

RESEARCH AND REVIEWS IN SOCIAL, HUMAN AND ADMINISTRATIVE SCIENCES - I

DECEMBER, 2021

EDITORS

ASSOC. PROF. DR. EMRAH AYDEMİR
DR. SEMA SAĞLIK

İmtiyaz Sahibi / Publisher • Yaşar Hız

Genel Yayın Yönetmeni / Editor in Chief • Eda Altunel

Editörler / Editors • Assoc. Prof. Dr. Emrah Aydemir

Dr. Sema Sağlık

Kapak & İç Tasarım / Cover & Interior Design • Gece Kitaplığı

Birinci Basım / First Edition • © Aralık 2021

ISBN • 978-625-8075-29-8

© copyright

Bu kitabın yayın hakkı Gece Kitaplığı'na aittir.

Kaynak gösterilmeden alıntı yapılamaz, izin
almadan hiçbir yolla çoğaltılamaz.

The right to publish this book belongs to Gece Kitaplığı.

Citation can not be shown without the source, reproduced in any way
without permission.

Gece Kitaplığı / Gece Publishing

Türkiye Adres / Turkey Address: Kızılay Mah. Fevzi Çakmak 1.

Sokak Ümit Apt. No: 22/A Çankaya / Ankara / TR

Telefon / Phone: +90 312 384 80 40

web: www.gecekitapligi.com

e-mail: gecekitapligi@gmail.com

Baskı & Cilt / Printing & Volume

Sertifika / Certificate No: 47083

Research and Reviews in Social, Human and Administrative Sciences - I

December, 2021

Editors

Assoc. Prof. Dr. Emrah Aydemir

Dr. Sema Saęlık

CONTENTS

Chapter 1

DIE GESCHICHTLICHE ENTWICKLUNG DES
DESIGNSCHUTZES IN DER EUROPÄISCHEN
GEMEINSCHAFT UND IN DER TÜRKEI UND EINBINDUNGEN
DER TÜRKEI IN INTERNATIONALE VEREINBARUNGEN

Salih POLATER.....1

Chapter 2

SOFT POWER OF THE EUROPEAN UNION AND THE
PROBLEM OF IMMIGRATION

Emrah AYDEMİR.....23

Chapter 3

ANALYSIS OF THE RELATIONSHIP BETWEEN ECONOMIC
GROWTH AND UNEMPLOYMENT IN TURKEY BY THE
FOURIER APPROACH

Şaduman YILDIZ33

Chapter 4

DEFINITION OF COMPETITIVENESS AND TURKEY

Şule Turhan47

Chapter 5

CULTURAL DIVERSITY AND DISCRIMINATION IN
MULTICULTURAL COMPANIES: A HUMAN RESOURCE
PERSPECTIVE

A. Gönül Demirel.....69

Zeynep TÜFEKÇIOĞLU69

Chapter 6

CONTINUITY IN THE MIND: EVENT PERCEPTION IN VISUAL
AND WRITTEN NARRATIVES

Ayşe Candan Şimşek.....129

Chapter 7

THE IMPACT OF CONTAINER PORT CONNECTIVITY ON CITY
DEVELOPMENT: EVIDENCE FROM TURKEY

Hüseyin İshak Halil KESİKTAŞ.....157

Sadık Özlen BAŞER.....157

Chapter 8

SUSTAINABLE FORESTRY AND SOCIAL MARKETING IN
TURKEY

Alper Aytekin.....	171
Fatma Akgün.....	171

Chapter 9

IMPORTANCE OF MARKETING STRATEGIES FOR TOURISM
COMPANIES

Mete Ünal Girgen.....	189
-----------------------	-----

Chapter 10

THE DARK TRIAD OF PERSONALITY AND JOB
SATISFACTION: A RESEARCH IN TOURISM SECTOR

Esin Yücel	207
------------------	-----

Chapter 11

EDUCATION AND SCHOLARLY ACTIVITIES OF THE GREAT
SELJUK SULTĀNS AND SELJUK SULTĀNS OF IRĀĶ

Pınar KAYA TAN*.....	223
----------------------	-----

Chapter 12

THE RELATIONSHIP OF COMPETITION AND RISK IN THE
BANKING SECTOR:EVIDENCE FROM OECD COUNTRIES

Sedat AYDOĞDU	239
Emin Hüseyin ÇETENAK	239

Chapter 13

FACE READING FROM MYSTISM TO HUMAN RESOURCES:
PERCEPTIONS OF HRM PROFESSIONALS TOWARDS FACE
ANALYSIS IN THE RECRUITMENT PROCESS

Umut Can ÖZTÜRK.....	257
----------------------	-----

Chapter 1

DIE GESCHICHTLICHE ENTWICKLUNG DES DESIGNSCHUTZES IN DER EUROPÄISCHEN GEMEINSCHAFT UND IN DER TÜRKEI UND EINBINDUNGEN DER TÜRKEI IN INTERNATIONALE VEREINBARUNGEN¹

Salih POLATER²

¹ Bu çalışma Salih Polater'in "Designschutz nach dem deutschen, europäischen und türkischen Geschmacksmusterrecht" adlı doktora tezinden üretilmiştir.

² Doçent Doktor, Erzincan Binali Yıldırım Üniversitesi İktisadi ve İdari Bilimler Fakültesi, Siyaset Bilimi ve Kamu Yönetimi Bölümü, Hukuk Bilimleri Anabilim Dalı Öğretim Üyesi, sapolater@hotmail.com, ORCID: 0000-0001-5272-5079.

EINLEITUNG

Um die Bedeutung eines Rechtsinstituts erfassen zu können, muss sein geschichtlicher Ursprung untersucht werden. Der kulturelle Stand, die Wirtschaft und die zeitgenössischen Anschauungsweisen sind bei der Auslegung einer Rechtsbestimmung und bei der Erläuterung eines rechtlichen Instituts von größter Bedeutung. Das Recht ist nämlich eine Konsequenz menschlichen Empfindens und Handelns, welche ihrerseits wieder unter dem Einfluss örtlicher und zeitlicher Verhältnisse stehen (Schmid, 1896: 1).

Die Geschichte des Rechts des Designschutzes kann vorwiegend als ein Prozess rechtlicher Reaktionen auf die Herausforderungen der Technik verstanden werden. In der vorindustriellen Gesellschaft, in der noch manuell gefertigt wurde, fallen Formgebung und Produktherstellung in der Fertigung des Einzelstücks zusammen. Das Design hat deshalb keine selbstständige Bedeutung. Es wird kein Vorstück, kein Modell zur Fertigung benötigt (Selle, 1978: 9). Zu Beginn des Industrialisierungsprozesses in der ersten Hälfte des 19. Jahrhunderts war für die Unternehmen die Produktionsweise und Zweckorientiertheit der Gegenstände der wesentliche Aspekt. Eine ansprechende äußere Gestaltung ihrer Produkte stand dabei noch im Hintergrund. Auch für die Käufer war zunächst die Erfüllung des reinen Sach- und Funktionsbedürfnisses von vorrangiger Bedeutung (Benussi, 1973: 101, 103, 109; Eck, 1993: 7 ff.). Eine Folge war allerdings, dass die so hergestellten Massenartikel oft eine schlechte Qualität aufwiesen, unpraktisch und überproportioniert waren (Hauffe, 1995: 39). Nach der Befriedigung dieser Bedürfnisse und mit dem Anstieg der Einkommen Ende des 19. Jahrhunderts und Anfang des 20. Jahrhunderts traten mit zunehmendem Wettbewerbsdruck auch die ästhetischen Aspekte der Formgebung immer mehr in den Vordergrund (Eck, 1993: 11). Reformbewegungen im sozialen und kulturellen Bereich zeichneten sich ab (Schramm, 2005: 24). Fertigung, Form, Funktion und Gebrauch wurden vereinigt. Die avantgardistische Bewegung dieser Entwicklung war der Jugendstil, der sich durch die bewusste Aufgabe der Symetrie und die Verwendung dekorativ geschwungener Linien sowie flächenhafter floraler Ornamente auszeichnet. Diese so betonten künstlerischen Elemente wurden jedoch der industriellen Produktion nicht gerecht (Schramm, 2005: 25). Um unabhängig von überflüssiger Ornamentik einfachere, funktionalere und industriefreundlichere Produktgestaltungen zu entwickeln, wurde von den führenden Vertretern des Jugendstils im Jahr 1907 ein Werkbund gegründet. Der Stil dieses Werkbunds wurde als „neue Sachlichkeit“, später als „Funktionalismus“ bezeichnet. Die Gedanken des Werkbunds wurden nach dem Ersten Weltkrieg durch das von Walter Gropius 1919 gegründete Bauhaus aufgegriffen und weiterentwickelt.

Ziel des Bauhauses war es, die künstlerische Arbeit und die praktischen Zwänge der industriellen Produktion aufeinander abzustimmen und auch industrielle Massenerzeugnisse billig und zugleich vorzüglich zu gestalten und zu produzieren (Bürdek, 2005: 32; Schramm, 2005: 25).

Durch das Vorantreiben von Formgebung und Technologie entstanden neue industrielle Formen der Produktion und Distribution von Waren und Dienstleistungen. Durch die Anwendung der neuen Techniken und Materialien sowie durch die Entwicklung von Massenprodukten und Massenmärkten änderten sich Produktion, Konsum und Rezeptionsverhältnisse; infolgedessen erlangte auch die Form der Produkte Bedeutung für die Firmen (Selle, 1978: 9). Bei funktionell gleicher Leistungsfähigkeit technischer Spitzenerzeugnisse machte ein modernes, ergonomisch gestaltetes Produktdesign die Qualität erst sichtbar, steigerte den Vermögenswert und dehnte das Herrschaftsgebiet des Schönen im Gewerbe aus. Allerdings erleichterte diese technologische Entwicklung die Nachahmung der Erzeugnisse und ließ die Produktpiraterie rasant ansteigen. In der Konsequenz wurde damit begonnen, spezielle Gesetze für den Designschutz zu erlassen und zwischen den Staaten bilaterale Abkommen zu schließen (Nirk & Kurtze, 1997: Einf. GeschmMG Rn. 2).

Ziel dieser Arbeit ist es, die geschichtliche Entwicklung des europäischen und des türkischen Designschutzes aufzuzeigen, um die steigende Bedeutung des Geschmacksmusterrechts beim Designschutz aus historischer Perspektive besser vergleichen zu können. Überdies werden die internationalen Abkommen und Organisationen, an denen die Türkei beteiligt sind, dargestellt.

ENTWICKLUNG DES DESIGNSCHUTZES IM EUROPÄISCHEN RECHT

Geschmacksmusterrecht

Die Harmonisierung des europäischen Geschmacksmusterrechts begann im Jahr 1959. Die damaligen sechs Mitgliedstaaten (Belgien, Deutschland, Frankreich, Italien, Luxemburg und Niederlande) der EWG richteten Arbeitsgruppen ein, die sich mit dem Recht des geistigen Eigentums in der Gemeinschaft befassen sollten. Diese legten 1962 einen Bericht vor. Wegen der unterschiedlichen nationalen Rechtssysteme der sechs Mitgliedstaaten der Gemeinschaft hielten sie eine Harmonisierung des Geschmacksmusterrechts jedoch für außerordentlich schwierig. Es dauerte 25 Jahre, bis sich die Europäische Kommission wieder mit der Harmonisierung des Geschmacksmusterrechts und der Einführung eines Gemeinschaftsgeschmacksmusters beschäftigte (Ruhl, 2010: Einl. GGv Rn. 6). Nach zahlreichen Änderungsvorschlägen und neuen

Richtlinienvorschlägen konnte man sich am 24.06.1998 auf einen gemeinsamen Entwurf einigen, dem das EU-Parlament am 15.09.1998 und der Rat am 24.09.1998 jeweils zustimmten (Lorenzen, 2002: 89 ff.). Die „Richtlinie 98/71/EG des Europäischen Parlaments und des Rates über den rechtlichen Schutz von Mustern und Modellen“ (Abl. EG vom 28.10.1998 Nr. L 289, S. 28 ff.) wurde am 13.10.1998 verabschiedet (Eichmann & von Falckenstein, 2010: Allg. GeschmMG zum Designrecht Rn. 4; Eichmann & Kur, 2009: § 2 Rn. 2).

Gleichzeitig mit dem ersten Vorschlag für die GeschmacksmusterRL legte die EG-Kommission auch einen solchen für eine den Geschmacksmusterschutz (Abl. EG vom 31.01.1994 Nr. C 29, S. 20) regelnde Verordnung vor. Nachdem im Hinblick auf einige Stellungnahmen nochmals Änderungen an diesem Vorschlag vorgenommen (Lorenzen, 2002: 91, 92; Ruhl, 2010: Einl. GGV Rn. 6) wurden, kam es schließlich zum Erlass der Verordnung (EG) Nr. 6/2002 des Rates vom 12.12.2001 über das Gemeinschaftsgeschmacksmuster (GGV) und deren Inkrafttreten zum 06.03.2002 (Abl. EG vom 05.01.2002 Nr. L 3, S. 1 ff.). Durch das Gemeinschaftsgeschmacksmuster wurde ein in den einzelnen Mitgliedstaaten unmittelbar geltendes Gemeinschaftsgeschmacksmuster eingeführt (Günther & Beyerlein, 2012: Einf. GeschmMG Rn. 6; Eichmann & von Falckenstein, 2010: Allg. GeschmMG zum Designrecht Rn. 5, 6).

„Enforcement Richtlinie“ 2004/48/EG

Durch die Richtlinie 2004/48/EG des Europäischen Parlaments und des Rates vom 29.04.2004 zur Durchsetzung der Rechte des geistigen Eigentums wurde die europäische Rechtsharmonisierung im Hinblick auf die Einführung eines Mindeststandards beschleunigt. Die sog. „Enforcement Richtlinie“ zielte nach Art. 1 EnforcementRL auf Maßnahmen, Verfahren und Rechtsbehelfe ab, die erforderlich sind, um ein einheitliches hohes Schutzniveau, einen Mindeststandard für die zivilrechtlichen Rechtsfolgen von Verletzungen sowie bei der gerichtlichen Beweisbeschaffung und -verwertung zu schaffen und die Durchsetzung der Rechte des geistigen Eigentums sicherzustellen (Günther & Beyerlein, 2012: Einf. GeschmMG Rn. 6). Um diese Ziele zu erreichen, müssen die Mitgliedstaaten nach Art. 3 EnforcementRL diejenigen Maßnahmen, Verfahren und Rechtsbehelfe vorsehen, die zur Durchsetzung der Rechte des geistigen Eigentums erforderlich sind. Die Umsetzung durch die Mitgliedstaaten muss fair, gerecht, wirksam und verhältnismäßig sein. Außerdem dürfen zu schaffende Rechtsinstitute nicht unnötig kompliziert oder kostspielig sein und keine unangemessenen Fristen oder ungerechtfertigten Verzögerungen mit sich bringen.

Produktpiraterieverordnung

Das Grenzbeschlagnahmeverfahren für den Schutz des geistigen Eigentums in der EU hat zunehmend an Bedeutung gewonnen, da es sich als wirksames Mittel zur Bekämpfung des Imports gefälschter oder nachgeahmter Waren erwiesen hat. Deshalb wurde in dem internationalen Bestreben zur Vereinheitlichung des gewerblichen Rechtsschutzes in der Europäischen Gemeinschaft am 01.01.1988 die Produktpiraterieverordnung EG Nr. 3842/86 (Abl. EG vom 18.12.1986 Nr. L 357, S. 1) über Maßnahmen zum Verbot der Überführung nachgeahmter Waren in den zollrechtlich freien Verkehr erlassen (Guhn, 2009: 21). Diese Verordnung wurde durch die Produktpiraterieverordnung (PPVO) EG Nr. 3295/94 vom 22.12.1994 über Maßnahmen zum Verbot der Überführung nachgeahmter Waren und unerlaubt hergestellter Vervielfältigungsstücke oder Nachbildungen in den zollrechtlich freien Verkehr oder in ein Nichterhebungsverfahren sowie zum Verbot ihrer Ausfuhr und Wiederausfuhr (Abl. L 341 vom 30.12.1994) ersetzt. Die Verordnung wurde durch die Änderungsverordnung EG Nr. 241/1999 vom 25.01.1999 (Abl. L 27 vom 2.2.1999) modifiziert. Schließlich hat die PPVO durch die Verordnung EG Nr. 1383/2003 des Rates vom 22.07.2003 über das Vorgehen der Zollbehörden gegen Waren, die im Verdacht stehen, bestimmte Rechte geistigen Eigentums zu verletzen, und die Maßnahmen gegen Waren, die anerkanntermaßen derartige Rechte (Abl. Nr. L 196 vom 02.08.2003, S. 7) verletzen, den Maßnahmenkatalog erweitert. Mit dieser Änderung werden auch Gemeinschaftsgeschmacksmuster, Sorten, Ursprungsbezeichnungen und geografische Herkunftsangaben vom Anwendungsbereich der PPVO erfasst (Guhn, 2009: 22 ff.). Neben den herkömmlichen zivilrechtlichen und strafrechtlichen Möglichkeiten wurde mit der PPVO eine zusätzliche Option zum Schutz des geistigen Eigentums geschaffen (Guhn, 2009: 29). Nach Erwägungsgrund 2 PPVO soll soweit wie möglich verhindert werden, dass nachgeahmte und unerlaubt hergestellte Waren auf den Markt gelangen, und es sollten Maßnahmen zur wirksamen Bekämpfung dieser illegalen Praktiken ergriffen werden, ohne jedoch die Verkehrsfreiheit des rechtmäßigen Handels zu beeinträchtigen. Dadurch sind nach Art. 1 PPVO die Voraussetzungen festgelegt worden, unter denen die Zollbehörden tätig werden können, wenn Waren im Verdacht stehen, ein Recht des geistigen Eigentums zu verletzen.

ENTWICKLUNG DES DESIGNSCHUTZES IM TÜRKISCHEN RECHT

Osmanisches Reich

Im Osmanischen Reich kam es anders als in Europa nicht zu einer Industrialisierung. Folglich konnten sich, abgesehen von einigen

staatlichen Unternehmen gegen Ende des Osmanischen Reichs, kaum große Unternehmen mit Massenproduktion entwickeln. Aufgrund der industriellen Rückständigkeit stellte die Produktpiraterie für die Existenz kleiner Betriebe keine Bedrohung dar, daher stand die Kodifikation des Rechts des geistigen Eigentums beziehungsweise des Designschutzes nicht im Vordergrund.

Das Design der Produkte, die handwerklich produziert wurden, wurde daher zwar nicht durch Gesetze, jedoch durch bestimmte Bräuche geschützt. Für die Ausgestaltung der Produkte kamen oftmals die Kunsthandwerke der Kalligrafie, Ebru-Malerei (Die Kunst und Technik des Malens auf dem Wasser, vgl. Çoktan, 1992: 5), Miniaturmalerei, Fliesen- und Gefäßkeramik, Architektur und der Textilkunst zur Anwendung. Jede Kunstgattung hatte ihre eigene Tradition. Sie alle hatten einen moralischen, kulturellen und religiösen Hintergrund. Im Osmanischen Reich spielte deshalb die Ausbildung der Künstler und der Handwerker für den Schutz der Muster der Werke eine große Rolle. Beispielsweise mussten die Kalligrafiekünstler ein Diplom, die sog. „İcazetname“ (schriftliche Erlaubnis oder Urkunde), für Lehrzwecke und eine zweite zur Unterzeichnungsbefugnis für die eigene Kalligrafie erwerben. Die Unterschrift war der Nachweis dafür, wer die Kalligrafie erstellt hatte und ob die Person ein qualifizierter Künstler war. Auf diese Weise konnte der Künstler unter seinen Zeitgenossen einen Bekanntheitsgrad erwerben, der Nachwelt präsent bleiben und den Wert seiner Werke steigern (Schack, 2009: Rn. 332). Hatte der Kalligrafiekünstler aber keine „İcazetname“, konnte er seine Werke auch nicht signieren. Das Recht der Anerkennung der Urheberschaft bzw. das Namensnennungsrecht wurde so weitgehend durch Bräuche begrenzt.

Ferner waren beim Schutz des gewerblichen Rechte auch die Berufsorganisationen des Osmanischen Reichs entscheidend. Eine dieser Organisationen war die sog. „Ahilik“. Die Entstehung dieser Berufsorganisation reicht bis zum Anfang des 13. Jahrhunderts zurück. Die Institution der „Ahilik“ (vergleichbar mittelalterlichen Zünften in Europa) sicherte die Produktionsqualität, indem sie ein Berufsethos einführte sowie Theorie und Praxis zusammen bewertete. Diese Organisation machte ihren Mitgliedern die Beachtung sowohl beruflicher als auch ethischer und religiöser Prinzipien zur Auflage (Anadol, 1991: 1-8, 60 ff.; Çağatay, 1990: 1-7, 31 ff.). So durften Produktionstechniken einer Unterorganisation (vergleichbar einer Innung) von den anderen im selben Gebiet tätigen Unterorganisationen nicht genutzt werden. Wenn also beispielsweise Herr Atif in Istanbul einen neuen Stoff mit Blumenmotiven webte, konnte per Erlass verboten werden, dass sein Muster von den anderen Unterorganisationen genutzt werden durfte (Kala, 2008: 37). Allerdings durften alle Erfindungen, Techniken und Methoden nur geschützt

werden, wenn sein Erfinder Angehöriger einer Innung war (Kala, 2008: 33). Erzeugnisse, die erstmal in einer Innung entworfen wurden, durften demnach von den anderen Handwerkern der anderen Innungen nicht imitiert werden (İvgin, 1996: 71, 74; Kala, 2008: 95; Marşap, 2005: 85). Plagiierte ein Mitglied so ein Erzeugnis, wurde es aus seiner Organisation ausgeschlossen und durfte diese Art der Tätigkeit nicht mehr ausüben. Auf diese Weise wurde das Design der Erzeugnisse geschützt (Çağatay, 1990: 127).

Kodifikationen

Im türkischen Recht findet der Desingschutz seinen Ursprung im Urheberrecht. Die Kodifikationen des türkischen Immaterialgüterrechts bzw. Urheberrechts begannen in der zweiten Hälfte des 19. Jahrhunderts. Im Jahr 1850 wurde eine erste gesetzliche Regelung im Urheberrecht mit der „Verordnung der Akademie der Wissenschaften“ (Encümen-i Daniş Nizamnamesi) geschaffen. Sieben Jahre später, im Jahr 1857, wurde eine Verlags- (Matbaa Nizamnamesi), Urheberrechts- (Telif Nizamnamesi) und Übersetzungsverordnung (Telif ve Tercüme Nizamnamesi) erlassen. In diesen Verordnungen wurden nur schriftliche Werke geschützt. Erst mit dem „Urheberrechtsgesetz“ (Hakki Telif Kanunu) von 1910 wurde neben dem urheberrechtlichen Schutz der Schriftwerke wie in den Vorgängerkodifikationen auch ein Schutz für Gemälde und Zeichnungen, Plastiken, Karten und Pläne, technische Zeichnungen, Bauwerke sowie Werke der Musik und Bühnenwerke vorgesehen (Erel, 2009: 21, 22). Das Design von Erzeugnissen wurde somit gesetzlich umfassend geschützt.

Nach der Gründung der Türkischen Republik am 29.10.1923 wurde mit der Reform des türkischen Urheberrechts begonnen, weil das genannte Gesetz aufgrund des Beitritts zur Berner Übereinkunft als nicht ausreichend und angesichts der rasanten Entwicklung von Kommunikationsmitteln und Unterhaltungsmedien als nicht mehr zeitgemäß erschien. Daher wurde „Das Gesetz zum Schutz von Geistes- und Kunstwerken“ (Fikir ve Sanat Eserleri Kanunu – TURhG) am 05.12.1951 verabschiedet und trat am 01.01.1952 in Kraft (Hirsch, 1957: 9-11). Das Gesetz definierte bestimmte Werkgruppen, nämlich die „Werke der Wissenschaft und Literatur, Musikwerke, Werke der bildenden Künste und Filmwerke“. Unter den verschiedenen Werkgruppen wurden Werkarten entweder umschreibend oder aufzählend geregelt. Dabei erfuhren auch in diesem Gesetz Werke der bildenden Künste eine ausführliche Regelung. Werke der bildenden Kunst wurden in Art. 4 TURhG als „Handarbeiten und Werke des Kunstgewerbes, Plastiken, Bilder, Zeichnungen, fotografische Werke oder ein sonstiges Verfahren auf Metall“ beschrieben. Werke der bildenden Kunst mussten künstlerischer Natur sein und die Eigentümlichkeit ihres Urhebers aufweisen. In Art. 4 Abs. 2 TURhG wurde zum ersten Mal der

Begriff „industrielles Design“ erwähnt. Demzufolge verloren diejenigen Werke der bildenden Kunst, die nach anderen Gesetzen (z.B. nach dem Handels-, Zivil- oder Markengesetzbuch) als Geschmacksmuster oder Modelle geschützt wurden, ihre Eigenschaft als Geistes- und Kunstwerke nicht. Allerdings gab es zu jener Zeit kein Geschmacksmustergesetz.

Design wurde bis zum Jahr 1995 nach dem Urheber- und Wettbewerbsrecht geschützt (Suluk & Orhan, 2008: 75). Das Jahr 1995 stellte allerdings eine Wende für das türkische Immaterialgüterrecht dar. Grund für die Gesetzesnovelle dieses Jahres war der Beitrittsprozess der Türkei in die Europäische Union (EU). Ein erster Schritt dazu war ein Assoziationsabkommen (Abl. EG vom 29.12.1964 Nr. 217, S. 3701-3702; BGBl 1964 Teil 2, S. 509, 1959) zwischen der Europäischen Wirtschaftsgemeinschaft und der Türkei von 12.09.1963, das bis heute die Grundlage für die Zusammenarbeit zwischen der EU und der Türkei ist. Art. 2 Abs. 1 des Assoziationsabkommens definierte als Ziel, die gegenseitigen Handels- und Wirtschaftsbeziehungen zu verstärken und den beschleunigten Aufbau der türkischen Wirtschaft zu gewährleisten. Am Ende dieses Prozesses sollte eine Zollunion stehen. Mit dem Zollunionsbeschluss (Abl. EG vom 13.12.1996, Nr. L 35/1) wurde darauf abgezielt, Zölle aufzuheben (Art. 4 ZUB) und mengenmäßige Ein- und Ausfuhrbeschränkungen zu beseitigen (Art. 5 und 6 ZUB), wobei hier die inhaltliche Übereinstimmung mit Art. 36 AEUV hervorzuheben ist (Uysal, 1998: 25). Der Zollunionsbeschluss war auch Grundlage für die Harmonisierung der türkischen Handels- und Wettbewerbspolitik mit den EU-Richtlinien einschließlich der Reformen des Rechts des geistigen Eigentums. Die türkischen Gesetze mussten hinsichtlich des Schutzes des geistigen Eigentums angepasst werden, sodass in diesem Bereich ein EU-äquivalentes Niveau sichergestellt werden konnte, das auch den zukünftigen Beitritt der Türkei zur EU vereinfachen würde (Keskin, 2005: 63, 80). Aus diesen Gründen und wegen der Erfordernisse der Implementierung des Übereinkommens über handelsbezogene Aspekte der Rechte des geistigen Eigentums (TRIPS-Übereinkommen) in die türkische Gesetzgebung geschahen im Bereich des Rechtsschutzes tiefgreifende Änderungen (Suluk & Orhan, 2005: 82).

Der Schutz des Designs ist im Sinne eines gewerblichen Schutzrechts in Verbindung mit einem speziellen Gesetz, wie dem Geschmacksmustergesetz, im Vergleich zu Deutschland erst mehr als ein Jahrhundert später eingeführt worden. Für diese Verspätung spielt die gängige Anwendung des Urheber- und des Rechts des unlauteren Wettbewerbs beim Designschutz eine große Rolle. Die erste spezielle Regelung für den Designschutz [„Rechtsverordnung mit Gesetzeskraft für den Schutz der industriellen Designs“ (Endüstriyel Tasarımların

Korunması. Hakkında Kanun Hükmünde Kararname – TDesVOMG)] wurde im Jahr 1995 verabschiedet (RG. (Amtsblatt) Nr. 22326 vom 27.06.1995) und inhaltlich dem Entwurf der Verordnung des Europäischen Parlaments und des Rates für das Gemeinschaftsgeschmacksmuster von 1993 (EU-Verordnungsentwurf von 1993) angelehnt.

In der Türkei wurde am 22.12.2016 das Gesetz Nr. 6769 über den gewerblichen Rechtsschutz (RG 10.1.2017, S. 29944) (GRG) verabschiedet und am 10.1.2017 im Amtsblatt bekanntgemacht. Überdies wurde am 24.4.2017 die Verordnung zur Ausführung des GRG (GRGV) bekanntgemacht (RG 24.4.2017, S. 30047). Mit der Verabschiedung des GRG wurden die Regelungen über das Patentrecht, das Gebrauchsmusterrecht, das Markenrecht, das Recht der geografischen Herkunftsangaben und das Designrecht in einem Rechtstext gebündelt. Im dritten Buch sind designrechtliche Regelungen vorgesehen. Das GRG brachte viele Neuerungen im Designschutz mit sich. Nach dem GRG können – wie im europäischen Designrecht – neben den eingetragenen Designs auch nicht eingetragene Designs geschützt werden. Außerdem wird für „must-match“-Teile ein dreijähriger Schutz und für äquivalente Teile ein dreijähriger Schutzausschluss vorgesehen. Um den Anmeldeprozess zu beschleunigen, werden die Widerspruchsfristen vor dem „Türkischen Patent- und Markenamt“ (TÜRKPATENT) verkürzt. Anders als das TDesVOMG prüft das „Türkische Patent- und Markenamt“ (TÜRKPATENT) nach Art. 64 Abs. 6 GRG, ob das Design neu ist und gegen die öffentliche Ordnung oder die guten Sitten verstößt (Polater, 2017: 1031 ff.).

EINBINDUNG DER TÜRKEI IN INTERNATIONALE VEREINBARUNGEN

Pariser Verbandsübereinkunft

Das erste und wichtigste Abkommen auf dem Gebiet des gewerblichen Rechtsschutzes ist die „*Pariser Übereinkunft zum Schutze des gewerblichen Eigentums*“ (PVÜ). Sie wurde am 20.03.1883 zwischen Belgien, Brasilien, Frankreich, Guatemala, Italien, den Niederlanden, Portugal, Salvador, der Schweiz, Serbien und Spanien abgeschlossen. Sie ist in der Vergangenheit mehrfach überarbeitet und ergänzt worden und weitere Staaten sind dem Abkommen beigetreten. Die dem Abkommen zugehörigen Staaten bilden einen *körperschaftlich organisierten Verband zum Schutz des gewerblichen Eigentums*, Art. 1 Abs. 1 PVÜ. Die PVÜ wird von der Weltorganisation für Geistiges Eigentum (WIPO) in Genf verwaltet und hatte mit Stand des Jahres 2021 insgesamt 178 Verbandsländer als Mitglieder (WIPO-Administered Treaties Contracting Parties Paris Convention, 2021).

Die Türkei trat der PVÜ im Jahr 1925 der damals gültigen Washingtoner

Fassung von 1911 bei (Tekinalp, 2012: § 6 Rn. 19) und schließlich wurde im Jahr 1975 (Beschluss des Kabinetts 7/10464, RG. (Amstblatt) 20.11.1975) unter Vorbehalt der Art. 1 bis 12 die revidierten Stockholmer Fassung (1994 wurde dieser Vorbehalt fallen gelassen) angenommen (RG. (Amstblatt) vom 20.11.1974, Nr. 15418; RG. (Amstblatt) 23.09.1994, Nr. 12206).

Ziel der PVÜ war es, den Gedanken des gewerblichen Rechtsschutzes weltweit zu verbreiten, die großen Unterschiede der bestehenden nationalen Gesetze zu beseitigen, den unvollkommenen Schutz der ersten nationalen Gesetze zu optimieren und das Verfahren zur Erlangung internationalen Schutzes zu rationalisieren (Beier, 1983: 339 ff.). In Art. 1 Abs. 2 PVÜ wird bestimmt, dass der gewerbliche Rechtsschutz Erfindungspatente, Gebrauchsmuster, Farb- oder Handelsmarken, Dienstleistungsmarken, Handelsnamen, Herkunftsangaben, Ursprungsbezeichnungen sowie „gewerbliche Muster und Modelle“ erfasst (Heydt, 1960: 197 ff.). Daher gehören gewerbliche Muster und Modelle zu den von der Konvention erfassten Gegenständen des gewerblichen Rechtsschutzes. Die PVÜ verpflichtet nach Art. 5^{quinquies} PVÜ ihre Verbandsländer, gewerbliche Muster und Modelle zu schützen. Dabei wird der Schutzgegenstand in der PVÜ nicht definiert und offen gelassen, mit welchen Mitteln ein solcher Schutz gewährt werden muss. Eine Sondergesetzgebung für Geschmacksmusterschutz ist deshalb nicht zwingend erforderlich. Der Schutz kann auch durch andere Gesetze, etwa über das Urheberrecht oder das Lauterkeitsrecht, gewährt werden (Kur, 1995: 185, 186; Lorenzen, 2002: 15).

In Art. 4 C PVÜ wird für Muster und Modelle eine Prioritätsfrist von sechs Monaten vorgesehen. Nach Art. 5 D PVÜ ist für die Anerkennung des Rechts die Hinterlegung des gewerblichen Musters und Modells durch Anbringung eines Zeichens oder Vermerks auf dem Erzeugnis nicht erforderlich. Für gewerbliche Muster und Modelle findet auch der Grundsatz der Inländerbehandlung nach Art. 3 PVÜ Anwendung. Entsprechend sind die Verbandsländer verpflichtet, den Angehörigen der übrigen Verbandsstaaten jeweils den gleichen Schutz zu gewähren, wie sie ihn eigenen Staatsangehörigen zugestehen. Anders als andere gewerbliche Schutzrechte darf nach Art. 5 B PVÜ der Schutz gewerblicher Muster und Modelle wegen unterlassener Ausübung oder wegen der Einfuhr von Gegenständen, die mit den geschützten Gegenständen übereinstimmen, in keiner Weise durch Verfall beeinträchtigt werden (Kur, 1995: 185, 186 ff.; Lorenzen, 2002: 16).

Berner Übereinkunft

Die „Berner Übereinkunft zum Schutz von Werken der Literatur

und Kunst“ (RBÜ) ist das älteste internationale Vertragswerk auf dem Gebiet des Urheberrechts. Sie wurde am 09.09.1886 mit Zusatzartikel, Schlussprotokoll und Vollziehungsprotokoll zwischen Belgien, dem Deutschen Reich, Frankreich, Großbritannien, Italien, der Schweiz, Spanien und Tunesien geschlossen (Vgl. Art. 1, 22-26 RBÜ), um die Rechte der Urheber an Werken im jeweiligen Land und auf dem Territorium der anderen Staaten durch multilateralen Staatsvertrag in wirksamer und möglichst einheitlicher Weise zu schützen und den Austausch der kulturellen Güter und Leistungen zu verstärken (Püschel, 1986: 21, 45). Zu dieser Übereinkunft wurden zwei Ergänzungen vorgenommen und mehrere revidierte Fassungen vereinbart (Vervollständigt am 04.04.1896 in Paris; revidiert am 13.09.1908 in Berlin; vervollständigt am 20.03.1914 in Bern; revidiert am 02.06.1928 in Rom, 26.06.1948 in Brüssel, 04.07.1967 in Stockholm, 24.07.1971 und 28.09.1979 in Paris). Durch die Berner Übereinkunft wurde ein Staatenverband gegründet, dessen internationales Büro in Genf liegt und dessen Sekretariat die Weltorganisation für geistiges Eigentum (WIPO) ist. Im Jahr 1952 trat die Türkei durch Gesetz Nr. 5777 vom 28.05.1951 der Berner Übereinkunft in der Brüsseler Fassung von 1948 bei (RG. (Amstblatt) 02.06.1951, Nr. 7824), und schließlich wurde der Pariser Fassung von 1971 durch Gesetz Nr. 4117 vom 12.07.1995 zugestimmt (RG. (Amstblatt) 12.07.1995, Nr. 22341).

Die RBÜ enthält auch Regelungen über den Designschutz. Allerdings werden hierbei weder „Werke der angewandten Kunst“ noch „Muster“ definiert. Nach Art. 2 Abs. 7 RBÜ:

„.....bleibt der Gesetzgebung der Verbandsländer vorbehalten, den Anwendungsbereich der Gesetze, die die Werke der angewandten Kunst und die gewerblichen Muster und Modelle betreffen, sowie die Voraussetzungen des Schutzes dieser Werke, Muster und Modelle festzulegen. Für Werke, die im Ursprungsland nur als Muster und Modelle geschützt werden, kann in einem anderen Verbandsland nur der besondere Schutz beansprucht werden, der in diesem Land den Mustern und Modellen gewährt wird; wird jedoch in diesem Land kein solcher besonderer Schutz gewährt, so sind diese Werke als Werke der Kunst zu schützen.“

Daraus kann entnommen werden, dass die Verbandsländer frei bestimmen können, ob und in welchem Ausmaß sie Gebrauchsgegenständen urheberrechtlichen und/oder geschmacksmusterrechtlichen Schutz gewähren. Zudem enthält Art. 2 Abs. 7 RBÜ eine Abweichung vom Grundsatz der Inländergleichbehandlung und eine materielle Reziprozitätsklausel. Das heißt, wenn in einem Verbandsland inländische Werke zusätzlich zu einem spezifischen Designschutz auch urheberrechtlich geschützt werden, so muss der Urheberrechtsschutz nur dann auch konventionsangehörigen Ausländern gewährt werden, soweit in deren Heimatland ebenfalls

urheberrechtlicher Schutz erlangt werden kann. Die Werke, die im Ursprungsland nur als Muster und Modelle geschützt werden, können in einem anderen Verbandsland als Werke der Kunst geschützt werden, wenn in diesem Land kein spezifischer Designschutz gewährt wird (Kur, 1995: 185, 187; Wang, 2007: 98). Allerdings hat der EuGH mit seiner Phil-Collins-Entscheidung festgestellt, dass innerhalb der Europäischen Union diese Vorschrift keine Anwendung finden kann, weil sie als eine nach Art. 6 EWGV (Maastricht) unzulässige Diskriminierung anzusehen ist (Kur, 1995: 185, 187; vgl. EuGH GRUR Int. 1994, 53, Tz. 33 ff. – Phil-Collins). Außerdem beträgt nach Art. 7 Abs. 4 PVÜ die Schutzdauer in Ländern, in denen das nationale Recht urheberrechtlichen Schutz für Werke der angewandten Kunst gewährt, gegenüber Ausländern mindestens 25 Jahre (Lorenzen, 2002: 18; Wang, 1998: 98).

Haager Abkommen über die Internationale Hinterlegung gewerblicher Muster und Modelle (HMA)

Das Haager Abkommen über die Internationale Hinterlegung gewerblicher Muster und Modelle wurde am 06.11.1925 abgeschlossen und bisher mehrfach revidiert (Revidiert am 2.06.1934 in London, am 28.11.1960 in Haag und 1.01.1999 in Genf) und ergänzt (Ergänzt am 18.11.1961 in Monaco, am 14.07.1967 in Stockholm). Bis zum Jahr 2021 traten bisher den verschiedenen Akten zum Haager Musterabkommen insgesamt 76 Länder bei (WIPO-Administered Treaties WIPO Bodies Assembly (Hague Union), 2021). Die Europäische Gemeinschaft ist seit 01.01.2008 Mitglied des Haager Musterabkommens (Grundlage war der Beschluss des Rates 2006/954/EG vom 18.12.2006 zur Genehmigung des Beitritts, ABl L 386 vom 29.12.2006, S. 28 bis 43). Die Türkei trat der Fassung von 1999 erst am 01.01.2005 bei (RG. (Amstblatt) Nr. 25433 v. 14.04.2004).

Ziel des HMA ist die Schaffung einer Verfahrenserleichterung für den Anmelder von Mustern. Durch das HMA wird kein – wie beim GGM – einheitliches Musterrecht geschaffen. Vereinfacht wird nur das Verfahren zur Erlangung verschiedener nationaler Schutzrechte, so dass mit einer einzigen Anmeldung beim Internationalen Büro der WIPO in Genf Schutz in einer Vielzahl von Staaten erlangen werden kann (Pilla, 1999: 150; Reiser, 2011: 487). Diese internationale Anmeldung kann gemäß Art. 4 Abs. 1 Genfer Akte des HMA nach Wahl des Anmelders entweder direkt beim Internationalen Büro oder über das Amt der Vertragspartei des Anmelders eingereicht werden. Mit dem Zeitpunkt der internationalen Registrierung hat nach Art. 14 Abs. 1 Genfer Akte des HMA die internationale Eintragung zumindest dieselbe Wirkung für jede Vertragspartei wie ein nach dem Recht dieser Vertragspartei vorschriftsmäßig eingereichtes Gesuch um Schutzerteilung für ein gewerbliches Muster oder Modell (Eichmann &

von Falckenstein, 2010: Einl. Internationales GeschmMG Rn. 7; Reisner, 2011: 487, 495).

Abkommen von Locarno zur Errichtung einer Internationalen Klassifikation für gewerbliche Muster und Modelle

Eine diplomatische Konferenz, zu der alle Mitgliedsländer der Pariser Verbandsübereinkunft zum Schutze des gewerblichen Eigentums eingeladen wurden, beschloss am 08.10.1968 in Locarno ein Abkommen zur Einrichtung einer Internationalen Klassifikation für gewerbliche Muster und Modelle. Dieses Abkommen wurde am 28.09.1979 revidiert und die Locarno-Klassifikation wurde bereits mehrmals überarbeitet. Dem Übereinkommen sind mit Stand des Jahres 2021 insgesamt 60 Staaten beigetreten (WIPO-Administered Treaties WIPO Bodies Assembly (Locarno Union), 2021). In Art. 9 Abkommen von Locarno wird eine für eine Mitgliedschaft in der durch das Locarno Übereinkommen begründeten Gemeinschaft eine Mitgliedschaft in der PVÜ vorausgesetzt (Lorenzen, 2002: 14.). Die Türkei trat dem Locarno-Abkommen am am 30.11.1998. Nach Art. 61/V GRG werden Klassen und Unterklassen nach dem Locarno-Abkommen eingeteilt.

Die Länder, auf welche dieses Abkommen Anwendung findet, bilden nach Art. 1 Nr. 1, 2 einen besonderen Verband, um für die gewerblichen Muster und Modelle einheitliche Klassifikationen zu schaffen. Zudem wurde nach Art. 3 ein Sachverständigenausschuss eingesetzt, in dem jedes der Mitgliedsländer vertreten ist. Dieser Ausschuss ist befugt, Änderungen oder Ergänzungen an der ursprünglichen Einteilungsliste der Klassen und Unterklassen vorzunehmen, eine alphabetische Warenliste aufzustellen und erläuternde Anmerkungen anzufertigen. Ferner ist der Ausschuss berechtigt, alle drei oben genannten Teile des Locarno-Abkommens zu ändern oder zu ergänzen. Die Locarno-Klassifikation wurde mehrmals vom Sachverständigenausschuss überarbeitet (Am 07.07.2009, 14.11.2006, 06.08.2003, 23.10.1990, 30.08.1983.) und seit 01.01.2009 ist die 9. Ausgabe der Locarno-Klassifikation gültig.

Die Locarno-Klassifikation umfasst nach Art. 1 Abs. 3 lit. i des Locarno-Abkommens eine Einteilung in Klassen und Unterklassen, und zwar nach lit. ii eine alphabetische Liste der Waren, die Gegenstand von gewerblichen Mustern und Modellen sein können, mit Angabe der Klassen und Unterklassen, in die sie eingeordnet sind, und nach lit. iii erläuternde Anmerkungen.

Die Locarno-Klassifikation hat gemäß Art. 2 Abs. 1 Locarno-Abkommen nur verwaltungsmäßige Bedeutung und bindet die Länder des besonderen Verbandes nicht hinsichtlich der Art und des Umfangs des Schutzes des Musters oder Modells in diesen Ländern. Die Behörden

der Länder des besonderen Verbandes sind nach Art. 2 Abs. 3 Locarno-Abkommen verpflichtet, in den amtlichen Urkunden über die Hinterlegung oder Eintragung der Muster oder Modelle und sofern sie amtlich veröffentlicht werden, in diesen Veröffentlichungen die Nummern der Klassen und Unterklassen der Internationalen Klassifikation anzugeben, in welche die Waren eingeordnet sind, die Gegenstand der Muster oder Modelle sind.

