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PREFACE

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CHAPTER 1

A THEORETICAL DISCUSSION ON THE RELATIONSHIP BETWEEN CULTURAL INTELLIGENCE AND EFFECTIVE LEADERSHIP[1]

Abdishukri Rashid ADEN[2]
Ufuk BAŞAR[3]

INTRODUCTION

The business environment has changed a lot in the past few years and borders have become meaningless leading to the interaction of people from different nationalities and backgrounds. Business is no longer limited to borders which makes it inevitable for people from different cultural settings to interact. Factors such as globalization, recent advancements in technology, the internet, and demographic variations have affected the way people do business. Businesses have become global and people are able to sell their products to any country regardless of the distance. The most important thing is the understanding of the partners doing business and their customers.

Global organizations appreciate the differences emerging from cultural diversity and see it as driving the success of the organization (Lisak & Erez, 2015). Cultural diversity leads to the increase of innovation and creativity in organizations since people from different cultural settings can bring different viewpoints to the organizations. However, organizations are facing challenges in trying to create synergy among their employees who are from various cultural and geographical settings. The lack of synergy among the leaders and subordinates negatively affects the efficiency of the organization in meeting its targets (Ely, 2004). If the leaders and subordinates are not able to understand each other due to their cultural differences, then the organization won't be able to meet its goals.

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[1] This chapter was Abdishukri Rashid ADEN's master's degree term project that was supervised by Assoc. Prof. Ufuk BAŞAR

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environments. Leaders should appreciate the multicultural differences of his or her subordinates and see this as an advantage that can increase innovation and productivity in the organization. This mindset makes a leader get ready to listen, read, and understand different perspectives. Due to the globalization of the world's economy, it is important for a leader to be able to understand the needs and motives of both his or her subordinates and customers. A culturally intelligent leader can set the direction and views in an organization according to the needs and wants of internal and external stakeholders. The differences that occur in the cultural setting of both followers and customers should be managed efficiently by creating an environment where everyone's views are appreciated. A specific organizational culture that embraces cultural diversity should be created by leaders to make the organization very responsive to environmental changes. Overall, it is clear that with globalization, effective leadership is possible by being culturally intelligent.

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CHAPTER 2

CORPORATE REBRANDING STRATEGY: THE CASE OF LEGO GROUP

Umut UYAN[1]

1. INTRODUCTION

In an ever-changing market, corporate rebranding is a vital part of business growth and development. A successful rebranding strategy can revitalize a company's image, attract new customers, and ultimately drive revenue growth. Yet, managers have to face many internal and external challenges when formulating their strategies, especially in a highly competitive environment. At the beginning of the 21th centuries, the companies operating in the toy industry undertook a significant rebranding effort to transform its business to adapt the environmental changes.

As the playing habits of the public changed dramatically following the millennium, the companies in the toy industry have struggled to maintain their market position. Toy companies had to deal with many challenges due to its traditional toy production. One of the well-known toy brands, LEGO, announced £125 million loss with the decrease in sales by more than quarter (LEGO Group, 2004). Yet, through open innovation and accomplished strategy formulation, the company has been able to recreate its own brand successfully (Robertson & Breen, 2014; Frigo, & Læssøe, 2012). On one hand, the company creates various communication channels for adult customers in order to co-creation of its colourful bricks (Avasilcăi & Rusu, 2015); on the other hand, they designed a management structure which enables them to adapt any changes in the market quickly such as capturing new trends in the market. In this respect, the current one explores the LEGO Group's corporate rebranding strategy, examining the challenges it faced, the steps it took, and the outcomes of its efforts.

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Although the company has many various resource and capabilities that allow them the competitive advantage among the rivalry, they should be aware of trends in this industry and adapt them these trends as quickly as possible (Émilie, Gandia & Brion, 2021). Hence, the company need to establish good relations with retail stores. In addition, the company should consider digitalization and adjust their strategy if necessary (Andersen & Ross, 2016). Lastly, the Lego Group's expansion strategy requires different resource and capabilities such as new marketing style and local knowledge. Therefore, the company may choose partnership way in order to overcome threats that are posed by the local environment such as liability of foreignness which refers to '*the additional costs that a firm operating in a market overseas incurs compared to a local firm*' (Zaheer, 1995).

