

## EDITORIAL IE-2024:1

This issue of IE-2024:1 summarizes research articles on finance, investment, and business performance under pandemic and digital transformation. Some papers presented were discussed at the *International conference of economies of the Balkan and Eastern European Countries* (EBEEC) in May 17-19, 2024, in Vilnius, Lithuania. This event follows closely on the heels of the 9th *Three Seas Summit and Business Forum* held in Vilnius, which focused on investment, innovation, and enhanced connectivity among 13 nations between the Baltic, Black, and Adriatic seas.

Ashish K Saxena (USA) explores the impact of Industry 4.0 (the fourth industrial revolution) on green intellectual capital (focusing on environmental sustainability) and its contribution to overall sustainable development. The research also examines the moderating role of managerial emotional intelligence in this relationship. The findings challenge existing theories, suggesting that emotional intelligence might not always be beneficial when combined with a focus on academic skills in management practices. Supervisors should strike a balance between their staff's technical and emotional skill-building, understanding that in the rapidly changing digital environment, a blend of the two is required to attain long-term success and expansion.

Nisarg Joshi et al (India) explores the connection between a company's intellectual capital and its financial performance in the IT industry. The researchers use a statistical Partial Least Squares Path Modeling (PLS-PM) to analyze how different components of intellectual capital, such as employee talent and skills, influence a company's financial health. The results support the theoretical framework of intellectual capital, demonstrating that it significantly impacts performance. Notably, the study highlights the importance of employee talent and skills in reducing production costs and increasing profitability. These findings can be valuable for academics and practitioners seeking better indicators of an organization's success in competitive markets.

Dipendra Karki et al (Nepal) study investigates the motivations behind individual investor behavior in the Nepalese stock market. The researchers surveyed 405 investors to identify their reasons for investing, considering factors like investment goals, information gathering habits, and demographics. The findings reveal that speculative and transactional motives significantly influence investment decisions, while factors like gender, age, education, and experience do not. This suggests that regulatory bodies and listed companies should focus on raising investor awareness and offering tailored investment options.

Natalia Chernova et al (Ukraine) explores strategies for incorporating cryptocurrencies into investment portfolios. The authors propose a method for selecting crypto assets based on their distance from traditional assets in terms of risk and return. While the study suggests that including more cryptocurrencies can theoretically improve portfolio efficiency, it acknowledges the practical challenge of transaction costs potentially outweighing the benefits.

Stavros Valsamidis et al (Greece) analyzed data from various countries to explore

digital transformation in the banking industry. The analysis focused on a three-level approach: customer sentiment towards improved services, data discretion concerns, and efficiency (timeliness and directness). Cluster analysis identified three customer segments based on their purchasing behavior: supporters, opportunists, and skeptics. A chi-square test revealed a significant association between socio-demographic characteristics and customer behavior. Additionally, the Friedman nonparametric test indicated that customer perceptions regarding the use of digital applications compared to traditional methods are also linked to their attitudes towards digital banking services.

Sibora Skënderi (Albania) investigates the impact of the COVID-19 pandemic and digital transformation on bank productivity and sustainability in Western Balkan countries. The study analyzes various metrics, including return on assets (ROA), return on equity (ROE), non-performing loans, and digital banking adoption. The findings suggest that the pandemic led to a slight improvement in bank performance, possibly due to increased digital channel usage and improved risk management. The declining non-performing loan percentages suggests improved digital channel risk management. However, the study acknowledges limitations due to the timeframe analyzed, as it might not capture long-term trends or the full impact of the pandemic.

Vedrana Čikeš et al (Croatia) compares data on sickness absence in the European Union (EU) with Croatia, specifically focusing on the hospitality industry. The researchers estimate the associated costs of employee absence and their impact on Gross Value Added (GVA; the labor force participation rate and unemployment rate were introduced). The study covers the period from 2018 to 2023, acknowledging potential limitations in capturing long-term trends or the full impact of the COVID-19 crisis.

Angelo Corallo et al (Italy) investigates consumer behavior in response to a stressful socio-economic situation, using the case of the Italian phytosanitary emergency (a plant health crisis). Based on a stimulus-response model, the study reveals that social factors, not economic factors, primarily influence consumer willingness to purchase olive oil. These findings offer valuable marketing and policy insights.

Laura Dargenytė-Kacilevičienė et al (Lithuania) investigated how economic growth and decline affect employment across different demographics in the European Union. They focused on gender, age, and education level, analyzing data from 27 EU countries between 2000 and 2020. The study aimed to determine if education helps people keep their jobs during economic downturns. Their findings reveal interesting patterns. Men, in general, are more likely to lose their jobs during recessions compared to women, regardless of education level. However, young women with the least education face the greatest risk of job loss. Conversely, older and more educated workers tend to be more stable during economic downturns. This highlights the protective role of both higher education and experience. Overall, the study emphasizes the importance of education in reducing job vulnerability during economic downturns.

Andrey Grytsenko et al (Ukraine, Lithuania) examines the potential of cooperative digital platforms in developing microgrid ecosystems for renewable energy production in

Ukraine. The authors highlight the drawbacks of monopolized digital platforms and propose a cooperative model that fosters collaboration among participants. This model aims to create a distributed production system that leverages local renewable energy generation networks. The study emphasizes the benefits of localization and collaboration in promoting innovation and technological advancements in the renewable energy sector.

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