TRIPS-Übereinkommen

Am 15.04.1994 wurden in Marrakesch die multilateralen Handelsverhandlungen der Uruguay-Runde des Allgemeinen Zoll- und Handelsabkommens (GATT) mit der Unterzeichnung des Übereinkommens zur Gründung der Welthandelsorganisation (WTO) abgeschlossen. Die WTO bildet nach Art. II 1 WTO-Übereinkommen den gemeinsamen institutionellen Rahmen für die Wahrnehmung der Handelsbeziehungen zwischen ihren Mitgliedern in Angelegenheiten im Zusammenhang mit den in den Anlagen dieses Übereinkommens enthaltenen Übereinkommen und dazugehörigen Rechtsinstrumenten. Die WTO stützt sich im Kern auf das GATT, enthält aber insgesamt mehr als 40 Einzelübereinkommen sowie umfangreiche ergänzende Bestimmungen und Regelungen. Eines der weiteren Übereinkommen, die in den Anlagen zum WTO-Übereinkommen enthalten sind, ist das als Anlage 1 C angefügte Übereinkommen über handelsbezogene Aspekte der Rechte des geistigen Eigentums (Agreement on Trade-Related Aspects of Intellectual Property Rights – TRIPS) (Busche & Stoll, 2007: Einl. 1 TRIPS Rn. 17 ff.; Katzenberger, 1995: 447 ff.).

Der Schutz der Rechte des geistigen Eigentums wurde zunächst in den GATT-Verhandlungen und dann in TRIPS als Teil des WTO-Übereinkommens aufgenommen. Ausschlaggebend hierfür waren die folgenden Beweggründe: zunehmende wirtschaftliche Bedeutung und damit auch Schutzbedürftigkeit der durch diese Rechte geschützten Güter, die Defizite des traditionellen internationalen Schutzes dieser Rechte und die Fragwürdigkeit einseitiger und bilateraler Schutzalternativen (Katzenberger, 1995: 447, 468). Allerdings waren viele Länder, die als „Problemfälle“ im Bereich der Produktpiraterie eingestuft wurden, nicht Mitglieder der bis dahin geschlossenen Abkommen wie z.B. PVÜ oder RBÜ. Darüber hinaus wurden in den Schwellenländern keine wirksamen Verbesserungen zur Verhinderung der Produktpiraterie erreicht. Dieses Defizit sollte durch eine einheitliche Regelung, wie sie später in TRIPS erfolgte, beseitigt werden (Schmidt-Pfützner, 2005: 24, 25). Das Ziel von TRIPS ist es daher, Verzerrungen und Behinderungen des internationalen Handels zu verringern sowie einen wirksamen und angemessenen Schutz der Rechte des geistigen Eigentums zu fördern und sicherzustellen (Vgl. Die Präambel des TRIPS).

Bisher traten 164 Staaten dem TRIPS-Übereinkommen bei. Die Europäische Union ist seit 01.01.1995 Mitglied des TRIPS-Übereinkommens (Amtsblatt Nr. L 336 vom 23.12.1994, S. 0214-0233). Die Türkei trat dem TRIPS-Übereinkommen am 26.01.1995 mit Gesetz Nr. 4067 bei (RG (Amtsblatt) vom 25.02.1995, Nr. 22213).

TRIPS enthält grundlegende Regelungen für fast alle Gebiete des geistigen Eigentums. Der Geschmacksmusterschutz wird in Abschnitt 4 unter dem Titel „Gewerbliche Muster und Modelle“ geregelt. Im Vergleich zur PVÜ wird nicht nur vorgeschrieben, dass die Mitglieder des TRIPS einen Schutz für gewerbliche Muster und Modelle vorsehen sollen. TRIPS berücksichtigt zum ersten Mal in einer internationalen Konvention Definitionen, Schutzvoraussetzungen und Schutzzumfang der gewerblichen Muster und Modelle (Lorenzen, 2002: 21). Nach Art. 25 TRIPS sehen die Mitglieder den Schutz unabhängig geschaffener gewerblicher Muster und Modelle vor, die neu sind oder Eigenart haben. Damit verpflichtet Art. 25 Abs. 1 Satz 1 TRIPS die Mitglieder, unabhängig geschaffene Muster zu schützen, soweit diese die Schutzvoraussetzungen – nämlich Neuheit oder Eigenart – erfüllen. Allerdings werden hier weder der Begriff des Musters noch derjenige des musterfähigen Erzeugnisses noch die Begriffe Neuheit und Eigenart definiert. Daher handelt es sich um eine Leitlinie dienende Definition, die andere Interpretationen nicht ausschließt. Hiermit wird ein Spielraum für eigenständige nationale Definitionen eröffnet (Kur, 1995: 185, 189; Lorenzen, 2002: 22). In Art. 25 Abs. 1 Satz 2 TRIPS wird den Mitgliedstaaten die Möglichkeit gegeben, Mustern oder Modellen den Schutz zu versagen, wenn sie sich von bekannten Mustern oder Modellen nicht wesentlich unterscheiden. Außerdem wird durch die Einfügung des Wortes „wesentlich“ klargestellt, dass auch ein hoher Schutzstandard mit Art. 25 Abs. 1 TRIPS vereinbar ist (Kur, 1995: 185, 189).

Art. 25 Abs. 2 TRIPS verpflichtet die Mitglieder, sicherzustellen, die Voraussetzungen für die Gewährung des Schutzes von Textilmustern, insbesondere hinsichtlich Kosten, Prüfung oder Bekanntmachung, die Möglichkeit, diesen Schutz zu begehren und zu erlangen, nicht unangemessen zu beeinträchtigen. Diese Sonderregelung des Art. 25 Abs. 2 TRIPS für Textilmuster bezweckt, für ein Produktfeld, dessen Güter in recht kurzer Zeit weitgehend an Wert verlieren, einen schnellen und unkomplizierten Schutz zu gewährleisten, was insbesondere in Entwicklungsländern zum Tragen kommt.^{Nach} Art. 25 Abs. 2 Satz 2 TRIPS steht den Mitgliedstaaten frei, dieser Verpflichtung durch musterrechtliche oder urheberrechtliche Bestimmungen nachzukommen (Busche & Stoll, 2007: Art. 25 TRIPS Rn. 26).

In Art. 26 TRIPS werden die dem Musterinhaber zustehenden Verbotensrechte vorgeschrieben. Nach Art. 26 Abs. 1 TRIPS ist der

Musterinhaber berechtigt, Dritten zu verbieten, ohne seine Zustimmung Gegenstände herzustellen, zu verkaufen oder einzuführen, die ein Muster tragen oder enthalten, das eine Nachahmung oder im Wesentlichen eine Kopie des geschützten Musters darstellt. Für die Geltendmachung des Verbotungsrechts ist daher nicht nur eine sklavische Nachahmung erforderlich, sondern auch das Muster, das im Wesentlichen eine Nachahmung des geschützten Musters oder Modells darstellt bzw. durchaus gewisse Abweichungen aufweist, ausreichend. Die Handlungen können nur untersagt werden, wenn sie zu gewerblichen Zwecken erfolgen. Der Schutzinhaber kann nicht nur einschreiten, wenn die Nachahmung exakt, gewissermaßen „sklavisch“ ist, sondern auch dann, wenn das Design einen im Wesentlichen gleichen Gesamteindruck vermittelt wie das geschützte Muster (Busche & Stoll, 2007: Art. 26 TRIPS Rn. 10; Kur, 1995: 185, 191). Außerdem erlaubt Art. 26 Abs. 1 TRIPS den Mitgliedstaaten, begrenzte Ausnahmen vom Schutz gewerblicher Muster und Modelle vorzusehen. Art. 26 Abs. 1 TRIPS muss somit gewährleisten, dass solche Ausnahmen nicht unangemessen im Widerspruch zur normalen Verwertung geschützter gewerblicher Muster oder Modelle stehen und die berechtigten Interessen des Inhabers des geschützten Musters oder Modells nicht unangemessen beeinträchtigt werden, wobei auch die berechtigten Interessen Dritter zu berücksichtigen sind (Busche & Stoll, 2007: Art. 26 TRIPS Rn. 13).

Gemäß Art. 25 Abs. 1 Satz 3 TRIPS können die Mitglieder auch bestimmen, dass sich dieser Schutz nicht auf Muster oder Modelle erstreckt, die im Wesentlichen aufgrund technischer oder funktionaler Überlegungen vorgegeben sind. Wann dies der Fall ist, wird allerdings nicht geregelt. Daher kann sich die innerstaatliche Gesetzgebung auch in Zukunft darauf beschränken, Designschutz nur für Produkte und Gestaltungselemente vorzusehen, die hauptsächlich dekorativ sind (Kur, 1995: 185, 190).

ZUSAMMENFASSUNG

Mit der Entwicklung der industriellen Fertigungsprozesse und auch mit den Reformbewegungen im sozialen und kulturellen Bereich ging beim Produktdesign die ästhetische äußere und/oder gebrauchsfreundliche Produktgestaltung neben der günstigen Produktionsweise und der Zweckorientiertheit einher. Das Produktdesign schließt daher neben wirtschaftlichen und technischen Funktionen auch praktische, ästhetische und symbolische Funktionen zusammen. Die Unternehmen nutzen Design auch zur Differenzierung und Markenpositionierung gegenüber Wettbewerbern. So trägt das Produktdesign zur Abgrenzung eigener Produkte der Unternehmen gegenüber Produkten der Konkurrenz und Positionierung im Wettbewerb bei (Schramm, 2005: 32 ff.).

Wegen der unterschiedlichen Funktionen des Produktdesigns im

Wettbewerb gewann Designschutz wettbewerbspolitisch weltweit und im europäischen Binnenmarkt immer mehr an Bedeutung. Für die über die nationalen Grenzen hinaus in Europa tätigen Unternehmen waren die erheblichen Unterschiede bezüglich der Anmeldeformalien, des Prüfungsverfahrens und der jeweiligen Schutzdauer sowie der Schutzvoraussetzungen und des Schutzzumfangs zwischen den Mitgliedstaaten bei der Planung und Durchsetzung eines grenzüberschreitenden Geschmacksmusterschutzes eine große Hürde. Daher war zur Aufrechterhaltung eines funktionierenden Wettbewerbs im europäischen Binnenmarkt ein umfassender einheitlicher Schutz des Produktdesigns erforderlich (Schramm, 2005: 40 ff.). Infolgedessen wurde die Richtlinie 98/71/EG des Europäischen Parlaments und des Rates vom 13.10.1998 über den rechtlichen Schutz von Mustern und Modellen (GeschmacksmusterRL) und die Gemeinschaftsgeschmacksmusterverordnung (GGV) vom 12.12.2001 verabschiedet (Mahr, 2009: 33).

Der Designschutz in der Türkei ist im Vergleich zum europäischen Recht ein relativ junges Rechtsgebiet. Da das Osmanische Reich ein Agrarstaat war und Ökonomie auf handwerklicher Produktion ohne nennenswerte Industrie beruhte (Tetzlaff, 2005: 36, 38), hat die Industrialisierung in der Türkei im Vergleich zu europäischen Ländern deutlich später, nämlich in der ersten Hälfte des 20. Jahrhunderts, eingesetzt (Ertin, 1998: 166). Die Technisierung und in der Folge die Massenproduktion, durch die die Plagiatoren ihre Produkte schneller und in größerem Umfang herstellen konnten, begann hier erst später. Dies ist sicher mit ein Grund für das späte Entstehen des gewerblichen Rechtsschutzes bzw. Geschmacksmusterschutzes in der Türkei.

Im türkischen Recht wurden erste Schritte für den Schutz von Design mit dem Urhebergesetz von 1910 unternommen. In diesem wurden Gemälde, Plastiken, Zeichnungen und Bauwerke unter Schutz gestellt. Allerdings war dies kein spezielles Gesetz, um spezifisch gewerbliche Designs zu schützen. Eine erste diesbezügliche gesetzliche Regelung erfolgte relativ spät, nämlich im Jahr 1995 mit der „Rechtsverordnung mit Gesetzeskraft für den Schutz der industriellen Designs“. Vor dieser Verordnung wurde das industrielle Design außer durch das Urheberrecht nach den Grundsätzen des unlauteren Wettbewerbs geschützt. Am 22.12.2016 wurde das Gesetz Nr. 6769 über den gewerblichen Rechtsschutz (GRG) verabschiedet und am 10.1.2017 im Amtsblatt bekanntgemacht. Mit der Verabschiedung des GRG wurden die Regelungen über das Patentrecht, das Gebrauchsmusterrecht, das Markenrecht, das Recht der geografischen Herkunftsangaben und das Designrecht in einem Rechtstext gebündelt.

LITERATURVERZEICHNIS

- Anadol, C., “Türk - İslam Medeniyetinde Ahilik Kültürü ve Fütüvvetnameler („Ahilik“ in der islamischen Kultur und in „Fütüvvetnameler“), Ankara, 1991.
- Beier, F. K., “Hundert Jahre Pariser Verbandsübereinkunft, Ihre Rolle in Vergangenheit, Gegenwart und Zukunft”, Gewerblicher Rechtsschutz und Urheberrecht Internationaler Teil, 1983, 339 ff.
- Benussi, F., “Grundlagen des Designschutzes”, Mitarbeiterfestschrift zum 70. Geburtstag von Eugen Ulmer mit Beiträgen aus dem deutschen, ausländischen und internationalen Recht, Hrsg.: Hans Peter Kunz, Alexander von Mühlendahl, Dieter Stauder, Hanns Ullrich, Carl Heymanns Verlag, Köln, Berlin, Bonn, München, 1973.
- Busche, J., Stoll, P. T., “TRIPS - Internationales und europäisches Recht des geistigen Eigentums”, Heymanns Verlag, Köln, 2007.
- Bürdek, B. E., “Design: history, theory and practice of product design”, Birkhäuser - Publishers for Architecture, Basel; Boston; Berlin, 2005.
- Çağatay, N., “Ahilik Nedir? (Was bedeutet „Ahilik“?)”, Kültür Bakanlığı Halk Kültürünü Araştırma Dairesi Yayınları No:137, Ankara, 1990.
- Çoktan, A., “Türk ebru sanatı: tarihi, yapılışı, kelime anlamı ve ebru çeşitleri (Türkische Ebru-Malerei: Geschichte, Machart, Bedeutung und Arten)”, Emekçin Matbaası, Istanbul, 1992.
- Eck, M., “Neue Wege zum Schutz der Formgebung”, Heymann Verlag, Köln, 1993.
- Eichmann, H., von Falckenstein, R. V., “Geschmacksmustergesetz, Gesetz über den rechtlichen Schutz von Mustern und Modellen”, C.H. Beck Verlag, München, 2010.
- Eichmann, H., Kur, A., “Designrecht: Praxishandbuch”, Nomos Verlag, Baden-Baden, 2009.
- Erel, Ş., “Türk Fikir ve Sanat Hukuku (Türkisches Urheberrecht)”, Yetkin Yayınları, Ankara, 2009.
- Ertin, G., “Türkiye’de Sanayi (Industrie in der Türkei)”, Türkiye Coğrafyası (Geographie der Türkei), abrufbar <https://www.anadolu.edu.tr/aos/kitap/IOLTP/2291/unite10.pdf>, Eskişehir, 1998.
- Guhn, J., “Die Produktpiraterieverordnung 2003”, Kovač Verlag, Hamburg, 2009.
- Günther, P. H., Beyerlein, T., “Kommentar zum Geschmacksmustergesetz”, Verlag Recht und Wirtschaft, Frankfurt am Main, 2012.
- Hauße, T., “Schnellkurs Design”, DuMont, Köln, 1995.
- Heydt, L., “Markenlizenz (B 31)”, Gewerblicher Rechtsschutz und Urheberrecht Ausland- und Internationaler Teil, 1960, 195 ff.

- Heydt, L., "Geschmacksmuster und Werke der angewandten Kunst", Gewerblicher Rechtsschutz und Urheberrecht, 1968, 530 ff.
- Hirsch, E. E., "Das neue Urheberrechtsgesetz der Türkei: Zugleich ein Beitrag zur Reform des deutschen Urheberrechts. Mit deutschsprachiger Fassung des Gesetzes vom 05.12.1951", Baden-Baden, 1957.
- İvgin, H., "Ahilerde Ahlaki Değerler ve Bunların Ticarete Uygulanması (Ethos beim „Ahiler“ und ihre Nutzung beim Handel)", I. Uluslararası Ahilik Kültürü Sempozyum Bildirileri, Kültür Bakanlığı Yayını, Ankara 1996, S. 71 ff.
- Kala, A., "Türk Sinaî Mülkiyet Hakları Tarihi: İhtira Beratı'ndan Patent'e, Alâmet-i Fârîka'dan Marka'ya (Die Geschichte des türkischen gewerblichen Rechtsschutzes: Von Erfindungsurkunde zum Patent, von Warenzeichen zur Marke)", Ankara, 2008.
- Katzenberger, P., "TRIPS und das Urheberrecht", Gewerblicher Rechtsschutz und Urheberrecht Internationaler Teil, 1995, 447 ff.
- Keskin, H., "Warum die Türkei die Gemeinschaft bereichern würde?", Gehört die Türkei zu Europa?: Wegweisungen für ein Europa am Scheideweg von König, Helmut/Sicking, Manfred (Hrgs.), Transcript Verlag, Bielefeld, 2005, 63 ff.
- Kur, A., "TRIPS und der Designschutz", Gewerblicher Rechtsschutz und Urheberrecht Internationaler Teil, 1995, 185 ff.
- Lorenzen B., "Designschutz im europäischen und internationalen Recht: zur Anwendung und Auslegung internationalen und europäischen Designschutzrechts, insbesondere der materiellen Geschmacksmustervorschriften der Richtlinie 98/71/EG und der Verordnung (EG) Nr. 6/2002 über das Gemeinschaftsgeschmacksmuster", LIT Verlag, Münster, 2002.
- Mahr, A. C., "Designschutz: der rechtliche Schutz der Produktgestaltung als Herausforderung an das System der Rechte des geistigen Eigentums", Nomos Verlag, Baden-Baden 2009.
- Marşap, A., "Ahî Evran-ı Veli ve Evrensel İş Etiğinde Yeni Gelişmeler (Neue Entwicklungen nach „Ahî Evran-ı Veli“ und der Arbeitethik)", Ahîlik Araştırmaları Dergisi, Gazi Üniversitesi Ahilik Kültürünü Araştırma Merkezi., 2005, Band. 1, Reihe 2, 85 ff.
- Nirk R., Kurtze H., "Geschmacksmustergesetz", Carl Heymanns Verlag, Köln, 1997.
- Pilla, M., "Bericht über den derzeitigen Entwicklungsstand der Arbeiten an einer Reform des Haager Musterabkommens", Gewerblicher Rechtsschutz und Urheberrecht Internationaler Teil, 1999, 150 ff.
- Polater, S., "Designschutz nach dem neuen türkischen Gesetz zum gewerblichen Rechtsschutz", GRUR-Int 2017, 1030-1040.

- Püschel, H., "100 Jahre Berner Union: Gedanken, Dokumente, Erinnerungen", Leipzig, 1986.
- Reisner, S., "Die Bedeutung des Haager Musterabkommens für die Gemeinschaftsgeschmacksmusterverordnung Vor- und Nachteile einer HMA- bzw. GGV-Anmeldung", Gewerblicher Rechtsschutz und Urheberrecht Internationaler Teil, 2011, 487 ff.
- Ruhl O., "Gemeinschaftsgeschmacksmuster", Carl Heymanns Verlag, Köln, 2010.
- Schack H., "Kunst und Recht", Mohr Siebeck Verlag, Tübingen, 2009.
- Schmid, P., "Die Entwicklung des Geschmacksmusterschutzes", Berlin, 1896.
- Schmidt-Pfitzner, J. H., "Das TRIPS-Übereinkommen und seine Auswirkungen auf den deutschen Markenschutz", Kovač Verlag, Hamburg, 2005.
- Schramm, P., "Der europaweite Schutz des Produktdesigns: Das Gemeinschaftsgeschmacksmuster und sein Verhältnis zur Gemeinschaftsmarke", Nomos Verlag, Baden-Baden, 2005.
- Selle, G., "Die Geschichte des Design in Deutschland: Entwicklung der industriellen Produktkultur", DuMont, Köln, 1978.
- Suluk, C., Orhan, A., "Uygulamalı Fikri Mülkiyet Hukuku (Recht des Geistigen Eigentums in der Rechtspraxis), Band II – Genel Esaslar, Fikir ve Sanat Eserleri (Allgemeine Grundlagen und Urheberrecht)", Seçkin Yayıncılık, Ankara, 2005.
- Suluk, C., Orhan, A., "Uygulamalı Fikri Mülkiyet Hukuku (Recht des Geistigen Eigentums in der Rechtspraxis), Band III – Tasarımlar (Design)", Seçkin Yayıncılık, Ankara, 2008.
- Tekinalp, Ü., "Fikri Mülkiyet Hukuku (Recht des geistigen Eigentums)", Vedat Kitapçılık, İstanbul, 2012.
- Tetzlaff, R., "Europas islamisches Erbe Orient und Okzident zwischen Kooperation und Konkurrenz, Hamburger Beiträge zur Friedensforschung und Sicherheitspolitik", Institut für Friedensforschung und Sicherheitspolitik an der Universität Hamburg, sHamburg, 2005.
- Uysal, E., "Probleme des türkischen Markenrechts aus der Sicht des deutschen und europäischen Rechts: Rechtsvergleichende Untersuchung der Rechtslage in der Türkei und in Deutschland unter Berücksichtigung des europäischen Rechts", Heymann Verlag, Köln; München, 1998.
- Wang, M., "Die schutzfähige Formgebung", Haupt Verlag, Bern ; Stuttgart ; Wien, 1998.
- Wang, M., "Schweizerisches Immaterialgüter- und Wettbewerbsrecht, – Designrecht", Helbing Lichtenhahn, Basel, 2007.
- WIPO-Administered Treaties Contracting Parties Paris Convention, http://www.wipo.int/treaties/en/ShowResults.jsp?lang=en&treaty_id=2, 17.12.2021.

WIPO-Administered Treaties WIPO Bodies Assembly (Hague Union), https://wipolex.wipo.int/en/treaties/ShowResults?start_year=ANY&end_year=ANY&search_what=B&code=ALL&bo_id=9, 17.12.2021.

WIPO-Administered Treaties WIPO Bodies Assembly (Locarno Union), https://wipolex.wipo.int/en/treaties/ShowResults?start_year=ANY&end_year=ANY&search_what=B&code=ALL&bo_id=12, 17.12.2021.

Chapter 2

SOFT POWER OF THE EUROPEAN UNION AND THE PROBLEM OF IMMIGRATION

Emrah AYDEMİR^{1}*

¹ * Assoc. Prof. Dr., Fırat University, Faculty of Communication, Department of Journalism

Soft Power

Hard and soft power are used to carry out foreign policies. While hard power focuses on military intervention, repressive diplomacy and economic sanctions, soft power uses different abilities to get what it wants. Knowing which power will be used under what conditions requires a practical skill. In public policies, powers are generally distributed among a number of institutions and are unequal (Wilson, 2008:114-117).

These differences are both in the type of behavior and in the concreteness of the resources. These can be based on command, coercion, inducement. The power of co-optation is based on the attractiveness of that culture and values or the ability to use the agenda of political preferences according to the objectives (Nye, 2005:16-17).

Table 5: *Spectrum of Behavior and Most Likely Resources*

	Scope of Hard Power	Scope of Soft Power
Spectrum of Behavior	Command Coercion Inducement ← ● — ● — ● — ● →	Agenda setting Attraction Co-opt ● — ● — ● — ● →
Most Likely Resources	Force Sanctions Payment Bribes	Institutions Values Culture Policies

Resource: Joseph S. Nye, *Dünya Siyasetinde Başarının Yolu Yumuşak Güç*, Çev. Reyhan İnan Aydın, Elips Kitap, Ankara, 2005, s.17.

Soft power focuses on cooperation without forcing people. Issues such as ensuring admiration for values and envy of the set example and wanting to reach the level of prosperity and openness affect countries and masses for desired results in world politics. In this sense, soft power is the ability to set the political agenda in a way that shapes other people's priorities (Nye, 2003:10-11).

Soft power creates an attractive relationship depending on the point of view of those who implement it. Although soft power, which is not a political slogan, is not the solution to all problems (Nye, 2010:8), it is important for the protection and maintenance of international interests. The soft power that directs the governments of other countries with the support of the public, strengthens the position of a country or a supranational structure,

strengthens the bonds between citizens by carrying out cultural studies, and ensures capturing the hearts (Aydemir, 2016:138-139), is based on three resources. These resources are culture, political values, government policies and foreign policy (Nye, 20:2005).

Soft Power of the European Union

The European Union was established as an economic union. Afterwards, the social, political and legal aspects showed progress (Özdemir, 2013:77) and in progress of time, political integration was experienced as well as economic integration. The European Union, aiming to create a peaceful structure in order not to experience the disaster of the Second World War again (Erdem and Oğuz, 2003:3), tried to increase its position in world politics as a global actor.

The European Union, which contains more political, secular and transnational elements rather than a national citizenship institution adorned with ethno-cultural and religious references (Kaya, 2013: 133), has three foundations. The first of these is the Community dimension determined by the Maastricht Treaty, and it includes Union citizenship, common policies and Economic and Monetary Union issues. The second foundation of the Union is the Common Foreign and Security Policy. Cooperation in justice and internal affairs covers the third foundation (Sönmezoğlu, 2010:60).

Today, Europe is the closest competitor to the United States in terms of soft power resources. European designs, music, fashion, art and food have a cultural appeal all over the world. Many European countries have a strong cultural appeal in different aspects. Half of the ten languages widely spoken in the world are European languages (Nye, 2005:79).

The international power of the European Union is focused on persuasion and cooperation rather than being unilateral and coercive. In other words, the European Union is an actor based on soft power rather than hard power (Azpiroz, 2015:6). The European Union, a symbol that unites Europe, has a lot of soft power on its own. In the surveys conducted in July 2002, it was seen that most of the Americans had a sympathy towards the European Union and it was concluded that the Union ranks fourth after the United States, England and China in terms of influence in the world (Nye, 2005: 80-81).

The stabilization operations of the European Union are focused on non-military aspects. The broadest concept and main intervention method of the European Union, which is expressed as civil power, is democracy development. The European Union uses law, human rights and democracy reforms for partnerships and considers democracy development projects as its duty in its foreign policy strategy. In this context, the European Union,

which takes steps to create a ‘European Neighborhood Policy’, determines democratization as the first priority and aims to be recognized as a center of attraction with its efforts to develop democracy (Yılmaz, 2012).

The view that war is no longer possible between countries that have fought fiercely for centuries and that Europe has become an island of peace and prosperity has created a positive image for the European Union in many parts of the world. The European Union, which sets a model for the future of countries in terms of economic growth, equality, democracy and personal freedoms, has become more attractive with the standards it has built and the desire of many countries to join the Union has shown the soft power of the European Union (Nye, 2005:81). The European Union benefits from four basic tools in the use of soft power. These are as follows (Pollock, 2012:134):

- Filling the power vacuum left by the United States,
- Making their ideals attractive to the rest of the world,
- Maintaining its international reputation,
- Taking advantage of the lure of expansion.

The European Union reinforces its soft power on the axis of stability and security through its official neighborhood policy and enlargement proces. Through the enlargement policy that constitutes its foreign policy strategy, the European Union tries to reach the other countries by presenting multilateral or bilateral partnership agreements similar to the European Agreements, except for full membership. Its achievements in human rights, democracy, cooperation and social aid increase the interest of the other countries to the European Union, and the Union aims to use the soft power effectively in this way (Eren, 2014). The standards, ideals and structure of the European Union are becoming more and more attractive to the outside world. In addition to the economic expansion of the union, the acceptance of its political culture is also influential on the outside world (Pollock, 2012:134).

The motto of the European Union is united in differences. Despite their differences, Europeans work together for peace and prosperity. There is a culture and identity enriched by their different languages, cultures and traditions. This culture and identity enables the European Union to present itself to the world as a brand. European culture and identity is an important resource for states working together on the axis of common good, and it encourages the rest of the world in terms of regional integration and interregional relations (Azpiroz, 2015:6-7). Higher education, which has been used as a form of soft power for centuries, has an important place in the soft power of the European Union. The use of higher education

as soft power in Europe has a long history, and within the framework of contemporary policy, the European Union manages higher education as a means of promoting mutual cooperation and understanding through research and knowledge transfer (Polglase, 2013).

Another criterion for the soft power of the European Union has been the idea that the Union is a positive power in solving the problems in the world. After the Iraq War, Eastern Europeans and Turks gave the European Union higher marks than the United States on many issues, from reducing poverty to fighting terrorism and protecting the environment. The soft power of the European Union, which does not have as much military power as the United States, is remarkable in terms of its positive image in solving problems in the world and its policies on issues such as death penalty, armament control, climate change, freedom of speech, freedom of the press, and equality (Nye, 2005:82-83). The opinion-based leadership of the European Union, which has sources of attraction such as the importance attributed to international peace, especially related to integration (Cross, 2013:3), and universal values, is indisputable. However, the structural and directional leadership of the European Union is not followed (Ham, 2003:175).

In addition to the culture and local policies of Europe, the Union also gains soft power with its foreign policy that contributes to the public interest all over the world. For example, common agricultural policy for poor countries, its place in international law and human rights agreements, and development aid provided to poor countries overseas contribute positively to the Union (Nye, 2005: 84). Despite all these efforts, the European Union is discussed in isolation of policies and developments in international relations. The changing geopolitical realities in various ways and the Eurozone crisis affect the debate about Europe's difficulties in communicating with the rest of the world (Melissen, 2013:211).

Reflection of Immigration Problem on Soft Power

The immigration problem has posed serious problems for the European Union in general. This is partly due to the fact that each member state, for historical reasons, has traditionally followed different policies regarding immigrants from different parts of the world. Some states had flexible rules at entry, while others imposed tight controls on immigration, encouraged repatriation, and prioritized citizens of their former colonies. The abolition of internal borders had consequences for the movement of immigrants and Southern Europe became a new immigration destination (Köktaş, 2012:441).

Although the normative agenda of the European Union, based on an honest and logical balance between values and interests, is described as

a foreign policy (Ham, 2013:176), the developments in recent years and the refugee crisis have thrown the soft power of the Union into question. Foreign policy and security issues regarding the effectiveness of the soft power of the European Union on non-member states did not leave a consistent and coherent impression. Differentiating foreign policy strategies and the fact that the national foreign policies of the member states are prioritized over the foreign policy of the European Union have carried the immigration problem in the European Union to a different level. After the Arab Spring, incidents in the Middle East and Afghanistan sharply increased the number of refugees, and the crisis became a political concern of the European Union. While the crisis affected some European Union states more deeply, it affected some states less.

The union's chaotic response to the crisis has both undermined its own coherence and challenged its positive image globally. Under the pressure of mass immigration, the acceptance of the resettlement of refugees on paper, the political debate over the reform of the Common European Asylum System (CEAS) undermined the principle of European solidarity and led to the gradual renationalization of immigration policies. Especially because of the massive influx of foreigners, the rise in terrorist threats, and pressure from voters, most European governments have focused on how to stop people from reaching the European Union. Over time, the European Union focused on protecting the borders rather than protecting the human rights of refugees (Kugiel, 2017).

The European Union has set up special funds to help refugees outside its borders and has also used humanitarian language to save the lives of immigrants. However, the discussions on the repatriation of immigrants covered up the founding principles of the European Union on human dignity, solidarity, freedom, democracy, equality and human rights, and the approach of the Union received serious criticism from human rights groups and international organizations (Kugiel, 2017).

Issues such as recurrent maritime accidents, problems observed in refugee camps along the European Union and Schengen borders, and the construction of fences continued to be on the agenda. The question of how the European Union, national governments, regional and local actors, NGOs, communities and civil society will deal with this situation has led to the examination of the culture and solidarity spirit of the Union at national and international level (Ritter, Rhomberg, Barlai, Fähnrich and Griessler, 2017:13-14).

With the Taliban's takeover of Afghanistan before the United States completed its withdrawal process, a new phase of immigration began, and in the meetings of the European Union member states on Afghanistan, it

was agreed that the situation in 2015 would not be repeated. However, the European Union has also left the door open for Afghans to come in an organized manner if member states are willing to accept immigrants. In this way, the European Union tried to state that it attaches importance to the values that make up its soft power and underlined that people in need of protection will be allowed to come to the European Union countries through legal and safe ways.

The European Union's agreement with Afghanistan on the repatriation of immigrants caused deep concern, and the Union began to become a victim of its own soft power. On the one hand, expectations such as the protection of human rights and the rule of law, which constitute the Union's soft power, were attractive factors for many refugees to seek protection in the Union, on the other hand, barring the immigrants from the borders and taking aggressive actions lowered the positive image. The increase in border controls and the plan to condition cooperation on migration with financial aid have led to the questioning of the role of the European Union in protecting human rights and democratic principles around the world (Kugiel 2017).

As a result of the European Union's inability to provide successful solutions to the immigration problem, plans to strengthen cooperation with non-member states were started to prevent immigrants from reaching the continent, and the issue of humanitarian aid to deal with crises was brought to the agenda. The steps of the European Union to increase cooperation with third countries in the field of repatriation and readmission were aimed at transferring responsibility to third countries. And especially in this regard, Turkey has taken the burden of immigrants. Still, uncontrolled illegal immigration movements could not be prevented. The failure of the European Union to find a common solution to the crisis with asymmetric burden sharing and the failure of the decision-making mechanisms that play a role in the formation of European Union policies to fulfill the democratic conditions posed a serious problem.

The refugee crisis led to the strengthening of populist and extreme right forces across Europe and a significant increase in the proportion of those who have negative attitudes towards Muslims. The tarnishment of the global soft power image of the Union revealed that the European Union, which is offered as a reliable regional cooperation and integration model service that promotes democratic principles, did not set a unified political vision on sensitive issues, and there was inconsistency between actions and words in the soft power approach (Kugiel, 2017).

Bibliography

- Aydemir, Emrah, *Dış Politikada Yumuşak Güç ve Medya*, Kalkedon Yayıncılık, İstanbul, 2016.
- Azpiroz, Maria Luisa, *Soft Power and Public Diplomacy: The Case of the European Union in Brazil*, Figueroa Press, Los Angeles, 2015.
- Cross, Mai'a K. Davis, "Conceptualizing European Public Diplomacy", *European Public Diplomacy Soft Power at Work*, Ed. Mai'a K. Davis Cross and Jan Melissen, Palgrave Macmillan, New York, 2013, pp.3-11.
- Erdem, M. Şükrü ve Ceren Uysal Oğuz, "Ekonomik ve Politik Bütünleşme Teorileri ve Avrupa Birliği", *Avrupa Birliği ve Türkiye*, Ed. M. Şükrü Erdem, Sibel Mehter Aykın, Ezgi Kitabevi, Bursa, 2003, pp.3-15.
- Eren, Tefik Mesut, "Avrupa Birliği'nin Genişleme Politikası ve Yumuşak Gücünün Geleceği", *Trakya Üniversitesi Sosyal Bilimler Dergisi*, Cilt:16, Sayı:1, Haziran 2014, pp.349-362.
- Ham, Peter Van, "The European Union's Social Power in International Politics", *European Public Diplomacy Soft Power at Work*, Ed. Mai'a K. Davis Cross and Jan Melissen, Palgrave Macmillan, New York, 2013, pp.157-181.
- Kaya, Ayhan, "Avrupa Birliği Yurttaşlığı", *Avrupa Birliği'ne Giriş, Tarih, Kurumlar ve Politikalar*, Der. Ayhan Kaya, Senem Aydın Düzgit, Yaprak Gürsoy, Özge Onursal Beşgül, İstanbul Bilgi Üniversitesi Yayınları, 2013, pp.133-148.
- Köktaş, Arif, "Özgürlük, Güvenlik ve Adalet Alanı", *Avrupa Birliği, Tarihçe, Teoriler, Kurumlar ve Politikalar*, Ed. Belgin Akçay ve İlke Göçmen, Seçkin Yayıncılık, Ankara, 2012, pp.431-454.
- Kugiel, Patryk, "End of European Soft Power? Implications for Eu Foreign Policy", *The Polish Quarterly of International Affairs*, No:1/2017, pp.59-72.
- Melissen, Jan, "Conclusions and Recommendations on Public Diplomacy in Europe", *European Public Diplomacy Soft Power at Work*, Ed. Mai'a K. Davis Cross and Jan Melissen, Palgrave Macmillan, New York, 2013, pp.205-212.
- Nye, Joseph S., *Amerikan Gücünün Paradoksu*, Çe. Gürol Koca, Literatür Yayınları, İstanbul, 2003.
- Nye, Joseph S., *Dünya Siyasetinde Başarının Yolu Yumuşak Güç*, Çev. Reyhan İnan Aydın, Elips Kitap, Ankara, 2005.
- Nye, Joseph S., "The Future of Soft Power in US Foreign Policy", *Soft Power and Foreign Policy Theoretical, Historical and Contemporary Perspectives*, Ed. Inderjeet Parmar and Michael Cox, Routledge, New York and London, 2010, pp.4-11.

- Özdemir, Durmuş, “Avrupa Birliği’nin Ekonomik Bütünleşmesi”, *Avrupa Birliği’ne Giriş, Tarih, Kurumlar ve Politikalar*, Der. Ayhan Kaya, Senem Aydın Düzgit, Yaprak Gürsoy, Özge Onursal Beşgöl, İstanbul Bilgi Üniversitesi Yayınları, 2013, pp.77-92.
- Polglase, Giles, “Higher Education as Soft Power in the Eastern Partnership: The Case of Belarus”, *Eastern Journal of European Studies*, Vol:4, Issue:2, December 2013, pp.111-121.
- Pollock, Helen, “The Soft Power Dilemma: Can the European Union Sacrifice the Carrot and the Stick and Command with Soft Power Alone?”, *Claremont-UC Undergraduate Research Conference on the European Union*, Vol: 2009, Article 11, March 2012, pp.131-138.
- Sözmezoğlu, Faruk, *Uluslararası İlişkiler Sözlüğü*, Der Yayınları, İstanbul, 2010.
- Ritter, Jenny, Markus Rhomberg, Melani Barlai, Birte Fähnrich and Christina Griessler, “European Perspectives and National Discourses on the Migrant Crisis”, *The Migrant Crisis: European Perspectives and National Discourses*, Ed. Melani Barlai, Birte Fähnrich, Christina Griessler, Markus Rhomberg, LIT, Zurich, 2017, pp.13-20.
- Wilson III, Ernest J., “Hard Power, Soft Power, Smart Power”, *The ANNALS of the American Academy of Political and Social Science*, Vol.616, No.1, March 2008, pp.110-124.
- Yılmaz, Sait, “Amerika Birleşik Devletleri ve Avrupa Birliği’nde Kamu Diplomasisi ve Güç Projeksiyonu”, *Kamu Diplomasisi*, Ed. Abdullah Özkan ve Tuğçe Ersoy Öztürk, TASAM Yayınları, İstanbul, 2012, pp.189-228.

Chapter 3

ANALYSIS OF THE RELATIONSHIP BETWEEN ECONOMIC GROWTH AND UNEMPLOYMENT IN TURKEY BY THE FOURIER APPROACH

Şaduman YILDIZ¹

¹ Assist. Prof. Dr., Bayburt University, FEAS, Department of Economics, sayildiz@bayburt.edu.tr, ORCID: 0000-0002-9990-0628

1. Introduction

The level of welfare of a country increases based on the increase in the economic growth rate. The increase in unemployment rates leads to many adverse effects both economically and socially. Therefore, economic growth and unemployment issues, which have significant effects on both the economic and social structure and are among the important indicators that show the economic success of countries, are of great importance in terms of the macroeconomic policies applied. Thus, these policies aim to decrease the unemployment rate and increase the economic growth rate.

The view that employment would increase and unemployment would decrease as a result of economic growth was put forward by Arthur M. Okun in 1962 after the Second World War. This view, which asserts that there is a negative relationship between economic growth and unemployment, is defined as Okun's law (Ari, 2016: 58). According to this law, which constitutes the basis for studies investigating the relationship between economic growth and unemployment, there is a two-way negative relationship between economic growth and unemployment. In this context, while unemployment decreases when economic growth increases, unemployment increases when economic growth decreases. However, the fact that unemployment has not decreased while the growth rates have increased in many countries in recent years has led to questioning the validity of Okun's law and discussing the phenomenon of jobless growth.

After the recession experienced with the 2001 crisis in Turkey, although there was a continuous economic growth between 2002 – 2008, there was no significant decrease in unemployment rates. Again, after the shrinkage experienced in 2008, although there has been a continuous growth since 2009, unemployment rates could not be reduced to the desired levels, in other words, economic growth was not reflected in employment (Öztürk & Sezen, 2018: 2).

In this study, firstly, the studies conducted to examine the relationship between economic growth and unemployment were summarized, and then econometric analysis was performed on Turkey concerning the issue.

2. Literature Review

In the literature review section of the study, the general characteristics of the studies carried out to reveal the relationship between economic growth and the unemployment rate are summarized in Table 1.

Table 1: *Studies Carried out to Examine the Relationship Between Economic Growth and Unemployment*

Researcher(s)	Country(s)	Study Period	Econometric Method	Result
Okun (1962)	USA	1947:Q2-1960:Q4	First differences, trial gaps, and appropriate trend and elasticity models	There is an inverse relationship between economic growth and the unemployment rate.
Cabellero (1993)	USA and UK	1966-1989	Cointegration analysis	There is a weak and positive relationship between economic growth and the unemployment rate.
Lee (2000)	16 OECD countries	1955-1996	Johansen cointegration analysis and error correction model	There is an inverse relationship between economic growth and the unemployment rate.
Muscatelli & Tirelli (2001)	Selected OECD countries	1955-1990	Structural VAR model	There is an inverse relationship between economic growth and the unemployment rate.
Sögner (2001)	Austrian	1977:Q4-1995:Q4	Markov-Chain Monte Carlo methods	There is a stable relationship between economic growth and the unemployment rate.
Tripier (2002)	USA	1948:01-2000:04	VAR Model	There is a negative relationship between economic growth and the unemployment rate in the long term and a positive relationship in the short term.
Zagler (2003)	France, Germany, Italy, Inghiltere	1970:Q1-000:Q2 1968:Q1-997:Q4 1970:Q1-000:Q2 1968:Q1-000:Q1	Johansen cointegration analysis and error correction model	While there is a negative relationship between economic growth and the unemployment rate in the short term, there is a positive relationship in the long term.

Table 1 (Continue): *Studies Carried out to Examine the Relationship Between Economic Growth and Unemployment*

Researcher(s)	Country(s)	Study Period	Econometric Method	Result
Göktaş Yılmaz (2005)	Turkey	1978-2004	Granger causality test and Final Prediction Error	The unemployment rate is the Granger cause of economic growth.
Yüceol (2006)	Turkey	1950-2004	Cointegration test and standard VEC model	There is no long-term causal relationship between economic growth and the unemployment rate, but long-term growth after a certain delay has an increasing effect on unemployment.
Petkov (2008)	England	1973:Q3-2003:Q3 1973:Q3-1988:Q3 1988:Q4-2003:Q3	ARDL	There is a strong relationship between economic growth and the unemployment rate.
Uysal & Alptekin (2009)	Turkey	1980-2007	VAR Model	The unemployment rate is the Granger cause of economic growth.
Villaverde & Maza (2009)	17 different regions of Spain	1980-2004	OLS	When the unemployment rate increases in 15 regions, the economic growth rate decreases.
Ceylan & Yılmaz Şahin (2010)	Turkey	1950-2007	TAR and M-TAR	Okun's law is valid in the long term and the relationship is symmetrical.
Korkmaz & Yılğör (2010)	Turkey	1997:Q4-2009:Q4	Granger causality analysis	Economic growth is the Granger cause of the unemployment rate.