The LEGO Group successfully rebranded by focusing on their core values of creativity, imagination, and play. They embraced digital marketing and social media to reach new audiences (Andersen & Ross, 2016), and expanded their product offerings to include licensed merchandise and collaborations with popular franchises (Black, Tomlinson & Korobkova, 2016). They also streamlined their product lines and improved their supply chain management to reduce costs and improve efficiency. These efforts helped the company recover from financial difficulties in the early 2000s and become one of the most successful toy companies in the world.

Overall, the LEGO Group has been able to adapt to changing market conditions and consumer preferences. For example, the company has successfully expanded into new markets, such as China and India, and has leveraged digital technology to create new products and engage with customers. The Group's strategic success can be seen in its strong financial performance and continued growth. As of 2022, the company's revenue had reached $7.9 billion, up from $5.5 billion in 2015 (LEGO Group, 2022). With a solid strategy in place and a commitment to innovation and customer satisfaction, the LEGO Group is well positioned for continued success in the years ahead.

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CHAPTER 3

COVID-19 PANDEMIC AND REGIONAL INEQUALITIES IN THE U.S.

Hasan Engin DURAN[1]

INTRODUCTION

Covid-19 Pandemic has started in 2019 and has been influencing more than 600 Million of individuals as a cumulative number of cases and led to about 6.5 Million people to die by 28th October, 2022 (WHO, 2022). It has been still ongoing in the world and showing quite diverse and deep impact on the health of individuals, social and economic life. Particularly, during the initial stage of the pandemic, many countries had to go to a "lock down" period during which social life has come to a halt, local services sector, tourism, industry and many other economic activities have declined dramatically. Consequently, the world real GDP has tightened 3.27 % in 2020 whereas it experienced a rebound (5.58 % positive growth) in 2021 as a result of decreasing mortality rates and revival of business and social life.2

US economy has also been affected by the pandemic. While GDP growth was moderate (2.3 %) in 2019, it experienced a remarkable recession in 2020 with a negative growth rate -3.4 %. In 2021, it is observed a jump in GDP to 5.7 % annual growth rate. 3

From another perspective, not all regional economies may be equally affected by the pandemic. Therefore, income distribution across regions may be influenced by such a world-wide externality. It may be discussed several opposing theoretical views on the impact of negative shocks on regional income distributions. An optimistic one is put forward by the Neoclassical framework: It follows that under specific conditions and the law of diminishing marginal returns, all economies (regions) will get to a unique steady state and there will be no incomes difference between economies (Solow, 1956; Barro & Sala-i Martin, 1991; Duran and Erdem,

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2 Source: https://www.macrotrends.net/countries/WLD/world/gdp-growth-rate.

3 Source: https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?locations=US

CONCLUSION

This paper has investigated the impact of Covid-19 Pandemic on regional income inequalities in the US. As a result of descriptive, illustrative and inferential analysis, several conclusions are reached.

First, from 1997 to 2021, income inequalities across states, measured by the coefficient of variation (CoV), had only mild changes and no real tendency of homogenization or worsening of the income distribution was observed. Second, visually, it is observed that regional disparities are slightly higher during the crisis times, such 2019 and 2020, than economic expansion years. Third, relative income distribution and its geographical pattern is almost constant over time. Fourth, Covid-19 had a diverse impact on the economic growth of the states, while in almost half of the states, there is tightening of the economy, in the others, it is observed positive economic growth between 2019 and 2021. Fifth, we found that the covid-19 pandemic did not influence significantly the state level income distribution and inequalities.

Consequently, having in mind these results, an important policy suggestion may be that during the negative shock times, all regions should be assisted but the backward regions should be assisted more by providing subsidies, tax exemptions, improvement of social and physical infrastructure in order to maintain economic and social cohesion.

