It is widely known that using knowledge increases organizational capability, and that the quality of relationships between employers and employees has an effect on how strongly the latter are committed to their organization, including activities other than those required in their job descriptions. The awareness of these facts makes knowledge management more effective and, consequently, raises organizational capability determined by the psychological contract to a higher level. This article discusses the outcomes of pilot focus group interviews conducted with respondents employed at three banks. Four main factors contributing to effective knowledge management and thereby to the development of the psychological contract in the organization are identified: the prevalence and opportunity for knowledge sharing, the character of interpersonal relations, cultural aspects for knowledge management, and the level of perceived safety.

**Penka Shishmanova: A view on certain conditions for economic growth in Bulgaria (2008–2013)** ■ Managerial Economics 2014, vol 15, no. 2

*JEL Classification:* E01, O40

**Keywords:** *economic growth, factors of growth, labor resources, capital, education, innovations, ICT*

Economic growth is a function of numerous factors that, in their totality, determine its dynamics and stability. This article views only those factors that, to the greatest extent, present the capacity of Bulgaria's economy – labor resources, capital, and knowledge (education, innovations, information and communication technology). Their dynamics for the last five-year period outlines primarily unfavorable changes, which have had a limiting impact on economic growth. This also determines the challenges which Bulgaria has faced in recent years, as it has to direct its efforts towards increasing the effectiveness in the use of available resources.