Table 1 (Continue): *Studies Carried out to Examine the Relationship Between Economic Growth and Unemployment*

Researcher(s)	Country(s)	Study Period	Econometric Method	Result
Takım (2010)	Turkey	1975-2008	Granger causality analysis	Both unemployment is the Granger cause of economic growth, and economic growth is the Granger cause of unemployment.
Kreishan (2011)	Jordan	1970-2008	Regression and cointegration tests	Economic growth does not reduce unemployment.
Pierdzioch et al. (2011)	G-7 countries	1989-2007	Panel fixed effects model	There is an inverse relationship between economic growth and unemployment.
Shin et al. (2014)	USA, Canada and Japan	1982:02-2003:11	Nonlinear ARDL (NARDL)	There is an inverse relationship between economic growth and unemployment.
Yılmaz Eser (2014)	Turkey	1970-2010	Johansen Juselius test and error correction model	While there is a negative relationship between the unemployment rate and economic growth in the long term, there is a unidirectional causality from the unemployment rate to economic growth in the short term.
Güngör (2015)	Turkey	1962:Q1-2014:Q3	ARDL bound test	There is no relationship between economic growth and the unemployment rate in the long run.
Valadkhani (2015)	Australia	1980Q3-2014Q1	OLS	There is an inverse relationship between economic growth and the unemployment rate.
Akay et al. (2016)	Turkey	1969-2014	Markov Switching Model	There is a short and long-term relationship between economic growth and the unemployment rate.
Arı (2016)	Turkey	1980-2004	Bayer and Hanck (2012) cointegration test and Hacker and Hatemi-J (2006) causality test	There is no long-term cointegration and causality relationship between the growth rate and unemployment rate.

Table 1 (Continue): *Studies Carried out to Examine the Relationship Between Economic Growth and Unemployment*

Researcher(s)	Country(s)	Study Period	Econometric Method	Result
Uras (2016)	Türkiye	2000:Q1-2014:Q4	Johansen cointegration analysis and Granger causality analysis	While there is no causal relationship from economic growth to unemployment, there is a causal relationship from unemployment to economic growth.
Akcan (2018)	Turkey	2000:01-2017:03	Granger causality test	A bidirectional causality relationship between economic growth and unemployment has been determined.
Bağcı & Börü (2018)	Turkey	1960-1979, 1980-1999 and 2000-2016	Granger causality test and correlation test	A unidirectional causality relationship between economic growth and unemployment has been determined between 1960-1979 and 1980-1999, and the change in economic growth affects unemployment. There is a unidirectional causal relationship between growth and unemployment between 2000 and 2016, and unemployment affects growth. According to the correlation analysis, there is a very weak and negative relationship between economic growth and unemployment in all the periods considered.
Eğri (2018)	Egypt	1970-2016	Cointegration analysis and Granger causality test	There is no cointegration and causality relationship between economic growth and the unemployment rate.
Öztürk & Sezen (2018)	Turkey	2005:Q1-2017:Q3	Engle-Granger cointegration and Granger causality analyzes	Economic growth and the unemployment rate are co-integrated, and there is a unidirectional causality from economic growth to unemployment.
Üzar & Akyazı (2018)	34 OECD countries	2000-2016	Dumitrescu and Hurlin (2012) causality analysis	There is a bidirectional causality relationship between economic growth and unemployment rates.
Bayrak (2019)	Turkey	2005:Q1-2017:Q4	Maki (2012) cointegration test and Toda-Yamamoto (1995) causality test	There is a unidirectional causality relationship between formal unemployment and economic growth and a bidirectional causality relationship between broad-defined unemployment and economic growth.

3. Econometric Analysis

In the econometric analysis section of the study, firstly, the data set and the method were mentioned, and then the unit root tests, Fourier cointegration analysis, and finally the Fourier Toda & Yamamoto causality analysis results were included.

3.1. Data Set

In the study, the analysis was conducted by utilizing the monthly time series data for the period of 2005-2019 to investigate the relationship

between unemployment and economic growth for Turkey. The industrial production index represents one of the most significant indicators of economic growth. Therefore, the industrial production index was used instead of economic growth in the analysis. On the contrary, one of the essential features of the unemployment experienced in Turkey is the higher unemployment rate among young people. Thus, the unemployment rate in the youth population was taken as the indicator of unemployment in the analysis.

The data set used in the study is summarized in Table 2 below.

Table 2: *Data Set*

Variables	Definition of the Variables	Source
unemp	The unemployment rate among the young population adjusted for seasonal effects (%)	TURKSTAT
lngrowth	The natural logarithms of the industrial production index values are taken (2015= 100)	TURKSTAT

Since lngrowth data include seasonal effects, the seasonal adjustment was performed using the Census X-12 method. Furthermore, the letter “d” at the beginning of the variable symbols indicates that the difference of the variable in question is taken.

3.2. Method

In the study, it was first investigated whether the variables were stationary or not by performing the Fourier ADF (Fourier Augmented Dickey Fuller) and Fourier KPSS (Fourier Kwiatkowski-Phillips-Schmidt-Shin) unit root tests. Afterward, the Fourier cointegration analysis was conducted to determine the long-run relationship between the variables. Finally, the Fourier Toda & Yamamoto causality analysis was performed to investigate whether there was a short-run relationship between the variables. E-Views 10 and GAUSS 19.1 econometric analysis programs were used for these analyses.

3.3. Unit Root Tests

The stationarity analysis for the variables addressed in the study was performed using the Fourier ADF and Fourier KPSS stationarity tests for the model with constant and trend.

The Fourier ADF unit root test statistics are shown in Table 3 below.

Table 3: *Fourier ADF Unit Root Test Statistics*

	Variables			
	Ingrowth	d(Ingrowth)	unemp	d(unemp)
Fourier ADF Test Statistics	-2.669	-15.916***	-3.627	-5.393***
Unit Root Status	Available	Not available	Available	Not available
Critical Values of the “Ingrowth, dIngrowth and dunemp” Variables	1 %	5 %	10 %	
	-4.380	-3.770	-3.430	
Critical Values of the “unemp” Variable	-4.870	-4.310	-4.020	

The analyses were conducted for the model with constant and trend, and the lag values of the variables were determined using the Schwarz Information Criterion (SIC). Furthermore, $\text{varm}=2$ was taken as the long-run consistent variance estimator, and the maximum lag length was taken as 12. *** refers to the significance at the 1% level.

Table 3 shows the Fourier ADF unit root analysis results. According to this test, the Ingrowth and unemp variables are unit-rooted in level values and become stationary when their first difference is taken.

The Fourier KPSS unit root test statistics are presented in Table 4 below.

Table 4: *Fourier KPSS Stationarity Test Statistics*

Variables	Fourier KPSS Test Statistics	Critical Values			Stationarity State
		10 %	5 %	1 %	
Ingrowth	0.226	0.114	0.142	0.210	Not stationary
d(Ingrowth)	0.028 ***	0.114	0.142	0.210	Stationary
unemp	0.071 **	0.047	0.055	0.072	Not stationary.
d(unemp)	0.052 ***	0.114	0.142	0.210	Stationary

The analyses were conducted for the model with constant and trend, and the lag values of the variables were determined using the Schwarz Information Criterion (SIC). Furthermore, $\text{varm}=2$ was taken as the long-run consistent variance estimator, and the maximum lag length was taken as 12. ** refers to the significance at the 5% level, while *** refers to the significance at the 1% level.

According to the Fourier KPSS stationarity test results in Table 4, it is observed that the Ingrowth and unemp series are stationary in the first difference, i.e., the growth and unemployment series are I(1).

As a result, according to the Fourier ADF and Fourier KPSS stationarity tests, the Ingrowth and unemp data are stationary in the first difference. In other words, the growth and unemployment series are I(1). Since the variables studied are first-order stationary, the Fourier cointegration analysis was used to test whether there was a long-run relationship between these variables.

The Fourier graphs of the variables are presented in Figure 1. These graphs show that the Fourier estimates are accurate and long-term fluctuations are captured for the series. Moreover, the frequency was taken as 1 because the results obtained for frequency 1 were better.

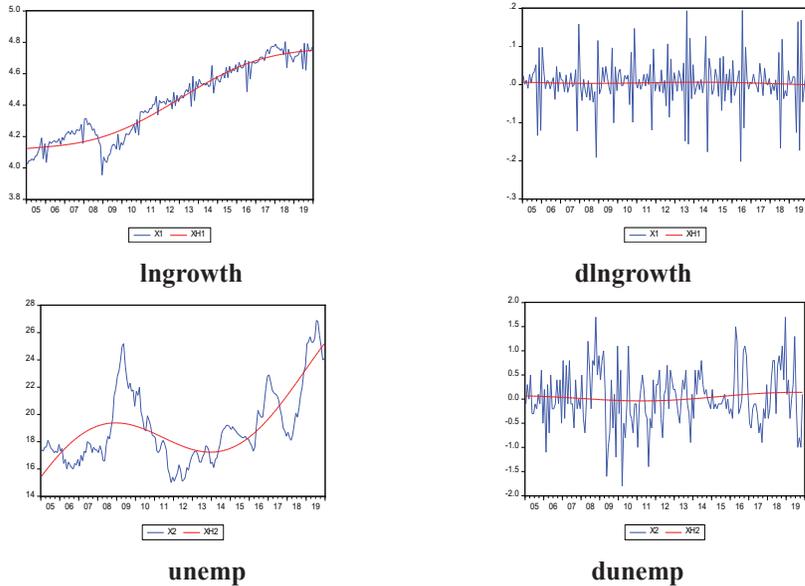


Figure 1: Variables and Fourier Functions

3.4. Fourier Cointegration Analysis

Since both of the Ingrowth and unemp variables are I(1), it should be checked whether there is a cointegration relationship. In this context, the Fourier cointegration analysis was performed, and the trend shift model was taken into consideration in the Fourier cointegration analysis. Here, first of all, it was checked whether there was a cointegration relationship between unemp and Ingrowth by taking unemp as the dependent variable.

Table 5: Fourier Cointegration Test Results

	Frequency	Fourier Cointegration Test Statistics	F-statistics	Cointegration State
CIols	1	0.061**	84.336	No cointegration.
CIOLS	1	0.065***	163.813	No cointegration.
Critical Values				
	1 %	5 %	10 %	
	0.063	0.048	0.042	

The lag values of the variables were selected in line with the Schwarz Information Criterion (SIC). The maximum lag length was taken as 12. varm=2 was taken as the long-run consistent variance estimator. ** indicates the

significance at the 5% level, while *** indicates the significance at the 1% level.

Table 5 contains the results of the Fourier cointegration test. In accordance with the findings of both tests, the H_0 hypothesis was rejected. In this context, it is observed that there is no cointegration relationship from the *Ingrowth* variable to the *unemp* variable. According to this result, there is no long-run relationship from economic growth to unemployment in the period of 2005: 01 – 2019: 12 in Turkey, and a sudden change in economic growth does not affect unemployment in the long run.

Afterward, it was checked whether there was a cointegration relationship between *Ingrowth* and *unemp* by taking *Ingrowth* as the dependent variable.

Table 6: *Fourier Cointegration Test Results*

	Frequency	Fourier Cointegration Test Statistics	F-statistics	Cointegration State
CIols	1	0.049**	40.621	No cointegration
CIdots	1	0.053**	52.077	No cointegration
Critical Values				
1 %		5 %		10 %
0.063		0.048		0.042

The lag values of the variables were selected in line with the Schwarz Information Criterion (SIC). The maximum lag length was taken as 12. $\text{varm}=2$ was taken as the long-run consistent variance estimator. ** indicates the significance at the 5% level, while *** indicates the significance at the 1% level.

Table 6 contains the results of the Fourier cointegration test. In accordance with the findings of both tests, the H_0 hypothesis was rejected. In this context, it is observed that there is no cointegration relationship from the *unemp* variable to the *Ingrowth* variable. According to this result, there is no long-run relationship from unemployment to economic growth between 2005: 01 and 2019: 12 in Turkey, and a sudden change in unemployment does not influence economic growth in the long term.

3.5. Fourier Toda & Yamamoto Causality Analysis

In the study, the Fourier Toda & Yamamoto causality analysis was performed to reveal the causality relationship between the *unemp* and *Ingrowth* variables. The findings of the Fourier Toda & Yamamoto causality test are shown in Table 7.

Table 7: *Cumulative Fourier – Frequency Toda & Yamamoto Causality Test Results*

	Wald - stat	Asym.p - val
unemp→ lngrowth	6.554	0.161***
lngrowth→ unemp	8.594	0.072**

Since the number of observations was higher than 50, asymptotic p-values were taken into account in the analysis. While *** denotes the significance at the 1% level, ** denotes the significance at the 5% level. The lag values of the variables were selected in accordance with the Schwarz Information Criterion (SIC). The maximum lag length was taken as 12.

As seen from Table 7, there is no causality relationship from both unemp to lngrowth and from lngrowth to unemp. Therefore, it was concluded that changes in unemployment did not affect economic growth and changes in economic growth did not affect unemployment in the short run.

4. Conclusion and Evaluation

In the present research, the relationship between economic growth and unemployment was analyzed by the Fourier approach using the monthly data for the period of 2005:01-2019:12 in Turkey. In this context, firstly, the Fourier ADF and Fourier KPSS unit root tests were performed, and it was found that the variables of economic growth and unemployment were stationary in the first difference, not at the level. Afterward, the Fourier cointegration analysis, which also takes structural breaks into account, was performed to reveal the long-run relationship between the variables in question, and it was revealed that there was no long-run relationship between the variables. Finally, the Fourier Toda & Yamamoto causality analysis was conducted to reveal the causality relationship between the variables addressed, and no causality relationship was found from economic growth to unemployment and from unemployment to economic growth. Accordingly, changes in economic growth do not have an effect on unemployment and changes in unemployment do not have an impact on economic growth in the short term. Both cointegration test results and causality test results support each other. In this context, an increase that occurs in economic growth in Turkey does not reduce unemployment and confirms the existence of jobless growth. Thus, this result shows that the increase in economic growth is not sufficient to reduce unemployment in Turkey and reveals that different economic policies should be developed to reduce unemployment. Accordingly, these policies can be listed as follows:

- In the case of jobless growth, structural problems should be solved by implementing structural reforms for the labor market instead of demand-driven policies.

- Policies that increase human capital investments should be implemented to increase the quality of labor supply and to provide a qualified labor force.

- A more qualified workforce should be trained in accordance with the requirements of the labor market by making radical changes in the education system, taking into account the needs. Furthermore, vocational training programs should be developed to increase the quality of the existing workforce.

- An employment policy should be developed on a national scale with an emphasis on employment policies.

- The labor costs in Turkey are very high. Therefore, labor costs should be reduced in order for economic growth to increase employment.

- To increase the employment level in the agricultural sector, production costs should be reduced by increasing the subsidies given to the agricultural sector. Furthermore, the added value of agricultural production should be increased. On the other hand, it should be ensured that the workforce transferred from the agricultural sector to other sectors gains qualification.

- The competitiveness of sectors such as the textile, clothing, and manufacturing industries, which are labor-intensive, should be increased.

- The number of entrepreneurship training should be increased, and entrepreneurship should be supported by the state.

- Informal employment should be prevented.

- Active labor market policies should be implemented effectively, and structural transformations should be made in labor markets.

- Regional development differences should be eliminated.

- The impact of employment taxes on labor demand should be reduced.

- New employment areas should be created by increasing investment and job opportunities faster than the population growth rate. In this context, traditional production and employment methods should be changed.

- The workforce should be trained for the sectors in which the competitiveness of Turkey is high.

- The foreign-dependent industrialization strategy should be abandoned.

- Economic and political instabilities should be prevented.

- Uncertainties in foreign exchange and financial markets should be eliminated.

References

- Akay, H. K., Aklan, N. A. & Çınar, M. (2016). Economic Growth and Unemployment Rate in Turkey. *Journal of Management and Economics Research*, 14 (1), 209-226.
- Akcan, A. T. (2018). Validity of Jobless Growth in Turkish Economy. *Journal of Business Research*, 10 (2), 171-183.
- Arı, A. (2016). An Analysis of the Relationship Between the Economic Growth and Unemployment in Turkey: A New Cointegration Test. *Research Journal of Political, Economic and Management*, 4(2).
- Bağcı, E. & Börü, M. K. (2018). Relationship Between Economic Growth and Unemployment: An Econometric Analysis In Turkey. *International Journal of Academic Value Studies (Javstudies JAVS)*, 4(22), 890 – 897.
- Bayrak, S. (2019). The Relationship Between Economic Growth, Employment and Unemployment: A Study On Turkey With Broad-Defined Unemployment Rates. *Journal of Social Sciences of Anemon Mus Alparslan University*, 7 (6), 289-298.
- Cabellero, R. (1993). Comment on Bean and Pissarides. *European Economic Review*, 37: 855-859.
- Ceylan, S. & Yılmaz Şahin, B. (2010). Asymmetry in the Relationship Between Unemployment and Economic Growth. *Journal of Doğuş University*, 11(2), 157 – 165.
- Eğri, T. (2018). Relationship Between Unemployment and Economic Output: An Analysis of Okun's Law for Egypt. *Journal of Yaşar University*, 13 (49), 68-78.
- Göktaş Yılmaz, Ö. (2005). Causality Relationship Between Unemployment with Growth in Turkey Economy. *Ekoist: Journal of Econometrics and Statistics*, 2, 63 – 76.
- Güngör, T. (2015). Growth and Unemployment in Turkey. *MPRA Paper No. 77773*, <https://mpra.ub.uni-muenchen.de/77773/>.
- Korkmaz, S. & Yılğör, M. (2010). The Relationship Between Growth and Employment after 2001 Crisis in Turkey. *Journal of Management and Economics Research*, 8(14), 169 – 176.
- Kreishan, F. M. (2011). Economic Growth and Unemployment: An Empirical Analysis. *Journal of Social Sciences*, 7 (2), 228-231.
- Lee, J. (2000). The Robustness of Okun's Law: Evidence from OECD Countries. *Journal of Macroeconomics*. 22 (2), 331-356.
- Muscattelli, V. A. & Tirelli, P. (2001). Unemployment and Growth: Some Empirical Evidence from Structural Time Series Models. *Applied Economics*, 33(8), 1083-1088.
- Okun, A. M. (1962). Potential GNP: Its Measurement and Significance. *American Statistical Association: Proceedings of the Business and Economics Statistics Section*, 98–104.

- Öztürk, S. & Sezen, S. (2018). Analysis of the Relationship Between Economic Growth and Unemployment: The Case of Turkey. *Mustafa Kemal University Journal of Social Sciences Institute*, 15(41), 1-14.
- Petkov, B. (2008). The Labour Market and Output in The UK – Does Okun’s Law Still Stand? *Bulgarian National Bank Discussion Papers*, 69: 1-45.
- Pierdzioch, C., Rülke, J.C. & Stadtmann, G. (2011). Do Professional Economists’ Forecasts Reflect Okun’s Law? Some Evidence for the G7 Countries. *Applied Economics*, 43 (11), 1365-1373.
- Shin, Y., Yu, B. & Greenwood-Nimmo, M. (2014). Modelling Asymmetric Cointegration and Dynamic Multipliers in A Nonlinear ARDL Framework. In: R. C. Sickles and W. C. Horrace (Eds.). *Festschrift in Honor of Peter Schmidt Econometric Methods and Applications*, 281-314, <http://dx.doi.org/10.1007/978-1-4899-8008-3>.
- Sögner, L. (2001). Okun’s Law: Does the Austrian Unemployment – GDP Relationship Exhibit Structural Breaks? *Empirical Economics*, 26, 553 – 564.
- Takım, A. (2010). The Relation Between Economic Growth and Unemployment in Turkey: Granger Causality Test. *Dumlupınar University Journal of Social Sciences*, 27, 315-324.
- Tripier, F. (2002). The Dynamic Correlation Between Growth and Unemployment. *Economics Bulletin*, 5 (4), 1-9.
- Uras, Ö. (2016). Econometric Analysis of The Jobless Growth in the Turkish Economy. *Journal of Econometrics and Statistics*, 24, 94-111.
- Uysal, D. & Alptekin, V (2009). Examination of Growth- Unemployment Relationship By Using Var Model in Turkish Economy (1980 – 2007). *Dumlupınar University Journal of Social Sciences*, 25, 69 – 78.
- Üzar, U. & Akyazı, H. (2018). Econometric Analysis of the Relationship Between Economic Growth and Unemployment at the OECD Countries. *Cumhuriyet University Journal of Economic and Administrative Sciences*, 19 (2), 463-479.
- Valadkhani A. (2015). Okun’s Law in Australia. *Economic Record*, 91 (295), 509–522.
- Villaverde, J. & Adolfo, M. (2009). The Robustness of Okun’s Law in Spain, 1980 – 2004: Regional Evidence. *Journal of Policy Modeling*, 31, 289-297.
- Yılmaz Eser, B. (2014). The Relationship Between Economic Growth and Unemployment: The Turkish. *TISK Academy*, 9 (18), 26 – 47.
- Yüceol, H. M. (2006). The Dynamics of Unemployment and Growth in The Turkish Economy. *Economics, Business and Finance*, 21(243), 81-95.
- Zagler, M. (2003). A Vector Correction Model of Economic Growth and Unemployment in Major European Countries and An Analysis of Okun's Law. *Applied Econometrics and International Development*, 3(3), 93-118.

Chapter 4

DEFINITION OF COMPETITIVENESS AND TURKEY

Şule TURHAN¹

¹ Prof. Dr. Bursa Uludağ University, Agricultural Faculty, Agricultural Economics, sbudak@uludag.edu.tr, ORCID No:0000-0001-9155-8170

1.Introduction

The conditions of competition have changed in all world economies after the 1970s. Changes in production systems and technological innovations are the main factors here. In particular, the competitiveness of companies has increased by reducing costs. However, cost-reducing policies are not enough for companies to gain a sustainable competitive advantage. As soon as innovation efforts are researched, development activities have become important in achieving a sustainable competitive power (Porter 2000).

Companies have now abandoned the concept of slow productivity. High costs reduced, company structures changed from vertical to horizontal, product processing processes have been reexamined from an engineering point of view; this saves more time and Thanks to new working methods, a new concept of “work” has emerged. All these processes are based on the goal of countries and companies in these countries to gain or increase local or international competitiveness. In the first part of the study, definitions related to competition will be given. Then, the world competitiveness rankings and Turkey’s place in these questions will be discussed.

1.1.Definition

There are different approaches in the literature on the definition of the concept of competition. However, there is no single definition agreed upon by economists. The most important reason for this is that the definition of “competitiveness” changes according to the field in question. Definitions related to the concept of competition can be evaluated in 3 ways. These;

- * Different approaches in the form of country, sector or firm in the observation unit handled in the competition analysis

- * Analysis for goods and goods groups

- * My policy proposal is the approaches made in the form of productivity increase and export performance of the sector (Saraçoğlu and Köse, 2000).

Indeed, the competitiveness of a country only includes a different dimension from the competitiveness of a sector or the competitiveness of a firm. The definition of the concept of competition in the international platform at the scale of the country, sector and company, and therefore the variables it is affected by, vary. It is a relationship that occurs when businesses want to achieve their economic goals in domestic and international markets. (<http://www.tarinarsiv.com>). Businesses are economic units. Here, the producers and consumers are mutually influencing each other. The way consumers and producers influence each other to achieve their economic goals may be different.

At this point, we are faced with the concept of “competitive power”. For example, if producer X can influence consumer Z at a higher level than producer Y, the competitiveness of producer X is higher than producer Y.

In this case, the concept of competitiveness can be defined as the ability of any firm or a country to achieve more economic goals, create more interests and thus generate more profits compared to its competitors. If we approach the subject from another angle, competitive power is the power of a sector and the companies in the sub-branches of this sector to affect the consumer compared to each other as a result of factors such as high quality, low cost, fast shipping, advanced marketing power and high financial power (Kemer, 1997).

As can be understood from the definitions above, competitiveness has been and is one of the issues that countries attach great importance to in order to have a say in the international economic arena. Moreover, the rapid development of economic globalization has added a new and important dimension to international competition. The traditional division between the domestic and foreign markets is no longer meaningful. Because in the globalization process, the domestic market is intertwined with the foreign market and replaces each other. In other words, companies have to compete not only with domestic and foreign competitors in local markets, but also with competitors in many different regions of the world. This is the necessity of globalization. It is an expected fact that the future of companies and therefore countries that cannot keep up with the globalization process, that is, do not have foreign competitive power, will be unprotected against adverse and serious conditions.

Countries with foreign competitiveness have a competitive society within themselves and thus a competitive environment. A competitive society is one that integrates and creates a balance between the creation of welfare as a result of individual competition on the one hand and social solidarity on the other.

Competitive societies generally have the following ten essential characteristics:

1. They have a stable and specific legal framework
2. They work in conditions of a flexible economic structure that can adapt to innovations.
3. They attach importance to investing in both traditional (highway, power station, etc.) and advanced technological infrastructure.
4. They encourage private savings and domestic investment
5. As well as being attractive for foreign capital investments,

multinational companies, exports, etc. in international markets. they adopt an aggressive attitude.

6. They focus on the speed and quality of modern management and reforms.

7. They maintain a balanced and stable relationship between wage levels, productivity and taxation elements.

8. They protect the social structure by reducing income inequality and strengthening the middle-income class.

9. In particular, they invest heavily in secondary education, long-term education and, if necessary, rehabilitation of the workforce.

10. They establish and maintain the balance between both the global and regional economy to create economic and social well-being; they carry out the value system and social solidarity desired by the individuals forming the society in a harmonious manner.

The pressure to be competitive is seen more in a country's capacity to develop a unique competitive model of society than at the level of individual enterprises. Such a pattern may vary from country to country. It may be different in Germany, different in Chile, different in Malaysia. However, wherever it is, such a model will show how competitive the country can be.

1.2. Factors Determining Competitiveness

The factors that determine the competitiveness of countries or sectors are very diverse and have been analyzed by many authors and national/international organizations using different but similar factors. In general, the factors of international competitiveness are examined in ten sections. Factors such as economic power, monetary power, industrial production, per capita income play an impressive role. In addition, industrial benefits and costs including indirect employee labor cost, output per labor force, motivation of the labor force, turnover and absenteeism can be counted among these. The role of the state in human resources, financial policies and other regulations, including the dynamism of the market, the robustness and reliability of the commercial banking sector, the financial dynamism that means the capital market and their capacity to provide financing, the dynamism of the population and labor force, employment, unemployment, quality and motivation of the ruling class, relevant The country's underground and surface resources, its infrastructure in the fields of transportation and communication, its foreign orientation, the desire to actively support trade, service-oriented investments or other forms of international exchange. forward-looking innovative approach

in the government's attitude Social-political consensus and stability are important factors, showing to what extent strategies and policies reflect a country's aspirations (desired value system). (<http://www.tarimarsiv.com>).

In Turkey's competitiveness research conducted by TUSIAD in today's conditions and for the future; The factors that determine competitiveness are listed as follows, from natural to human-created (Kemer, 1997).

- | | |
|---------|---------------------------|
| Natural | 1. geolocation |
| | 2. Natural resources |
| | 3. Labor Cost |
| | 4. History and Traditions |
| | 5. Industry Experience |
| | 6. Technical Fundamentals |
| | 7. Infrastructure |
| Created | 8. Technology |

Competitiveness factors were evaluated in five stages in the research conducted by the Istanbul Chamber of Industry in order to reveal the foreign competitiveness for the Turkish Manufacturing Industry (<http://www.tarimarsiv.com>).

- i. Factors Related to Input Costs: Labor, energy, raw material and financing costs
- ii. Factors Related to Input Availability and Quality: Availability of qualified workforce, availability of raw materials, technology used, sub-industry.
- iii. Factors Related to Product and Marketing: Product standards, image of products in foreign markets, international relations
- iv. Factors Related to External Environment: Economic scale, financial structure, labor productivity.

There is a mutual interaction between the competitiveness factors and the factors that determine the competitiveness. A change in the factors that determine competitiveness increases the competitiveness of the relevant country, and this increase in competitiveness encourages the determining factors to develop more. Because the economies of countries are getting stronger with the increase in competitiveness. The increase experienced causes development in production and export. This situation causes the growth of profitability and thus acceleration in investments

and the development of employment. Creating the potential to provide a sustainable competitive advantage is especially important for the food industry in our country. The food industry has a strategic importance due to its high share in Turkey's industrial production and export. The fruit and vegetable processing industry, which constitutes half of Turkey's food industry exports, covers the production branches in which Turkey has a relative advantage in foreign markets, especially in terms of raw materials and costs. Evaluating the products within the scope of the fruit and vegetable processing industry in terms of the sustainability of competitiveness in foreign markets and especially in the European Union markets, which is the most important export market, has a critical importance in terms of Turkey's adaptation to globalizing markets. The fact that most of the products within the scope of Turkey's fruit and vegetable exports are also produced in European Union member countries, makes it necessary to evaluate the fruit and vegetable processing industry in terms of sustainable competition against the member countries of the Community. Agriculture and agro-based industry are the main economic sectors that complement each other and provide economic development together. Just as the existence of various agricultural products is necessary for the industry that processes them, developments in this industry are also effective in increasing the production of related agricultural products. The sector where this interaction is most clearly observed is the food industry. As a sector that generally produces consumer goods, the food industry has a one-to-one relationship with the consumer. Therefore, it is important for this industry to know consumer demands and requirements. The demand for new products, especially in the food industry, is increasing due to reasons such as higher participation of women in working life, the increase in the number of single people, and the widespread use of ready-to-eat and fast food. European Union countries have achieved self-sufficiency in food product production and are looking for ways to overcome production surpluses in some products. These countries have made an effort to meet the consumer demand for innovative products by concentrating on the secondary processing industries of food products. European companies solve the problem of overcoming saturation in the domestic market by spreading their activities to international markets, and they strive to deliver their products to wider markets by concentrating on issues such as brand image and customer satisfaction.

On the one hand, the European Union expanded with the participation of new members, on the other hand, it showed an extraordinary growth in international trade. International trade relations; Apart from customs tax rates, the banking system began to be affected by many factors, especially competition law, standardization, and it was seen that the "Common

Market”, the rules of which were determined by the Treaty of Rome, were not under new conditions, and it was aimed to establish the “Single Market” as a new target in 1985. Among the factors affecting the competitiveness of a country in international markets; In addition to economic factors such as gross domestic product, exchange rate, imports and exports, it can be considered as non-economic social factors such as religion, culture and habits (Reed, 1994). On the other hand, one of the most important facts affecting competitiveness in the international platform is the foreign trade policies implemented by the countries. In fact, most of the time, these policies can be more effective than economic and social factors.

1.2.1. Innovations

The subject of innovations in development theory and their effects on the development process has a very important place since Schumpeter (1934) (Asheim, 1997). Quality competition; takes place between companies that compete in terms of quality (Morgan, 1997). According to Schumpeter, innovations are; The production of a new good occurs in the form of renewing the quality of the good (Schumpeter, 1974). NeoSchumpeterian school, which reinterprets Schumpeter’s views on innovations by taking into account the change in production systems, reclassifies innovations as follows.

Small and continuous innovations (incremental); Such innovations are small technological innovations that occur in the daily production process (in a sense, spontaneously) seen in almost every industrial sector and/or service sector. Institutionalized R&D (research and development) activities and high level of skills are not required to realize such innovations. Radical innovations; These are innovations that lead to significant changes in product and production technology, and are usually the product of institutionalized R&D activities for this purpose. While simple innovations that increase productivity in cotton yarn production are handled within the scope of small and continuous innovation, the invention of nylon can be considered as an example of radical innovation. While radical innovations are important to a particular firm or sector, their impact remains relatively minor and localized at the overall economic level. Innovations in the technology system: Changes that affect more than one sector of the economy or cause the development of new industries, through the combination of radical, small and continuous innovations and organizational innovations, change the technology system. These changes within the scope of the whole economy, which will continue to affect the theoretical structures over the years, are defined as the change of the techno-economic paradigm. The new techno-economic paradigm realizes a quantum leap in the productivity of almost every sector in the economy and provides new investment and profit opportunities. For the full development potential of the techno-

economic paradigm to be unleashed, it is necessary to restructure the social, institutional framework at the national and international level. (Freeman and Perez, 1988, Perez, 1985, Taymaz, 1993).

1.2.2. Changing Conditions

The conditions of innovation, diffusion and thus competition differ according to production systems. The conditions of competition, both at the firm and industry level, have changed when the full-time production system (just in time-JIT) has put the mass production system, which has dominated the world economy until the 1970s, to a marginal position..

In this production system, a firm's competitive strategy; The acceleration of response to product change is based on reliable delivery and good quality control. Now the problem for a firm is not how much labor is needed to make the production line as fast as possible, but how fast the line must run to meet the demand and how much labor is needed to be employed to make it happen. This need makes it mandatory for companies to implement a flexible employment strategy while re-organizing their production according to JIT principles (Haraldsen, 1997).

In this system, there are two types of flexibility regarding employment. The first is functional flexibility. functional flexibility; It can be defined as the ability of firms to adjust or distribute the skills of their employees in order to adapt to the changing tasks, production methods or technologies required by the changing workload. The increase in the use of new technologies and flexible machines has necessitated the development of new forms of functional flexibility within the firm. The second is numerical flexibility. This concept refers to the ability of firms to adjust their workforce inputs to accommodate fluctuations in production over time. Numerical flexibility can take many forms, depending on the nature of the production system and the degree and timing of production variability. Types of numerical flexibility; includes overtime, flexible use of time, new shift patterns, part-time workers and outsourcing to other businesses. Therefore, the increase in numerical flexibility has brought about an increase in subcontracting and other relations between companies (Pinch 1990).

1.2.3. Internal Elements

The shape a business creates for the organization is related to the ability of that business to learn. In recent years, there has been a flow from hierarchical firms managed with vertical information flow to firms managed with horizontal information flow, which are less hierarchical firms. The processes of continuous learning, problem solving and development are accelerating in the mentioned businessesWide and strong participation

within the company; It ensures the use and dissemination of informal, non-R&D-based information, thus causing innovations to gain continuity (Asheim, 1997). The spread of innovations in the field of organization and the settlement of innovations in companies firstly led to an innovative change in enterprises. By their very nature, markets require firms to be innovating regularly and continuously in order to gain a competitive advantage. The ability of the business to reach a competitive position in order to grow and maintain its existence depends on the innovation capacity of the company. The adoption of innovations has ceased to be a capital or technical issue, but has become an issue related to the internal environment and management of the firm.

The importance of internal factors (the firm's internal environment) that play a role in explaining the innovation creation process is a topic that has been discussed and studied for a long time (Peters and Venkatesen 1973; Robertson and Wind 1980). The firm's competitive advantage is directly related to the firm's capacity to create innovation. Innovation capacity is the organization's ability to successfully implement innovation ideas, processes, and products. The determinant of innovation capacity is the innovativeness of the firm. Innovation, as an aspect of the company's culture, is the ability to be open to new ideas. The innovativeness of the culture is a measure of the organization's orientation towards innovation. Pioneers of innovation are characteristics related to the culture of the organization (Hurley and Hult 1998). The internal environment of the firms includes the organizational structure (status of the organization, size of the enterprise, skills, the strength of the relations between the functional units of the enterprise) and the strategies followed (the way the firm follows in achieving competitive advantage, risk taking and outward behavior). It is a feature of being. The innovativeness of the culture is a measure of the organization's orientation towards innovation. Pioneers of innovation are characteristics related to the culture of the organization. An important determinant of a firm's capacity to create innovation is that the organization is open to innovation. This feature, called organizational innovation, expresses the tendency or resistance of organizational members to adopt innovations. The concept of organizational innovation is characterized as one of the two basic functions of the organization in a frequently cited statement of Peter Drucker. According to Peter Drucker (1954), "there is only one valid definition of the purpose of the firm and that is to create customers. The customer is the determinant of what the business is. Since the purpose of the business is to create customers, the organization should have only two basic functions and that is marketing and innovation." The diffusion of innovation literature defines the innovation capacity of the firm as a feature that directly affects the performance of the organization. The

innovativeness of the firm culture, together with the different structural characteristics of the firm, determines the innovation capacity of the organization. The capacity to create innovation is measured by the number of innovations that the organization can adopt and successfully implement. The firm's capacity to create innovation is directly related to internal factors. The excellence of an organization consists of the strategy and structure (2s: structure and strategy) that make up the hardware of the organization, and the style, systems, employees, skills and common values that make up the culture of the organization (software) (5s: style, systems, staff, skills, shared, values) is directly related to its excellence (Dahlgaard and Dahlgaard 1999). The capacity to create innovation is also determined by the elements that make up the organization's equipment and culture. The first of these elements is the structure and process characteristics of the firm. The other is the characteristics related to organizational culture (Hurley and Hult 1998).

i. Structure and process features

Structure and process characteristics are objective characteristics that are evaluated independently of the individuals that make up the firm and the culture of the firm. Structural features, which are evaluated independently of the behavior patterns of individuals, are defined as a different element from the cultural structure of the organization. These features consist of issues independent of the firm's cultural structure, such as the size of the firm, formalization, hierarchy, market information and planning. There is no doubt that there is a parallelism between the variables that make up the structural and process-related features and the variables that make up the company culture. For example, an organization with an innovative culture is also a company that has the infrastructure to reach market information or is trying to create this infrastructure. Firms actively seek information in order to adapt to changing market conditions and technological advances. Active knowledge seeking is directly proportional to innovation.

The hierarchical structure in the organization, which is another feature related to the process, and the capacity to create innovation are inversely proportional to each other. An organization with a hierarchical structure attaches importance to order, rules and laws, and companies continue their activities under the control of a supervisory evaluation and direction. (Desphande, Farly ve Webster 1993).

In companies with an innovative culture, planning also emerges as an important process feature. The existence of long-term company goals is directly proportional to innovation. The existence of rational, comprehensive plans that include all organizational units directly affects innovation (Kitchell 1995).

ii. Organization culture

Innovation, as an aspect of the company's culture, is the ability to be open to new ideas. The innovativeness of the culture is a measure of the organization's orientation towards innovation. Pioneers of innovation are characteristics related to the culture of the organization. After examining nearly 100 studies of organizational behavior, sociology and anthropology, Deshpande and Webster (1989) defined organizational culture as "a concept consisting of a set of shared values and beliefs that enable individuals to understand the way the organization works and thus gain internal behavior and norms". In the organizational behavior literature, firm culture is considered as an element that provides the capacity to adapt to the changing external environment. The adaptation model predicts that formations that adapt to the environment can continue to exist in the long run. In today's international business climate, companies are faced with heterogeneous market niches. Within the scope of the capacity to adapt to changes, the concepts of organizational culture and innovation are accepted as concepts that cannot be considered separately from each other. In order to adapt to the competitive international environment, firms must create an "innovative firm" culture. Firms that can adapt to the environment choose market niches that are suitable for them, expand their global market reach and at the same time expand their cultural norms to live in the international climate. Creating a risk-taking culture is an example of such a tendency. In companies, flexibility in the face of change, openness to communication, development of cultural norms in the direction of efforts and incentives for the development of employees are directly related to increasing the capacity to create innovation. These cultural norms are factors that facilitate the technological adaptation of companies.

1.2.4. External Elements

Inter-firm networks are the second factor that has a significant impact on innovation development. Today; In the innovation development processes, besides the R&D units of large companies, techno-parks, innovation centers, universities organized especially for this work, the network structure whose actors are the main company (customer company), supplier company and subcontractor company has also gained importance. . Firms in the JIT system; instead of economies of scale and low cost, it follows a competitive policy based on flexibility, design intensity, know-how and high quality. Since products are made to order, there are frequent changes in both products and processes. This form of competition, which accelerates innovation processes, has led SMEs to depend on external sources due to the cost factor (Oinas ve Virkkala, 1997).

For this reason, it is very important to support SMEs in the innovation process, especially by networks to be created at the local level. The network structure at the local level supports the distribution of risks, combining

resources and assets, and sharing know-how and experience. In addition, SMEs with limited R&D opportunities increase their competitiveness by developing small and continuous innovations (innovations that occur spontaneously in the production process) with this information obtained from external sources. The companies within the network structure operate almost as if they are a single company and share the production stages among them. While this gives the companies stability and a flexible structure, it also facilitates access to certain information and resources and intensifies the information sharing between companies. Thus, the learning process of companies is accelerated and it helps to increase their potential to develop especially small and continuous innovations.

The intensity and nature of information sharing between companies varies depending on the relationships of the actors within the network. Relations between the parties, based on trust, partially long-term, high value-added production processes, including functions such as joint R&D and management of future plans besides production, provide flexibility to network actors; It also creates the necessary environment for learning, technological and organizational innovations (Asheim,1997, Robertson et al 1984).

As explained above, one of the factors that determines the intensity and quality of information sharing between companies is the nature of the relationship between the actors in the network. Another factor is the spatial proximity of the actors in question with each other. Information sharing increases in direct proportion to spatial proximity, a learning network is formed between companies and a collective learning process emerges in this way. (Camagni 1991)

In summary, competitiveness is determined by price, cost or non-price factors defined within the scope of competition and innovation capacity. Since a short-term advantage is provided in a price or cost-based competition, the capacity of the firm or sector to compete with non-price factors (such as increasing the capacity to create innovation) should be created in order for companies to gain a sustainable competitive advantage in international markets. For this reason, the concepts of international competitiveness and closely related comparative advantage, competitive advantage, economies of scope, flexible production systems and technological development are especially frequently used by economists and operators. appears to be used. While economists generally address the concept of international competitiveness (URG) at the country and sometimes sector level; operators, on the other hand, prefer to evaluate at the firm or sector level. It is seen that the economists trying to measure the URG at the country level try to calculate the competitiveness indices either by measuring the real exchange rates of the relevant country or based on

a large data set for various countries, as in the annual reports prepared by some international organizations such as the World Economic Forum and Institute of Management Development. However, it is not countries or nations that compete with each other in the markets of goods and services, but actually firms. For this reason, some economists have found the study of URG at the country level completely meaningless. In terms of countries and governments, the URG of the companies and sectors of the country in question is very important for reasons such as specialization in production, employment and foreign trade balance, but still the URG problem is a vital problem only for companies and sectors. In other words, the concept of URG is a completely different concept, at least from David Ricardo's well-known concept of comparative advantages. Because, according to the theory of comparative advantage, even if a country has an absolute cost disadvantage against its foreign competitors in all goods or sectors, there will be some goods or services that have a relative cost advantage in some of them and can be exported. On the other hand, firms or sectors that do not have international competitiveness will face the situation of being eliminated from the world market in the long run. It is not the price or quality of the products that countries or governments are in competition with anyway. In the global economy, governments compete with each other by increasingly integrating in trade in goods, services and capital, and trying to make their countries more attractive to foreign investors (MNCs).

In such a competition, efforts should be made to create a solid and widespread communication and infrastructure, rather than factors that provide short-term competitive advantage such as cheap labor in the economic policies of governments. In short, it is only a kind of competition for establishment location that can be in question for countries and governments. For this reason, the reports published by the above-mentioned organizations should only be considered as an analysis of a URG in this sense.

The fact that a domestic company has international competitiveness in an export market or in the domestic market means that compared to competing domestic and foreign companies in terms of non-price factors such as product price and/or product quality, punctuality in delivery and after-sales service, in the same situation or in the future. means to be superior (Kibritçioğlu, 1994). Since a domestic sector, unlike a domestic firm, cannot have a domestic competitor in the domestic or foreign market, it is clear that this definition will also apply to a sector with a little simplification. Defining URG in this way indicates that there are two types of URGs based on the elements of competition. It also shows: price or cost competition and non-price competition. The concept of non-price competition, which is especially associated with quality (1), also makes

it easier for us to associate URG with the flexible production systems approach, which has become quite “fashionable” lately (especially in the business literature) but still remains cold to the economists.

In the 1980s, it became increasingly difficult to produce in the world market with the old, inflexible production system, that is, with Fordist mass production technology in which Taylorist work organization was valid, and with the application of microelectronic technology in production, brand new, flexible production systems began to emerge. In these Post-Fordist production systems, there is no longer any need to increase the capacity utilization rate for the full employment of the factors of production, thus, as the pressure on the workers is relieved, their productivity increases and they too can find time to work on the improvements related to the production process. Small-scale enterprises are also successful in international competition in a way that underlines the importance of economies of scale, which means that there are multiple product models in which the same or similar inputs will be used, very small enterprises within the factory in line with the demand forecasts from the marketing department of the company regarding consumer preferences. It can be produced with changes (the flexibility of technology) and with little time loss, higher wages can be paid to workers with increased productivity, and all the while, the need for stocking for raw materials, intermediate goods and final products will decrease. provides cost savings. In addition, flexible production systems; Since it emphasizes economies of scope rather than economies of scale, it also makes it easier for us to understand that many companies today prefer product differentiation and compete with competitors for quality rather than price. Because two different products or more than one model of a product in a facility, thanks to the flexibility of the production technology, makes it possible to produce with the use of similar inputs at lower unit costs than in the productions to be made separately in different facilities.

In summary, the same directional ratio that exists between cost and quality in traditional production technologies is now broken by the implementation of modern production systems by companies. In other words, flexible technologies allow for the reduction of production costs on the one hand, and on the other hand, it makes it possible to increase the quality. The definitions made so far and the concepts used reveal how the concepts of technology and technological development can be defined and, moreover, the necessity of defining them clearly. Technology level; In its broadest sense, it can be defined as the sum or “stock” of knowledge and experience related to the production process, the product itself, the organization of production and management, marketing and after-sales service. In order for the increase in this stock, that is, the technological development (technological development), to make sense in terms of

economy, it must be implemented as an innovation in a company that is willing to make profit or loss.