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CHAPTER 4

HUMAN RESOURCES MANAGEMENT IN BUSINESSES: THE CASE OF A TURKISH AIRLINE

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INTRODUCTION

The technological changes that occurred with the Industrial Revolution required specialization in the workforce. With this situation, human resources and human resources management (HRM), which are the basic components of businesses, have emerged (Abdullah et al., 2020, p. 56; Ertürk, 2011, p. 1). In this case, HRM has gained strategic importance in the management of organizations over time (Ertürk, 2011, p. 1). Essentially, organizations have to use some resources to achieve their ultimate goals. One of these resources is human. HRM provides positive developments on quality and efficiency factors in businesses by using different criteria related to the labor force (Güney, 2014, p. 264). In HRM, effective management of employees is at the forefront. In this context, HRM managers have assumed a managerial and change-oriented function rather than performing routine operations related to employees and have started to take an important place in management like other managers of the business (Ertürk, 2011, p. 1; Ilic et al., 2022, p. 790). HRM in organizations is a process arising from strategic necessity (Beer et al., 1984; Schuler & Jackson, 1987; as cited in Wright, 2008, p. 1067). In addition, a good HRM can have very important effects on the development of employees. One of these is the career planning of employees. A career is a range of attitudes and behaviors that an individual perceives concerning work-related experiences and activities throughout life (Hall, 1994, p. 200).

When we look at the history of HRM, in addition to the Scientific Management Approaches found by Frederick Taylor et al., the Industrial Psychology Theory found by Hugo Munstarberg caused HRM to gain a new dimension (Yin et al., 2018, p. 848). Later, as a result of the Hawthorne research conducted by Mayo and his colleagues, he gained a new perspective on HRM by establishing the

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perspectives of businesses and researchers on HRM, to help them overcome problems related to human resources, and to provide theoretical benefits to businesses in this regard.

This study is important because it is one of the limited numbers of studies that refer to HRM in airline companies within the framework of an example. Not examining any airline company other than Pegasus Airlines can be considered a limitation of this study. In addition, the limitation of the study with certain information can be considered among the limitations. In this direction, future studies can be conducted on HRM in different airline companies.

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CHAPTER 5

ORGANIZATIONAL JUSTICE[1]

Hüseyin YILMAZ[2]

INTRODUCTION

Being treated fairly, or, in other words, expecting fairness from one's environment, is the most fundamental expectation individuals have. This environment can vary, sometimes family, sometimes friends, and sometimes, it includes school or work. Regardless of the environment, individuals want to achieve similar outcomes with others in similar positions. When individuals achieve this, their attitudes and behaviors towards their environment tend to become more positive. Conversely, when the opposite occurs, negative behaviors and inner restlessness in the individual may lead to restlessness in their environment as well. The same principle applies to professional life. One's perspective regarding being treated fairly is called "organizational justice". It is believed that individuals perceiving fairness from both the organization and its managers tend to display more positive behaviors toward the organization.

This study discusses the concept of organizational justice within the framework of the general concept of justice; the importance, definition, and dimensions of organizational justice; theories explaining organizational justice, and its impacts.

THE CONCEPT OF JUSTICE IN GENERAL

Although justice has been discussed for centuries, there is no universally accepted definition. According to various scholars, the concept of justice is often associated with other concepts such as goodness, equality, rights, the purpose of law, and happiness. In some cases, it is even used interchangeably with these concepts (Çakar, 2013: 265).

Aristotle, a philosopher who contributed to this discourse, often refers to the concept of 'injustice' as a counterpoint to help define what is just. Since there is no

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1 This study was adapted from a section of the doctoral thesis prepared by Hüseyin Yılmaz under the supervision of Professor Doctor Sema Polatcı.

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The aim of this study is to draw a general framework for the concept of organizational justice, which has an impact on employee success, motivation, and happiness. Finally, it has been revealed within the framework of literature information how the perception of organizational justice will have an impact if it is positive or negative. Thus, by emphasizing the effects of the concept of organizational justice on individuals and organizations, it was aimed to draw attention to what needs to be done to achieve positive results.

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CHAPTER 6

THE NEXUS BETWEEN INTANGIBLE ASSETS AND FIRM PERFORMANCE: EVIDENCE FROM A DEVELOPING ECONOMY

Ahmet ÖZCAN[1]

INTRODUCTION

Firms hold assets in order to generate economic benefits. Firms have two types of assets; tangible and intangible assets. Unlike tangible assets, intangible assets do not have physical form in nature. Trademarks, copyrights, franchises and licenses are common types of intangible assets reported by firms. It is worth mentioning that the type of intangible assets can vary according to the industry in which firms operate, organizational structure, technology and economic development. The accounting treatment of intangible assets is one of the most discussed issues in the business world. Standard setting bodies have issued guidelines on how to reliably and accurately report intangible assets in the recent years.

