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Mediation - Effective Form of Dispute Resolution for Labor Economics and Entrepreneurship

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ABSTRACT

In current years the most important challenges for labor economics and Entrepreneurship is how to deduct the expenditure and costs associated with internal operational system of the company and general company management. It should be underlined that the internal labor disputes within companies are associated not only with monetary expenditure such like lawyer's fee, court dues and possible decrease of internal effectiveness but at the same time with the company reputational risks in the society that as well generates possible financial loss in the long term proceedings of the company, therefore it is of utmost importance for any company to create mechanisms within company or to use mechanisms in case of created dispute that will decrease above challenges like reputational risks or not necessary financial loss. Currently the new dispute resolution mechanism - Mediation is becoming more and more popular in European countries as well as worldwide, moreover, the Mediation Directive 2008/52/EC caused mandatory creation of this form of dispute resolution in all European jurisdictions and accordingly business and associated disputes are currently subject of use. Awareness raising in this direction and making labor market and companies aware about the characteristics and advantages of mediation will make latter operational system more effective and settlement friendly rather involving in lengthy and expensive court proceedings in case of disputes that are often in companies. Therefore, the paper will be dedicated to the advantages and rules of mediation that should be used to decrease unnecessary publicity of reputation risks and financial expenditure of the labor economics.

KEYWORDS Mediation; Decrease of financial loss; reputational risks