2. Turkey's Place in the World Competitiveness Ranking

Significant changes have occurred in the political, economic, social and cultural fields in the world in recent years. The forward speed of this process is also expected to increase. In order to take our country's place in this changing world order and to increase the welfare of our people, it is necessary to develop and implement effective policies in various fields. The spread of information techniques and rapid developments in technology have caused a general globalization movement in the world economy. Thus, the integration of countries into the world economy brings with it some new formations. Political bloc has now left its place to economic bloc. In this context, there are important changes in the economic balances in the world. At this stage, the problem of integration into the world economy comes to the fore in order for Turkey to take its place in these economic formations and increase its efficiency. In order to evaluate Turkey's global competitiveness, "What is the situation of our country in the face of intense competition? What is the competitiveness of Turkey in the international market?" We need to seek answers to questions such as: At this point, it is necessary to reveal how much importance is given to the factors affecting international competitiveness in Turkey (Kesbic and Ürüt 2004). The results of the study conducted by TÜSİAD for Turkey on the factors affecting competitiveness are given in Table 1.

Table 1. Priorities in achieving competitiveness

Important Factors in Achieving Competitiveness	%
Quality	9,08
Features	9,03
Technology	8,24
Raw material availability	8,16
Labor productivity	8,05
Cost of capital	7,47
Labor cost	7,39
Infrastructure	7,21
Geolocation	6,79
External links	6,63
Domestic competitive environment	6,32
Qualified workforce	6,05
Country image	5,42
Uniqueness	4,74

Resource: TÜSİAD, 1991

As can be seen in Table 1, quality, features and technology take the first three places among the criteria that affect competitiveness. This shows that Turkish entrepreneurs understand the importance of competitiveness. However, when we look at the issue from the perspective of the Turkish economy in general, the situation is not encouraging at all. In the Global Competitiveness Report published by the World Economic Forum (WEF) in 2020, which investigates the position of the world countries in terms of international competitiveness, 141 countries, which constitute 99% of the world GDP in 2019, were examined. In addition to a large number of data published by countries and international organizations, the report also uses the results of the surveys applied to approximately 15 thousand companies for 2019, covering all countries. In the global report (2019), Singapore, the USA and Hong Kong take the top three places, followed by the Netherlands, Switzerland, Japan and Germany. Argentina (83rd) ranks lowest among G20 countries⁵. Turkey, on the other hand, ranks 61st in 2019 as it was in 2018 (Table 2). In the Global Competitiveness Report published in 2021, 64 countries were ranked by considering criteria such as innovation, digitalization, welfare level and social integration. Accordingly, Switzerland, Sweden and Denmark are in the top three in the ranking. In the report in 2020, Singapore, Denmark and Switzerland constitute the first three countries. It is shown in Table 2 that while Turkey was in the 46th rank among 64 countries in 2020, it regressed to the 51st rank in 2021.

Table2: Global Competitiveness Report (2021)

Country	Competitive Index	
	2020	2021
Singapore	1	5
Denmark	2	3
Switzerland	3	1
Netherlands	4	4
Hong Kong	5	7
Sweden	6	2
Norway	7	6
Canada	8	14
United Arab Emirates	9	9
USA	10	10

Resource:<http://www.weforum.org>

Economic performance is very important in determining international competitiveness. In this respect, Turkey's place in the competitiveness ranking should be evaluated primarily according to its economic performance. According to the criteria that reveal the economic

performance factor in the report prepared by IMD for 80 countries in 2002, Turkey’s international competitiveness is as seen in Table 3. Turkey ranks 69th according to growth competitiveness criterion, 54th according to technology criterion, 63rd according to public institutions criterion, 78th according to macroeconomic outlook criterion, 54th according to microeconomic competitiveness criterion.

Table 3: World Competitiveness Ranking (2020-2021)

Country	2020	2021	Country	2020	2021
Switzerland	3	1	Indonesia	40	37
Sweden	6	2	Latvia	41	38
Denmark	2	3	Spain	36	39
Netherlands	4	4	Slovenia	35	40
Singapore	1	5	Italy	44	41
Norway	7	6	Georgia	47	42
Hong Kong	5	7	India	43	43
Taiwan	11	8	Chile	38	44
United Arab Emirates	9	9	Russia	50	45
USA	10	10	Greece	49	46
Finland	13	11	Poland	39	47
Luxembourg	15	12	Romania	51	48
Ireland	12	13	Jordan	58	49
Canada	8	14	Slovak Republic	57	50
Germany	17	15	Turkey	46	51
Chinese	20	16	Philippines	45	52
Qatar	14	17	Bulgaria	48	53
United Kingdom	19	18	Ukraine	55	54
Avustria	16	19	Mexico	53	55
New Zeland	22	20	Colombia	54	56
Iceland	21	21	Brazil	56	57
Australia	18	22	Peru	52	58
Korean	23	23	Croatia	60	59
Belgium	25	24	Mongolia	61	60
Malaysia	27	25	Botwana	-	61
Estonia	28	26	South Africa	59	62
Israel	26	27	Argentina	62	63
Thailand	29	28	Venezuelan	63	64
France	32	29			
Lithuania	31	30			
Japan	34	31			
Saudi Arabia	24	32			
Cyprus	30	33			
Czech Republic	33	34			
Kazakhstan	42	35			
Portugal	37	36			

Resource: IMD, 2021

In the report published by IMD in 2019, all countries were scored and ranked over 12 different components that make up the competitiveness index. In the report, comparisons were made between Turkey and European and North American countries. Accordingly, as seen in Table 4, although Turkey lags behind in terms of macroeconomic environment and labor market, it ranks 13th among 141 countries in terms of market size, and it is the most successful criterion. When a comparison is made between Turkey and European and North American countries, it is seen that our country's scores are behind in all criteria except the market size criterion. However, it can be said that the scores are very close, especially in the field of health. When we look at the general situation, the scores of European and North American countries are between 75-80, while Turkey has 62 points and ranks 61st.

Table 4: Turkey's Place According to Global Competitiveness Index Criteria (2019)

Competitiveness Index Criteria	Scores of European and North American Countries	Scores of Turkey	Turkey's Rankings out of 141 countries
Institutional Structuring	Between 65-70	54	71
Infrastructure	Between 80-85	74	49
information and technology	Between 65-70	58	69
Macro Economic Outlook	Between 95-100	61	129
Health	Between 90-95	87	42
Skills	Between 75-80	61	78
Product Market	Between 65-70	54	78
Labor Market	Between 70-75	53	109
Financial System	Between 75-80	61	68
market size	Between 60-65	79	13
Business mobility	Between 70-75	59	75
Innovation	Between 60-65	45	49
Overall Score Average	Between 75-80	62	61

Resource: IMD, 2019

Conclusion

In order to become a developed industrial country in the globalizing world, Turkey has made investments for many years and mobilized its industry with the production of substitute goods. In the meantime, it is aimed to market the unprocessed agricultural products, which have become traditional in the export of our country, which is in an effort to open up to foreign markets, after undergoing technological processes and creating added value. Thus, the industrial investment move, which was initiated in the 1970s, has been successfully continued until today.

Turkey should attach importance to international economic integration in the fields of industry, agriculture and service. It has an important function that we can compete in international markets. In addition, competitiveness is closely related to the education systems of our country, the infrastructure of technology, energy and transportation systems, the relations between employers and employees, all investments that form the connection network between the public and private sectors, and all economic and social systems.

Resources

- Asheim, G. B., (1997). *The Review of Economic Studies*, 74(3) (Jul, 1997)
- Asheim, G. B. (1997). Individual and collective time-consistency. *The Review of Economic Studies*, 64(3), 427-443.
- Camagni, R. (1991). Local “milieu”, uncertainty and innovation networks: towards a new dynamic theory of economic space. In R. Camagni (Ed.) *Innovation Networks: Spatial perspectives* (pp. 121-144). London, Belhaven Press.
- Dahlgaard J. J., & Dahlgaard-Park S. M. (1999) Integrating business excellence and innovation management: developing a culture for innovation, creativity and learning. *Total Quality Management*, 10(4&5), 465-472.
- Desphande, R., Farley, J. U., & Webster F. E. (1993). Corporate Culture, Customer Orientation, and Innovativeness in Japanese Firms: A Quadrad Analysis. *Journal of Marketing*, 57(1), 23-37.
- Deshpande, R., & Webster, F. E. (1989). Organizational Culture and Marketing: Defining the Research Agenda. *Journal of Marketing*. 53(1), 3–15.
- Freeman C. ,C. Perez (2000). .Structural crises of adjustment: business cycles and investment Behaviour. In D. Preece, I. Mcloughlin, P. Dawson (Eds.) *Technology, Organizations and Innovation: Theories, concepts and paradigms* (pp. 781-901). New York, Routledge- Taylor and Francis Group.
- Haraldsen, T., (1997). Industrial Complex, Receiver Competence and National Systems of Innovations, The Case of Norwegian Offshore Industry. *Norwegian Journal of Geography*, 52(4), 195-207.
- Hurley, R. F., & Hult, G. T. M. (1998). Innovation, Market Orientation, and Organizational Learning: An Integration and Empirical Examination. *Journal of Marketing*, 62(3), 42-54.
- <http://www.tarimarsiv.com> (01.09.2021)
- <http://www.weforum.org8>(01.09.2021)
- <http://www.imd.org8>(01.09.2021)
- Kemer, B., (1997). *Gıda Sanayimizin İhracat Potansiyeli ve Gelişimine Etki Eden Faktörler* (Yayımlanmamış Doktora Tezi). Uludağ Üniversitesi, Sosyal Bilimler Enstitüsü, Bursa.
- Kesbiç, C.Y., S. Ürüt. (2004) Rekabet Gücü ve Global Rekabette Türkiye'nin Yeri. *Ekonomik Yorumlar İstanbul. Haziran-2004*(483).
- Kibritçiöğlü, A., (1994). *Adam Smith'in Uluslararası İktisat Kuramına Katkıları Hakkında*. *Ekonomik Yaklaşım*. 5(12), 55-62.

- Kitchell, S., (1995) *Corporate Culture, Environmental Adaptation, and Innovation Adoption: A Qualitative/Quantitative Approach*. Journal of the Academy of Marketing Science. 23(3),195-205.
- Oinas, P., & Virkkala, S. (1997). *Learning, competitiveness and development. Reflections on the contemporary discourse on 'learning regions'*. In H. Eskelinen (Ed.), *Regional Specialisation and Local Environment - Learning and Competitiveness* (pp. 263–277). Stockholm, NordREFO.
- Peters, M. P. & Venkatesen, M. (1973). *Explorations of Variables Inherent in Adopting an Industrial Innovation*. Journal of Marketing Research. 10(3), 312-315.
- Pinch, S., Henry, N., Jenkins, M., & Tallman, S. (2003). *From "industrial districts" to 'knowledgeclusters': a model of knowledge dissemination and competitive advantage in industrial agglomerations*. Journal of Economic Geography, 3(4), 373-388.
- Reed, M. R. (1994) Importance of Non-Price Factors to Competitiveness in International Food Trade. In M. E. Bredahl, P. C. Abbott, & M. R. Reed (Eds) *Competitiveness in International Food Markets* (pp. 83-102). Westview Press Taylor and Francis Group
- Roberts, John H. and Glen L. Urban (1984). *New Consumer Durable Brand Choice: Modeling Multiattribute Utility, Risk, and Belief Dynamics*. Working paper, University of New South Wales.
- Morgan, G.D., P.A. Baumann, J.M. Chandler. (1997). How competitive is Palmer amaranth (*Amaranthus palmeri*) with cotton? Proc. 1997 *Beltwide Cotton Conference, New Orleans, LA.*, 1:798-799.
- Perez, C., (1985, March). The Difussion of Technical Innovation and Changes of Techno-Economic Paradigm. Paper Prepared for Venice Conference. Science Policy Research Unit, University of Sussex.
- Peters, M.P., & Venkatesen, M. (1973). Explorations of Variables Inherent in Adopting an Industrial Innovation. *Journal of Marketing Research*, 13(3), 312-315.
- Robertson T., & Wind, T. (1980). Organizational Psychographics and Innovativeness. *Journal of Consumer Research*, 7(1), 24–31.
- Saraçoğlu, B., N. Köse, 2000, *Bazı Gıda Sanayilerinin Uluslararası Rekabet Gücü: Makarna, Bisküvi ve Un Sanayi*. Proje Raporu 2000-2. T.C. Tarım ve Köy İşleri Bakanlığı Tarımsal Ekonomi Araştırma Enstitüsü, S. 89, Ankara.
- Taymaz, E., (1993, December). Firm-Sponsored Training, Technical Progress and Aggregate Performance in a Micro-Macro Model. Paper presented at the Special Conference on Microsimulation and Public Policy. International Association for Research in Income and Wealth, Canberra, Australia.

- Pinch, T. (1990). The Culture of Scientists And Disciplinary Rhetoric. *European Journal of Education*, 25(3), 295–304.
- Porter, E.M. (2000). *Rekabet Stratejisi, Sektör ve Rakip Analizi Teknikleri* (G.Ulubilgen, Trans.). Sistem Yayıncılık.

Chapter 5

CULTURAL DIVERSITY AND DISCRIMINATION IN MULTICULTURAL COMPANIES: A HUMAN RESOURCE PERSPECTIVE

A. Gönül DEMIREL¹

Zeynep TÜFEKÇİOĞLU²

¹ Associate Prof. Dr. A. Gönül Demirel, Yeditepe University, <http://orcid.org/0000-0002-4327-8219>

² Zeynep Tüfekçioğlu, HR Specialist, freelance, zeyneptufekcioglu@gmail.com

INTRODUCTION

Human resource management is directly related with people at work how to manage, train and recruit them efficiently in line with the strategic goals of organization. As the organizational structures have altered and the human resource pool becomes more and more diverse, human resources and its tasks have altered as well. The fast shifting demographics of the human resources all around the world have created new challenges and opportunities for human resources and for the organizations. In most of the multinational companies, the human resources are becoming more ethnically and racially diverse.

Awareness of the requirement for human resource departments to effectively manage and enable the inclusion of diverse workforce to all aspects of multinational companies has been paid an extreme attention in HR practices. Although strategies for managing, achieving and defining diversity frequently differ appreciably by region and country, workforce diversity, avoiding discrimination and inclusion of employees in human resource management in multinational companies have been a worldwide phenomenon.

To understand cultural differences between multinational work-force, it is necessary to understand the concept of multiculturalism in organizations. In the last twenty-five years, multiculturalism has become more important not only in terms of culturally diverse groups, but also in terms of people working together and the individuals recognizing themselves. Multiculturalism is a functional strategy used to deal with international and national diversity. With a narrower approach, multiculturalism can be considered as a tool to be open to the positive effects of all cultures and to develop new and meaningful interaction methods. The most prominent feature of multiculturalism from an organizational point of view is that the positive perception of cultural diversity and the values of those cultures are perceived as an important part of belonging and being human.

Similarly, international examination of diversity management conducted by (Klarsfeld, 2010) covering 16 countries reveals the wide range of proposals presently being assumed to promote equality and fairness in the international workplace. Dissimilar social, cultural, historical, political and religious contexts form the focus of diversity management practices all round the world. Despite broad appreciation that successful diversity management can be accomplished through suitable human resource strategies, according to the works analysing how cultural diversity and discrimination are directed in multinational companies through efficient human resource practices is very limited.

Especially in international companies, diversity is a necessity today

and it is among the primary tasks of human resource depletion to exclude discrimination from organizations and create an inclusive organizational identity. To achieve this, in recent years, academic research has gained pace in organizations trying to work in harmony with managers and other employees of people from different cultures and to try to understand the similarities and differences between them.

The major causes underlying this development are the efforts of many countries to standardize the cross-border practices for integrating the world markets, the integration of world markets in the process of globalization, the spread of multinational business activities, increasing multicultural character of population structure and the need for coping with cultural obstacles to be able to provide competitive advantage.

As the world grows smaller under the influence of globalization, more and more people live and work in foreign countries and are thus in constant contact with people from very different cultural backgrounds such as language, norms, lifestyle. The management and development of people on a global scale inevitably necessitates attention to issues such as cultural diversity and related motivation, leadership, productivity, and empowerment. From this point of view, it can be said that, in terms of fields of activity, cultural diversity has a greater meaning and prominence in all organizations that do not comply with national boundaries than local and national organizations.

The cultural diversity phenomenon, especially of globalization and multinational enterprises in the workforce, confronts organizations with positive and negative consequences of this diversity. The answer to the question of how to manage the diversity mentioned at this point cannot easily be provided. In the literature, it is seen that there is a wide range of debate in the organization, from the managerial approaches which see the diversity of the workforce as an important measure of wealth and the employment policies, and vice versa. Every organization should find ways to manage cultural diversity, considering the structure of management and organization, and the specific conditions that determine and affect it.

It should not be overlooked that the cultural diversity in organizations is both an inevitable phenomenon today and more than the drawbacks of the essentials. The important thing is to develop policies in the direction of examining all aspects of the perspective and to try to maximize the aspects that will benefit the organization and to try to avoid the negative ones as much as possible. Thus, the increasing interest on the impacts of cultural differences in recent decades, especially in management and employee performance in international businesses, makes it one of the main tasks and targets to prevent discrimination by ensuring cultural diversity in human

resource management.

Cultural diversity is a phenomenon that must be supported for today's contemporary and high-performance organizations. The most important reason for this is that a culturally mixed workforce will bring potential competitive advantage to organizations (Ely and Thomas, 2001). Numerous researches show that organisations formed by individuals from different cultural backgrounds and general workforce structure can produce more effective solutions for business problems than homogeneous workforce groups and can perform better in the long run and fulfil their tasks more effectively (Farndale & Biron & Briscoe & Raghuram, 2015). It can be argued that this difference is partly due to the different aspects of perspective and experience that have stimulated innovation and creativity in multicultural organisations.

Culturally diverse organisations, especially face-to-face workers, may experience disadvantages in processes and lower group performance than homogeneous groups. The major challenge for HRM in diversity management centres on encouraging an increased understanding of people who come from diverse cultures and backgrounds. On the other hand, the perception and attitudes of individuals about the involvement of minorities into the managerial, social and operational processes of an organisation need to be adapted to diversity management efforts of the HRM (Mazur, 2010).

Culturally diverse organisational members are aware that they are different, and this awareness causes them to compare themselves to the other members of the group. Based on this comparison, they question the suitability of their behaviour and status. Successful multicultural organisations consist of employees that find ways to integrate the contributions of their members and find solutions that add value not based on differences but on diversities. The ability of a multinational workforce and HRM to adapt to effectiveness and organizational goals depends on the synergies they can make despite the consequences and problems of working as a multicultural group (Gomez-Meija & Palich, 1997).

On the other hand, discrimination is one of the most important problems that people face in business life. Contrary to the expectations of employees, they do not get the job, position or promotion level they deserve and the situation can cause both the decrease in productivity in business life and deterioration of the morale and motivation in people's social life. Discrimination is also seen as a social problem that has negative consequences in social life as much as it is in business life (Shore & Randel & Chung & Dean, 2011).

In this book chapter, cultural diversity and discrimination in

multinational companies are examined in perspective of the effectiveness of human resources in organisations. It analyses the concept of culture from the behavioural and organisational perspectives, identifies the role of diversity in multinational companies and the function of HRM in managing diverse workforce, evaluates the aspects and implications of discrimination in multinational companies.

This study also aims to provide roadmaps and applicable solutions for managing diversity and elimination of discrimination in multinational companies by way of the thorough literature reviewed in international context of HRM.

Based on these and the comprehensive literature review the following issues are questioned:

What are the main components of cultural diversity in multinational organisations?

What are the impacts of cultural diversity on HRM?

What are the implications of cultural diversity on organisational development and employee's perceptions and feelings?

What are the main practices and tasks carried out by HR department to manage diversity?

What are the main forms of discrimination encountered in multinational firm context?

How the issues related with discrimination can be resolved or minimized by HRM policies?

LITERATURE REVIEW

Understanding Cultural Diversity

In recent times, large specialized services companies have taken a primary role in global capitalism as they produced the technological tools that sustains processes of wealth creation, growth and realization and assists transnational trade. Therefore, in professional means diversity gains a connotation as it links to the ability of the professions to hand out a larger community and effectively discharge their roles (Muzio & Tomlison, 2012). To better understand the term cultural diversity, this section provides definition of culture in global and local scopes, reveals the theoretical approaches to cultural diversity through the works of Hofstede and Trompenaars and Hampden-Turner, evaluates the cultural diversities within and across cultures and emphasizes the role of social inclusion in diversity.

Definition of Culture in Local and Global Scales

Interaction between employees from different cultures, regions and countries is a must in today's workforce as a reflection of the diverse cultures that are present in our world. There is no standard definition of culture accepted in the world because of cultures differs from one region in the world, country within a region or even a state in a country to the other. It refers to specific traits of values, beliefs, social patterns and customs of people in a specific region or country, or in a specific religious or racial group (De Lancey, 2013). Culture is defined by (Badea, 2013) as behavioural attributes that are cumulated and conveyed by values, rituals, personalities and symbols. Symbols here refer to objects, words, gestures which create a meaning because of communication efforts. In terms of organizational culture, symbols represent statutory symbols, jargon, abbreviations, clothes codes, informal or formal direct communication efforts which are recognized simply by the members of that organization (Hofstede & Minkov, 2010).

As argued by (Dreo, Kunkel, Mitchell, 2002) the flow of information that individuals do in the workplace is influenced by the national cultural backgrounds of the individuals and the information that is filtered through the cultural lenses of these individuals can sometimes lead to misinterpretations. Also, (Au and Marks, 2012) suggest that the most critical limitations of a Multinational Corporation (MNC) is the culture regarding individuals' interpretation of information frequently based on their cultural biases and values that could result in misconceptions. Furthermore, perceived disparities in national cultures may cause to unhealthy stereotypes in MNCs (Han and Beyerlein, 2016).

In this respect, studies centring on cultural settings should be interpreted with consideration that different cultural backgrounds of the individuals or groups may affect their situational perception levels.

Diversity and Cultural Diversity

Diversity is a feature seen in groups of more than two people and can be often explained by demographic distinctions between group members. Demographic differences are classified by researchers into numerous dimensions frequently hypothesizing dissimilar outcomes for work groups and people depending on the nature and degree those disparities (Ely and Thomas, 2001). Gruenfeld, (1998) points out that the concept of diversity is subjective and generated by the members of a group by categorizing others as dissimilar or similar based on their distinct social identities. In this sense, a group can be said to be diverse if it consists of individuals who have distinct characteristics on which they base their own social identity.

Diversity is identified by Esty and Schorr-Hirsh,(1995) as valuing, accepting, understanding and acknowledging differences among people with respect to disabilities, gender, age, ethnicity, race, class etc. Domestic cultural diversity research is based on the postulation that some of the demographic group memberships results in socialization experiences that successfully produce peculiar subcultures within a population of nation (Bloom, 2002). As also argued by Bloom, age, ethnicity and gender are the features most frequently linked with demographic cultural effects.

Specifically, Loden and Rosener, (1991) points out diversity as a tool that differentiates a group of people from another in terms of two specific dimensions. The first dimension of diversity involves identical characteristics of individuals such as age, ethnicity gender, race, sexual orientation, and physical and mental characteristics and abilities. Basic self-image of people is shaped by the first dimensions and it also creates a significant impact on essential world views of people. Moreover, as argued by Loden and Rosener (1991), these factors have the most effect on groups in the society and workplace. The secondary factors that make up the diversity concept are less perceptible, create a more changeable impact on individual's identity and slightly contribute the affluence of the first dimension of diversity as identified by the authors. These factors include communication style, income, first language, organizational level and role and military experience. Organisations should also consider that people's self-definition and self-esteem are comprehensively influenced by these dimensions.

In approach to the dimensions of cultural diversity, (Rijamampinina and Carmichael 2005, p.109) asserts that the certain features of age, race, gender, ethnicity and disability link to the small, observable portion of the iceberg, and constitute most of the cases in anti-discrimination legislation around the globe. Other characteristics such as political direction, culture and religion are less apparent, and could be said to comprise the secondary features standing just underneath the surface, which may be revealed in time. Rijamampinina and Carmichael (2005) acknowledge that the third level of dimensions is frequently at the centre of personal identity and stays deeper underneath the surface (Table 1).

Those involve a wide variety of qualities that stay underneath the surface that gives the real spirit of diversity should be considered by organisations seriously but they have not been attached sufficient importance until recently been recognized by researchers.

As Litvin, (1997) maintained, they may be intertwined, considering both the similarities and the differences that comprised in human nature. These dimensions interact and are analysed in different forms, emerging

in different conditions, in environments and contexts which make management and analysis multifaceted. For example, in a circumstance race may be more centric than gender however it may be less centric than age in context of work. Therefore, the centrality and dominance of any dimension are dynamic that makes the notion of diversity more complex.

Besides this, factors indicated in the secondary dimension are more flexible and they tend to alter over time. To make diversity a more useful tool for organisations, many studies in the field of diversity have defined it as a constant essence within a group and have used these variables as self-governing variables. In terms of the variables and grouping criteria described above, the following table which brings together all these approaches classifies the dimensions of diversity under three different dimensions organised by Rijamampinina and Carmichael, (2005).

Table 1: Dimensions of Diversity

Primary dimensions	Secondary dimensions	Tertiary dimensions
Race	Religion	Beliefs
Ethnicity	Culture	Assumptions
Gender	Sexual orientation	Perceptions
Age	Thinkingstyle	Attitudes
Disability	Geographic origin	Feelings
	Family status	Values
	Lifestyle	Group norms
	Economic status	
	Political orientation	
	Work experience	
	Education	
	Language	
	Nationality	

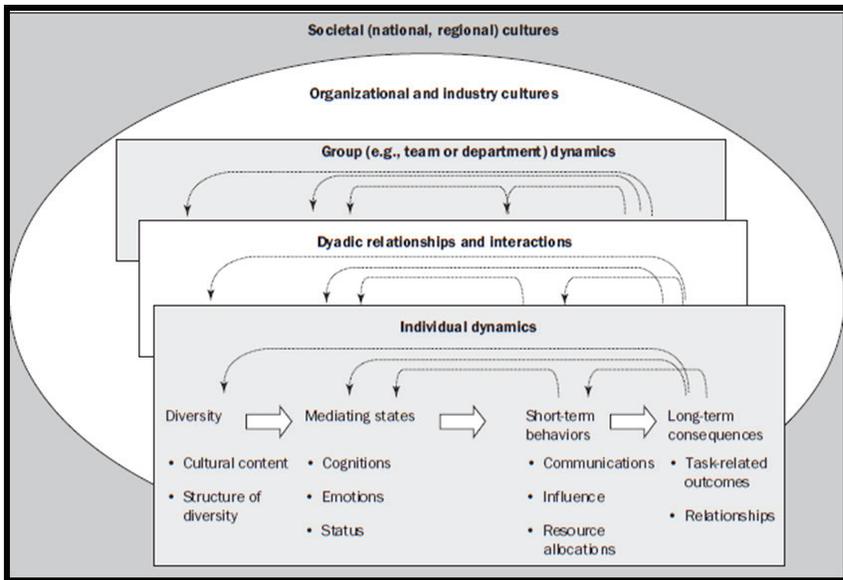
Source: Adapted from (Rijamampinina and Carmichael, 2005).

Additionally, to examine how many facets of cultural diversity can be brought together affect employees' behaviour in MNCs, the following model shown in the Figure (1) below was developed by Schuler, Jackson and Luo, (2004). This model deals with the culture in four layers. These

culture levels are generally discussed in terms of higher culture levels which play a role in limiting them by surrounding lower culture layers. For instance, the organizational culture of local businesses operating in a single line of business is often encircled by the influence of local cultures in the geography and the industry.

Figure 1 shows that four different categories are related to each other in this model which is prepared considering that cultural diversity has emerged in many ways. These categories encompass cultural diversity, intervening processes and states, behavioural expressions in the short-run and the outcomes in the long-run. The model demonstrated below can be applied to the context of cultural diversity in MNCs.

Figure 1: Dynamics of cultural diversity in MNCs



Source: (Schuler et al., 2004)

According to this model, the structure and content of cultural diversity are approached as common tools to understand the way individuals think and feel about themselves and others. As argued before, cultural content becomes visible in multiple levels when it comes to make cultural diversity a norm in an organisation. In the case of MNCs, industry, organizational and societal cultures tend to be specifically predominant. Nevertheless, cultures identified in terms of demographics also tend to play a role in characterising the interactions among organisational identities (Schuler et al., 2004)

The configuration of cultural diversity stresses mainly on the distribution of cultural differences in organisational groups. The certain conditions within a MNC denote that both the content and the configuration of cultural diversity may be distinctive to each organisation. For example, a MNC that comprised of two partners of domestic firms potentially represents a lower level of diversity in societal-level, so the firm's integration plans should consider how the societal cultural diversity can be balanced. In this case, the configuration of organizational and societal membership can be tougher as the cultural gap between subgroups strengthens the fault line among the organisational members (Lau and Murnighan, 1998).

The topics related to cultural differences have gained great importance in previous studies. On the other hand, research on group dynamics clearly shows that the cultural diversity structure in organizations leads to significant results. For instance, (Earley and Mosakowski, 2000) believe that if there are obvious cultural fault lines embedded in an organisation, it is inevitable that conflicts occur between the groups whether cultural values or norms have a distinctive effect on the group. Contrarily, when dissimilarities are more widely observed and disperse, coordination problems may be more challenging than obvious conflicts, particularly in the initial stages of development of a group. In this sense, Earley and Mosakowski (2000) postulate that non-nationality based multicultural organisations, can overcome these problems when given sufficient opportunity and perform better than homogeneous workforce in the long run.

The identification of differences and cultural differences using such approaches clearly plays a vital role in configuring appropriate strategic solutions for organizational development and shaping of human resources policies. However, keeping the theories that investigate the starting points of cultural and cultural diversity concepts in the knowledge pool for the full fulfilment of this task could also be of significant benefit. In the following section, two important approaches reflecting the transformation of these concepts in terms of formation and human resources are examined in detail.

Theoretical Contributions to Cultural Diversity

The necessity of interaction between people from different backgrounds and cultures and beliefs is now much greater than in the past due to the impact of globalization on international organizations. Nowadays, people's work and daily life are surrounded by a wider range of cultural impacts and it has become imperative to be a part of multiculturalism to be able to adapt competition that comes from almost every part of the world. Therefore, the perspective of diversity should be adopted in each organization so diversity is a necessity of being open to change and creativity. For that reason, in

today's HRM approach capitalizing and exploiting on workplace diversity has become a vital issue (Mazur, 2010).

To identify cultural and identical differences in management and organisation, the culturalism approach has been adopted by many researchers by drawing on cultural norms, beliefs and societal values, particularly when studying HRM practices in multi-national companies. These studies are in general based on the works of (Trompenaars & Hampden-Turner, 1997) and (Hofstede, 1980). Their work mainly draws on individual data analysed at the national level on the postulation that the nation delineates a somewhat unitary culture, a hypothesis that does not completely justify the cultural diversity within nations and changes owing to acculturation (Burke and Cooper, 2006).

Hofstede's Cultural Dimensions and Managerial Implications

In recent years, the effects of culture on the results of diversity in organizations have been incorporated in some studies. With the growing multiculturalism in workplace as well as the increasing internationalization of diversity studies, the increasing multiculturalism in workplace, the function of national culture in determining the influences of diversity tend to increase their importance (Martocchio, 2007).

The early framework developed by (Hofstede, 1980) examining culture in four dimensions has been regarded as a principal milestone in the cross-cultural research area and has provided a long-standing frame for understanding cultural differences in employee behaviours and attitudes. (Hofstede, 1980)'s four cultural dimensions including individualism (collectivism), masculinity (femininity), power distance and uncertainty avoidance have been extensively used in cross-cultural research for over two decades (Torrington & Hall & Taylor, 2008). This framework has been applied to studies relating to the existing theories of leadership, motivation and work values in organizations.

In his later studies, firstly in 1991, (Hofstede, 2017) added a fifth dimension called "Confucian Dynamism (Long-Term Orientation)" which was based on an additional international study applied to 23 Eastern Asian countries and contributed by Chinese professors. Finally, based on the World Values Survey data for 93 countries analysis by (Minkov in Hofstede et al., 2010) a sixth dimension has been added to this framework called "Indulgence versus Restraint". Because of this development process, a six-dimensional framework that we use today has emerged.

Table 2 presented below summarizes Hofstede's six cultural dimensions through their interpretations and managerial implications. Following the table, the content of each dimension is examined under the

relevant headings and the effects are exposed in the framework of different cultural settings.

Table 2: Hofstede's Cultural Dimensions and Their Managerial Implications

Cultural Dimensions	Interpretations	Managerial Implications
Uncertainty Avoidance	Rigidity vs. Flexibility	Formal vs. Informal Procedures
Power Distance	Equality vs. Inequality	Centralized vs. Decentralized Decision Making
Individualism vs. Collectivism	Self vs. Group	Individual vs. Group Rewards
Masculinity vs. Femininity	Material Success vs. Concern for Others	Competition vs. Cooperation
Confucian Dynamism (Long-Term Orientation)	Virtue vs. Truth	Long-term vs. Short-term Orientation
Indulgence vs. Restraint	Happiness vs. Life Control	Work-Life Balance

Source: Adapted from (Hofstede et al.,2010)

Uncertainty Avoidance: This dimension measures the ability of the members of the society to live with ambiguity about the future without anxiety. In societies where the uncertainty avoidance is strong, people prefer clear and certain rules and they do not tolerate uncertainty easily. In cultures where the avoidance of uncertainty is weak, the flexibility of the rules does not necessarily disturb people and they consider wide array of options when they take risks (Bozhko, 2014). As acknowledged by (Lazazzara, 2016) in high index cultures, employees tend to work longer in a workplace as they are anxious about the job search process in uncertainty while employees low index communities are likely to change jobs more often. Therefore, this dimension shows that people's attitude against structured or unstructured situations are closely related with the culture.

Power Distance: The dimension of the power distance focuses on the attitude of people against the relationship between the weak and strong, in the society. The impacts of the degree to which people in a culture allow inequality are evidently seen in their mind-set in an organisation (De Bono, Jones and Van der Heijden, 2011). (Hofstede & Pedersen, 2002) indicate that a high ranking of power-distance dimension exhibits the existence of unfairness in terms of wealth or power in a country and is also tolerated in organisations. In contrast, a low ranking of power distance exhibits opportunity and equality for all members of a society. The work of (Daniels, Radebaugh and Sullivan, 2004) reveals that employees from countries with high power distance favour centralised hierarchical structures. On the

other hand, employees from cultures with low power distance in general prefer equal privileges, flat organizations and decentralised hierarchical structures. This dimension plays a decisive role in the relationship between superiors and subordinates in the cultural context.

Individualism versus Collectivism: The critical issue identified in this dimension is that whether the relationship between the group and individual can be approached as a part of individual identity or the matter of the group identity. In this approach (Hofstede, et al.,2010) links individualism to plentiful resources and wealth while collectivism to narrow resources and shortage.

Privacy of private life and personal initiative are encouraged in a high degree of individualism environment. The member of organisations in these cultures tend to demand more challenge, freedom and personal time and the primary motivation is gained through self-actualization (Daniels et al., 2004). In collective cultures, a low individualism characterises the behaviours of people as they tend to take more responsibility for other people and loyalty for the workplace gains higher importance. The primary motivation factors for those workers are the stipulation of emotional and physical security environment (Hofstede et al., 2002). Moreover, in high-collectivist cultures, employees attach importance to protecting the rights within the group, while in cultures where high individuality prevails, the employees' attachment with the organization heavily depends on the personal expectations.

Masculinity versus Femininity: In masculinity, stereotypical traits such as assertiveness, competition and ambition; and in femininity, the concepts such as value attached to relationships, equality, and quality of life are identified as dominant aspects of the culture. While in a low masculinity culture women and men are treated equally, high masculinity cultures involve a higher level of gender discrimination in the society (De Bono et al., 2011). Employees from low masculinity countries stress on interdependence and service while employees from high masculinity countries prioritize material recognition and money, independence, self-accomplishment and performance (Hofstede et al., 2002). Therefore, in terms of diversity and HRM practices this dimension can be associated with gender wage gaps and the role of women in managerial roles.

Long Term vs. Short Term Orientation: Long-term orientation is the fifth dimension of Hofstede. He created a Chinese value survey which was distributed across 23 countries. Based on the findings and the Confucian influence on the East, he analysed long-term - short-term orientation as a new dimension. (Vance and Paik, 2006) points out that the following aspects are enclosed in a short-term orientation culture: concern

with having the truth, orientation for quick-results, lower savings rate and respect for traditions. On the other hand, long-term orientation involves the following components: regarding the demand of high merit, persistence and tolerance towards slow outcomes, high ratio of savings driven by carefulness and alignment of tradition to the contemporary perspective. They maintain that these traits are mainly seen in East Asian cultures such as China, Korea and Japan and sourced by the cultural philosophy strongly related with the outstanding economic growth of the region's following to 1970s (Torrington et al., 2008). Although this dimension mainly focuses on the Asian context of the culture, it is still useful to understand how diverse cultural traits can be characterised in international business and HRM models.

Indulgence versus Restraint: As mentioned above, this dimension is identified as the sixth and final cultural dimension by (Hofstede et al., 2010). Among these, indulgence refers to a culture that allows comparatively free fulfilment of natural and basic human drives interrelated to having fun and enjoying life. On the other hand, restraint demotes a culture that stems fulfilment of basic human needs and controls them by means of certain social norms (Hofstede, 2017). This dimension can be linked to the notion of cultural diversity in terms of the concealment of differences, and the freedom to express oneself freely in the social and business environment.

Trompenaars and Hampden-Turner's Seven Cultural Dimensions

The cultural dimensions revealed by Trompenaars' and Hampden-Turner consist of orientation to nature, time orientation, particularism versus universalism, diffuse versus specific cultures, communitarianism versus individualism, affective versus neutral culture and ascription versus achievement cultures (Vance and Paik, 2006).

Although there are some commonalities, Trompenaars' and Hampden-Turner's dimensions to some extent differ from the cultural dimensions set forth by Hofstede. First, particularism and universalism is considered as the execution of rules and laws rather than the regarding of interactions as the chief priority. Second, communitarianism and individualism describes the distinction between people with a personal or group viewpoint. Neutral and affective cultures separate countries where individuals likely to preserve their feelings, or show them. Diffuse or specific cultures either take private and business life apart, or blend them. Leadership is achieved by either success or by ascription and finally time is viewed in terms of being present versus past or future-oriented (De Bono, 2011). Table 3 below exhibits the managerial implications and interpretations of Trompenaars and Hampden-Turner's Seven Cultural Dimensions.

Table 3: Managerial Implications of Trompenaars and Hampden-Turner’s Seven Cultural Dimensions and Their Interpretations

Cultural Dimensions	Interpretations	Managerial Implications
Universalism vs. Particularism	Rules vs. Relationships	One Principle vs. Many Different Ways of Conducting Business
Specific vs. Diffuse Cultures	Range of Involvement in Public vs. Private Space	Distinction and Size Difference between Public and Personal Life
Achievement vs. Ascription Cultures	How Status Is Accorded	Merit-based Performance vs. Respect for Elders and Titles
Individualism vs. Communitarianism	Individual vs. Group	Personal Responsibility vs. Group Consensus
Emotional vs. Neutral Culture	Range of Feelings Expressed	Animated Expression vs. Self-control
Time Orientation	Monochronic vs. Polychronic	Keeping Schedules vs. Flexibility
Orientation to Nature	Human Being’s Mastery over vs. Subjugation to Nature	Internal Control vs. External Control

Source: Adapted from (Trompenaars and Hampden-Turner,1998)

Furthermore, as indicated by (Martocchio, 2007), the existing literature provides evidence for suggesting that there are essential variations between national cultures with no limitations to the dimensions presented by these two fundamental researches. Nevertheless, it also exhibits that there are frequently significant disparities among between the characteristics of subcultures within nations.

Cultural Diversities Within and Across Cultures

The impacts of cultural diversity can hamper factors that critical in organisational adaptation process across and within cultures such as socio-emotional process factors including intercultural learning, developing trust, building relationships and overcoming biases and, task-related process issues including knowledge sharing, establishing expectations, coordinating and task-related communicating (Han and Beyerlein, 2016).

Although these impacts potentially vary in different cultural contexts (Shore at al., 2011) suggests that cultural diversity interconnects both factors related within cultures and across cultures in context of the social inclusion phenomenon. Therefore, the discussion of influences mentioned above that included in cultural diversity across and within cultures under the framework of social inclusion may lead to more useful outcomes for this study.

Social Inclusion and Diversity

Some analysts consider inclusion and diversity as co-dependent factors regarding the inclusion is the compulsory precursor of diversity and the diversity as an essential predecessor of inclusion. In other words, first thing for an organization is to establish a diversity policy to recognize the significance of encouraging differences and then to build assurance for inclusion to present the advantages of diversity (Oswick and Noon, 2012).

One’s attachment to the social categories examined in the diversity literature, occurs based on symbolic identification with the group (Roccas and Brewer, 2002). People become attached to each other through their basic association to the social group because of collective identification. Besides the social element, an individual component is also involved in identity which is used for describing oneself as an individual. Thus, societal identities contribute to less individualization, as people involve orientations of groups into their unique notions (Shore et al., 2011).

Shore et al.,(2011) also argue that belongingness and uniqueness towards building a socially inclusive work environment eventually increases performance, intention to stay, job satisfaction, organizational citizenship and employees’ general well-being.

Table 4 presented below reflects the inclusion situation of employees in organizations where belongingness and uniqueness factors are low and high. According to this table, inclusion feelings develop when both factors are high while the feeling of exclusion occurs when the intensity of both factors is low. High belongingness is characterized by assimilation, whereas high value in uniqueness results in differentiation.

Table 4: Social Inclusion Matrix

		Low Belongingness	High Belongingness
Value in Uniqueness	Low Value in Uniqueness	<p>Exclusion</p> <p>Individual is not treated as an organizational insider with unique value in the work group but there are other employees or groups who are insiders.</p>	<p>Assimilation</p> <p>Individual is treated as an insider in the work group when they conform to organizational/dominant culture norms and downplay uniqueness.</p>
	High Value in Uniqueness	<p>Differentiation</p> <p>Individual is not treated as an organizational insider in the work group but their unique characteristics are seen as valuable and required for group/ organization success.</p>	<p>Inclusion</p> <p>Individual is treated as an insider and also allowed/encouraged to retain uniqueness within the work group.</p>

Source: Adapted from (Shore et al. ,2011).

In addition to this framework, (Kochman and Marvelis,2009) qualify the rigidity as the most significant opponent of successful adaptation or the reason that all the roads leading to adaptation are closed. According to Kochman and Marvelis, (2009) people are attracted to what they already know even if they are aware that it will not provide benefits and they defy the unfamiliar and untried because they are not part of the “perceived wisdom” and because they are afraid to be alone by themselves. So, they identify culture as an arrested development or a kind of fossilization in many ways. On the other hand, (Nielsen and Huang, 2009) identify inclusion as the deliberate action to take part within diverse member of an organisation to contribute the status quo of effectiveness of this group. In this sense, social inclusion requires to show further effort to interact with others by getting rid of the impacts of cultural backgrounds.

Besides characteristic features of social inclusion, some authors such as (Farndale et al.2015) approach main challenges to identify inclusion and diversity within the national frame and associated with the implications of HRM practices. Farndale et al.(2015) propose three suggestions to overcome these challenges. First, it requires analysing the cases of diversity in context of single countries based on HRM issues such as flexible working practices, performance management, selection and recruitment policy and talent management. Secondly, analysts working in this field require making a point of wider conceptualisation of inclusion and diversity. Third, inclusion and diversity practices needed to link in context of firm, workforce or individual performance outcomes with a specific purpose to recognize the application to the national context.

In line with these suggestions, exploiting social context approach, elements of national environment such as labour market and economic system, political system, climate and culture should be investigated to construe better the associations between organisation effectiveness and inclusion and diversity practices.

On the other hand, (Chavez &Weisinger, 2008), assume that the materialization of an organizational culture that encourages both inclusion and diversity promotes a strategy which benefits from the involvements of plentiful insights sourced by individual experience. The authors suggest three objectives to maintain this strategic orientation:

- By cultivating "me" in "us" create a culture of relationship in which people are proud of their own originality, even though they are integrating into a socially larger group.