Intangible assets grab too much attention from policymakers, investors, creditors and firm management. In the current business climate, intangible assets are viewed as a prominent component of balance sheet of firms. Creditors and investors meticulously scrutinize the quality of intangible assets owned by firms. Lev et al. (2009) and Penman (2009) purported that the widening gap between reported book value and market value of firms can be led by the increasing significance of intangible assets in the general economic environment.

Today's economy is dominated by information (Kieso et al., 2016). The information provided by intangible assets significantly boosts earnings of firms such as Microsoft, Coca-Cola and Christian Dior. Having high-quality intangible assets is an essential key to the gaining competitive advantage (Low and Lee, 2014; Roulstone, 2011; Makrominas, 2017). The management of firms should be capable of effectively getting utmost benefit from intangible assets. The effects of intangible assets in financial performance can differ across industries.

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emerging markets are expected to effectively employ their intangible assets in enhancing financial performance. Intangible assets in the new economy have been considered important in the composition of firms' assets and strategic objectives. The proper management of intangible assets becomes essential for increasing shareholders' wealth.

The objective of this book chapter is to empirically investigate the association between financial performance of 25 non-financial firms listed on BIST 30 Index and intangible assets from 2016 to 2022. The results of empirical analysis reveal that there is significant and positive association between intangible assets and financial performance measured by return on equity. It is also worth stating that the results of fixed effects regression indicate that low-leverage firms are more likely to report high financial performance. The present study provides important implications for the policymakers, investors and firm management. Future studies can use cross-country data to obtain further evidence.

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Chapter 7

BIOFUEL PRODUCTION AND ECONOMIC GLOBALIZATION NEXUS IN DEVELOPING COUNTRIES

Bilgehan TEKİN[1]
Nazlıhan TEKİN[2]

1. INTRODUCTION

Using renewable (RN) biofuel (BF)s obtained from biomass energy is a promising opportunity for issues such as protecting the environment, meeting energy (ENG) demand, and supporting sustainable ENG (Banerjee et al., 2019). At the same time, it has recently become an important source of movement for employment, investment and growth (Mena-Cervantes et al., 2023). The fact that biofuels can be obtained from renewable sources increases economic (EC) sustainability. At the same time, studies in the literature show that using environmentally harmful and cheap waste raw materials in biofuel production adds a cost-effective and eco-friendly aspect to biomass ENG in economic and environmental (EN) terms. It is stated in the literature that biofuel production reduces emissions by 20-90% compared to fossil fuels (Sheriff et al. 2020; Subramaniam and Masron, 2021). In addition, it has been emphasized that as a result of the use of biodiesel (BIO) produced with different raw materials, emissions decrease by 35-80% (depending on the type of raw material) (Subramaniam and Masron, 2021).

Among BFs, BIO is a RN fuel obtained from vegetable oils or animal fats using a short-chain alcohol in the presence of a catalyst, often by a chemical reaction called transesterification (Rodrigues et al., 2008). The chemical structure of BIO consists of monoalkyl esters containing medium-length C16-C18 fatty acid chains. It differs depending on the properties of the alcohol used during the reaction, and the most common BIO is a mixture of fatty acid methyl esters (FAME) obtained by using methanol (Branco-Vieira et al., 2017).

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The results could impact the important issues that the countries studied focus on. For example, they might have to ensure that biofuel production is sustainable while still promoting economic globalization. During trade talks between countries, they may request better conditions for their biofuel production exports and also think about how trade agreements may affect their biofuel production industry. Policymakers might focus on biofuel production to keep their energy sources safe and to help with climate change. They know that biofuel production can help reduce greenhouse gases and give us different options for energy. It is important to highlight that understanding these results should be done carefully and about the specific situation. The particular plans and ways of doing things followed by each of the studied countries, along with their economic and political situations, will decide how these discoveries are put into practice. Furthermore, it is important to think carefully about how biofuel production is made and its effects on the environment when making and following policies.

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