- Develop a motivating inclusive culture for employees to motivate themselves to adopt the learning experience and for members of the organization to discover and evaluate multiple perspectives to learn from each other.
- Integrate an organizational strategy that benefits from a multi-faceted perspective that contributes to organizational attractiveness, productivity, creativity and well-being of employees.

Social exclusion which can be defined as the antonym of social inclusion can be identified in context of the socially excluded groups which refers to people who are deliberately prohibited from taking part in the utilities of membership or citizenship of society due to a group of hurdles, of which poverty is only one. Other sources of social exclusion consist of liabilities for family dependants, a remote location, belonging to a disfavoured ethnic minority deprived educational opportunities or, more frequently an arrangement of all these factors (Collins, 2003). Such a definition also helps us to implying more meaningful implications for understanding the purposes of social inclusion within a community.

Clayton and Williams, (2000) explains the purpose of social inclusion as a sort of social welfare, which means that the desired result is to increase the wellbeing of disadvantaged groups. But it is not the same as the maximization of prosperity or utilitarianism, because social inclusion does not prioritize the welfare of the target groups or maximize their utility however it allows redistribution to their own advantage (Clayton and Williams, 2000). As stated by (Nielsen and Huang,2009) the ongoing stylistic and intellectual interferences of the status quo under the service of an organisational mission are supported by the systems created by inclusive organizations. In flexible and successful organizations, this sort of tendency for inclusion and productive change may become the status quo.

To sum up, two consequences can be drawn regarding the studies on inclusion literature (Shore et al.,2011). First, major aspects of insider status, comprising having voice, partaking in decision making and sharing information are considered as significant measures of inclusion. While these aspects are claimed to augment employee's inclusive perceptions, more precise hypothesizing about the psychological instruments that motivate this relationship is required. Second, there is an obvious argument that for organizations and individuals, inclusion creates helpful results, nevertheless, little is acknowledged about why or how this effect occurs. This alleges that, essentially, the context of inclusion and the underlying hypothetical basis of it require further development.

Cultural Diversity in Organisations

Most studies on the association between organisational effectiveness and multicultural diversity is revolved around group work and the results generally provide positive relations. As suggested by (De Lancey, 2013) an organizational culture that encourages multi-cultural diversity enhances general employee efficiency and workplace performance. This section focuses on the definition of cultural diversity in workplace, cultural conflicts in the workplace, drivers of equality and diversity in organisations and effects of cultural diversity on HRM.

Definition of Cultural Diversity in Workplace

The phenomenon of “diversity perspective” which comprises the role of group members in their work group and normative expectations and beliefs of them about cultural diversity directly influences the impact of cultural diversity on group functioning (Ely and Thomas, 2001). Therefore, the main attributes of diversity incorporate the motivation that steers endeavours of people to respond and create cultural diversity in work groups; viewpoints about drivers of progress toward the ideal multicultural work group; normative beliefs about the value of cultural identity at work and expectations about the type of impact on organisation.

Cultural diversity has been defined (Mazur,2010) as the representation, in one social system, of people with distinctly different group affiliations of cultural significance.

Rohmetra, (2000) points out that organisational culture affects and is affected by the cherished beliefs, nurtured values and held perceptions of organisational members which are given situations in organisations. In other words, work values and ethical beliefs are functions of both organisational variables and differences in personality development in each cultural environment that determine behaviour of man.

Nielsen and Huang,(2009) acknowledges that the first stage of diversifying philanthropy which begins in the early 1980s, meant bringing people of colour, women, gays and lesbians, and members of other underrepresented groups into positions of leadership within foundations. The next stage is focusing on inclusion and “deeper” diversity, encouraging and institutionalizing the differences that diversity offers to realize organizational mission, vision, and goals.

(Gilley and Quatro,2009), provides the following examples of how embracing diversity supports business objectives:

- Diversity programmes can increase the workforce quality of an organization and can be the mechanism for a better ROI in human resources.
- Firms can take advantage of on new markets because of customers has become even more diverse than the employees.
- Recognized diversity programmes and results will draw the brightest and best work force to the organisation.
- Flexibility makes sure survival.
- Diversity promotes creativity.

As Table 5 demonstrated below, the authors delineate the diversity in terms of internal, external and organisational levels. Internal level of diversity consists of race, ethnicity, physical ability, sexual orientation, gender and age. The external variables of diversity include marital status, parental status, work experience, education, religion, personal habits, income and geographic location. Finally, as authors indicate, organisation level elements of diversity comprise management status, union affiliation, work location, seniority, division or department, the content of work and functional level.

Table 5: Opportunities for Recognizing and Embracing Diversity

Internal	External	Organizational
Age	Geographic location	Functional level
Gender	Income	Work content/field
Sexual orientation	Personal habits	Division/department/unit
Physical ability	Religion	Seniority
Ethnicity	Education	Work location
Race	Work experience	Union affiliation
	Parental status	Management status
	Marital status	

Source: Adapted from (Gilley et al.,2009).

In contrary to these types of strict delineations; (Fine & Johnson and Ryan,1990) hypothesize that whether celebrating or decrying diversity neither academics nor management practitioners have been willing to deal with diversity per se. Both the variation as shortfall and the difference as superiority perspectives suppose some hierarchy of behaviours and

skills based on comparing certain groups. According to the authors, such comparisons are frequently confusing. Distinguishing the certain cultures of diverse racial or gender groups presents the basis for a new viewpoint on understanding organizational behaviour. (Fine et al.,1990) point out that such a viewpoint, which identifies the main characteristics of difference, begins with the supposition that each cultural group defines and organizes experience within its own set of cultural systems.

Cultural Conflicts in the Workplace

Employee diversity can give a business benefits when dealing with international markets or diverse customer base, making diversity a significant business concern as assumed by (Podsiadlowski, Gröschke, Kogler, Springer and Van der Zeec,2013). On the other hand, the potential conflicts due to perceived differences and ongoing social inequalities for minority groups require to be acknowledged in a detailed approach.

The work of (Gomez-Meija and Palich,1997) demonstrates that attempts to productively operate compound groups of business units in a diverse cultural context may be confused by communication breakdowns among boundary spanners, frictions and conflicts within the organisation and misunderstandings and lack of cohesion among key decision makers. In brief, interpersonal difficulties entrenched in cultural differences may hamper the resourceful coordination of HR and the flow of information accurately on an organisation wide basis.

Analysing this issue, the work of (Mazur,2010) proves that in problem-solving circumstances, unexpected costs in financial and time resources can reverse the benefits gained from the synergy, and can even deteriorate into dysfunctional conflicts. As Mazur(2010) indicates, uncertainty may lead to frustration and confusion. According to this perspective, diversity can make it more difficult to conform on a specific course of action, and can cause unconstructive cultural conflicts that can lead to disadvantages at work for especially minorities and women.

As noted by (Mazur,2010), cultural conflicts between minority and majority group members are traditionally decided in favour of the majority ones. Therefore, cultural conflicts within an organisation are expected to create considerable obstacles to full participation of the members of minority groups in potentially conflict situations.

Drivers of Equality and Diversity in Organisations

Principles of the Human Rights Act in1998 reveal an obligation to respect for variations in culture and equal opportunities. These principles also emphasize respect for personal differences in terms of, social or national origin, property and status or birth, political opinion, religion,

race, language sex or colour. As one and the natural drivers of diversity and equality in organisations, human rights do not suggest that individuals are regarded as the same or treated the same, but rather that they are treated fairly, equally and provided the equal opportunities (Hunt, 2007).

As (Podsiadlowski et al.,2013) reveal, theoretical foundations maintaining the significance of diversity dimensions have focused on the relevance of social categorization and social identity in intergroup relations, focusing the significance of surface-level traits, such as nationality and ethnicity, which are the focus of this study in terms of cultural diversity. Both perceived similarity and social identity bear results for intergroup associations at culturally diverse workplaces. (Podsiadlowski et al., 2013) note that these can lead to negative impacts such as conflicts, stereotyping, equal employment disparities and discrimination however may also lead positive outcomes by fostering innovation, creativity and better problem solving.

According to (Richard and Johnson,2001), in accordance with the organizational approach to diversity, the type, quality and number of diversity initiatives and measures will vary which in turn should have outcomes for the organization and staff. Having a standardized and reliable measurement of such approaches should improve screening of diversity management, cause to more resourceful recognition of an organization's strategy and help simplify the conflicting impacts of diversity.

Therefore, both the natural drivers of diversity and the drivers sourced from the organisational dynamics allows human resources to implement each step-in policy settings with consideration of cultural diversity in the workforce.

Effects of Cultural Diversity on HRM

A significant number of studies that have examined the impact of cultural differences on HRM have found indirect implications and have focused on the relationship between the successful diversity management and organizational performance.

Among these studies; (Richard, Barnett, Dwyer and Chadwick,2004)'s work examined the influence of cultural diversity of organisations on firm performance in the banking industry. This study presented that diversity in terms of race creates a positive effect on firm performance and in terms of gender emerged as an inverted U-shape association with firm performance. In their previous research; (Richard, McMillan, Chadwick and Dwyer,2003) also found a positive relationship between the innovative performance of firms and the degree of racial diversity. This research was based on a more limited research conducted by (Richard,2000) shows that there is a negative

relationship between racial diversity and the performance of firms that follow a downsizing strategy while there is a positive link between racial diversity and firm performance of firms that pursue a growth strategy. As these groups of works are held together, they indicate that business strategy of a firm is a key background aspect that figures out the value that can be gained from diversity and its management carried out by HRM.

In a supportive argument provided by (Thomas and Ely,1996) emphasize that employee performance is improved by workplace diversity because of the possibility of having the information required to perceive problems, more creative solutions and ideas than other groups.

In terms of the behavioural aspects of diversity (Jehn, Northcraft and Neale,1999) found that race and gender diversity related to negative emotional consequences such as behavioural conflicts in organisations. In contrast, (Mohammed & Angell,2004) revealed that race and gender diversity had no noteworthy outcomes on relationship-based conflict at the work group level. It is likely that the different nature of these two research settings caused to these conflicting findings. Advocating that both approaches may be true (Martocchio,2007) propose that diversity might possibly either nullify, magnify or even invalidate effects of diversity characteristics on a range of work outcomes.

In addition to these major studies, a summary of illustrative studies which have been conducted across a wide range of industries, geographic locations, and using varied types of organisations measuring diversity context are put together into a chart in Appendix (1).

From a strategic perspective, cultural diversity has many impacts on HRM. (Hodgetts and Luthans,1991) have selected some of these where the culture of a society can directly affect management approaches. Although there are many studies focusing on indirect effects of diversity on HRM, the following studies emphasize these influences on a purely HRM perspective in context of the centralisation of decision making, rewards and competition, risk and formality and organisational loyalty.

The centralisation of decision making

In some cultures, particularly the pyramid of person type, all significant decisions are taken by a small number of senior positioned managers. The rest of the culture like the village communities or trade units, decision making is more decentralised. In a MNC that consists of employees from dissimilar cultures, not only will these disparities of approach require to be recognised, but managerial systems will have to allow members of those dissimilar cultures to work together and understand each other (Torrington et al., 2008). Such an aspect in cultural diversity is identified

as centralisation of decision making in HRM.

Rewards and competition

The amount of financial rewards differing between cultures can be a problem, when those belonging to a culture tend to earn much more money than those belonging to the other culture for doing a similar job, but a slighter differentiation is the way in which rewards are paid out. In some occurrences, there is a culture favouring personal recognition, whereas in a different place there is a gathering of group rewards. Likewise, some cultures support competition rather than collaboration, and in others the opposite applies (Torrington et al. 2008). Therefore, cultural diversity is a significant variant in terms of how the HRM approaches to the issues related with rewards and competition within groups.

Risk and Formality

As (Hofstede,2002) demonstrated in his first study one of the main denominators between cultures is the individual attitudes towards risk taking with great emphasis on dissimilarities of uncertainty avoidance. The pyramid of people cultures highlights observance of rank and clear hierarchies while well-oiled machine cultures attach great importance on strict rules and clear procedures. Such contrasts are powerfully seen in the societies with village market type where unofficial action is more likely and interactions are more informal.

In terms of risk and formality, HRM decisions should consider the differences in perceptions of employees between diverse cultural settings.

Organisational loyalty

The viewpoint towards organisational loyalty shows great disparities between cultures according to (Hodgetts and Luthans,1991). Their work demonstrates that such as in Japan employees tend to have a strong sense of loyalty to their employer, while in the US and the UK there is an increasing sense of identification with an individual's job-related group, rather than with a certain employer. As the authors indicate, the established significance of occupational bodies and the decreasing long-term dependability of firms to look after an individual's career development have facilitated this loyalty to one's occupation rather than to one's employer.

So, in today's HRM approach, specialists need to consider the changing values regarding organisational loyalty and the interaction between cultures in a MNC context.

Implications of Cultural Diversity

In this section, the implications of cultural diversity are evaluated in three main areas. The first part places an emphasis on the impacts of

cultural diversity on the feelings and thoughts of employees in terms of emotional reactions, status and cognition. The second part reveals the short-term behavioural responses to cultural diversity in forms of social influence, resource allocation and communications. Finally, the third part examines the long-term outcomes of cultural diversity under the influences of detrimental effects and prospective benefits of cultural diversity.

How cultural diversity influences employees' thoughts and feelings

The forms of diversity present in an organization can influence how people think and feel. Eventually, their thoughts and feelings are translated into observable behaviours. Attraction, discomfort, admiration, stereotyping, perceptions of status and power—all these thoughts and feelings are influenced by cultural diversity. These long terms behavioural factors are analysed under three headings as emotional reactions, cognition and status as follows:

Emotional reactions

(Schneider, Erhart and Macey,2011) emphasizes that irrespective of the basis for categorizing people as dissimilar or similar such as unity of organizational, industry, national and demographic culture, individuals are likely to feel more easy-going and optimistic about others whom they recognize to be alike. Favouritism and loyalty portray communications with similar other people while rivalry and distrust describe contacts with dissimilar people. The propensity to be subjective or attracted to dissimilar or similar others is so diffuse that it functions even when individuals perceive their likeness based on insignificant information such as unsystematically decided group membership.

(Tjosvold &Leung,2017) state that feelings of fondness or attraction among the members of large organisational groups or workforce can be translated into group cohesiveness. Although the impacts of mutual organizational, industry or societal cultures on cohesiveness of group have been given a limited importance in diversity research, there is sufficient proof pointing out this impact of connection for majority of other characteristics, including beliefs, attitudes, social class, prestige, education, race, gender and age. As becomes clear, this sort of a dynamic characterised by cohesiveness, attraction and similarity can have vital outcomes for the emotional context within which employees of MNCs carry out their work.

Cognition

The cognitive framework of MNCs is also shaped by cultural diversity. With the purpose of making simpler and controllable a huge number of people obviously hinge on stereotypes to notify their assessments of other

people, show their attitude towards others, and envisage the attitude of them. As identified by (Beyer,1981), mental approaches function as cognitive shortcuts to make sense of a multifaceted world and choosing how to act. The mental approaches of employees in work organizations may comprise views about the main concern attached to a range of performance points for example in customer relationships friendliness versus speed and well as viewpoints about cause-and-influence interactions such as the most relevant things to do for a group to boost speed. Furthermore, the content of mental approaches and stereotypes exhibit previous experiences, and are nearly surrounded by the content of a culture.

This issue is traditionally and mostly discussed in cross-cultural research on conflict resolution and negotiations. According to those studies, mental approaches to conflict resolution and negotiation emerge to be culture bound to some extent. Even if mental approaches in diverse cultures are likely to share some familiar goals, such as diminishing hostility, differences become evident when one deems people's beliefs about how best to accomplish this goal (Leung, Au, Fernandez-Dols and Iwawaki, 1992).

The work of (Bowen and Ostroff ,2004) supports that mental approaches and stereotypes do not basically exhibit past experiences, they affect what characteristics of the surroundings people attend to and they channel the decisions people make. Consequently, they can either interfere with or contribute to the corresponding action. If cultural diversity in a MNC also leads to a greater diversity of mental approaches and stereotypes, misinterpretations of employees tend to be more, so more effort and time will be required to correct and avoid the damage that such misinterpretations may cause.

Status

Some groups benefit status more than others, even in the flattest and most unrestricted social systems. Status ladders may exhibit disparities in the reputations and sizes of the organizations involved in MNCs, as well as the precise conditions of the alliance (Gelfand, 2005).

(Silver, Cohen and Crutchfield,1994) adapts the theory of status characteristics to identify the processes through which attributes of, beliefs about and the evaluations of organisational members turn into the foundation of apparent dissimilarities in interpersonal social relationships. Status diversities are inevitable in all cultures despite cultural differences in the role that status plays in determining interpersonal relationships.

The dysfunctional impacts of characteristics of status tend to be furthest when low-status people have expertise or resources that the

work group requires performing their duties, and high-status individuals do not. Higher-status individuals have more chance to put forth influence, issue more commands, speak more frequently, think more critically, interrupt other people more frequently, challenge to use influence more, exhibit more self-confident body language during communication, and in fact are more influential when compared to those individuals with lower status (Levine and Moreland, 1990).

As a result, in line with the (Bottger and Yetton, 1988)'s work, lower-status members involve themselves less. Because the capability of lower-status individuals in a group is not completely used status disparities interfere with effectual decision making, reduce creativity and contribute to losses in process.

Characteristics embedded in the context of status also generate discomfort and dissatisfaction. Primarily, the behaviours of group members towards higher-status members tend to be more positively while low-status members in an organisation frequently obtain negative responses from the other members. Because of their low status, they need to tolerate the negative feedbacks rather than acting in response and protecting their positions (Ridgeway and Johnson, 1990).

Short-term behavioural responses to cultural diversity

Short-term behavioural responses to cultural diversity represent noticeable interactions between people that consist of communications, resource sharing, and efforts to wield influence.

Communications

The way people communicate is shaped by cultures in a diverse way, and misinterpretations are frequent when individuals from different cultures try to interact because diverse cultures use different communication styles and languages. Nevertheless, misinterpretations and low-commitment communication are not the cultural diversity's mere short-term materializations and they may not be the most significant. Besides, cultural diversity determines what people speak about, how often they speak and who speaks with whom. Thus, cultural diversity determines the communication content as well as the structure (Gibson, 1999).

In most cases, an organization's structure of communication network tends to demonstrate its cultural diversity structure because, people are likely to spend more time in interaction with similar other as they are attracted to similar others (Brass, 1984). For instance, communications in workplace between women and men are less often in departments that are more diverse in terms of gender. In racially diverse groups, informal and formal encounters among co-workers and with direct subordinates

are lower. Additionally, tenure and age likeness between co-workers are correlated with the degree of communication among project groups of superiors (Zenger and Lawrence, 1989).

Although there are limited studies conducted in this field with respect to communication practices in culturally diverse MNCs, similar outcomes are likely to determine communication networks. Employees manage human resources such as efforts and skills, tangible resources such as equipment, information, money and tools all through their communications. To achieve these, they need to exert influence over each other. These attempts of influence made for the objective of altering the behaviours, beliefs, values and attitudes of others are viewed as principally persuasive short-term demonstrations of cultural diversity. Eventually, the outcome that members of an organization exert to such influence efforts tends to determine how efficiently the organization allocates its resources, including its human resources (Schuler et al., 2004).

Resource allocation

Two types of communication common in organizations are relations-oriented communication and task-related communication, in other words social and instrumental exchanges (Elsass and Graves, 1999). By adopting task-related communication, an organization's members search, provide, and discuss for work-related resources and information. Everyone's access to resources and information, in turn, has significant outcomes for the group's performance as well as the person's performance (Kramer and Brewer, 1984). Other important consequences are also decided by the access to resources such as whether an individual can take advantage of career-enhancing and personal prospects within the organization. Most of the studies conducted in hypothetical settings exhibit that people who has similarities share resources more willingly. Seemingly, the similar outcomes are appropriate in organizational settings (Armstrong and Cole, 1996).

Social influence

The fundamental dynamics of social effect comprise efforts aimed at altering the behaviours and attitudes of others as well as the reactions made to such efforts. As found in most cultures, the processes of social influence seem to be a universal characteristic of group behaviour (Bond and Smith, 1996).

Nonetheless, the explicit impact tactics used and the means through which conventionality is articulated are somewhat bounded to the culture. Relative works in field of social influence suggest a variety of disparities among national cultures (Smith, 2001). For instance, as argued by (Sun and

Bond,1999), individuals are comparatively more reactive to the attempts of influence in collectivist cultures, that is, they are more traditional towards social pressure than others. Relative works also suggest that superiors in organisations from different cultural settings use diverse tactics of influence in their efforts to influence their subordinates.

Unluckily, there have been few researches into how the processes of influence are impacted by cultural diversity. Nevertheless, findings such as these propose that the outlines of cultural diversity in an organization are likely to determine how, and how efficiently, influence is exerted (Schuler et al., 2004).

Long-term outcomes of cultural diversity

The previous section proposed that the cultural diversity in context of MNCs has imperative connotations about the interpersonal behaviours, cognitions and emotions of employees.

This section describes the longer-term outcomes that are the rationales why cultural diversity is significant for organizations to learn and understand to manage. Many academic reviews within a wide-ranging literature dealing with this issue assert that cultural diversity can influence individuals and organizations in a variety of ways. As indicated by (Gutek et al., 1996), some has straight relevancy to the performance of an organization while others are pointedly applicable for individual employees; some impacts are potentially valuable and others may be harmful.

Prospective benefits of cultural diversity

In MNCs that assume either a combining approach or a new organization approach, it is likely that the superiors who promoted the grouping supposed that (Farndale et al., 2015):

- The formation of a grouping would facilitate the partners to learn from their disparities, and/or
- The new organization would advance matters in innovative and new ways that were less tended to be found in either of the associate organizations.

MNCs are frequently considered as learning opportunities as partners may hope to learn from each other regarding new industries, new markets, new technologies and so on. When learning is mentioned as a purpose for cross border alliances, the process of learning is frequently portrayed as one partner learning something that the other partner previously knows. In other saying, knowledge transfer is learning. To make the opportunities of knowledge transfer to be valuable, the two partners must have dissimilar bases of knowledge. For instance, one partner may anticipate obtaining

knowledge grasped by the other partner about an industry, a new technology, a market and its national culture, or a management system. This way of learning may minimize the value of diversity in alliances where learning is an essential purpose, yet, because it overlooks the prospective value of diversity as a mechanism for innovation and creativity (De Lancey, 2013).

Creativity frequently increases when innovative problems are defined or new solutions are provided to tackle renowned issues. Generating new understanding and new knowledge is at the centre of creativity. During the environmental scanning that is made in the initial stage of problem solving, individuals with different standpoints can provide a more inclusive view of the probable issues that might be positioned on the agenda of the group. So, for employees working on objectives that need building up creative and new solutions to issues, dissimilar perspectives appear to be useful on various ways (Mathis and Jackson, 2007).

Then, debates among members with unlike viewpoints can develop the ability of group to deem alternative understandings and engender creative solutions that incorporate their diverse viewpoints. As alternative solutions and courses of action are considered, diverse viewpoints can augment the ability of group to anticipate a wide range of potential side effects, benefits and costs. Ultimately, diversity can improve the credibility of group with external stakeholders, which should develop their aptitude to execute their creative solutions (Koshy, 2010).

It appears realistic to suppose that the existence of diversity constructs prospects for learning counting learning that is associated with innovation and creativity and occurs through knowledge learning and transfer. Alas, though, there has been very little research on how larger organizations or people can take advantage of such learning opportunities. There are many reasons to suppose that organizations frequently are not able to take advantage of the learning opportunities that presented by diversity since cultural diversity also engenders turnover and conflict (Wenting, 2004).

Detrimental effects of cultural diversity

Cultural diversity appears to impede with the expansion of interconnectedness among members of an organization. A significant stipulation to make a note of here is that this suggestion is based nearly completely on research scrutinizing the cultural diversity related with demographic dissimilarities. However, the outline of greater diversity effecting lower levels of interconnectedness has been originated from diversity in beliefs, age, attitudes, gender, social class, race, prestige and education (Harrison and Klein, 2007).

Lower levels of interconnectedness can be damaging to both individual

employees and organizations. The optimistic opinions of attraction to co-workers that are nearby in interconnected organizations encourage helping deeds and problem-solving orientation, cooperation and generosity during dialogues (Isen and Baron, 1991). Interconnectedness may also translate into greater inspirations to contribute completely and execute well as a means of gaining recognition and approval (Chattopadhyay, 1999). If these positive social behaviours are reduced by cultural diversity, the organization as well as the individuals' performance tends to suffer.

Besides reducing feelings of interconnectedness and dialogue among co-workers, divergence frequently increases conflict, which may affect someone's assessment to preserve membership in an organization or group. Apparently, more diverse workforce practised higher conflict and appeared to be less interconnected, create feelings of disappointment and conceivably increase the supposed attractiveness of other job opportunities (King and Beattie, 2005). Some other research has observed the association between organisational turnover rates and workforce diversity, and most results maintain the statement that demographic diversity is connected to higher turnover rates. Other evidences indicate that the connection between turnover and diversity holds in cultures as different from each other as Japan, the United States (Wiersema and Bird, 1993), and Mexico (Pelled and Xin, 1997).

Managing Diversity in Multinational Organisations

Cultural diversity will require greater interest by HR professionals in contexts where there is a business demand for co-ordination and integration (Beardwell and Claydon, 2007).

Managing diversity has materialized as a response to a supposed demographic risk, has been taken up by analysts pointed out a consultant viewer and has been expanded theoretically to differentiate it from its antecedents of affirmative action or equal opportunities. In developing this uniqueness, proponents have focused on a business case rationale, the amalgamation of personal differences, rather than the social group differences based on demographic descriptions and a deregulated or voluntaries' agenda for alteration, strongly driven by the market (Oswick and Noon, 2012).

Diversity management is a comprehensive notion and, as such, comprises three mechanisms such as pragmatic management policies, programs aimed to increase cultural awareness and recruitment programs. There is a contemporary agreement that diversity management requires moving from a passive to an active approach. Such an active approach should embrace alternative work arrangements, family-friendly programs, succession planning, mentoring programs, accountability and training

(Sabharwal, 2014).

As indicated by (Schuler et al.,2004) variety of diversities existed in an organization can affect the way how people feel and think. In this sense, people's feelings and thoughts can be translated into recognizable behaviours. Additionally, the author acknowledges that cultural diversity influence variety of feelings and thoughts including power, perceptions of status, stereotyping, admiration, discomfort and attraction. There are also many other researchers that propose the significance of cultural diversity in an organisation and the positive influences created through managing and encouraging these diversities successfully. (Vance and Paik,2006) asserts that managers with a cosmopolitan way of thinking evaluate instinctively that differences in cultural norms contribute meaning and value to those who practice them. They also mention that different social norms and behavioural patterns that create cultural distance may hinder and obscure not only interpersonal relationships between managers with diverse cultural settings but also the perspectives of decision making as established within the MNC.

Managing cultural diversity comprise much more difficulties than assessing the extent of cultural gap between managerial partners and creating plans to manage the cultural misfit, for instance by implementing a new human resources strategy. (Schuler et al.,2004) suggests that efforts focusing on aligning the formal systems is a first essential step, nevertheless extra labour is needed to make sure that organizational structures do not generate further barriers to cross-cultural alliance and to build up a labour force with the competencies required to work effectively along with cultural diversity.

To create a diverse, successful workforce there is a need for certain skills of effective managers. These skills are identified by (Green, Lopez, Wysocki, Kepner, Farnsworth and Clark,2002) under three headings. First, the concept of discrimination and its outcomes should be understood by managers. Second, managers need to identify their own cultural prejudices and biases. Third, they should be ready to transform the organization if necessary. These necessities underlined by the author shows us that, diversity is not related with differences amongst clusters, but more about dissimilarities amongst individuals.

Equal Opportunities and Diversity Management

Moving towards a more diverse direction can create different costs and results for organisations. There is some support that these can be passed up if suitable diversity and equality policies are put in place. Such diversity and equality approaches can aid the workplace transformation to diverse surroundings that are more representative. Then there is a potential for the

making safe of business utilities for the company (Crawford, 2013).

(Pankl, Theiss-White & Bushing,2010) suggests that cultural diversity among employees brings new ideas and skills into a division, which is an indispensable part of global conglomerates of today. Diversity programmes and initiatives help to ascertain mutual learning and respect among different employees working together. An effective diversity is conducted from the frequently small, daily actions taken by individuals at all levels of the organization within an equal opportunity perspective provided by the HRM and the other managerial units.

A study conducted by (O'Connell and Russell,2005) regarding the association between measures of job satisfaction and the policies for equal opportunities in the workplace revealed that effects of equality practices and policies were decidedly positive and strong. Nevertheless, little evidence was collected to put forward that equal opportunities in the workplace have a considerable influence on job satisfaction.

The results of the WERS (Workplace Employment Relations Survey) propose that almost one quarter of all workplaces observed staffing to make sure equal opportunities, disability, age, gender and ethnic in 2004. The 70 percent of workplaces, on work-life balance are offered the option of decreasing or increasing 57 percent working time and in almost half of workplaces it was likely to alter working characteristics (Kersey, Alpin, Forth, Bryson and Bewley, 2005). An array of experimental studies uses the WERS and other datasets to examine the association between these indicators of improved workplace performance and employee relations practice (Forth and Rincon-Aznar, 2008).

An econometric enquiry of the association between practices and policies encouraging identical business performance and opportunities, prepared by (Riley, Metcalf and Forth,2008) for the Department for Work and Pensions, assumed that it was not only composite, but also it was complex to make widespread or large benefits. Nevertheless, the investigation did not discover any proof that practices and policies resulted in a net cost to organisations and revealed that where there were remunerations, these directed to take place in larger businesses.

Developing an Inclusive HR Approach in Multinational Organizations

As suggested by (Vance and Paik, 2006), globalization entails admitting that cultural diversity in management style and management composition donates to the global firm's competitive advantage. To manage and develop a global organization entails managing and developing individuals who can act, lead and think from a global standpoint, and who

seizes global skills as well as a global mind. Building a global state of mind in the way of a manager's perspective is the most essential factor in establishing a wholly global organization. (Benson,2011) argues that building a pluralistic and representational diversity approach in the long run through effective relationships among diverse employees is the best way to certify an effective globalisation in organizations.

To develop an inclusive HR approach, researchers have increasingly acknowledged the significance of contributing a more relational approach to organizational diversity. As indicated by (Jayne and Dipboye,2004) diversity programmes have a larger success chance when employees identify with their organizations. Along with the similar approach; (Kochan, Bezrukova, Ely, Jackson, Joshi and Jehn,2003) verifies that HRM initiatives in fields of communication, interactive listening, development and coaching leads to lower negative influences on productive group processes. The work of (Foldy,2004) also maintains that the intercultural learning within an organisation is a key for organisational success in MNCs.

These studies provide sufficient material on how inclusive HR approaches contribute to the success of cultural diversity initiatives and in turn the success of overall organisational outcomes by encouraging a conducive, respectful and supportive working environment.

HRM Practices on Cultural Diversity

Cultural diversity can influence the effectiveness and nature of operational HR programs in such purposeful areas as labour relations, staffing, rewards and compensation and performance appraisal. The underlying principle of this anticipation is that HR programs need to be attuned to their cultural frameworks if these are to be flourishing. As the diversity of the cultural context enhanced, HR initiatives need to become more sophisticated and complex to deal with better cultural heterogeneity (Gomez-Meija and Palich, 1997).

This section presents the essential HRM practices on cultural diversity under six headings. These are, employment relationship programs, training and development programs, designing jobs for the diverse workforce, recruitment strategies, performance management and organizational development and change.

Cultural Diversity and Employment Relationship Programs

In today's MNCs, the nature of the employment relationship is shifting, whether gradually or through wider corporate restructuring, from a long-term, job-based and scientific employment relationship to a more individualized, fluid and flexible one (Green, 2003).

Each MNC weighs the significance of stakeholders in a different way however in general it is ignored that any specific stakeholder has its own peril. This makes the employment relationship a crucial concern for employers (Schuler, et al., 2004). As asserted by (Vo, 2014), the culturally diverse workforce can be successfully managed by initially realizing that minority and majority cultures do not necessarily share experiences. Therefore, the author provides the following strategies to empower managers with respect to relationship programs to minimize cultural barriers and to take advantages of cultural diversity:

- Creating programs that increase awareness of cultural diversity
- Improving positive attitudes toward differences among diverse groups
- Realizing the same view points and relations among different ethnic groups
 - Being flexible in communication
 - Expressing personal concerns and confusions when facing cultural obstacles

In line with these strategies; (Baum,2006) proposes additional strategies to adopt an effective employee relationship management programme. To incorporate minority workers with the organisation successfully, HR managers need to consider the cultural differences in MNCs and establish an environment that encourages good relationship among employees from all levels. Baum's (2006) three strategies to empower employees through employment relationship programs are as follows:

- Teaching other language to local employees,
- Celebrating different traditional or religious holidays of minority employees in the workplace, involving minority employees' families into some company activities, and,
- Emphasizing the significance of minority workers to the companies.

Hence, relationship programs can be strengthened by HR efforts by facilitating the development of relationship between employees, understanding their cultural backgrounds by increasing communication through social events and gaining their trust by motivating them towards social inclusion.

Training and Development Programs for Diversity Management

Fast changes in global community have led frequent interaction across cultures in the social, economic and technological fields and have

augmented interdependence between nations (Kiely, 2004).

(Friedman,2006) states that the globe has become flat following the new millennium globalization have constructed a flat-world phenomenon where MNCs, individuals and small groups can compete and collaborate globally. As asserted by (Chang,2009) these modern challenges and opportunities have driven the requirement for training and development (T&D) in cultural diversity management.

Developing anti-discriminatory and good diversity examples would refer to the recognition by employers, managers, trainers and educationalists that the power and existence of cultural differences placed beneath the iceberg of learning and allow each other to guide their way through these cultural challenges (Hunt, 2007). In other words, training and education are related with attaining a better sensitivity to, and recognition of cultural and racial diversities.

HR professionals in MNCs tend to be challenged by organisations to find out innovative approaches to meeting the workplace learning requirements of culturally diverse workforce as well as solving organizational problems sourced by cultural conflicts to keep the organizations competitive in a highly competitive and turbulent global marketplace (Martin and Ross-Gordon,1990). In such conditions, T&D activities can provide solution to several challenges related with cultural competencies and awareness that occur due to the risks involved in intercultural relations in an organisation (Baum, 2006).

(Triandis, Dunnette and Hough,1994) believe that conceivably most apparently, cultural competency and awareness training can rapidly teach employees about cultural differences and similarities, and possibly reduce their dependence on imprecise stereotypes. Although individuals with cultural stereotypes are likely to be unwilling for change, they can be transformed if adequate disconfirming indication becomes available. As (Rynes & Rosen,1995) point out, effective training enables employees with prospects to sharpen and practice their interpersonal skills in addition to imparting their knowledge. Although awareness trainings are a one-time event, they are in general complemented by educational briefs which comprise joint problem-solving sessions and rigorous team-building workshops.

The prospective advantages provided by cultural awareness training appear clearly, however business training can also develop the MNC's ability to manage its cultural diversity. The main aspects of business training that enables MNCs with culturally diverse workforce are identified by (Verghese,2016) through their impacts on understanding the significance of mutual respect and shared goals for the future of a global enterprise.

Moreover, unless they appreciate why the resources and capabilities of partners are essential to be successful in attaining their shared goal, they may recognize that the assistance of other employees and HR specialists are more deserving, valuable and important therefore more of respect.

Hence, as claimed by (Baum,2006), with the help of business training, employees in a MNC can expand an approval for how the resources and capabilities of the individuals in a group can affect the success. Training employees about the complementary value of intangible resources and capital allows employees for developing a solid ground for mutual respect.

Designing Jobs for the Diverse Workforce

Teams are a fundamental form of organization within all evolutionary junctures of MNCs. During formation and pre-combination, teams typically play a significant role in shaping the perspectives of all stakeholders regarding the essential decisions are made. In the early phases of evolution, teams are also used for assessing cultural differences and similarities between the individuals and planning their integration. Finally, at the maturity stage, teams continue to reflect the degree to harmonization on daily activities and certify transfer of learning (Schuler et al., 2004). In this sense, designing the roles of diverse workforce in an organisation plays a significant role in MNCs to achieve the completeness in each stage of organisational formation and therefore on the firm performance.

(Gomez-Meija and Palich,1997) argues that two challenges are involved in designing specific works for the diverse workforce. One of them entails with the costs of differentiation in HR programs in terms of monitoring, coordination, implementation, development and periodic adjustment. The other is the difficulties in estimating the capabilities of diverse workforce in a specific position or managerial role. So, HR manager need to consider the risks, pitfalls and challenges related with designing works for diverse workforce.

Recruitment Strategies for Managing Diversity

Critical recruitment strategies for MNCs require careful evaluation of how much intercultural diversity is efficient for a successful implementation of HR strategies in a MNC organisation and what positions need to be covered by culturally diverse workforce. (Vance and Paik, 2006).

(De Bono,2011) provides a resolution for such a challenge by the adjusting the number or the qualification of culturally diverse workforce that minimizing the costs of intercultural conflicts between employees. He recommends HR specialists employing a close monitoring methodology for screening the potential sources of cross cultural conflicts through quantitative measures.

In addition to the argument, (Farndale et al,2015) mentions that staffing decisions in MNCs require a detailed analysis of technical proficiencies of culturally diverse workforce as well as the abilities related with the adaptation to the organisational structure in terms of cultural awareness, organisational perception and the flexibility of the employee towards the cultural stereotypes.

Performance Management

Performance management is an imperative issue for any organisation and a multifaceted aspect of HRM (Evans, Pucik and Barsoux, 2002). In context of MNCs, establishing a combined performance management system is potentially one of the greatest challenges encountered by organizations that looking for blending diverse cultures (Fealy, Kompare and Howes, 2001).

Performance management systems can enhance relationships between employees from diverse cultural settings by empowering them with feedback that shows insights about how individuals from different cultures construe their behaviours, ensuring that the efforts of employees are directed toward shared goals, and rewarding them for improving the competencies required for being efficient in a culturally diverse organization (Chavez and Weisinger, 2008). To give more clarity to the subject and to distinguish between training programs and training initiatives (Fine,1990) provides a comparative approach about the concept by mentioning that training programs can enlighten employees towards the organisation's shared goals while performance management systems are designed to persuade employees that the rhetoric is also the actuality. Additionally, (Hofstede et al.,2010) classify well-designed performance management systems according to the degree to which the effectiveness of the feedback received by employees in a culturally suitable way.

Organizational development and change

Organizational development (OD) and change management efforts can serve many objectives during the foundation and following management of MNCs. Research in this field provides evidence on the role of change resistance by the culturally diverse workforce in the success of restructuring of organisations or the crucial change management initiatives (Shen, Chanda, D'Nettob and Monga, 2009).

Because of the various forms of cultural diversity that frequently exists in MNCs, employees tend to find it harder than common to establish close individual relationships with their colleagues from other cultural backgrounds. However, the constructive feelings related with one close friendship with someone who does not belong to the group culture are

likely to oversimplify to the complete group (Pettigrew, 1997). Therefore, (Aguinis & Henle, 2002) suggests that OD activities that assist employees to develop friendships even at a simple way can be reasonably valuable to a MNC. However, the authors also indicate the common challenges for most of the HRM practices regarding designing OD activities that have the desired impacts across all divisions of the organization. In this context, OD activities are suggested by Aguinis and Henle (2002) that are most influential when they fit the assumptions of the culture. The existing challenge here is already associated with the culturally diverse structure of the most MNCs as (Beaver,1995) highlights the relation to the divergence of cultural backgrounds represented in a multicultural workforce. In such a culturally diverse workforce OD effort are likely to be misleading unless the HRM efforts target congruent and common values that shared by all employees.

General Context of Discrimination in Multinational Companies

Today many organisations take measures and implement detailed programs to create equal opportunities for people regardless of age, gender, political affiliation, race, disabilities, national origin, sexual orientation, religion and so on (McLean, 2009). Direct discrimination is identified by (Armstrong,2012) as a condition where any individual is treated less auspiciously than others are, or would be, treated in similar conditions.

Diversity and equal working circumstances are distinguished by many researchers. Basically, an organization's compliance with existing antidiscrimination laws is called equal employment, while the concept of diversity is identified as the degree of inclusion or acceptance of people from different backgrounds into an organization, at least conceptually (Benson, 2011). So, diversity is mostly voluntary while equal employment is a legal duty.

Discrimination in workplace is not only a legal concern but an emotional issue. It may relate to all individuals, regardless of their position in an organisation, physical condition, colour, sex, race, national origin or age. Luckily, good human resource practices can allow organisations to eliminate these kinds of problems (Snell and Bohlander, 2013).

The most significant indicators of unfair discrimination in workplace are the unequal representation of women or ethnic minorities in an organization or the presence of equality only due to hiding or masking the deliberate discrimination efforts in an organisation (Bach, 2005).

According to the International Non-Discrimination Laws, harassment based on national origin, ethnic slurs and other physical characteristic of an individual is considered as violation of these laws. Freeing the

working environment from such incidents related with harassment is under responsibility of employers. (Mondy and Martocchio,2016) suggest that one of the widely seen forms of discrimination and harassment in multi-cultural organisations are related with ethnic slurs and an individual's national origin. The authors propose three characteristics of an action of discrimination and harassment in workplace. First, discrimination efforts are deliberately directed to certain people through hostility and the aim of creating an intimidating. Second, the impact or aim of the action is to deteriorate the work performance of an individual. Third, these actions involve creating adverse effects on an individual's future working opportunities.

Discrimination is attitude regarding an individual on the basis the individual's group characteristics. (Reid,2014) prepared a list of three resources of discrimination and intolerance:

- Intrapersonal aspects that affected from low assertiveness and tolerance;
- Interpersonal aspects for instance statement skill tradition outcomes from the history of intergroup relationships;
- Corroboration factors in society as media, books and laws.

Types of Discrimination in Multinational Companies

Discrimination arises when an individual, or a group of individuals, is acted less positively than another group or individual because of their definite individual characteristics or background. Federal laws of discrimination defend individuals from discrimination of the following basis (Australian Human Rights Commission, 2014):

- Race, involving immigrant status, ethnic or national origin or colour.
- Breastfeeding, marital status, pregnancy and gender.
- Disability,
- Age, or
- Intersex status, gender identity and sexual orientation.

Race and ethnicity discrimination

(Ferraro and Cummings,2007) identify that ethnicity is associated to metaphorically marked groups such as by clothing, dialect or language. Similarly, ethnic differences may occur when there are no cultural differences appear except for the ethnic setting. The term race is like ethnicity however it involves the markers that are genetically transmitted,

for instance physical characteristics.

It is a known fact that people have different characteristics than each other because they are from different races, religions, languages and ethnic origins. This difference is not to be perceived as superior to the other, but to show that the complementary features are in different people. (Martin and Ross-Gordon, 1990) suggest that this places the need for people to live together and share, instead of discriminating against each other or facing each other.

In Article 2 of the Universal Declaration of Human Rights, ethnically rooted discrimination is banned by the expression "everyone has all the rights and freedoms in this declaration, regardless of race, colour, sex, language, religion, political thought, national or social origin, property or other reasons" It is argued that there are no advantages over each other due to their characteristics (Martin and Ross-Gordon, 1990).

Gender discrimination and Glass-Ceiling

Gender discrimination in business life is perceived more as a barrier against women. Sociological studies, particularly in some occupational groups and disproportionately female in lower wage jobs, are at an important stage of questioning about discrimination. In conducted studies, women are seemed to be exposed to discrimination practices and appear to be in low-wage jobs and low-wage jobs in many countries, which generally do not require experience and skills (Muzio and Tomlison, 2012).

People generally struggle to have power over membership in their in-groups. One of the useful ways for doing this is to exclude members of other groups. By doing so, the welfare of those who are currently in-group is improved because the group is protected from the ones with valuable resources who belong to the out-group. This can be explained in work organizations, with the seldom rise of racial minorities and women to top management positions due to the so called "glass ceiling" (Martocchio, 2007).

The term glass ceiling does not only correspond to an archetypal discrimination that constitutes entry barriers to minorities and women within organizations. It also symbolizes a restrained form of discrimination which involves stereotypes about gender, unequal opportunities for women to access job experiences required for progression to providing resources to encourage initiatives that supportive for women for an environment to accomplish to the top executive ranks (Gomez-Meija, Balkin and Cardy, 2012).

(Wickwire and Kruper, 1996) suggest that making such an assessment can be possible through investigation of attitudinal and organizational

factors that constitute obstacle to advancement. Nevertheless, categorizing an assessment in this meaning provides a foundation for understanding the mechanism of the problem. The organizational barriers may be the results of attitudes. However, such organizational barriers may also be barriers which are long established procedures that basically have not been re-examined.

Age discrimination

Age factor is one of the important criteria in job application forms. In the service sector, the basis of the importance of age in the electoral process lies in the desire and desire to employ young and dynamic occupations and to do many different things. Especially, the most important prejudice in the elderly evaluation of persons over a certain age is that their productivity is low, less productive and useful. Even though many employers and managers prefer older employees because they are more experienced and have higher organizational commitment, it is thought that they are more inadequate than the physical and mental side, and are more resistant to innovation and change (Shore et al., 2009).

In the enterprises, only the work output is not considered in the elderly-young discrimination of the workers. At the same time, the main reasons for choosing younger age workers are the cost of operating, lower cost of education, more openness in education and development, more opportunities for rotation and more limited social life responsibility (Lyons and Kuron, 2014). They should be in a new structuring in the long-term plans and programs of the enterprises, leading them to prefer young employees. However, the introduction of a certain age restriction in the announcements made by enterprises that do not have a specific plan and program for short or long-term occupational purposes is regarded as discrimination (Kulik, Ryan, Harper and George, 2014). Age discrimination is sometimes seen as one of the reasons for not being admitted working most often put forward by avoiding other types of discrimination. For example, there are other reasons behind the fact that the employer who does not want to react by making ethnic discrimination is the reason for suggesting the age component (Farndale et al., 2015).

The preference of a certain age range in discrimination based on age in organisations varies depending on the evaluation of the manager or the employer rather than the characteristics of the employee. According to some people in the young age group preferred are considered inexperienced in views of others. Even though some business managers prefer people who retire for various reasons, some prefer to be under the age of 18 or interns for the same or different reasons. The age of worker, which varies according to business and management policies, is ultimately

discriminatory whatever the limitations emerge, and a group can gain an advantage while victimizing others (Dipboye and Colella, 2004).

Disability discrimination

As declared by the Australian Human Rights Commission in 2014, The Disability Discrimination Act in 1995 bans the harassment in the workplace linked to or based on an individual's disability or the disability of a co-worker.

Disability refers to a physical, mental, psychological, or emotional disturbance that restricts one's essential life activities and is more disadvantageous than other employees' due to this discomfort. This definition is quite broad. As well as expressing congenital deficiencies or discomforts, an afterthought also includes health problems in the ongoing or continuous treatment. In the United Nations Declaration on the Rights of Persons with Disabilities, disabled persons are defined as persons who cannot do any work (either physical or somatic) that they should do in their personal or social life. (Collins, 2003).

Disability-based discrimination arises directly and indirectly in two ways. Indirect discrimination is expressed as the disabled being less interested in an unhindered person, while indirect discrimination is expressed as a situation in which disabled people cannot succeed and they are excluded from social equality. Not only those with disabilities but also those with different characteristics from other people, such as long or short stature, obesity, physical appearance, are among the discrimination practices that are directly or indirectly excluded from society and business life. (Shore et al., 2009).

The most important obstacle in front of the integration of the disabled into the society is the problem of employment and education. It is known that the adoption of the debate on the necessity of disability in the work life, of individual and social well-being, has many advantages both from the individual and from the social point of view. Discrimination against disabled people who are applying for or are still working in organizations can affect all disabled and non-disabled employees. The dismissal of an employee with a disability or the realization of his or her motivation for emotional reasons can lead to the reaction of others (Colella, De Nisi and Varma, 1997).

Sexual orientation discrimination

As indicated by (Duffy and Visconti, 2014) although a variety of authorities have revealed that gender identity and sexual orientation do not materialise on workplace performance, an increasing number of research using various methodologies has constantly documented elevated levels

of discrimination against lesbian, gay, bisexual, and transgender (LGBT) people at work during the past four decades.

(Dipboye and Colella,2004) emphasize that in the applied psychology and organizational behaviour literatures, theories associated to sexual orientation comprise stigma, stereotyping and relational demography. Although these standpoints take for granted that the sexual orientation of a colleague is obvious to all, this supposition may not be accurate given that sexual orientation is a private attribute and some LGBT individuals may conceal their sexual orientation.

(Shore et al.,2009) suggest that the concept of stereotyping has been used to clarify how LGBT people are perceived in their workplace. According to implicit inversion theory, LGBT people are not identified with conventional gender roles, particularly, gay men are viewed as more feminine than heterosexual men, while lesbian women are viewed as more masculine compared to their female heterosexual counterparts.

As acknowledged by (Duffy and Visconti,2014), research conducted in this field has illustrated not only the commonness of gender identity and sexual orientation discrimination but also the negative effects of discrimination on LGBT people. Many LGBT employees have fewer employment opportunities, conceal their identities and are paid less compared to non-LGBT employees because of discrimination. Duffy and Visconti also argue on the existing research that such discrimination, as the mention of prejudice and stigma also interprets LGBT people to augmented risk for poorer mental and physical health.

Cultural, religious and national origin discrimination

The external cultural environment of an organization, within which it operates such as national culture, is likely to influence its internal culture, and this, in turn, impacts the actions and behaviours of organizational members. (Dovidio, Gaertner, Niemann and Snider,2001) assert that there are substantial differences among the MNCs that operating in foreign countries with respect to the cultures of their countries of origin or religious beliefs. The perceptions that minority and majority group members take on specific intergroup relationships and interactions in general also vary in fundamental ways especially in terms of cultural and religious identities.

(Friedman,2010) identifies religious discrimination as firing an employee on the basis of the religious beliefs of that employee, deliberately using offensive language around others in order to deride someone's religious beliefs, recurrent sarcasm about an individual's religious belief, persecution of employees due to their religious clothing, losing of promotion because of showing religious view at work, failure to give an

employee a raise until he/she no longer spends free time such as lunch or breaks, arguing religious beliefs with other employees.

According to the Civil Rights Act (CRA) of 1964, Title 8, discrimination based on religion is banned. Companies are required to rationally accommodate the sincerely held religious practices, observances and beliefs of an employee when the requirements of such an accommodation would not oblige any excessive hardship on the employer (Ghumman, Ryan, Barclay and Markel, 2013). Nevertheless, religion is a nuanced sheltered issue that is vulnerable to many difficulties. The following section provides a brief evaluation to the legal dimension of the discrimination practices in the workplace.

The Legal Dimension of the Problem

Australian Human Rights Commission (2014) classifies the major areas that discrimination occurring diverse areas in the employment relationship as follows:

- When selecting and recruiting employees
- In the benefits, conditions and terms offered as component of employment
- Who is selected or considered for training or development offered
- Who is selected or considered for promotion or transfer
- Who is selected or considered for dismissal or retrenchment.

Legislation in the EU and the US settings, at first sight, advances on the notion of equality as its broad-spectrum purpose as indicated by (Collins, 2003). In this sense, equality laws and anti-discrimination laws have frequently been dubbed. The fundamental case of proscribed setting is less constructive conduct of another person based on or due to their sex, race or any other protected group identifications.

Therefore, this standard perseveres the equal treatment to the extent that people should be treated without consideration of specific descriptions such as race and sex that have frequently been a foundation of difficulties in the past. In the sense of threatening criteria, equal treatment requires objectivity such as race or sex from providing basis for differentiation (Young, 1990).

Today, there are very effective steps in international context of HRM standards to legally prevent discrimination in the workplace. However, as a multifaceted issue, the prevention of discrimination in the application phase is far from being an objective that can only be achieved with the legislative regulations.

The Role of HRM on Preventing Discrimination

Strategies applied by HRM to prevent discrimination and increase diversity have been evaluated in general as far as this part of the work is concerned. The most important factor to remember as far as this section is concerned is HRM practices aimed at raising awareness of cultural and identity differences among employees and the obligation to implement policies accordingly in an effective manner throughout the organization.

Perceptions of discrimination continue to be both dangerous and practically relevant, as they frequently result in dramatic drops in morale, ruined public images and costly lawsuits. The active development of a shared and strong diversity environment can be recommended as an essential preventative measure. In line with this approach (Dwertman,2013) recommends employers to establish clear normative guidelines showing the impacts of cultural diversity specifically in large groups to spur performance and mitigate discrimination.

CONCLUSION

One of the most important advantages that cultural differences provide to organisations is that they create environments in which many diverse and good ideas can emerge (Bozhko, 2014). The fact that organisational members are from different cultures means unique solutions and suggestions. Another advantage of multicultural organisations is that they can persuade organisational members to question each other, to express their opinions and ideas, to bring different suggestions and ideas to other members, and to change their minds. This can lead to the idea of a group of homogeneous suits that can be described as a kind of group disease such as clinging harmony, consensus, rejecting opinions and ideas, and not questioning the decisions taken. In multicultural groups, it is less likely to happen. Although decision-making in multicultural groups is slow, decisions are more likely to be adaptive to organisational objectives.

Studies on multicultural organizations have revealed that cultural differences, like in multicultural groups, will have positive results in various areas. It is seen that multicultural organizations have the greatest advantage in attracting and retaining the most talented people's organizations. In summary, multicultural organizations that can manage diversity well because of such positive factors will have competitive advantage and high quality human resources.

Multicultural organizations can take advantage of being able to enter the world markets and enter these markets. Such organizations will not only accommodate people from different cultures but also have clients from different cultures. The reason for this is that because of multiculturalism,

foreign markets, political, social and economic environmental factors will be better understood. Multicultural organizations are more advantageous than mono cultural organizations in terms of service and product delivery for customers from diverse cultures.

Multicultural organizations need to be able to demonstrate creativity and innovation at a more advanced level. Especially in research-based, high-tech organizations, people from different cultures who have different qualities and skills are much more valuable (Schuler et al., 2004). So, creativity is developed through differences in multi-cultural factors within organisations. Multicultural organizations exhibit better problem-solving skills and change can become more adaptable and organizationally flexible.

Differences in organizations are one of the most important sources of creativity and innovation, and they emphasize that they are the basis for competitive advantage. In this direction, multicultural organizations are becoming more open to new ideas. Taking into consideration the arguments presented in this study, it will not be wrong to reach the following result. If cultural differences are managed consciously, it is inevitable that they have positive effects on groups and organizations. Organizations that want to increase their competitiveness in today's changing, developing world are likely to provide competitive advantages.

In the field studies, there are also examples and suggestions of the HR programs that are created to ensure effective management of cultural diversity in the organizations. One of the most important features of such programs is that it places great responsibilities on human resource units and makes great use of contemporary management techniques. It is emphasized that multicultural workforce needs to be attained with "on the job" training programs and with these programs it is discussed how people from different cultures can approach the work, how they can be motivated, attitudes and value judgments. Research shows that motivation and job orientation programs have a positive effect on cultural cohesion, especially in overseas assignments. In addition, human resources programs are proposed for empowering the unity and cultural diversity of employees, and the success of these programs is believed to be possible if individuals from different cultures can implement appropriate human resources practices in line with their needs and perspectives. Such programs provide the opportunity to teach, respect, hire, educate and employ the efforts to respect cultural, ethnic, racial or sexist differences in existing work groups.

The increase in cultural diversity ensures that managers have the knowledge and understanding of how to lead highly diverse people in terms of achieving common goals. Managers working with a culturally diverse workforce must use a variety of management and organizational

behavioural techniques that will align their values with the needs of different work groups. Managers acquire such skills through human resource practices, and transition to a multicultural organization requires planned support and often expert assistance. This direction is crucial in terms of both the management and the functioning of the employees in the process of receiving countercultural training.

According to some researchers, cultural diversity needs to be considered on an individual basis. This perspective focuses on activities carried out to manage cultural diversity and the programs created should include individual endeavours towards the individual rather than the collective efforts towards the whole of cultural diversity. According to this approach, programs should be developed that focus on understanding or evaluating the difference between organizational members and that are concerned with individual attitudes and behaviours, while culture and interaction should be emphasized on an individual basis instead of institutional and organizational culture. The most important criticism for this approach is the lack of compromise and communication skills for groups with cultural diversity.

In the light of the above information, we can say that cultural diversity is becoming an important source of wealth and dynamic energy in terms of organizations because of successful strategies implemented by the human resources departments. The steps to be taken in human resources are crucial in terms of bringing cultural diversity of individuals as wealth to organizations, strengthening creative thinking and discussion environments, preventing discrimination and effectively evaluating talented workers all over the world.

Some Implications for Managers

The most important facts to consider in future work on this area include the variability of perceptions of discrimination on different demographic and social groups, as well as the diversity of adaptation and orientation strategies to be applied by human resource management to these groups, as an element of increasing productivity impact on the workplace.

This study also provides some implications and recommendations to the HR departments in multinational organisational environment. These recommendations are listed below as following:

- Organizing more social activities outside of work is important in terms of acquaintance within the organisation to increase the social sharing.

- Encourage the practice of fostering and fusing group practices with common interactions between groups and the elimination of the troubles associated with work methods.
- Human resource management needs to take more predictive and creative steps on cultural diversity and discriminatory efforts.
- An understanding of human resources management that can fill gaps should be pursued and individual and group development targeted.
- Individuals in an organisation should be more open to communication and sharing. Cross-group communication should be provided within the framework of a project.
- The elements that can cause conflict among employees with different cultural backgrounds need to be determined in advance by human resources.
- The organisational members with conservative political views should be informed of the viewpoints of the others and the human resources should be reported to the managers.
- Visual and written interaction between different cultural groups should be developed with more frequently organized meetings and correspondences, constructive discussion environment should be supported.

Limitations and Future Studies

The most important limitation encountered in this study is that the literature on cultural diversity in organizations is prepared in general in international settings of HRM and that there is a lack of literature or very limited fieldwork done within the Turkish cultural context. In this respect, in terms of multinational companies operating in Turkey, this study provides a comprehensive resource for HRM applications on which demographic groups should be targeted more effectively during the development and management of cultural diversity and better strategies could be pursued. It is thought that in future empirical studies that can be conducted by a wide group of participants can contribute to this field more effectively.

As argued (Shore et al., 2011), successful management of diversity and inclusion of all members in organisation leads to higher employee commitment. The lack of comprehensive studies in Turkish HRM context in this field also makes it necessary for future works to focus in this subject.

REFERENCES

- Aguinis, H. and Henle, C.A. (2002) The search for universals in cross- cultural organizational behaviour, in Greenberg, J. (Ed.) *Organizational Behaviour: The State of the Science*, (2nd Ed.), Lawrence Erlbaum Associates, New Jersey.
- Anderson, D. R., Burnham, K. P., & Thompson, W. L. (2000). Null hypothesis testing: Problems, prevalence, and an alternative. *Journal of Wildlife Management*, 6, 912-923.
- Arredondo, P. (2004) *Organizational Assessments for Planning Diversity Initiatives*, Workshop on Diversity Management (12/02/2004), Arizona State University, Arizona.
- Armstrong, M. (2012) *Armstrong's Handbook of Human Resource Management Practice* (12th Ed.), Kogan Page, London.
- Armstrong, D. and Cole, P. (1996) Managing distances and differences in geographically distributed work groups, in Jackson, S.E. and Ruderman, M.N. (Eds.) *Diversity in Work Teams: Research Paradigms for a Changing Workplace*, American Psychological Association, 187-215.
- Au, Y. and Marks, A. (2012) Virtual teams are literally and metaphorically invisible: Forging identity in culturally diverse virtual teams, *Employee Relations*, Vol. 34, 271-287.
- Australian Human Rights Commission (2014) *Workplace discrimination, harassment and bullying*, Accessed from: humanrights.gov.au/employers (10/01/2017).
- Awang, F., Shafie, Z. and Pearl, R. (2013) The multicultural organizations: Perceptions of diversity challenges and initiatives, *Journal of International Business and Cultural Studies*, Vol. 23, 1-13.
- Bach, S. (2005) *Managing Human Resources* (4th Ed.), Blackwell Publishing, Oxford.
- Badea, M. (2013) Cultural influences in human resources management, *Review of General Management*, Volume 17, Issue 1, 179-187.
- Baum, T. (2006) *Human Resource Management for Tourism, Hospitality and Leisure: An international perspective*, Thomson Learning, London.
- Beardwell, J. and Claydon, T. (2007) *Human Resource Management: A Contemporary Approach* (5th Ed), Pearson Education Limited, Essex.
- Beaver, W. (1995) Let's stop diversity training and start managing for diversity, *Industrial Management*, Vol. 37, 1-11.
- Benson, P. G. (2011) *Emerging themes in international management of human resources*, Information Age Publishing, New York.

- Berger, J., Cohen, B.P., and Zelditch, M. Jr. (1966) Status characteristics and expectation states, in Berger, J., Zelditch, M. and Anderson, B. (Eds.) *Sociological Theories in Progress*, Mifflin, Boston, 47-73.
- Beyer, J.M. (1981) Ideologies, values, and decision making in organizations, in Nystrom, P.C. and Starbuck, W.H. (Eds.) *Handbook of Organizational Design*, Vol. 2, Oxford University Press, New York, 166-202.
- Biggam, J. (2011) *Succeeding with your Master's Dissertation*, (2nd Ed.), McGraw Hill, New York.
- Bloom, H. (2002) Can the United States export diversity, *Across the Board*, Issue: March/April 2002, 47-51.
- Bond, R.A. and Smith, P. (1996) Culture and conformity: A meta-analysis of studies using the Asch line judgment task, *Psychological Bulletin*, Vol. 119, 11-137.
- Bottger, P.C. and Yetton, P.W. (1988) An integration of process and decision-scheme explanations of group problem-solving performance, *Organizational Behaviour and Human Decision Processes*, Vol. 42, 234-249.
- Bowen, D. E., and Ostroff, C. (2004) Understanding HRM-firm performance linkages: The role of the "strength" of the HRM system, *Academy of Management Review*, 29(2), 203-221.
- Bozhko, O. (2014) *Managing diversity at the organizational level*, Master Thesis submitted to: Luiss Guido Carli University, Rome.
- Brass, D.J. (1984) Being in the right place: A structural analysis of individual influence in organization, *Administrative Science Quarterly*, Vol. 29, 518-539.
- Burke, R.J. and Cooper, C. L. (2006) *The Human Resources Revolution: Research and Practice*, Elsevier, Oxford.
- Carey, M. (2009) *The social work dissertation*, McGraw Hill, New York.
- Chang, W. W. (2009) Go to the People: Using Emic Approaches for Cultural Understanding, (Eds.) Hansen, C. D. and Lee, Y. "The Cultural Context of Human Resource Development", Palgrave Macmillan, New York, 21-40.
- Chattopadhyay, P. (1999) Beyond direct and symmetrical effects: The influence of demographic dissimilarity on organizational citizenship behaviour, *Academy of Management Journal*, Vol. 42, 273-287.
- Chavez, C.I. and Weisinger, J.Y. (2008) Beyond diversity training: a social infusion for cultural inclusion, *Human Resource Management*, Vol. 47, No. 2, 331-350.
- Clayton, M. and Williams, A. (2000) *The Idea of Equality*, Macmillan, Basingstoke.
- Collins, H. (2003) Discrimination, Equality and Social Inclusion, *The Modern Law Review*, Vol. 66, 16-43.

- Colella, A., De Nisi, A. S. and Varma, A. (1997) Appraising the performance of employees with disabilities: a review and model, *Human Resources Management Review*, Vol.7, 27-53.
- Cozby, P.C. and Bates, S.C. (2012) *Methods in Behavioural Research* (11th Ed.), McGraw-Hill, New York.
- Crawford, P., Carrier, H. and Razzu, G. (2013) *The Business Case for Equality and Diversity: a survey of the academic literature*, BIS Economics Paper No: 4, Government Equalities Office, London.
- Daniel, B.K. (2010) *Handbook of Research on Methods and Techniques for Studying Virtual Communities: Paradigms and Phenomena*, Information Science Reference, New York.
- Daniels, J.D., Radebaugh, L.H., and Sullivan, D.P. (2004) *International Business Environment and Operation*, Pearson Education Inc., New Jersey.
- De Bono, S., Jones, S. and Van der Heijden, B. (2011) *Managing Cultural Diversity*, Meyer & Meyer Media, Maastricht.
- De Lancey, R.M. (2013) Employees' Perceptions of Multiculturalism and Diversity in Multinational Corporations, *African Journal of Business Management*, Vol. 7(35), 3559-3574.
- Dipboye, R. L. and Colella, A. (2004) *The psychological and organizational bases of discrimination at work*, Frontier Series, Society for Industrial and Organizational Psychology, New York.
- Dovidio, J.F., Gaertner, S.L., Niemann, Y.F. and Snider, K. (2001) Racial, Ethnic, and Cultural Differences in Responding to Distinctiveness and Discrimination on Campus: Stigma and Common Group Identity, *Journal of Social Issues*, Vol. 57, No. 1, 167-188.
- Dreo, H., Kunkel, P. and Mitchell, T. (2002) *Virtual teams' guidebook for managers*, ASQ Quality Press, Milwaukee.
- Duffy, C.M. and Visconti, D.M. (2014) *Gender Identity and Sexual Orientation Discrimination in the Workplace*, Bloomberg BNA, Arlington.
- Dwertman, D.J. (2013) *Adapting to the Future Workforce: Combining Diversity and Organizational Climate Research*, Printed Doctorate Thesis, Shaker Verlag GmbH, Aachen.
- Earley, P.C. and Mosakowski, E.M. (2000) Creating hybrid team cultures: An empirical test of international team functioning, *Academy of Management Journal*, Vol. 43, 26-49.
- Elsass, P.M. and Graves, L.M. (1997) Demographic diversity in decision-making groups: The experiences of women and people of colour, *Academy of Management Review*, Vol. 22, 946-974.
- Ely, R. J. and Thomas, D.A. (2001) Cultural Diversity at Work: The Effects of Diversity Perspectives on Work Group Processes and Outcomes, *Administrative Science Quarterly*, Vol. 46, No. 2, 229-273.

- Esty, G. and Schorr-Hirsh, M. (1995) *Workplace diversity. A manager's guide to solving problems and turning diversity into a competitive advantage*, Adams Media Corporation, Avon.
- Evans, P., Pucik, V., and Barsoux, J.L. (2002) *The Global Challenge: Frameworks for International Human Resource Management*, McGraw-Hill, Boston.
- Farndale, E., Biron, M., Briscoe, D.R. and Raghuram, S. (2015) A global perspective on diversity and inclusion in work organisations, *The International Journal of Human Resource Management*, 26 (6), 677-687.
- Fealy, E., Kompare, D., and Howes, P. (2001) Compensation and benefits in global mergers and acquisitions, in C. Reynolds (Ed.) *Guide to Global Compensation and Benefits*, (2nd ed.), Harcourt, San Diego, 25-54.
- Ferraro, P.J. and Cummings, R.G. (2007) Cultural Diversity, Discrimination, and Economic Outcomes: An Experimental Analysis, *Economic Inquiry*, Vol. 45, No. 2, 217-232.
- Fine, M. G., Johnson, F. L. and Ryan, M. S. (1990) Cultural Diversity in the Workplace, *Public Personnel Management*, Vol. 19, No.3, 305-319.
- Foldy, E. (2004) Learning from diversity: A theoretical explanation, *Public Administration Review*, 64 (5), 529-538.
- Forth, J. and Rincon-Aznar, A. (2008) Equal opportunities, employee attitudes and workplace performance: findings from WERS 1998, *Employment relations research series No: 38*, Department for Business Enterprise and Regulatory Reform.
- Friedman, T. L. (2006) *The world is flat: The globalized world in the twenty-first*, Penguin Group, New York.
- Friedman, R.J. (2010) Religious Discrimination in The Workplace: The Persistent Polarized Struggle, *Transactions: The Tennessee Journal of Business Law*, Vol. 11, 144-165.
- Ghumman, S., Ryan, A.M., Barclay, L.A. and Markel, K.S. (2013) Religious Discrimination in the Workplace: A Review and Examination of Current and Future Trends, *Journal of Business and Psychology*, Vol. 28, 1-16.
- Gibson, C.B. (1999) Do they do what they believe they can? Group-efficacy beliefs and group performance across tasks and cultures, *Academy of Management Journal*, Vol. 42, 138-152.
- Gilley, A., Gilley, J. W. and Quatro, S. A. (2009) *The Praeger Handbook of Human Resource Management*, Praeger Publishers, Westport.
- Gomez-Meija, L. and Palich, L.E. (1997) Cultural Diversity and the Performance of Multinational Firms, *Journal of International Business Studies*, Vol. 28, No. 2, 309-335.
- Gomez-Meija, L., Balkin, D.B. and Cardy, R.L. (2012) *Managing Human Resources (7th Ed.)*, Pearson Education, New Jersey.

- Green, T. K. (2003) Discrimination in Workplace Dynamics: Toward a Structural Account of Disparate Treatment Theory, *Harvard Civil Rights-Civil Liberties Law Review*, Vol. 38, 91-158.
- Green, K., Lopez, M., Wysocki, A., Kepner, K., Farnsworth, D. and Clark, J. L. (2002) Diversity in the Workplace: Benefits, Challenges, and the Required Managerial Tools, Food and Resource Economics Department, Revised in October 2015: available at <http://edis.ifas.ufl.edu>
- Greener, S. (2008) *Business Research Methods*, Ventus Publishing, New York.
- Gruenfeld D. (1998) Group demography and innovation: Does diversity help? *Research on Managing Groups and Teams*, Vol. 1, 183–207.
- Guthery, F. S., Lusk, J. J., & Peterson, M. J. (2001). The fall of the null hypothesis: Liabilities and opportunities. *Journal of Wildlife Management*, 65, 379-384.
- Gutek, B. A., Cohen, A. G., and Tsui, A. (1996) Reactions to perceived sex discrimination, *Human Relations*, 49(6), 791-813.
- Han, S.J. and Beyerlein, M. (2016) Framing the Effects of Multinational Cultural Diversity on Virtual Team Processes, *Small Group Research*, Vol. 1, 1-33.
- Hancock, D.R. and Algozzine, B. (2006) *Doing Case Study Research*, Columbia University Press, New York.
- Harrison, D. A., and Klein, K. J. (2007) What's the difference? Diversity constructs as separation, variety, or disparity in organizations, *Academy of Management Review*, 32(4), 1199-1228.
- Hodgetts, R.M. and Luthans, F. (1991) *International Management*, McGraw-Hill, New York.
- Hofstede, G. (2017) National Culture, [Online] Available from: <https://geert-hofstede.com/national-culture.html>, Accessed [12.06.2017].
- Hofstede, G.J., Pedersen, P.B. and Hofstede, G.H. (2002) *Exploring culture: exercises, stories, and synthetic cultures*, Intercultural Press, Inc., London.
- Hofstede, G., Hofstede, G.J. and Minkov, M. (2010) *Cultures and Organizations: Software of the Mind*, McGraw-Hill, New York.
- Hunt, B. (2007) Managing equality and cultural diversity in the health workforce, *Journal of Migrant Labour*, 16 (12), 2252–2259.
- Isen, A.M. and Baron, R.A. (1991) Positive affect as a factor in organizational behaviour, in Cummings, L. and Staw, B.M. (Eds.) *Research in Organizational Behaviour*, Vol. 13, JAI Press, Greenwich, 1-53.
- Jackson, S.E. and Schuler, R.S. (1995) Understanding human resource management in the context of organizations and their environments, in Rosenweig, M. and Porter, L. (Eds.) *Annual Review of Psychology*, Annual Reviews, Inc., Palo Alto, 237-264.

- Jayne, M. E. and Dipoye, R. L. (2004) Leveraging diversity to improve business performance: Research findings and recommendations for organizations, *Human Resource Management*, 43(4), 409-424.
- Jehn, K. A., Northcraft, G. B., & Neale, M. A. (1999) Why differences make a difference: A field study of diversity, conflict, and performance in workgroups, *Administrative Science Quarterly*, Vol. 44, 741-763.
- Kersley, B., Alpin, C., Forth, J., Bryson, A. and Bewley, H. (2005) *First Findings from the 2004 Workplace Employment Relations Survey*, Department of Trade and Industry, London.
- Kiely, R. (2004) The World Bank and "global poverty reduction": Good policies or bad data? *Journal of Contemporary Asia*, 34(1), 3-20.
- Klarsfeld, A. (2010) *International handbook of diversity management at work: Country perspectives on diversity and equal treatment*, Edward Elgar, Cheltenham.
- Kline, R.B. (2009) *Becoming a Behavioural Science Researcher*, The Guilford Press, New York.
- Kochman, T. and Mavrelis, J. (2009) *Corporate Tribalism*, The University of Chicago Press, Chicago.
- Kochan, T., Bezrukova, K., Ely, R., Jackson, S., Joshi, A. and Jehn, K. A. (2003) The effects of diversity on business performance: Report of the diversity research network. *Human Resource Management*, 42(1), 3-21.
- Koshy, P. (2010) Diversity and Multiculturalism as a Strategy for Strengthening MSMEs in the Global Market, *ERENET Profile*, Vol. 4, 1-12.
- Kothari, C.R. (2009) *Research Methodology, Methods and Techniques*, (2nd Ed.), New Age International Publishers, New Delhi.
- Kramer, R.M. and Brewer, M.B. (1984) Effects on group identity of resource use in a simulated common dilemma, *Journal of Personality and Social Psychology*, Vol. 46: 1044-57.
- Kulik, C. T., Ryan, S., Harper, S., and George, G. (2014) Aging populations and management, *Academy of Management Journal*, Vol. 57, 929-935.
- Lau, D.C. and Murnighan, J.K. (1998) Demographic diversity and fault lines: The compositional dynamics of organizational groups, *Academy of Management Review*, Vol. 23, 325-340.
- Lazazzara, A. (2016) *Rethinking Organizational Culture: The Role of Generational Subcultures*, (Eds.) Panebianco, F. and Serrelli, E. "Understanding Cultural Traits", Springer, London, 249-272.
- Leung, K., Au, Y.F., Fernandez-Dols, J.M., and Iwawaki, S. (1992) Preference for methods of conflict processing in two collectivist cultures, *International Journal of Psychology*, Vol. 27, 195-209.

- Levine, J.M. and Moreland, R.L. (1990) Progress in small group research, *Annual Review of Psychology*, Vol. 41, 585-634.
- Litvin, D.R. (1997) The discourse of diversity: from biology to management, *Organization*, Vol. 4, No. 2, 187-209.
- Loden, M. and Rosener, J.B. (1991) *Workforce America: Managing Employee Diversity as a Vital Resource*, Irwin, Illinois.
- Lyons, P. and Doueck, H.J. (2011) *The Dissertation from Beginning to End*, Oxford University Press, Oxford.
- Lyons, S. and Kuron, L. (2014) Generational differences in the workplace: A review of the evidence and directions for future research, *Journal of Organizational Behaviour*, Vol. 35, 139-157.
- Martin, L.G. and Ross-Gordon, L.M. (1990) Cultural Diversity in the Workplace: Managing a Multicultural Work Force, *New Directions for Adult and Continuing Education*, No. 48, 45-54.
- Martocchio, J. J. (2007) *Research in Personnel and Human Resources Management*, Elsevier, Oxford.
- Mathis, R.L. and Jackson, J.H. (2007) *Human resource management with Info Trac*, (12th Ed.), South-Western Publishing, Mason.
- Mazur, B. (2010) Cultural Diversity in Organisational Theory and Practice, *Journal of Intercultural Management*, Vol. 2, No. 2, 5-15.
- McLean, G.N. (2009) Anthropology: A Foundation for Human Resource Development, (Eds.) Hansen, C. D. and Lee, Y. "The Cultural Context of Human Resource Development", Palgrave Macmillan, New York, 3-20.
- Mohammed, S. & Angell, L. C. (2004) Surface- and deep-level diversity in workgroups: Examining the moderating effects of team orientation and team process on relationship conflict, *Journal of Organizational Behaviour*, Vol. 25, 1015-1039.
- Mondy, W. R. and Martocchio, J. J. (2016) *Human Resource Management*, Pearson Education, Harlow.
- Muzio, D. and Tomlison, J. (2012) Editorial: Researching Gender, Inclusion and Diversity in Contemporary Professions and Professional Organizations, *Gender, Work and Organization*, Vol. 19, No. 5, 455-466.
- Newing, H., Eagle, C.M., Puri, R.K. and Watson, C.W. (2011) *Conducting research in conservation: social science methods and practice*, Routledge, New York.
- Nielsen, S. and Huang, H. (2009) Diversity, Inclusion, and the Non-profit Sector, *National Civic Review*, Vol. 98, Issue: 3, 4-8.
- O'Connell, P. and Russell, H. (2005) *Equality at Work? Workplace Equality Policies, Flexible Working Arrangements and the Quality of Work*, Economic and Social Research Institute for the Equality Authority.

- Oswick, C. and Noon, M. (2012) Discourses of Diversity, Equality and Inclusion: Trenchant Formulations or Transient Fashions, *British Journal of Management*, Vol. 36, 1-17.
- Pankl, E., Theiss-White, D. and Bushing, M.C. (2010) Recruitment, development and retention of information professionals: trends in human resources and knowledge management, Business Science Reference, New York.
- Pelled, L.H. and Xin, K.R. (1997) Birds of a feather: Leader-member demographic similarity and organizational attachment in Mexico, *Leadership Quarterly*, Vol. 8, 433-450.
- Pettigrew, T.F. (1997) Generalized intergroup contact effects on prejudice, *Personality and Social Psychology Bulletin*, Vol. 23, 173-185.
- Podsiadlowski, A., Gröschke, D., Kogler, M. Springer and van der Zee, K. (2013) Managing a culturally diverse workforce: Diversity perspectives in organizations, *International Journal of Intercultural Relations*, Vol.37, 159-175.
- Proctor, T. (2005) *Essentials of Marketing Research*, Pearson Education, Essex.
- Ridgeway, C. and Johnson, C. (1990) What is the relationship between socioemotional behaviour and status in task groups, *American Journal of Sociology*, Vol. 95, 1189-1212.
- Rijamampinina, R. and Carmichael, T. (2005) A Pragmatic and Holistic Approach to Managing Diversity, *Problems and Perspectives in Management*, Vol.3, 109-117.
- Richard, O. C. (2000) Racial diversity, business strategy, and firm performance: A resource based view, *Academy of Management Journal*, Vol.43, 164-177.
- Richard, O. C. and Johnson, N. B. (2001) Understanding the impact of human resource diversity practices on firm performance, *Journal of Managerial Issues*, Vol. 13, 177-196.
- Richard, O. C., McMillan, A., Chadwick, K., & Dwyer, S. (2003) Employing an innovation strategy in radically diverse workforce, *Group and Organization Management*, Vol.28, 107-126.
- Richard, O. C., Barnett, T., Dwyer, S., & Chadwick, K. (2004) Cultural diversity in management, firm performance, and the moderating role of entrepreneurial orientation dimensions, *Academy of Management Journal*, Vol.47, 255-266.
- Riley, R., Metcalf, H. and Forth, J. (2008) The business case for Equal Opportunities: An econometric investigation, Department for Work and Pensions, Research Report No: 483, London.
- Rohmetra, N. (2000) Cultural Diversity and Ethical Behaviour at Workplace-An Analysis, *Indian Journal of Industrial Relations*, Vol. 35, No. 3, 301-326.

- Roccas, S., and Brewer, M. B. (2002) Social identity complexity, *Personality and Social Psychology Review*, Vol. 6, 88-106.
- Rynes, S. and Rosen, B. (1995) A field survey of factors affecting the adoption and perceived success of diversity training, *Personnel Psychology*, Vol. 48, 247-270.
- Sabharwal, M. (2014) Is Diversity Management Sufficient? *Organizational Inclusion to Further Performance*, *Public Personnel Management*, Vol. 43, Issue: 2, 1-22.
- Schneider, B., Erhart, M. G. and Macey, W. H. (2011) Perspectives on organizational climate and culture, in Zedeck, S. (Ed.), *Handbook of industrial and organizational psychology*, American Psychological Association Press, Washington, DC, 373-414.
- Schuler, R.S., Jackson, S.E. and Luo, Y. (2004) *Managing human resources in cross-border alliances*, Routledge, London.
- Seymen, O. A. (2006) The cultural diversity phenomenon in organizations and different approaches for effective cultural diversity management: A literary review, *Cross Cultural Management: An International Journal*, Vol. 13, 296-315.
- Shen, J., Chanda, A., D'Netto, B. and Monga, M. (2009) Managing diversity through human resource management: an international perspective and conceptual framework, *The International Journal of Human Resource Management*, Vol. 20, No. 2, 235-251.
- Shore, L. M., Randel, A. E., Chung, B. G. And Dean, M. A. (2011) Inclusion and Diversity in Work Groups, *Journal of Management*, Vol. 37, Issue 4, 1-28.
- Silver, S.D., Cohen, B.P. and Crutchfield, J.H. (1994) Status differentiation and information exchange in face-to-face and computer-mediated idea generation, *Social Psychology Quarterly* Vol. 57, 108-123.
- Smith, P.B. (2001) Cross-cultural studies of social influence, in Matsumoto, D. (Ed.) *The Handbook of Culture and Psychology*, Oxford University Press, Oxford, 361-374.
- Snell, S.A. and Bohlander, G. (2013) *Managing Human Resources*, South-Western, Cengage Learning, Mason.
- Saunders, M., Lewis P. and Thornhill A. (2009) *Research Methods for Business Students*, Prentice Hall, Essex.
- Sun, H. and Bond, M.H. (1999) The structure of upward and downward tactics of influence in Chinese organizations, in Lasry, J.C., Adair, J.G. and Dion, K.L. (Eds.) *Latest Contribution to Cross-cultural Psychology*, Swets & Zeitlinger, Lisse, 286-299.
- Tjosvold, D. and Leung, K. (2017) *Cross-Cultural Management: Foundations and Future*, Ashgate, New York.

- Tharenou, P., Donohue, R. and Cooper, B. (2007) *Management Research Methods*, Cambridge University Press, Cambridge.
- Thomas, D. A. and Ely, R. J. (1996) Making Differences Matter: A New Paradigm for Managing Diversity, *Harvard Business Review*, Vol. 74, 79-90.
- Torrington, D., Hall, L. and Taylor, S. (2008) *Human Resource Management (7th Ed.)*, Pearson Education, Harlow.
- Triandis, H.C., Dunnette, M.D., and Hough, L.M. (1994) *Handbook of Industrial and Organizational Psychology*, (2nd Ed.), Consulting Psychologists Press. Palo Alto.
- Trompenaars, F. and Hampden-Turner, C. (1998) *Riding the waves of culture: understanding cultural diversity in global business*, McGraw-Hill, New York.
- Vance, C. M. and Paik, Y. (2006) *Managing a Global Workforce*, M.E. Sharpe, New York.
- Vergheze, S. (2016) Intercultural Sensitivity Among Employees, *Interface*, February-2016, 53-62.
- Vo, K. H. (2014) *Managing Cultural Diversity in Human Resource Management*, Master Thesis submitted to Saimaa University of Applied Sciences, Imatra.
- Walliman, N. (2011) *Research Methods: The Basics*, Routledge, New York.
- Wentling, R.M. (2004) Factors that Assist and Barriers that Hinder the Success of Diversity Initiatives in Multinational Corporations, *Human Resource Development International*, 7(2), 165-180.
- Wickwire, K. S. and Kruper, J. C. (1996) The glass ceiling effect: An approach to assessment, *Consulting Psychology Journal, Practice and Research*, Volume:48, issue:1, 32-39.
- Wiersema, M. and Bird, A. (1993) Organizational demography in Japan: Group heterogeneity, individual dissimilarity and top management team turnover, *Academy of Management*, Vol. 36, 996-1025.
- Young, I. M. (1990) *Justice and the Politics of Difference*, Princeton University Press, Princeton.
- Zenger, T.R. and Lawrence, B.S. (1989) Organizational demography: The differential effects of age and tenure distribution on technical communications, *Academy of Management Journal* Vol. 32, 353-376.

APPENDICES

Appendix 1: Summary of Illustrative Studies Measuring Diversity Context

Level	Authors	Diversity Attributes	Work Outcomes	Moderators	Results
Distal omnibus	Frink et al. (2003)	Gender composition	Firm (financial and perceptual) performance	Industry/occupation	N= 722 firms; an inverted U-shaped relationship was found; the relationship was observed only in industries with high proportions of women in general (i.e., service, wholesale, retail)
	Brief et al. (2005)	Ethnicity	Quality of work relationships, organizational attractiveness	Community-demographics (proximity to blacks), perceived ethnic conflict	N=236 whites; the closer whites lived to blacks and the more interethnic conflict whites perceived in their communities, the more negatively they responded to diverse workplaces
	Van Der Vegt et al. (2005)	Task-oriented (tenure, functional background, relation-oriented (age, gender)	Innovative climates (organization unit level)	National culture (power distance)	N=248 organization units of multinational firms in 24 countries; task-oriented diversity was negatively-related to innovative climates in high power distance countries but positively related in low-power distance countries; no such interactions were found for relation-oriented diversity
Proximal omnibus	Joshi et al. (2006)	Gender, ethnicity	Pay (inequality), sales performance	Organization demography (team demographic composition, unit management composition)	N= 3,318 employees in 437 sales teams; ethnicity-based earning inequalities were smaller in teams with more people of color, and gender- and ethnicity-based inequalities were smaller in units with more women and people of color as managers
	Richard et al. (2004)	Cultural diversity (race, gender)	Firm performance (productivity, ROE)	Organization al strategy (entrepreneurial orientation)	N= 153 banks; main effects were initially found non-significant but emerged as significant when organizational strategic contexts were considered; in high entrepreneurial orientations, race diversity was positively related to firm performance and gender diversity had an inverted U-shape relationship with firm performance
Discrete	Schippers et al. (2003)	Diversity index (age, gender, education, team tenure)	Team process (reflexivity, team performance, commitment, satisfaction)	Group longevity, team outcome, interdependence	N=54 teams in 13 organizations; neither the overall diversity measure nor the individual diversity aspect had a direct impact on the outcomes; instead, interaction effects were found: outcome interdependence buffered the negative effects of diversity on process outcomes; diversity became positively associated with process outcomes among younger teams.
	Somech (2006)	Functional heterogeneity	Team performance, team innovation	Leadership style (directive versus participative)	N= 136 primary care teams; participative leadership styles enhanced the positive relationship between team functional heterogeneity and innovation but not team performance
	Mohammed and Angell (2004)	Surface level (gender, race, deep level, time urgency, extraversion)	Relationship conflict	Team orientation (working as a group, team, process leadership, communication, coordination)	N=45 student project teams; no direct effects were found; however, in support of moderating propositions, team orientation neutralized the negative effects of gender diversity on relationship conflict; team process weakened the negative effects of time urgency

Chapter 6

CONTINUITY IN THE MIND: EVENT PERCEPTION IN VISUAL AND WRITTEN NARRATIVES

Ayşe Candan ŞİMŞEK¹

¹ Dr. Öğr. Üyesi Ayşe Candan Şimşek, Yaşar Üniversitesi Psikoloji Bölümü, ORCID ID: 0000-0003-2668-3850

1. General Introduction

'Life is happening all at once.... Our experience of coherence belies that chaos. The mind carves objects in space, actions in time, and configures objects into scenes and actions into events' (Tversky, 2004, p. 380).

Achieving a meaningful continuity is critical to perceiving daily life events. We are faced with abundance of information on a daily basis that extends in time and space. We tend to process that information by forming coherent units that are interconnected. The concept of an 'event' is generally defined as a coherent unit of activity, which has a well-structured spatial and temporal nature, and which involves an essential set of actors and objects and which represents a causally connected relationship between them (Newston, 1973; Zacks & Tversky, 2001; Zwaan & Radvansky, 1998). Events are confined to one place and one time and have a specific beginning and ending. In addition to having temporal and spatial boundaries, events also have a coherent structure with respect to people's goals and intentions (Tversky, 2004; Zacks, Tversky & Iyer, 2001). One of the essential attributes of events is to be "meaningful" segments within the continuous flow of information we face in daily life. The mental representation of events is regarded as *schemas* that people form to process the current flow of information efficiently. These meaningful organizations are called *event models* in the literature (Radvansky & Zacks, 2010; Zacks, Speer & Reynolds, 2009). People use those event models as references for future to anticipate the upcoming information (Zwaan, Magliano, Graesser, 1995; Reynolds, Zacks & Braver, 2007). Events are seen as building blocks of a continuous experience. Understanding how and why we feel the need to segment activity is an intriguing question that needs answering in order to understand conscious experience. Rather than seeing event perception as a distinct process that deals with narratives, seeing it as a basic strategy that the mind uses to organize spatio-temporally continuous information can provide further insight into the functions of the mind.

Research so far has questioned how much the perception of events is independent of the medium in which they are expressed. In this chapter, I will review the literature on event perception in visual and written narratives. I will also focus on the cinematic narratives, which have recently started receiving more attention, and address the representation of space in narratives to discuss some conflicting results. The chapter discusses event perception from a cognitive psychology perspective.

2. Event Models

The mental model of an event derives mainly from the mental representation of its structure. The theories in language and discourse comprehension have been the first to address the structure and representation

of event chains and how people understand them (Gernsbacher, 1990; Zwaan et al., 1995b, Zwaan & Radvansky, 1998). Written narratives were examined to gain insight into how people construct what's called a *situation model*, which is the mental representation of an event along dimensions of time, space, causality, and characters. Although earlier theories such as the *Structure Building Framework* put forward by Gernsbacher (1990) still focused on situational continuity in a written narrative and thought of readers as monitoring changes in events but did not have a multidimensional model that focused on all the dimensions and their relationships with each other. A more recent model has taken this framework one step forward by looking at events as mental models along multiple dimensions at once monitored simultaneously. This theory, called the *Event Indexing Model* (EI) (Zwaan, Langston & Graesser, 1995a, Zwaan & Radvansky, 1998), argues that an event represents a continuum along multiple dimensions and a *situation model* is the current mental model of that event, which holds the information for those particular dimensions in memory. As the reader progresses through the narrative, he constantly monitors the story along those situational dimensions to either incorporate the expected and fitting information into the current model or to update the model with the new upcoming information. The theory suggests that the readers monitor and update the situation model in order to represent a *coherent* understanding of an event (Zwaan et al. 1995a). While continuity along dimensions leads to coherence, discontinuities result in disruptions, which necessitate the updating of the model. Being able to segment an activity into parts and doing that through monitoring along different situational dimension is argued to be invaluable to successful comprehension (Radvansky & Zacks, 2010).

The situation model in the EI was later adapted to everyday events and visual narratives in general as an *experience model* or simply an *event model* by the *Event Segmentation Theory* (EST) (Reynolds, Zacks & Braver, 2007a; Radvansky & Zacks, 2010). EST is a computational model stating that people form dynamic "event models" in working memory that are continually updated by the incoming information. Event models serve as *predictions* for the upcoming information. As long as the information is consistent with predictions, they are incorporated into the current schema and if not, a break occurs in the perceptual continuity and an event boundary is perceived (Zacks, Kurby, Eisenberg & Haroutunian, 2011). The motivation behind the EST comes from providing a functional explanation to the act of segmentation in terms of how it helps optimizing the processing of continuous streams of information. The theory suggests that the viewer is building an inherently consistent model for an event and when there is an unexpected input to the model, it is as an *event boundary*

(Zacks, Speer, Swallow, Braver & Reynolds, 2007). An event boundary here is in a way a violation in the expectations in the model that the viewer is building for a certain event. According to EST, the incompatibility of information at boundaries causes the brain to become more active due to an “error” in the prediction. Consistently, event boundaries are perceived when perceptual features like motion, color, shape or conceptual features like actor goals change (Zacks et al. 2007; Zacks et al. 2011). The structure of events helps us determine what is missing from the information and to expect what’s going to happen successfully (Zacks et al. 2009). To achieve coherence, readers and viewers need to infer information not currently there but either mentioned previously or extrapolated from related information. That is one of the characteristics of event models in various media.

While Event Segmentation Theory focused mostly on perceptual changes such as motion cues and their implications on visual events, discourse comprehension theories mostly dealt with conceptual changes such as changes in actors’ intentions, goals, locations and interactions with objects as well as causal relationships (Zwaan et al. 1995a; Zacks et al 2009). Although EST also studied certain conceptual changes like actors’ goals, the conceptual changes investigated by discourse comprehension theories are more varied and more thoroughly researched.

2.1. Segmenting Everyday Visual Events

A large body of research has investigated how people perceive events by having them segment activity into units. Studies have shown that people are consistent in determining when a meaningful segment has ended and another begun. Newston (1973) was the earliest researcher to use event segmentation as an experimental method and asked subjects to segment activity into meaningful parts. He theorized that event boundaries would occur at times of change in features. Subsequent studies have demonstrated that people’s decisions were quite reliable in indicating where a boundary occurred (Newston, 1973, Newston & Engquist 1976; Zacks, Tversky & Iyer, 2001). To investigate what features contributed to people’ boundary decisions, Zacks, Tversky and Iyer (2001) presented people with daily activities characterized as “familiar” versus “unfamiliar” to participants. The familiar activities were daily routines like “making the bed” or “washing hands” and unfamiliar ones were less common activities like “assembling a saxophone” or “fertilizing” plants. The subjects segmented activities into “fine” and “coarse” units, which corresponded to small and large meaningful parts in an activity and the boundary decisions again were very similar among subjects. An interesting finding that occurred was that fine and coarse boundaries coincide more often than chance, which led to the conclusion that events are processed in a hierarchical fashion with fine units nested within coarse ones. While coarse boundaries were treated on

a more conceptual level and associated with goals and intentions of actors, perceptual changes in the activity were associated with fine boundaries. Results have indicated that events are formed out of causally connected subparts (Zacks et al. 2001; Hard, Tversky & Land, 2006).

Research has also indicated that segmentation of events are based on actions performed on objects and that those changes signal when a goal or a subgoal has changed with respect to the actor. In a related study, Martin and Tversky (2003) had people segment computer generated activities using three geometrical figures. The activities were considered ambiguous in intentionality and consisted of a chase sequence and hide-and-seek. People tended to segment the activity based on actions performed on objects. Also, with more and more viewings they selected fewer and fewer fine units. Authors have suggested that people conceptualize the activities with more viewings and assign intentions and causality to the actions of those objects. This shows that viewers have a tendency to assign intentions, which are critical to causality judgments. Another interesting finding is that the perception of events are very much object-dependent. Zacks et al.'s (2001) study also has revealed that 96% of event descriptions involved actions on objects. More interestingly, a switch in object tended to define the fine-level boundaries, suggesting that finer-level events are concentrated on a single object (Tversky, 2004, Zacks et al. 2001).

Not only the behavioral measures but also physiological measures like fMRI have been used to study how people segment activity into units. These studies have enriched our knowledge for the nature of events. For example, the brain activity is observed to increase at points where viewers identified event boundaries (Zacks, Braver et al. 2001). Posterior occipital, temporal and parietal regions and right posterior frontal cortex had increased activity during the viewing of the parts which were later identified as event boundaries when subjects were asked to actively segment the videos. Viewers mostly used motion information to segment those activities into parts (Magliano & Zacks, 2011, Hard et al. 2006). Similarly, Zacks, Swallow, Vettel and McAvoy (2006) presented viewers with simple animated objects acting on each other. Velocity and acceleration were found to contribute to segmentation decisions. Visual areas that process motion (area MT+) were observed to be active at event boundaries defined by motion information. In addition to MT+, the posterior superior temporal sulcus (pSTS), which is associated with biological motion, has also presented increased activity at boundaries associated with motion. This result tended to reoccur in various other studies that investigated the effect of motion in defining event boundaries (Speer, Swallow & Zacks, 2003; Zacks, Speer, Swallow & Maley, 2010). When we look more closely at those studies that used fMRI (among other physiological measures),

we see that while motion on objects signals fine boundaries, the actor's goals signal the coarse boundaries. Apart from segmentation being object-dependent, motion also appears as a crucial parameter for how people organize activity into parts.

Studies also argued that predictions are critical in comprehending and segmenting events, which is in line with the Event Segmentation Theory. In a recent study, Zacks, Kurby, Eisenberg and Haroutunian (2011) asked subjects to predict what is going to happen next in movies of familiar activities like “washing a car”. The fMRI readings indicated that the activity in the occipital cortex and midbrain increased when subjects had struggled in making accurate prediction and those moments corresponded with event boundaries. Other important results were that midbrain dopaminergic system was active while subjects actively tried to predict what going to happen across boundaries and the regions in posterior occipital cortex, parieto-temporal cortex and left insular cortex were differentially active within and across event boundaries. All these results point to the role of discontinuities in events as violations of predictions, which in turn increase activation in the brain.

In an effort to investigate the attention and individual involvement in event segmentation in everyday events, Hard, Recchia and Tversky (2011) had people view slideshows in a self-paced speed, of everyday activities like “making the bed” and examined differences in looking times at event boundaries. While they found that viewers spend more time looking at what they call *breakpoints* in the narratives, these boundary images had the most amount of physical change. They have also shown that even out of order, the boundaries were inspected longer, indicating a link between segmentation and attentional resources. Also, they have suggested that the nature of those boundaries might be context-independent. Research so far is in line with the view that segmentation of events occurs due to monitoring of changes across a situational continuum and those changes result in updating of the current event model due to a mismatch of information. While we see that an increase in brain activity accompany those updates, research still is lacking in examining what happens to perceptual mechanisms such as attention in those moments we call *boundaries* in events.

2.2. Segmenting Written Narratives

Understanding how people process narratives that are conveyed in a written medium, such as novels or short stories, is also invaluable to event perception. As the visual narratives, written narratives are also a big part of our lives in which we tend to process the continuous flow of information by segmenting it into meaningful parts. It is even argued that the event model has a more flexible structure in written narratives compared to

visual narratives (Radvansky & Zacks, 2010). While in the former there is more room for imagination and reconstruction of details, in the latter the perceptual details are more apparent and straightforward, hence the disappointment people feel in the film of a book they have read. What's defining about an event model is that they are in fact *models* of actual events and in turn they do not represent all the details of a certain situation but rather a *sketch* of it. That feature may render event models flexible, which represent the defining skeletal elements of an event.

Research involving written narratives focused on people's understanding of short passages from novels or stories, studying the transitions between *clauses*, which were the generally used units of analysis. Readers' decisions of event boundaries coincided with changes in the multiple dimensions of the situation. The first studies that implemented the *Event Indexing Model* to written narrative comprehension focused on five dimensions of a situation, which are time, space, characters, intentions, and goals (Zwaan, et al., 1995b). As previously stated, until that time, studies had not examined multiple dimensions monitored simultaneously in discourse understanding. Zwaan, Langston and Graesser (1995) investigated the readers' decisions to form clusters of verbs in a short story. The results indicated that all the investigated dimensions (time, causality, intentionality, space, and character) contributed independently and significantly to the decisions of the readers. That result indicated that readers constantly monitor the content of a story along multiple situational dimensions and use those to relate the information to each other.

Studies have put forward that segmentation of written narratives followed a similar pattern as visual narratives and situation changes contributed to boundary decisions. The probability of decisions increased with more and more dimensional changes present in a written clause. Zacks, Speer and Reynolds (2009), in a recent study, investigated changes in situation features to see how much they affected comprehension in *naturalistic* texts. In one of their experiments, they adapted the *event segmentation task* to written narratives and they looked at conceptual changes and how much subjects identified clauses containing those changes as event boundaries. They examined changes along six dimensions taken out of the Event Indexing Model, which are characters, time, space, causal relations, characters' goals and their relations to objects. The narratives were chosen as close to everyday events as possible from a book called *One Boy's Day*. While one group of subjects only listened to the narratives, a second group read them at their own pace and a third one saw each clause one by one on a computer screen. They found that there is a significant overlap between the conceptual changes and the event boundary decisions and that the fine and coarse boundaries overlapped significantly to conclude

that there is a hierarchical structure to event segmentation in written narratives similar to visual narratives. A few particularly interesting results emerged from the experiment; one of them pertained to the type of situation change in a clause. While causal, goal, and spatial changes contributed more to the coarse-grained segmentation, the changes in interactions with objects contributed more to the fine segmentation. A similar result had also emerged for visual narratives again stressing the importance of actions on objects treated as finer segments in an event. Also, when asked directly about the *predictability* of clauses in a narrative, subjects judged the clauses with changes as less predictable than others. It was argued that when people judged a certain event as unpredictable, that engendered the coherence of their current working situation model (Zacks et al. 2009; Zwaan & Radvansky, 1998).

Another aspect of discourse comprehension that is researched frequently has been the *reading time* (Zacks et al 2009, Zwaan et al. 1995b, Zwaan 1996). Both Event Segmentation Theory and Event Indexing Model predict that when there is situational change, people update their current model to incorporate the change or the “error” to the model and updating increase the reading times because it increases processing load (Radvansky & Zacks, 2010). The reasoning is that when the upcoming information is inconsistent with the predictions pertaining to the current mental model, more activation and effortful processing is expected to ensue to update the current model. That is consistent with the idea that coherence is one of the key features of an “event model” and the parts incorporated in it. When there is a break in continuity, processing load increases which, in turn decreases the reading speed momentarily. In a study by Zwaan, Magliano and Graesser (1995), the reading times of subjects were examined with respect to changes along three situational dimensions: time, space and causality. They used short stories that appeared one clause at a time on the computer screen and the self-paced reading speed was used to keep track of the reading times. Reading times did indeed increase as predicted when there were situational changes present in the clause. The same result was replicated in multiple studies (Zacks et al 2009; Zwaan 1996). Causality, goals and interactions with objects all contributed significantly to reading times and that having multiple changes in a given clause contributed to slower reading times (Zacks et al 2009). Yet in another study, longer latencies were observed in recognizing words from sentences that came before a temporal discontinuity (Zwaan, 1996). This result was in line with theories suggesting that once a break occurs in situational continuity, the previous information become harder to access (Gernsbacher 1990).

Another interesting result that emerged from subsequent studies on discourse comprehension is that although the change in space in a narrative

contributed to boundary decisions and comprehension, they were not associated with increased reading times (Zwaan et al., 1995b; Zacks et al. 2009, Scott Rich & Taylor, 2000). There have been a few explanations on why that was to be the case. It was argued that people do not update spatial information in the same way as other dimensions like time and characters. For example, if a spatial transition is not critical to the coherence of the story and the temporal, causal and character information is preserved; people may not attend to those changes as much as they would affect the reading speed (Zacks et al. 2009; Zwaan & Radvansky, 1998; Radvansky & Copeland, 2000; Zwaan et al., 1995b). For example, if you were to read about someone carrying a coffee cup from the kitchen to the living room, you may be prone to ignoring the spatial change while attending more to action on the object and/or the character. So, it is argued that the spatial changes are monitored if they are relevant to the goals of the readers and that if the readers are motivated to do so with respect to the comprehension of the narrative. In contrast, Scott Rich and Taylor (2000) examined the coherence, cohesion and integration in written narratives where there were spatial, temporal and character shifts. They found that spatial shifts contributed to both coherence and cohesion of narratives as well as lowered the reading times. However, response latencies to probe words that occurred after location shifts were faster compared to character shifts. Actually, character shifts were found to be the most influential shift across all the variables of interest in terms of lowering the reading times. At this point, the role of the change in the spatial dimension in both written and visual events remains open to debate and needs further research. I will focus on spatial understanding in events and the possible role of perspective taking in another section in more detail.

In addition to spatial representations in narratives, research still needs to look into whether more activation at boundaries is really due to prediction failures or is it an artifact of event processing even when predictions are in synch with the current model. Similarly, research on discourse comprehension mostly used written short stories or novels that are well structured and which adhere to certain common rules of execution and format; research can also profit from looking into amateur writings on everyday events like memoirs or people's telling and retelling of stories to each other to gain more naturalistic information about the structure of events in everyday life (Tversky, 2004).

Another type of narrative that is not frequently studied is *comic* books. Although we can put comics into the category of written narratives, because they depict visual events on paper with drawings as well as writing, we should probably consider them as a combination of written and visual narratives. Recent studies started to examine the structure of comics and

how the sequential images in a comic can be regarded as parts of an event structure (Cohn, 2013). In a comic, time, space as well as characters are monitored over a series of images. As situation models and event models, we can say that readers form a mental model for an event that should extend in time and space over sequential images.

Focusing on the sequential nature of the narratives in comics, Cohn (2013) proposed a theory called “Narrative Grammar” which likens the structure of an event to the structure of a sentence with each image signifying a clause. This sentence-like structure is called an *event arc*. The event arc has a tree-like structure composed of items that fall into one of the following categories: *Establisher*, *initial*, *prolongation*, *peak* and *release*. While the “establisher” is the first image of a new event that sets the scene, an “initial” depicts the initial start of an action that sets the event in motion. The “prolongation” is the tension part that prolongs the “peak” of the event, which is the main action or goal of the event, which is followed by the “release”, which is the conclusion or the denouement of the event. The narrative “arc” can also be likened to the structure of a scene in a film where the establisher is the *establishing shot* in a scene. Like it happens in a sentence, in a sequential arc in a comic book, one part can be replaced by a symbol of an act like a writing in specific morphology or can be deleted by skipping to the next part, as well as the order of the parts can be rearranged to deliver the same message in a different pattern. The tension in story has been called many things such as “narrative pacing” or the “prolongation” phase in the arc model proposed by Cohn (2013) or “dangling cause” as in the case of the whole cinematic narratives which will be discussed in the next section (Bordwell & Thompson, 2003). Although event models are conceptualized as models updated sequentially along dimensions, those models mostly focused on changes in consecutive items in an event while not addressing the relationship among distal components of an event. For example, in the comic event example, although the man lying in the bed and the man sitting in the bed in the last image are not consecutive and that you wouldn’t place a continuity break between them, their distal relationship as the establisher and the peak is a crucial part of understanding that event. Although narratives are coherent sequences, events also build one after another that is interconnected to a broader goal or finish line. Whether this is an inherent feature of understanding an event or how it is manipulated in artistic narratives is still a question to be answered.

3. Understanding Cinematic Events

Studying edited moving images with respect to our understanding of visual perception is still new. A recent framework known as the “Cognitive Film Theory” kindled the research in this area (Bordwell & Thompson, 2003). Researchers have studied the conventional editing rules

of Hollywood film known as the *continuity editing* rules, which create an *invisible style* in the sense that it heavily relies on narrative continuity over the artificial nature of shot sequences in film (Bordwell & Thompson 2003; Smith, Levin & Cutting, 2012). People often miss edits in a film (Cutting, 2005; Smith & Henderson 2008). One of the basic motivations behind continuity editing is to decrease awareness of cuts and to intensify narrative involvement. The phenomenon of “edit blindness” refers to the fact that the disruptions in the flow of the film due to cuts are invisible to the viewer who is engaged into the narrative. That is proposed to be the idea behind referring to the Hollywood style as the “invisible style” (Smith et al 2012; Magliano & Zacks, 2011).

Although a *cut* is an abrupt discontinuity mostly accompanied by a change in perspective, people still experience a continuous flow of information. That is attributed to different causes: for one, the editor is trying to purposefully position cuts at points that are least disturbing to continuous perception, such as in the middle of high motion (Smith et al., 2012). Those cuts are called *match-on-action* cuts, which are the ones that preserve motion direction while cutting to a new shot, are a common technique used to conceal cuts. As the name suggests, they are positioned in a way to match action across shots, positioning the cuts at the beginning of fast motion that naturally engage the viewer’s attention. Also, the gaze direction of the characters, turn taking in conversations, and other interaction cues are used to conserve continuity across shots (Magliano & Zacks, 2011; Smith et al. 2012; Smith, 2012). Smith and Henderson (2008) investigated whether cuts are missed more often when they were continuity edits. Subjects noticed cuts less often when they occurred within a scene versus between scenes, which would correspond to scene boundaries. They have also shown that match-on action cuts are the least noticed ones. In the cut detection task, one in three of match-on action cuts were missed. Those cuts may be missed due to the orienting response due to being introduced before the beginning of fast motion (Magliano & Zacks 2011; Smith, 2012).

One way to maintain spatial continuity in film is to use *180-degree rule*, which establishes a line of action (Bordwell & Thompson, 2003; Smith et al. 2012). All shots in a given scene are predominantly positioned on the same side of this line. The viewer can experience disorientation if this line is crossed. A scene generally starts with long shots which are mostly *establishing* shots that present the layout of the scene and the actors in that scene and then close-ups are used to cut into the conversations with techniques like *shot-reverse* shots and *gaze matches* to promote the spatial continuity (Bordwell & Thompson, 2003, Magliano & Zacks, 2011). A short reverse shot is produced by positioning the cameras over the shoulder

of the actors, usually in a conversation, to shoot from an angle as if they are looking off the screen to the conversation partner. In doing that, we still get to see the actor and get their point of view. In shot-reverse shots, the actor positions are consistent and the conversation partners appear relatively at the same positions on the screen. The camera again never crosses the 180-degree line. The gaze matches, also called “eye-line matches” show where an actor was looking in the previous shot to create a continuity in their gaze (Bordwell & Thompson, 2003; Smith, 2012).

“The real world is spatially and temporally continuous: film is not” (Cutting, 2005, pg. 9). So, how do we achieve continuity and coherence across shots and shot sequences? How is juxtaposing successive shots from different camera angles done smoothly enough to create narrative continuity? Shots sequenced together mean something different than shots in isolation just as words in a sentence mean something different than they do individually (Levin & Simons, 2000). *Russian montage* was used as evidence for how inference can play a role in perceiving successive shots (Levin & Simons, 2000, Cutting, 2005). In the early 1920s, filmmakers Kuleshov and Pudovkin used a shot of an actor with neutral expression and they positioned two context shots one before and one after the neutral shot to create a story. People attributed different emotional content to the actor’s expression based on the surrounding shots (bowl of soup, children playing, dead person). This effect has come to known as the “Khuleshov effect” and is attributed to the role of context in the interpretation of information (Levin & Simons, 2000, Cutting, 2005).

Another series of experiments investigated whether people notice editing errors in films. The important question was whether we perceive events as continuous and consistent even with “minimal consistency” across information. Messaris (1994) has presented a series of images from Bunuel’s film *Un Chien Andalou* to subject who failed to notice changes in successive images where a pig eye replaced a human eye. We can say that a set of images together refers to different possible combinations and expectation of continuity can be deceptive in certain situations. Following on that idea, in another study by Khuleshov and Podovkin, people failed to notice changes in location and even actress in montage sequences in which shots completed an event but are shot in different cities and with different people (Levin & Simons, 2000). This again question people’s bias for imposing coherence into a flow of information even when the perceptual information is distinct and does not match. One of the hypotheses suggested a *focused continuity* in film where the narrative involvement takes precedence over perceptual details (Smith, Levin & Cutting, 2012).

Similarly, Levin and Simons (1997) has put forward a famous phenomenon known as the *change blindness* across shots in motion

pictures. The inability to detect changes in the unattended part of an image in successive presentations is referred to as change blindness (Rensink, O'Regan & Clark, 1997; Levin & Simons, 2000). In a series of experiments, Levin and Simons (1997) demonstrated that detection of unexpected changes like the “disappearance of a scarf” or a change in the “color of the plates” in successive shots was very poor. Nine out of ten subjects did not notice those changes. Authors have suggested that people were quite poor at detecting changes across shots for parts they were not attending to. However, eight out of ten people still failed to notice those changes even when they were instructed to expect changes in the videos. The same was true for things that subjects were attending to, like when the actor changed across shots. Two third of viewers still did not report seeing a change for those shots. However, when subjects were instructed to look for changes, not noticing the change of an actor decreased to 5%. Angelone, Levin, and Simons (2003) also looked at how well viewers can detect changes across cuts to objects that were the center of attention. They observed that although viewers did register the color of the attended object before a cut, they were poor at detecting color changes across cuts.

Levin and Simons (2000) interpreted the results from those change detection studies as the following: “In film, assumption of continuity is an extrapolation based on very minimal information” (Levin & Simons, 2000, pg. 361). The results of the study have revealed that only a number of essential elements to remain consistent might be enough to preserve continuity across shots (Levin & Simons, 1997; Smith et al., 2012). Based on those results, one can suggest that as long as the narrative coherence is preserved, it has priority above the perceptual inconsistencies between shots. Expectations of continuity may guide us into imposing coherence with minimal consistency. In the study of Levin and Simons (1997), while the color of the plates or presence of certain accessories has changed, the spatial layout of the scene, the positioning of the characters and the flow of the narrative content remained the same. This may have fulfilled subjects' *expectancy* for continuity and changes in perceptual details may not have been enough to disrupt the narrative flow. In that case, the bias for continuity may stem from the motivation to be consistent in perception. More research may be needed to identify the basic elements of a scene, if altered, may disrupt the flow of the narrative.

Magliano, Miller and Zwaan (2001) also investigated continuity across shots in an effort to generalize the Event Indexing Model to visual narratives. They used 20-minute excerpts from contemporary films (i.e. *Moonraker*) and asked people to identify changes in situations. They were interested in temporal and spatial dimension and investigated three types of changes: time, spatial region and spatial movement. The boundaries

identified by viewers coincided more than chance with the changes in time and spatial movement and both of those changes affected the boundary decisions independently. Spatial region changes however were not influential enough to create boundary decisions by themselves. That result was in line with the earlier studies with written narratives that found that changes in space did not increase reading times at boundaries and that spatial changes were influential only if the reader was motivated to monitor those changes. Results indicate that viewers are more faithful to the causal and temporal aspects of a narrative than the spatial aspect as long as the coherence can be achieved. In all, that study was one of the first attempts to generalize event models across media in an effort to find commonalities in the way people perceive events. Also, it was intended to question the relative importance of the types of dimensions in an event across media.

Similarly, to investigate spatial and temporal continuity across shots, Zacks, Speer and Reynolds (2009) have shown viewers a French, children's film, *The Red balloon*, and asked them to segment it into fine and coarse events. The results have indicated that segmentation coincided with spatiotemporal and action discontinuities, and that action discontinuity had the greatest effect on boundary decisions. Temporal, spatial and character changes predicted segmentation, which occurred mostly at cuts but cuts in and of themselves did not predicted the boundary decisions. Looking into the processing of scenes in a film, Cutting, Brunick and Candan (2012) had people segment a fairly diverse range of films into subscenes in an effort to study the characteristics of shots that defied scene boundaries. Results have shown that people's segmentation coincided with the changes in visual characteristics of the film like changes in shot durations, color, luminance and visual activity. We again see that change is associated with the segmentation of activity into parts.

While studies that investigated the understanding of cinematic narratives studied the types of changes that would contribute to boundary decisions, they mostly did that by asking viewers to identify those boundaries behaviorally as they progress through the film. While informative, people rarely do the segmentation consciously or on purpose while watching a film. To remedy that and to look further into how people perform the segmentation spontaneously, researchers looked at the brain activity patterns while people watched films. Zacks, Speer, Swallow and Maley (2010) examined the automatic nature of event segmentation using fMRI readings while viewers watched a narrative film. Participants saw *The Red Balloon* as in the case of the previous studies, but this time they saw the film first without doing any kind of behavioral segmentation and fMRI data was collected. They then segmented the film into fine and coarse boundaries and alignment of those decisions were examined with

the activity changes in the brain while subjects were free viewing. The results have proposed that viewers not only based their event boundary decisions on the changes in space, causes, actions and actors' interactions with objects; increased brain activity was observed in areas MT+, pSTS, inferior parietal and parahippocampal cortex (PHC) while subjects were first watching those changes to occur. Results were suggestive of the spontaneous nature of segmentation in perceiving events and they argued for the fact that event segmentation is a natural and functional component of event perception.

So far, studies on visual and written events are consistent with The Event Segmentation Model as well as the Event Indexing Model (Reynolds et al. 2007; Zwaan et al. 1995a). These theories explain events through expectancy-based models that are monitoring changes along a situational continuum. These models can be considered consistent with the *predictive coding* framework that aims at explaining the functioning in the brain as interplay between feedforward and feedback connections (Kveraga, Ghuman & Bar, 2007; Panichello, Cheung & Bar, 2013; Clark, in press). Those models are based on optimizing the resources in the brain and the prior experience with respect to statistics of the environment keep updating the predictions to render them more efficient. According to that framework, the lower level cortical structures are functioning based on learned expectations about the environment and when unexpected features are encountered, an "error" message gets forwarded to the higher cortical areas, which increases when we experience those inconsistencies in the stimuli (Kveraga et al. 2007; Panichello et al. 2013). In a parallel fashion, increased brain activity was observed when there is a perceived event boundary where there is inconsistency in the event model (Zacks et al. 2007b; Zacks et al., 2011). Event Segmentation Theory talks about the potential implications of this kind of a prediction system for event perception. It was argued that more activity is necessary for efficiently updating information so that you can continue to preserve a meaningful and a coherent picture. In a way, more activity leads to the efficient processing and updating of that information. We see the same functional property when the dopamine system becomes more active at the boundary (Zacks et al. 2011).

Although one might see segmentation and continuity as two opposite phenomena, we can argue that they are two sides of the same coin. The way one segment an activity ought to be based on one's assumptions on continuity. The perceptual experience in real life is not complete itself due to the fact that we are not previewed to all the information in a given visual scene and we have to integrate individual sequential information into a coherent representation (Henderson & Hollingworth, 1999; Rensink, 2000). Attention to different parts of a scene is affected through both

bottom-up properties like perceptual salience and top-down properties like motivations or assumptions based on context; which makes objective perception of all the details in a given scene to be all the more improbable (Bar, 2004; Dunning & Balci, 2013; Summerfield & Egner, 2009). So, the retention of information in visual scenes is not perfect and subject to bias and completion is often achieved through inference. That is present from very early in life as Xu and Carey (1996) demonstrated that when one object went behind an occluder and another appeared from the other side, infants did not expect to see two different objects. The same expectation effect was found when 2-year-old children perceived partially hidden rods as continuous (Kellman & Spelke, 1983). That was based on the assumption that objects in real life continue to exist when they are no longer in the view.

The impact of inference is also present in how we process film. Levin and Simons (2000) have suggested that the ease in following the flow of shots in a film is similar to inferential processes that we engage in real life perception in which we fill in the gaps by making experience-based assumptions about events. When you are watching a film, or reading a novel, you are not exposed to each and every steps of the story but we can argue that you still form a continuous and coherent understanding because you are operating under experience-based assumptions and also the structure of the narrative is consistent with confirming your assumptions. Like any other perceptual task, it can be seen as a two-way interaction where you are using both top-down predictions and bottom-up perceptual information that is presented to you and form a combination of the two. If either goes away, you can experience confusion or in some cases illusions. Those could be either non-intentional or sometimes intentional as in the case of some techniques used by the editors to either cater to your assumptions or violate them in a certain way. We also see a bias towards narrative coherence over perceptual details when people fail to notice changes in successive visual information (Levin & Simons, 1997; Messaris 1994).

4. Perceiving Space in Events

Understanding space is crucial to recognizing objects in a visual scene (Biederman, Mezzanotte and Rabinowitz, 1982, Bar & Ullman 1996). Similarly, representing space is very important to how one constructs a meaningful continuity in events. In theatre, the audience sits in front of a predefined space. Similarly, in early days of cinema, the camera was like the audience in theatre, as having a steady perspective (Brown, 2002). Nowadays, the perspective of the camera is continuously shifting which provides a possible disorientation in the viewer. Nonetheless, viewers still achieve a coherent mental representation of where everything is in a scene. As discussed previously, the conventional editing techniques are employed

to promote spatial continuity in a scene. Before looking into studies that examined spatial perception in dynamic scenes, we should consider how one represents a spatial layout in a scene from different perspectives.

Research on recognition of objects after viewpoint changes has differentiated between two types: changes due to the orientation of the object and changes due to the movement of the subject (Simons & Wang 1998; Taylor & Tversky, 1992; Wallis & Bulthoff, 2000). Although studies that manipulated the orientation of objects have argued for viewpoint-dependent perception, manipulating the perspective of the subject has shown that people could actually take on multiple perspectives easily to achieve a successful view-independent perception (Franklin, Tversky & Coon, 1992; Simon & Wang, 1998). In their study, Simons and Wang (1998) manipulated the position of an object either by rotating the table on which the object was located or changing the position of the viewer with respect to the table. They also controlled for the orientation change by either rotating the table or leaving it the same orientation while the subjects moved to a different viewpoint. The results have demonstrated that subjects made more errors in reporting the correct position of objects when they were still and the table rotated. However, when the subjects moved to a different viewpoint physically, they were equally accurate regardless of the table moved or not. That indicated that people rely on a *viewpoint-dependent* perception when they were standing still and the objects were moving while they engage in a *view-independent* perception when they change viewpoint by moving to another place. The results could also be interpreted as the following: the view-dependent results could be an artifact of the experimental procedures that rotated objects because in the actual life, people rarely deal with objects rotating while they are standing still. On the other hand, they may find the view-independent perception easy in the case that objects rotated when subjects moved themselves which is what happens more frequently in real life. In order to examine why people engage in viewpoint-independent perception, Simons and Wang (1998) also manipulated the *feedback* subjects got during the movement itself by blindfolding them and turning the chair while transporting them to the next location. When they did that, they did not get the same results: subjects were less accurate in identifying position changes after their relocation to another viewpoint when they did not have any visual or bodily feedback while doing so. This result suggests that the view-independent perception of the spatial relations might stem from the fact that when people move in a scene, they constantly update the relative representation of objects actively and gradually through various types of feedback. Although research has shown that people could achieve a view-independent retention when they switch places in the environment, the reasoning for that success was

still attributed to an egocentric, subject-dependent updating of the spatial relations in the environment.

Research that focused on perspective-taking mostly focused on imagined perspective changes by assessing people's spatial models with respect to perspective change in the environment (Franklin & Tversky 1990; Franklin, Tversky & Coon, 1992; Tversky & Hard, 2009). While some studies focused on how people change their perspective of a scene while reading narratives; others focused on how people behave when they are expected to take the point of view of another person. Franklin, Tversky and Coon (1992) studied the latency to report the location of objects in written narratives depicting the point of view of two actors. One of those actors was the reader himself and the other was a story character. Once the readers were acquainted with the spatial layout and the positioning of the objects, they were presented with switches in the actors' perspectives sequentially with sentences like "Ted turns to face the hammock" and "You turn to face the pitchfork". They were then asked about the new location of the objects dependent on the present perspective. The readers did not differ in their latencies when it comes to the reports for the "self" and "other" perspective and most of them reported that they employed a *neutral* perspective for the space. The results propose a *space-based* viewpoint-independent representation of the space in the story when it involves more than one protagonist. Early studies have found that people adopt the point of view of the actor due to the fact that there was only one actor for whom the perspective had to be taken (Franklin & Tversky, 1990, Bryant, Tversky & Franklin, 1992). When the representation requires more than one person's perspective, instead of constructing two perspectives and taking turns to switch between the two, employing a more complex but a neutral perspective may be more beneficial for the reader to represent the location of things more accurately and faster. In this way, people would construct a more flexible spatial representation (Hirose, Kennedy & Tatler, 2010).

Other studies have investigated how people construct different points of view of a spatial scene when asked to deliver a description of that place from multiple perspectives. In terms of how one describes a spatial layout; Tversky (2004) talked about three general types of perspective: the *route* (subjective but also uses the listener's perspective), *survey* (objective, neutral) and *gaze* (subjective and one point of view) perspectives. In a study by Taylor and Tversky (1992), subjects described the spatial layout of places like a "convention center" from different perspectives. In a route perspective, subjects based their descriptions on a "mental route" by which they described the place and while doing that they also incorporated the listener's perspective. The route perspective is also theorized to incorporate

a temporal element because it forms a sequential relationship between the objects in the environment. In a survey perspective, subjects took an objective perspective and used objective terms like south or north. In a gaze perspective, all the objects were described from one point of view, which was the describer's. The study indicated that consistency in perspective was not necessary to how one represents a spatial layout nor it does to how one comprehends it. The study has also revealed that the descriptions were mixed in terms of their perspectives. However, the subjects had consistency on the order of the objects they described. The relationships between the objects in a space and their nature were still necessary to the spatial representations. So, one can argue that a spatial model does not necessarily have an inherent perspective but can be described from multiple points of views. This indicates that perspective can be transient although the inter-connections in a space are still coherent (Tatler & Land, 2011, Tversky, 2004).

Research also indicated that anticipating other's actions is one the key motivations in taking someone else' perspective. In a study by Tversky and Hard (2009), the mere presence of an actor in the scene either reaching or staring at two objects resulted in a quarter of people describing the position of objects from the perspective of the actor. Less people described the location of the objects from self-perspective when there was an actor in the picture compared to when there was none. In a second experiment, which only focused on photographs in which the actor was present, when prompted with a specific action verb, people took the perspective of the actor more often compared to when they were just asked about the location. Results suggest that in order to reciprocate an action or behave appropriately to an action; it is important to form accurate expectations of the action of others, which require being able to represent the perspective of others.

Although prior research proposes that people are biased to an *egocentric* representation of the space, others have shown that they can as easily represent the space *allocentrically*, taking a neutral perspective (Tatler & Land, 2011; Tversky & Taylor 1992). While a neutral perspective can be helpful in communication, taking the other people's egocentric perspective is crucial to social situations and is one of the areas that have received less emphasis on research. The studies so far provided conflicting results and differing explanations to the subjects' performance. Certain researchers have proposed that when a person has to imagine a different perspective, they have to update their representation, which may result in less accurate or slower responses in recognition tasks (Franklin & Tversky, 1990). Others argued that a space-dependent, perspective-free representation of space is more effective when more than one person's perspective has to

be taken to achieve comprehension (Franklin et al. 1992; Tversky, 2004). This may advocate for a more *flexible* approach to spatial representation. Because people constantly move in the environment, they have to update spatial changes accurately and frequently to achieve everyday functioning. This may be less true for time changes, which are less frequent. In this case, people may be expected to suffer less from spatial changes because they have *learned* to adapt to them faster.

Although most of the research on spatial understanding and perspective taking focused on stationary visual environment, recent research also started investigating dynamic events either through everyday events or film clips (Matthews, Benjamin & Osborne, 2007; Tatler & Land, 2011; Wallis & Bulthoff, 2000). Matthews et al. (2007) studied how people remember dynamic scenes. In their study, viewers were shown a number of short film clips that had no cuts in them and a number of still frames taken out of the same films and tested for their recognition after a week and a month interval. The results indicated that people's retention is better for motion clips as opposed to static images taken out of dynamic scenes. The results question that the dynamic clips might have an added advantage over the static scenes due to movement. One can argue that because we rarely see stationary scene in the real world and that most of those scenes involve *action on objects*; motion clips might be more ecologically relevant to viewers.

Tatler and Land (2011) proposed that in perceiving dynamic scenes, people construct "egocentric" maps to form a continuous spatial layout to locate objects in the scene. They argued that in cases when we need to extend the spatial information of a scene in time and represent the different rotations, we use our sense of spatial continuity to guide our actions. We may be expected use our egocentric map to constantly update spatial information as we move to create a *panoramic* representation. In doing that, we also depend on the allocentric map and previous visual memory but they both feed into the egocentric map (Tatler & Land, 2011). Taking a similar motivation, Wallis and Bulthoff (2000) examined how movement self through an environment would affect the detection of changes in location, orientation and color of objects in the environment. They created a simulated environment in which people either observed a scene changing while they were in a stationary viewpoint or while they were behind the wheel of a car. The results have revealed that detection of changes in location and orientation were worse when subjects were actively behind the wheel compared to when they simply watched it passively. The question remains on how much egocentric or allocentric our spatial representations are in dynamic scenes. Also, another question is what happens in the case of the film when the viewer is actually stationary and the perspective of

the scene is changing due to the movements of the camera. Whenever the dynamic scene has a cut, the viewpoint change from one shot to the next leaves the viewer with a difficult job to integrate that information into a spatial continuum.

In film, the spatial changes in film due to the alteration of camera angle are more sudden compared to self-motion in an environment (Hirose et al. 2010). So how does the viewer achieve that job easily and successfully? In movies, spatial continuity is achieved through the editing conventions like 180-degree rule, shot-reverse shots and eye-line matches that preserve the spatial model and are line with spatial expectations of viewers (Magliano & Zacks, 2011; Smith et al., 2012). Researchers argue that even if the perspective in film is not “egocentric” and the perspective keeps changing across cuts; viewers still should form a pretty coherent representation of what’s happening in order to follow the film successfully. This may in part be thanks to the editing conventions as we know that when those go wrong it becomes difficult to maintain a coherent spatial continuity in the representation of events (Bordwell & Thompson, 2003; Smith et al., 2012). Research has shown that people show higher spatial accuracy in the retention of information if they were presented with shots where the directional continuity was preserved. They tended also to correctly reconstruct the order of the shot sequence when presented with directionally congruent orientation (Kraft, Cantor & Gottdiener; 1991).

In an effort to study the nature of object representations in edited motion sequences, recent studies indicated that memory for object features were affected by point of view changes across cuts (Hirose et al., 2010; Tatler & Land, 2011). Hirose Kennedy and Tatler (2010) examined how subjects treat object features in dynamic edited scenes where the point of view of the camera changed across a cut. They looked at memory for changes in color, shape, position and identity information across cuts. They have observed that subjects performed below chance for the color and position information as opposed to identity information. Authors intended to look particularly at the memory for position because they thought that it would be difficult or at least different across shots since people tend to represent position information in relation to other objects in the scene (Hollingworth, 2007). They also manipulated the color, position, presence and the identity of a single object across a cut with a viewpoint change. People based their memory decisions on the second shot except for the position information, which did not present a preference. The results indicated that viewers are affected by the point of view changes across cuts and the memory for location was treated differently than other features such as color or identity. Although we see that people’s memory for feature changes were affected, we still don’t know how important is that to the coherent representation of the story.

Research also investigated the effect of the shooting style on viewers' memory of object location. Levin (2010) used television series that contain multiple angles and compared them to sitcoms that involve one dominant angle. Results suggested that viewers found it hard to locate things in the scene if the scene is shown from multiple angles. Although viewers were better at identifying correct positions in single-view shot films, they still couldn't adapt their knowledge to a novel point of view. The results have revealed that relative positions of locations in the scene were not registered across shots from multiple angles if it was not necessary to the flow of the narrative to do so. Levin (2010) has suggested that although people can do that if needed, they might find it to be a cognitive load if the integrity of the narrative can still be maintained without it. Also, future research that investigate different types of cinematic footage that focus on certain point of views (i.e. first-person shot films like the *Blair Witch Project*) can shed light into how viewers use perspective to create a certain representation of a narrative. Along with the frequent habit of engaging in film viewing and also first-person video games, understanding perspective taking in representing space become more important to gain insight into the nature of narrative processing.

5. General Discussion

Events are the essential units in our daily experience. Event perception has been researched widely but the concept of an event has been hard to define. While researchers either have focused on more perceptual features of events like motion on objects, others have emphasized the conceptual features like the time, actor' intentions, goals and the causal structure (Radvansky & Zacks, 2010; Zwaan, Langston & Graesser, 1995a). Regardless, different accounts all agreed that events are *meaningful* units of continuous experience and that event boundaries are based on *changes* people monitor along multiple dimensions.

Research has indicated that people were reliable in their decisions to segment everyday activities into events and that finer-level units have coincided with coarse-level units (Zacks, Tversky & Iyer, 2001; Hard et al. 2011). Studies have also put forward that events are characterized with action on objects and that motion is one of the critical dimension people chose to segment continuous activity on (Speer, Swallow & Zacks, 2003; Hard et al. 2006). In addition to behavioral measures, physiological measures have shown increased brain activity in points where people indicated that a boundary occurred in the continuous activity and an event has ended and another began (Zacks, Braver et al. 2001; Zacks et al., 2011). Theories have suggested that people represent the continuous activity by forming *event models*, which result in expectations for the upcoming information (Zacks et al. 2007). While consistent information is

incorporated into the model, unexpected information is used to update it, which corresponds to where an event boundary is perceived. The updating process increases the devotion of cognitive resources, which increases the brain activity momentarily. Consistent with studies using everyday events, research on discourse comprehension has also demonstrated that people rely on changes along situational dimensions such as time, space, and character's intentions, actions on objects and goals, and causes for actions (Zwaan. et al., 1995b; Zwaan & Radvansky, 1998). Similar to the accounts for everyday event perception, research on written narratives has put forward that people construct *situation models* to represent the narrative and update their model by monitoring changes along situational dimensions. The main idea again is that discontinuities result in updating the model to incorporate changes, which results in an increased processing load, hence decreased reading times. The main goal is to form a coherent representation by forming a better representative model.

While studies in event perception literature have used everyday action sequences as well as written narratives, examination of cinematic events has recently attracted more focus and is still new to research (Magliano & Zacks, 2011; Smith et al 2012). Temporal and spatial continuity along with motion were again the essential dimensions on which the dynamic events were monitored. Studies have indicated that the editing rules in films both favor and benefit from the reliance on continuity and coherence in events. Editors chose to introduce cuts where the dynamics of the event won't be disturbed and the techniques also helped to foster spatial continuity along with narrative continuity (Bordwell & Thompson, 2003; Smith, 2012). Studies have demonstrated that people miss edits in film as well as changes across cuts that are to the features outside of central importance Smith & Henderson 2008, Levin & Simons, 2000). This stems from both the editing techniques that aim at concealing cuts but also favor people's tendency to expect *narrative continuity* and to hold it over non-essential perceptual changes. More research is needed to understand better this bias for narrative continuity. Also, examining the essential features, if changed would disrupt continuity in a narrative, would be crucial to our understanding of the roots of events perception.

Studies have conflicting results on how much the spatial dimension is relied on in monitoring the continuity in events and how egocentric or allocentric the perspective of the viewer or the reader is in constructing the spatial layout of a narrative (Zwaan et al., 1995b; Zacks et al. 2009, Scott Rich & Taylor, 2000). The question remains on how much the spatial perspective is an inherent part of narrative comprehension. We know from previous research that people can take view-independent perspectives (Franklin et al. 1992; Bryant et al. 1992; Tversky, 2004; Simons & Wang,

1998). The fact remains that frequent perspective changes are in the core of films. We know that film editors adhere to certain rules to not violate the spatial expectations of the viewers and the relationships among people and objects in the space are introduced in the “establishing” shots that occur mostly in the beginning of a scene (Magliano & Zacks, 2011; Smith et al. 2012; Smith, 2012). Research so far has focused on looking into perspective changes in a particular scene but not across scenes. While we can expect viewers to switch easily from one camera movement to another in a scene, research hasn’t yet looked into how viewers would behave when the scene changes completely. One of the questions that remain is how fast one would adjust to the new configuration of spatial relations in the following scene. Also, while research has focused on perspective taking in natural environment and written narratives in general, research involving perspective taking in film is still lacking. Similarly, not enough is known on how much perspective changes can be influential in setting boundaries across events. If one were to observe that perspective changes contribute to the scene boundary decisions across shots depicting different spaces but not within a space, one can argue for a space-dependent representation of a scene rather than a perspective-dependent representation.

Although the representation of event models and their computations in time and space are similar in various media, they all have their differences in terms of the rules and the physical skeleton in which they are depicted. While comics rely on graphic stimuli and associated tools, films rely on editing rules to bind the individual parts that form the events. Although they use different tools and rules, they all end up delivering a structure that is natural to the people who enjoy them easily. We can argue that narrative media cater to people’s representations and understanding of event structure in real world that is based on achieving a coherent continuity that is updated constantly with subsequent information. Understanding how people achieve coherence and continuity in various media can shed light into understanding how people process events in real world.

References

- Angelone, B. L., Levin, D. T., & Simons, D. J. (2003). The relationship between change detection and recognition of centrally attended objects in motion pictures. *Perception, 32*, 947–962.
- Bar, M. (2004). Visual objects in context. *Nature Reviews Neuroscience, 5*, 617–629.
- Bar, M. & Ullman, S. (1996). Spatial context in recognition. *Perception, 25*, 343–352.
- Biederman, I., Mezzanotte, R. J., & Rabinowitz, J. C. (1982). Scene perception: Detecting and judging objects undergoing relational violations. *Cognitive Psychology, 14*, 143–177.
- Bordwell, D. & Thompson, K. (2003). *Film Art: An Introduction*. New York: McGraw-Hill.
- Brown, B. (2002). *Cinematography Theory and Practice: Imageaking for Cinematographer, Directors and Videographers*. Focal Press.
- Bryant, D. J., Tversky, B., & Franklin, N. (1992). Internal and external spatial frameworks for representing text. *Journal of Memory & Language, 31*, 74–98.
- Clark, A. Whatever Next? (in press). Predictive Brains, Situated Agents, and the Future of Cognitive Science. *Behavioral and Brain Sciences*.
- Cohn, N. (2013). Visual Narrative Structure. *Cognitive Science, 34*, 413–452.
- Cutting, J. E. (2005). Perceiving scenes in film and in the world. In J. D. Anderson & B. F. Anderson (Eds.) *Moving image theory: Ecological considerations* (pp. 9–17). Carbondale, IL: University of Southern Illinois Press.
- Cutting, J. E., Brunick, K. L., & Candan, A. (2012). Perceiving event dynamics and parsing Hollywood films. *Journal of Experimental Psychology: Human Perception and Performance, 38*(6), 1476–1490.
- Dunning, D. & Balcetis, E. (2013). Wishful seeing: How preferences shape visual perception. *Current Directions in Psychological Science, 22*(1), 33–37.
- Franklin, N. & Tversky, B. (1990). Searching imagined environments. *Journal of Experimental Psychology: General, 119*(1), 63–76.
- Franklin, N., Tversky, B., & Coon, V. (1992). Switching points of view in spatial mental models. *Memory & Cognition, 20*(5), 507–518.
- Gernsbacher, M. A. (1990). *Language comprehension as structure building*. Hillsdale, NJ: Erlbaum.
- Hard, B. M., Tversky, B., & Lang, D. (2006). Making sense of abstract events: Building event schemas. *Memory & Cognition, 34*, 1221–1235.

- Henderson, J. M. & Hollingworth, A. (1999). High-level scene perception. *Annual Review of Psychology*, 50, 243–271.
- Hirose, Y., Kennedy, A., & Tatler, B. W. (2010). Perception and memory across viewpoint changes in moving images. *Journal of Vision*, 10(4), 1-19.
- Hollingworth, A. (2007). Object-position binding in visual memory for natural scenes and object arrays. *Journal of Experimental Psychology: Human Perception and Performance*, 33, 31–47.
- Kellman, P. J. & Spelke, E. S. (1983). Perception of partially occluded objects in infancy. *Cognitive Psychology*, 15, 483-524.
- Kraft, R. N., Cantor, P., & Gottdiener, C. (1991). The coherence of visual narratives. *Communication Research*, 185, 601-615.
- Kveraga, K., Boshyan, J., & Bar, M. (2007). Magnocellular projections as the trigger of top-down facilitation in recognition. *The Journal of Neuroscience*, 274(8), 13232-13240.
- Levin, D. (2010). Spatial representations of the sets of familiar and unfamiliar television programs, *Media Psychology*, 13(1), 54-76.
- Levin, D. T. & Simons, D. J. (1997). Failure to detect changes to attended objects in motion pictures. *Psychonomic Bulletin Review*, 4, 501–506.
- Levin, D. T. & Simons, D. J. (2000). Fragmentation and continuity in motion pictures and the real world. *Media Psychology*, 2, 357-380.
- Magliano, J. P. & Zacks, J. M. (2011). The impact of continuity editing in narrative film on event segmentation. *Cognitive Science*, 35, 1-29.
- Magliano, J. P. & Zacks, J. M. (2011). The impact of continuity editing in narrative film on event segmentation. *Cognitive Science*, 35, 1-29.
- Magliano, J. P., Miller, J., & Zwaan, R. A. (2001). Indexing space and time in film understanding. *Applied Cognitive Psychology*, 15, 533-545.
- Martin, B. & Tversky, B. (2003). Segmenting ambiguous events. *In Proceedings of the Cognitive Science Society Meetings*.
- Martin, B. M., Recchia, G., & Tversky, B. (2011). The shape of action. *Journal of Experimental Psychology: General*, 140(4), 586- 604.
- Matthews, W. J., Benjamin, C., & Osborne, C. (2007). Memory for moving and static images. *Psychonomic Bulletin and Review*, 14, 989–993.
- Messararis, P. (1994). *Visual Literacy: Image, Mind, and Reality*. Boulder, USA: WestviewPress.
- Newtonson, D. (1973). Attribution and the unit of perception of ongoing behavior. *Journal of Personality and Social Psychology*, 28, 28–38.
- Newtonson, D. & Engquist, G. (1976). The perceptual organization of ongoing behavior. *Journal of Experimental Social Psychology*, 12, 436-450.

- Panichello, M. F., Cheung, O. S., & Bar, M. (2013). Predictive feedback and conscious visual experience. *Frontiers in Psychology*, 3, 620.
- Radvansky, G. A. & Zacks, J. M. (2010). Event perception. *WIREs Cognitive Science*, 2(6), 608-620.
- Rensink, R. A. (2000). The dynamic representation of scenes. *Visual Cognition*, 7, 17-42.
- Rensink, R. A., O' Regan, J. K., & Clark, J. J. (1997). To see or not to see: The need for attention to perceive changes in scenes. *Psychological Science*, 8(5), 368-373.
- Reynolds, J. R., Zacks, J. M., & Braver, T. S. (2007). A computational model of event segmentation from perceptual prediction. *Cognitive Science*, 31, 613-643.
- Scott Rich, S. & Taylor, H. A. (2000). Not all narrative shifts function equally. *Memory & Cognition*, 28(7), 1257-1266.
- Simons, D. J. & Wang, R. F. (1998). Perceiving real-world viewpoint changes. *Psychological Science*, 9, 315-320.
- Smith, T. J. (2012). The attentional theory of cinematic continuity. *Projections: The Journal for Movies and the Mind*. 6(1), 1-27.
- Smith, T. & Henderson, J. M. (2008). Edit blindness: The relationship between attention and global change blindness in dynamic scenes. *Journal of Eye Movement Research*, 2(2):6, 1-17.
- Smith, T. J., Levin, D. T., & Cutting, J. E. (2012). A window on reality: Perceiving edited moving images. *Current Directions in Psychological Science*, 21(2), 107-113.
- Speer, N. K., Swallow, K. M., & Zacks, J. M. (2003). Activation of human motion processing areas during event perception. *Cognitive, Affective & Behavioral Neuroscience*, 3(4), 335- 345.
- Summerfield, C. & Egner, T. (2009). Expectation (and attention) in visual cognition. *Trends in Cognitive Sciences*, 13(9), 403-409.
- Tatler, B. W. & Land, M. F. (2011). Vision and the representation of the surroundings inspatial memory. *Philosophical Transactions of the Royal Society B*, 366, 596-610.
- Taylor, H.A. & Tversky, B. (1992). Descriptions and depictions of environments. *Memory and Cognition*, 20, 483-496.
- Tversky, B. (2004). Narratives of Space, Time and Life. *Mind & Language*, 19(4), 380-392.
- Tversky, B. & Hard, B. M. (2009). Embodied and disembodied cognition: Spatial perspective taking. *Cognition*, 110, 124-129.
- Wallis, G. & Bulthoff, H. (2000). What's scene and not seen: Influences of movement and task upon what we see. *Visual Cognition*, 7, 175-190.

- Xu, F. & Carey, S. (1996). Infants' metaphysics: The case of numerical identity. *Cognitive Psychology*, *30*, 111-153.
- Zacks, J. M. (2004). Using movement and intentions to understand simple events. *Cognitive Science*, *28*, 979-1008.
- Zacks, J. M. & Magliano, J. P. (2009). Film understanding and cognitive neuroscience. In D. P. Melcher & F. Bacci (Eds.). New York: Oxford University Press.
- Zacks, J. M. & Swallow, K. M. (2007). Event segmentation. *Current Directions in Psychological Science*, *16*, 80-84(5).
- Zacks, J. M., & Tversky, B. (2001). Event structure in perception and conception. *Psychological Bulletin*, *127*, 3-21.
- Zacks, J. M., Tversky, B., & Iyer, G. (2001). Perceiving, remembering, and communicating structure in events. *Journal of Experimental Psychology: General*, *130*, 29-58.
- Zacks, J., Speer, N., & Reynolds, J. R. (2009). Segmentation in reading and film comprehension. *Journal of Experimental Psychology: General*, *138*, 307-327.
- Zacks, J. M., Kurby, C. A., Eisenberg, M. L., & Haroutunian, N. (2011). Prediction error associated with the perceptual segmentation of naturalistic events. *Journal of Cognitive Neuroscience*, *23*, 4057-4066.
- Zacks, J. M., Speer, N. K., Swallow, K. M., & Maley, C. J. (2010). The brain's cutting-room floor: segmentation of narrative cinema. *Frontiers in Human Neuroscience*, *4*, ArtID 168.
- Zacks, J. M., Swallow, K. M., Vettel, J. M., & McAvoy, M. P. (2006). Visual motion and the neural correlates of event perception. *Brain Research*, *1076*, 150-162.
- Zacks, J. M., Speer, N. K., Swallow, K. M., Braver, T. S., & Reynolds, J. R. (2007). Event perception: A mind/brain perspective. *Psychological Bulletin*, *133*(2), 273-293.
- Zacks, J. M., Braver, T. S., Sheridan, M. A., Donaldson, D. I., Snyder, A. Z., Ollinger, J. M., et al. (2001). Human brain activity time-locked to perceptual event boundaries. *Nature Neuroscience*, *4*, 651-655.
- Zwaan, R. A. (1996). Processing narrative time shifts. *Journal of Experimental Psychology: Learning, Memory, and Cognition*, *22*, 1196-1207.
- Zwaan, R. A. & Radvansky, G. A. (1998). Situation models in language comprehension and memory. *Psychological Bulletin*, *123*, 162-185.
- Zwaan, R. A., Langston, M.C., & Graesser, A.C. (1995a). The construction of situation models in narrative comprehension: An event-indexing model. *Psychological Science*, *6*, 292-297.
- Zwaan, R. A., Magliano, J. P., & Graesser, A. C. (1995b). Dimensions of situation model construction in narrative comprehension. *Journal of Experimental Psychology: Learning, Memory, and Cognition*, *21*, 386-397.

Chapter 7

THE IMPACT OF CONTAINER PORT CONNECTIVITY ON CITY DEVELOPMENT: EVIDENCE FROM TURKEY

Hüseyin İshak Halil KESİKTAS¹

Sadık Özlen BAŞER²

¹ Asst. Prof. Dr., Dokuz Eylül University, Maritime Faculty, Department of Maritime Business Administration, e-mail: halil.kesiktas@deu.edu.tr, ORCID: 0000-0002-6237-7677.

² Prof. Dr., Dokuz Eylül University, Maritime Faculty, Department of Maritime Business Administration, e-mail: ozlen.baser@deu.edu.tr, ORCID: 0000-0001-6632-2617.

1. INTRODUCTION

Economic and commercial activities are necessary for increasing social welfare. The main reason for this situation is the constant existence of supply and demand imbalances in different regions of the world. Some regions are rich in natural resources, but these resources are more than their consumption needs. On the contrary, in some other regions these resources are scarce. In addition, some regions have very high labor and capital productivity due to technology and science. This situation causes the variety of products, low cost and more production than needed. Under all these conditions, interregional trade becomes necessary to ensure supply and demand balances. In addition, according to economists, no matter what condition the trade is made, it provides benefits to both parties and increases welfare.

The locations of products and resources needed by countries in the world can vary greatly. Some products may be sourced from the neighboring country, while others may require operations from overseas countries. In this respect, transportation can be provided by using one or more combinations of road, rail, air and sea modes according to the locations. Thanks to the developing technology and supply chain networks, products can be supplied at sustainable costs even from very long distances. Trade routes that could be called impossible in ancient times have become possible thanks to technological developments (Lundgren, 1996). For example, the size of the ships used in maritime transportation has been following a constantly increasing trend in the last century. Despite this increasing trend, their costs are not increasing at the same rate. Thus, transportation costs per unit are also significantly reduced (Ma, 2020). This situation supports the further development and active use of the supply chain. The basis of the supply chain consists of transportation activities.

Transport activities can be carried out through a single mode or combinations of various modes. For example, two countries, between which there is a sea, can use road and sea modes together to engage in commercial activities. Cargoes, which are taken from the producer by road and brought to the port, can be delivered to the port of the other country by sea and then to the consumer by road again. Apart from geographical differences, there are also feature differences between modes and this affects their preference intensities.

Ships used in maritime transportation are mobile vehicles and can do business anywhere in the world. As long as there is enough demand for the ship's carrying capacity to operate at a profitable level. Since they are very large in volume, they enable large amounts of cargo to be transported at a very affordable price per unit. For this reason, about 80% of the world's

cargo in terms of weight and 70% of the world's cargo in terms of value is transported by sea (UNCTAD, 2018). All ships need to do business at any point is to have suitable ports. Therefore, ports have a very important place in maritime transport and supply chain. In addition to the transfer of cargo from sea to land or from land to sea, they also make important contributions to the regional economy. The contributions of the ports to the regions where they are located stem from their roles as both facilitating trade and increasing employment. Their trade-enhancing role causes entrepreneurs carrying out export and import activities to be located in regions close to the ports. Both these enterprises and the port have their own employment capacities. In addition, facilities such as food, service and entertainment increase their presence in the region. This situation constitutes some of the positive examples of ports to the regional economies. Of course, this depends primarily on the amount of ships calling at the ports. The reasons why ships prefer the port are related to regional demand. The most important factor affecting regional demand is economic activities.

There are two different but complementary views evaluating the relationship between economic activities and the transportation sector. The first is the demand-led model and the second is the supply-led model. According to the demand-led model, the need for trade, primarily due to economic activities, also affects the demand for transportation. This leads to growth and development in the transportation industry. According to the supply-led model, if the appropriate transportation network and investments are made, economic activities will increase as the opportunity to trade in the region will be facilitated (Cowie, 2009:16). For this reason, it can be mentioned that there is a two-way relationship between transportation infrastructure and trade. In this study, we included the trade volumes of some provinces in Turkey and the PLSCI variable, which shows the development of container transportation network and is used extensively in international trade, as independent variables in our model. Since the contribution of trade to the regional economy is inevitable, we have considered this variable as a control variable in the model. We aimed to determine whether these two important factors have significant effects on the economic development of the regions where the ports are located, and if so, how much. Our results show that besides the positive effect of trade in the provinces, the increases in the PLSCI variable also have a positive effect on the development of the region considering their GDPs. This shows that the development of infrastructure and transportation networks also makes significant contributions to the development of regional economies.

In the second section of the study, information about the structure of PLSCI and statistics related to the world container ports are presented. The port related literature is reviewed and our study is positioned in the third

section. Then, after presenting an overview about the method used in the study, is introduced and in the fifth chapter, the dataset and the results are presented.

2. PORT LINER SHIPPING CONNECTIVITY INDEX

The PLSCI variable is calculated for more than 900 container ports worldwide and indicates the integration of the ports with the international network using an index of various components. The 6 components of the index provided by MDS Transmodal are; (i) the number of scheduled ship calls per week, (ii) annual capacity deployed in Twenty-Foot-Equivalent Units (TEU), (iii) the number or regular liner shipping services from and to port, (iv) the number of liner shipping companies that provide services from and to port, (v) the average size in TEU of the ships deployed by the scheduled service with the largest average ship size, and (vi) the number of other ports that are connected to the port through direct liner shipping services. For each component, port's value is divided by maximum value in 2006, and the average for six components for the port is calculated. Then this score is divided by the maximum average score in 2006 and multiplied by 100 (UNCTAD, 2019a). Afterwards, other ports are positioned according to the port with the highest score and index list is formed.

Table 1. *Top 20 Ports Based on Q3 2021 PLSCI*

Rank	Port	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
1	China, Shanghai	136.9	134.5	138.9	140.7	143.0	145.9	146.9
2	China, Ningbo	118.9	117.9	121.7	122.2	123.3	125.7	127.8
3	Singapore, Singapore	126.4	125.5	127.0	129.7	128.4	128.5	127.6
4	Korea, Republic of, Pusan	118.7	116.4	117.1	118.4	118.4	119.2	118.8
5	China, Hong Kong SAR, Hong Kong	107.0	103.5	105.5	106.5	107.0	107.2	105.6
6	China, Qingdao	98.0	95.5	96.0	96.5	96.8	97.0	98.9
7	Netherlands, Rotterdam	96.4	93.1	94.5	94.6	95.2	95.7	95.2
8	Belgium, Antwerp	93.6	88.8	92.9	92.4	93.1	93.2	92.1
9	Malaysia, Port Klang	88.2	88.4	88.5	92.7	93.5	93.3	90.0
10	China, Taiwan Province of, Kaohsiung	82.3	81.2	87.9	87.7	88.7	88.5	87.8
11	China, Shēkou	77.8	82.2	83.1	84.3	84.3	85.7	87.3
12	China, Xiamen	79.8	84.9	85.1	84.2	85.2	85.6	85.2
13	China, Yantian	78.9	78.5	80.3	82.0	83.9	85.1	84.1
14	Germany, Hamburg	75.3	79.0	79.3	79.8	80.9	80.9	81.0
15	China, Nansha	70.8	76.3	77.1	76.9	77.3	81.2	80.9
16	China, Xingang	78.9	78.1	72.3	76.0	75.2	77.5	77.9
17	United Arab Emirates, Jebel Ali	75.0	79.2	80.1	78.8	78.4	78.1	77.3
18	Sri Lanka, Colombo	66.2	72.0	73.9	74.6	74.7	74.9	74.5
19	Spain, Valencia	60.9	68.4	68.9	70.8	70.4	70.7	71.0
20	Malaysia, Tanjung Pelepas	71.1	69.7	70.8	70.6	70.0	69.8	70.8

Source: UNCTAD (2020b).

Table 2 presents the most container handled ports in the world. As can be seen, Chinese ports are also dense, as in PLSCI. Of course, this is typical because handling large volumes of containers requires high connectivity.

The higher the connectivity, the greater the load handling capacity will be. This will of course facilitate trade in the region where the port is located.

Table 2. *Global Container Ports Ranking (million TEU)*

	Port	2020	2019	2019	2017	2016
1	Shanghai, China	43.5	43.30	42.01	40.23	37.13
2	Singapore	36.6	37.20	36.6	33.67	30.9
3	Ningbo-Zhoushan, China	28.72	27.49	26.35	24.61	21.6
4	Shenzhen, China	26.55	25.77	27.74	25.21	23.97
5	Guangzhou Harbor, China	23.19	23.23	21.87	20.37	18.85
6	Busan, South Korea	21.59	21.99	21.66	20.49	19.85
7	Qingdao, China	22.00	21.01	18.26	18.3	18.01
8	Hong Kong, S.A.R, China	20.07	18.30	19.6	20.76	19.81
9	Tianjin, China	18.35	17.30	16	15.07	14.49
10	Rotterdam, The Netherlands	14.35	14.82	14.51	13.73	12.38
11	Jebel Ali, Dubai, United Arab Emirates	13.5	14.11	14.95	15.37	15.73
12	Port Klang, Malaysia	13.24	13.58	12.32	13.73	13.2
13	Xiamen, China	11.41	11.12	10	10.38	9.61
14	Antwerp, Belgium	12.04	11.10	11.1	10.45	10.04
15	Kaohsiung, Taiwan, China	9.62	10.42	10.45	10.27	10.46
16	Dalian, China	6.54	10.21	9.77	9.7	9.61
17*	Los Angeles, U.S.A	9.2	9.30	9.46	9.43	8.86
17*	Hamburg, Germany	8.7	9.30	8.73	8.86	8.91
19	Tanjung Pelepas, Malaysia	9.85	9.10	8.96	8.38	8.28
20	Laem Chabang, Thailand	7.55	8.10	8.07	7.78	7.22

Source: World Shipping Council (2021).

3. LITERATURE REVIEW

Since ports are the points that provide the connection between the highway and the seaway, there are interactions and parallels between the maritime transport traffic and the cargo traffic in the ports. In this respect, it can be expected that the concentrations in the ports will also cause a concentration in the traffic in maritime transport. Significant results have been obtained in studies conducted in this direction. The effect of traffic in Turkish ports on ISTFIX freights was examined by Aık and Baer (2019) and it was determined that there is a significant causality relationship. The study revealed that increasing freight traffic can be used as a leading

indicator to determine future freight levels in the region.

In addition, cargo traffic in ports is related to the level of industrial and economic activities within the country. In this respect, the effect of the industrial production level in Turkey on the freight traffic in the ports was investigated by Açıık et al. (2019a) and it was determined that there was a significant interaction. Since the industrial production index reflects current and probable future production levels in the country, changes in the index can be used as a leading indicator for port traffic. Also, the industrial production index is used as a predictive variable for Turkish maritime trade (Korkmaz, 2012; Tunalı and Akarçay, 2018). Studies using the same variable to predict the demand for ports in the international literature have obtained significant results. Chou et al. (2008) chose to use several macroeconomic variables, including industrial production, to forecast traffic at Taiwan's container ports. Similarly, Lattila and Hilmola (2012) analyzed the demand for Finnish ports using many macroeconomic variables. According to their results, they determined that the main influencing variable is industrial production. In the study conducted by Vitsounis et al. (2014) on the countries of the world, it has been determined that several macroeconomic variables, including industrial production, affect the demand for maritime transport and therefore ports. Finally, in the study by Tsai and Huang (2017), industrial production was used to estimate the freight traffic between Asian ports and significant results were obtained. All these studies are important in terms of showing the effect of economic activities in the country on the ports.

In addition, macroeconomic variables can also affect the economic activities within the country and cause changes in port traffic. For Turkey, this situation has been analyzed by Açıık et al. (2019b) over exchange rates and it has been determined that exchange rates are effective on port traffic and this interaction can change over time. The main reason for this is that exchange rates determine the relative price level for goods in the country. As a result of the increasing exchange rates, the demand for the goods of the countries that have become cheaper may increase or vice versa. This causes exchange rates to play a decisive role in the demand for goods in the country. As a result, exchange rates are an important factor affecting port traffic in the related country. In the international literature, the effect of exchange rates on maritime transport has also been examined in various studies. In the study conducted by Kim (2017), the effect of exchange rate volatility on the amount of imported cargo in South Korean ports was examined and a negative effect was determined. In addition, in a different study, Kim (2016) determined that exchange rates have a significant effect on the amount of cargo loaded at ports. The increase in the nominal exchange rates increases the loaded freight traffic at the ports. Chi and

Cheng (2016), who investigated whether exchange rate volatility affects the trade volumes of Australia with its Asian trading partners, also found that volatility affects the trade volume in a similar way.

Of course, activities within the country are not the single determinants of cargo traffic at ports. Ship owners, who are actors on the maritime transport side, are also profit-seeking businesses and have to earn a certain freight income. Freight prices, which are basically shaped by the balance between supply and demand, affect the demand for maritime transport. Demand for goods may decrease, as increased freight prices will increase the final price of goods in the country. This may adversely affect port traffic. In the research conducted by Aık (2019) in Turkey, it was determined that volatility in container freight indices causes volatility in the cargo traffic of Turkish ports, and shocks of increase in freights cause shocks to decrease in container traffic. In the international literature, in the study conducted by Kim (2016), the BDI variable was also examined among the factors affecting port output. As a result, the researcher found that increases in BDI negatively affect port outputs. In this respect, freight has an important role in the traffic in container ports as a cost.

So far, we have reviewed studies examining the factors affecting port traffic. These factors are generally the factors affecting the production within the country and the factors affecting the cost in maritime transportation. The results show that, whatever the reason, the increase in traffic at the ports shows that it is a good economic signal for the country. This shows that trade has increased, foreign exchange inflows have increased and labor force activities have intensified. It is quite normal for this situation to contribute to the development of the port areas. However, applied studies examining the effects of ports on regional development are very rare in the literature. In this study, we basically aimed to determine whether the PLSCI index, which shows the connection level of ports, affects the development in a meaningful way, as well as the trade volumes that directly affect the regional development. In this way, we aimed to make an original contribution to the literature.

4. METHODOLOGY

We preferred the regression analysis method when analyzing the relationships between the variables we discussed in the study. This analysis method basically consists of dependent and independent variables. As a result of the analysis, it can be concluded whether the independent variables affect the dependent variable in a significant way, and if so, how much (Chatterjee and Hadi, 2015:1). This makes it possible for us to determine the effects of trade and the PLSCI variable on regional development. Basically, a linear simple regression model can be expressed as:

$$Y = \beta_0 + \beta_1 X_1 + \varepsilon \quad (1)$$

In the above model, Y represents the dependent variable and $X(s)$ represents the independent variable(s). ε is the part that cannot be explained by the independent variable(s) (Gordon, 2015:5). The coefficients (β) obtained after applying the analyzes are the most important outputs. Thanks to these coefficients, it can be determined to what extent each independent variable affects the dependent variable (Esquerdo and Welc, 2018: 2). In other words, it is determined change of a 1 unit in the independent variable causes how many units of change in the dependent variable (Archdeacon, 1994:148).

Since the dataset we used in our study was panel, we analyzed our variables with panel regression modeling. In such models, a certain number of n and a certain number of t are included. Our panel regression models can be represented as follows:

$$GDP_{it} = \alpha_i + \beta_1 PLSCI_{it} + \varepsilon_{it} \quad (2)$$

$$GDP_{it} = \alpha_i + \beta_1 PLSCI_{it} + TRADE_{it} + \varepsilon_{it} \quad (3)$$

First, we modeled only the effect of the PLSCI variable on regional development (1). Then we added trade as a control variable and established a new model (2). Thus, we aimed to eliminate the possibility of the PLSCI variable being insignificant on its own. Because the effect of trade volume on regional development is very clear.

When applying panel regression analysis, it is determined whether the effects in the series are random or fixed. Then analyzes are applied using appropriate estimators according to this situation. In addition, after the appropriate model is determined, autocorrelation and heteroscedasticity tests are applied to the residuals of the model. If either or both of the two conditions exist, estimators with the necessary resistance can be used. This ensures the consistency and validity of the results. In addition, we preferred to apply our analyzes with the logarithmic data set. Thus, elasticity can be calculated (Gujarati, 2004) and better distribution properties of the data can be obtained (Shahbaz et al., 2017).

5. DATA AND FINDINGS

The regression equations developed in this study consist of two models. The first model (1) only examines the impact of the PLSCI on regional development while the second one (2) consists of the addition of trade volume as a variable. The reason for this is that the index variable alone is insufficient as an explanatory variable and the descriptive power of the model is desired to be increased. Since the demand for ports derives from commercial activities, it has been found appropriate to add trade

volume as a second independent variable in order to improve the model.

The ports used in the study have been selected according to the coverage period since the Turkish ports included in the PLSCI have index periods of different lengths. The included ports in alphabetical order are Ambarli, Antalya, Derince, Diliskelesi, Gemlik, Haydarpasa, Iskenderun, Izmir, Mersin and Trabzon. These ports are located in 8 different provinces which are Antalya, Bursa, Hatay, İstanbul, İzmir, Kocaeli, Mersin and Trabzon.

Data for the PLSCI variable is available until 2019, but since regional GDP per capita values are available until 2018, the sample of the study is designed to cover the period 2006-2018. Thus, a panel set consisting of 104 observations consisting of 8 provinces and 13-year period has been obtained. Descriptive statistics of the variables are presented in Table 2.

Table 2. Descriptive Statistics of Variables

	Country	Mean	Median	Max	Min.	Std. Dev.	Skew.	Kurt.	Obs.
GDP	Antalya	12485,92	12627,28	14236,97	10061,84	1440,932	-0,396888	1.691489	13
	Bursa	12001,09	12164,65	14034,72	9366,281	1315,414	-0,445649	2.680731	13
	Hatay	6727,979	6998,733	7855,304	4809,806	877,6215	-0,916355	2.969047	13
	İstanbul	17717,39	18168,61	20726,14	13443,87	1978,314	-0,624623	2.919639	13
	İzmir	12435,57	12507,67	14694,72	9770,138	1398,077	-0,280723	2.557485	13
	Kocaeli	17043,04	17617,54	20571,65	12435,84	2336,535	-0,589519	2.724306	13
	Mersin	8494,420	8778,305	9783,078	6278,824	1008,223	-0,777657	2.897186	13
	Trabzon	8568,749	8682,665	10239,27	6214,103	1151,432	-0,459505	2.568290	13
	All	11934,27	11819,80	20726,14	4809,806	4006,982	0,403344	2.232154	104
	PLSCI	Antalya	4,841978	5,063895	6,615974	1,686393	1,471143	-0,842026	2.827227
Bursa		20,60637	20,74357	26,41031	15,64508	2,805681	0,103695	3.049070	13
Hatay		11,29668	11,17650	25,69584	1,026059	9,978427	0,260977	1.530863	13
İstanbul		21,33075	22,41672	27,26484	13,54733	5,458083	-0,132077	1.232657	13
İzmir		23,00594	24,11563	26,05234	18,21349	2,736858	-0,563043	1.920427	13
Kocaeli		1,928321	1,734671	2,535398	1,327749	0,452150	0,014523	1.273770	13
Mersin		26,26051	23,75838	43,08883	18,90384	8,292251	1,093425	2.876552	13
Trabzon		3,157151	2,935735	4,304631	2,320250	0,664990	0,657790	2.238621	13
All		14,05346	15,96553	43,08883	1,026059	10,55632	0,269055	2.072883	104
TRADE		Antalya	1092410,	1078853,	1658740,	536755,0	343214,0	0,027658	2.080269
	Bursa	18099779	17999414	23093352	13343267	2582861,	0,135270	2.606498	13
	Hatay	2605959,	2794222,	3786217,	1483918,	617760,5	-0,004798	2.604643	13
	İstanbul	1,72E+08	1,83E+08	2,08E+08	1,22E+08	29077083	-0,521726	2.001432	13
	İzmir	14283560	14565779	16998234	9533703,	2487219,	-0,673628	2.123182	13
	Kocaeli	16477740	17587575	23459029	8457200,	5017303,	-0,214759	1.965818	13
	Mersin	1287170,	1368254,	1709644,	691085,0	272140,1	-0,817751	3.061137	13
	Trabzon	430018,8	433965,8	668576,0	256266,0	123857,0	0,383410	2.450802	13
	All	28311857	6121708,	2,08E+08	256266,0	56032569	2,321585	6.758073	104

Source: UNCTAD (2020b); TÜİK (2020a, 2020b)

The two models established to measure the impact of the PLSCI variable on regional development through GDP per capita are presented below. In

the first model, we only wanted to examine the effect of the PLSCI variable alone. In the second model, we added the trade variable, which has an almost certain effect on regional development, and reduced the possibility that the effect of the PLSCI variable would turn out to be insignificant. In other words, we included trade variable in the model as a control variable. The effects expected to be obtained as a result of the analyzes are positive (+) for both the PLSCI variable and the TRADE variable. The main reason for this is the increase in labor force opportunities and the increase in foreign exchange inflows with the increasing trade volume. In addition, the increase in the density of ships arriving at the port can positively affect regional welfare, as it is both a result of increased trade and a reason for increasing the trade.

$$GDP_{it} = \alpha_i + \beta_1 PLSCI_{it} + \varepsilon_{it} \quad (4)$$

$$GDP_{it} = \alpha_i + \beta_1 PLSCI_{it} + TRADE_{it} + \varepsilon_{it} \quad (5)$$

Since the period discussed covers 13 years, this data structure is considered as a short panel. Performing unit root analysis for such a small number of variables may not provide healthy results and therefore short data are considered stationary at level. Logarithms of variables are taken, and regression analyses are implemented.

In addition, the use of Random Effect estimator can be considered as more appropriate since the sample does not include all container ports and cities in Turkey. In order to implement this estimator, firstly, the presence of unit effects should be tested and then the validity of the Random Effect estimator with the Hausman test should be checked. In the direction of this procedure, firstly, the presence of unit effects is determined by pooled-fixed and pooled-random estimator comparisons. Then, if the presence of unit effects is detected, Fixed-Random comparison is performed by Hausman test and the analyzes are interpreted on the appropriate model. Table 3 presents the results by all estimators.

The results have revealed the presence of unit effects for model 1 according to both F and LR tests. Then, according to the implemented Hausman test for the determination of the Random Effect use, the null of Random effect hypothesis cannot be rejected. This result shows that Random Effect model is more valid. After determining the appropriate model, implemented heteroscedasticity (Leven-Brown-Forsythe) and autocorrelation (Wooldridge, 2010) test results have shown that no problem has included in the residuals of the model. According to the results, PLSCI variable has a positive impact on regional GDP per capita. A 10% increase/decrease in the index leads to about 0.78% increase/decrease in regional income.

Table 3. *Estimation Results of the Models*

	Model 1			Model 2			
	Pooled	Fixed	Random	Pooled	Fixed	Random	Robust
Constant	9.1568***	9.1526***	9.1578***	6.3356***	5.4561***	6.240***	5.4561***
PLSCI	0.0794***	0.0813***	0.0789***	0.0381*	0.0357*	0.0383*	0.0357**
Trade				0.1874***	0.2443***	0.1934***	0.2443**
R ² (overall)	0.12	0.12	0.12	0.32	0.32	0.32	0.32
F – Wald Test	13.70***	13.90***	13.67***	46.88***	23.01***	48.30***	7.24**
F – LR Test		107.21***	182.32***		57.36***	127.55***	
Hausman			0.24			71.81**	

Note: H0 rejected at ***1%, **5%, *10%

After obtaining the results of the first model, the model has been re-estimated by adding trade variable to the model. F and LR tests have shown that there are unit effects in the model and that the pooled model cannot be used. Then, according to Hausman test, null of random effect hypothesis is rejected and fixed effect estimator has been found to be more appropriate. After the determination of heteroscedasticity (Levene, 1960; Brown and Forsythe, 1974) and autocorrelation (Wooldridge, 2010) in residuals of the model, robust standard errors (Driscoll-Kraay) have been applied and the model has been re-estimated and the results are presented in the table. The results have shown that a 10% change in international trade leads to about 2,4% change in regional GDP per capita. The impact of the PLSCI variable is still positive, but partially reduced (0.0357), and the explanatory power of the model has increased considerably (0.12<0.32).

6. CONCLUSIONS

Although ports are seen as actors that provide the connection between road and sea, they contain many sub-operations such as storage, packaging, treatment etc. In addition, due to their trade facilitating role, they contribute to the development of the country's trade and increase social welfare. Additionally, they provide a revival in business volume by generating demand for local markets, shops and people in the regions where they are established. Many sub-sectors do business thanks to the ports and this effect contributes greatly to the economy with the multiplier effect. Ports may have labor demands, which can reduce regional unemployment. People who come to work in the ports can increase the demand for the real estate sector in the region for accommodation. For established companies, the demand for the real estate sector may increase for office installation. In addition, the demand for regional foods may increase for catering at ports. Demand for buses and shuttles to transport workers arriving at ports may also increase. In parallel with the increasing population in the region, the demand for shops and markets may increase. These effects can be presented as examples of the regional effects of ports and they can point

to their micro-based contributions to the country's economy. In addition to these, of course, ports also greatly affect international trade. Apart from the region where the port was established, hinterland regions that develop trade through the port also benefit from this opportunity.

In this respect, the type, capacity, mode of operation of the ports and the density of incoming ships have important effects. In this study, we aimed to determine how the increasing ship density and transportation alternatives affect regional economies through the PLSCI variable. We modeled the effect of the transportation network, which has a decisive role in these activities together with commercial activities, with regression analysis. Our results have empirically shown the positive impact of international trade and maritime transport due to its facilitating role in international trade on regional development. There are several studies in the literature examining this kind of interaction, but they used container port throughput values as variables. Although our study has examined the subject in parallel with them, it is thought that investigating the subject using the relatively new variable (PLSCI) makes an original contribution to existing literature.

REFERENCES

- Açık, A. & Başer, S.Ö. (2019). Does Output of Turkish Ports Effect The Freight Levels in The Istfix Region?. 6th International Congress on Management, Economy and Policy, 20.04.2019-21.04.2019, İstanbul.
- Açık, A. (2019). Volatility Spillover from Global Container Freight Indices to Port Throughputs in Turkey . *Uluslararası Ekonomi ve Yenilik Dergisi* , 5 (1) , 101-113 . DOI: 10.20979/ueyd.519545
- Açık, A., Sağlam, B. B. & Kayıran, B. (2019a). Industrial Production As A Leading Indicator For Container Port Throughput in Turkey . *Dokuz Eylül Üniversitesi Denizcilik Fakültesi Dergisi* , 11 (1) , 37-56 . DOI: 10.18613/deudfd.614828
- Açık, A., Sağlam, B. B., Tepe, R., (2019b). Time varying causality between exchange rate and container handling volume in Turkish ports. *Transport & Logistics: the International Journal*, 2019; Volume 19, Issue 46, 1-11.
- Archdeacon, T. J. (1994). *Correlation and regression analysis: A historian's guide*. Madison: The University of Wisconsin Press.
- Brown, M. B., and A. B. Forsythe. 1974. Robust tests for the equality of variances. *Journal of the American Statistical Association* 69: 364–367
- Chatterjee, S. and Hadi, A. S. (2015). *Regression analysis by example*. New Jersey: John Wiley & Sons.
- Chi, J. and Cheng, S. K., 2016, “Do exchange rate volatility and income affect Australia’s maritime export flows to Asia?”, *Transport Policy*, 47, pp. 13-21.
- Chou, C. C., Chu, C. W., ve Liang, G. S. (2008). A modified regression model for forecasting the volumes of Taiwan’s import containers. *Mathematical and Computer Modelling*, 47(9-10), 797-807.
- Cowie, J. (2009). *The Economics of Transport: A Theoretical and Applied Perspective*. Routledge.
- Esquerdo, P. J. R. and Welc, J. (2018). *Applied regression analysis for business*. Switzerland: Springer International Publishing.
- Gordon, R. (2015). *Regression analysis for the social sciences*. New York: Routledge.
- Gujarati, D. N. (2004). *Basic Econometrics*, 4th Edition. Tata McGraw Hill; USA.
- Kim, C. B., 2016, “Impact of exchange rate movements, global economic activity, and the BDI volatility on loaded port cargo throughput in South Korea”, *The Asian Journal of Shipping and Logistics*, 32(4), pp. 243-248
- Kim, C. B., 2017, “Does exchange rate volatility affect Korea’s seaborne import volume?”, *The Asian Journal of Shipping and Logistics*, 33(1), pp. 43-50.

- Korkmaz, O. (2012). Türkiye’de Gemi Taşımacılığının Bazı Ekonomik Göstergelere Etkisi. *Business And Economics Research Journal*, 3(2), 97-109.
- Lättilä, L. and Hilmola, O. P. (2012). Forecasting long-term demand of largest Finnish sea ports. *International Journal of Applied Management Science*, 4(1), 52-79.
- Levene, H. 1960. Robust tests for equality of variances. In *Contributions to Probability and Statistics: Essays in Honor of Harold Hotelling*, ed. I. Olkin, S. G. Ghurye, W. Hoeffding, W. G. Madow, and H. B. Mann, 278–292. Menlo Park, CA: Stanford University Press.
- Lundgren, N. G. (1996). Bulk trade and maritime transport costs: The evolution of global markets. *Resources Policy*. 22(1-2), 5-32.
- Ma, S. (2020). *Economics of maritime business*. Routledge.
- Shahbaz, M., Van Hoang, T.H., Mahalik, M.K. & Roubaud, D. (2017) Energy consumption, financial development and economic growth in India: New evidence from a nonlinear and asymmetric analysis. *Energy Economics* 63, pp. 199–212.
- Tsai, F. M. and Huang, L. J. (2017). Using artificial neural networks to predict container flows between the major ports of Asia. *International Journal of Production Research*, 55(17), 5001-5010.
- TÜİK (2019a). *Gross domestic product per capita by provinces, 2004-2017*.
- Tunalı, H. and Akarçay, N. (2018). Deniz taşımacılığı ve sanayi üretimi ilişkisinin analizi: Türkiye örneği. *İktisadi İdari ve Siyasi Araştırmalar Dergisi*, 3(6), 111-122.
- UNCTAD (2018). *Review of Maritime Transport*, United Nations Publication, Geneva.
- UNCTAD (2019a). *Port Liner Shipping Connectivity Index Definition*. <https://unctadstat.unctad.org/wds/TableView/summary.aspx>
- UNCTAD (2019b). *Port Liner Shipping Connectivity Index*. <https://unctadstat.unctad.org/wds/TableView/tableView.aspx?ReportId=170026>
- Vitsounis, T., Paflioti, P. and Tsamourgelis, I. (2014). Determinants of container ports throughput convergence. A business cycle synchronicity analysis. *International Journal of Transport Economics*, 41(2), 201-230.
- Wooldridge, J. M. 2010. *Econometric Analysis of Cross Section and Panel Data*. Cambridge, MA: MIT Press.
- World Shipping Council (2021). *Top 50 Ports*. <https://www.worldshipping.org/top-50-ports>

Chapter 8

SUSTAINABLE FORESTRY AND SOCIAL MARKETING IN TURKEY

Alper AYTEKİN¹

Fatma Akgün²

1 Prof. Dr. Alper Aytekin, Bartın University, Department of Management and Information Systems, Orcid ID: 0000-0002-2756-7870

2 Res. Asst. Fatma Akgün, Bartın University, Department of Management and Information Systems, Orcid ID: 0000-0002-7380-9463

1. INTRODUCTION

Forests have been at the forefront of the most important concepts since the existence of humanity. In order to preserve the importance of forests from past to present and to continue this situation in the future, forestry activities must continue in a sustainable way. The concept of sustainability is a development policy that prevents the destruction of natural resources by ensuring that ecological diversity and balance are not deteriorated (Görücü, 2002).

The use of the concept of sustainability, which is widely used in every field today, in forestry activities is not a new activity, but came to the fore at the Stockholm Conference held in 1972. Forests provide many benefits, besides, it is an important problem to protect the natural balance. This problem is an important problem not only for Turkey but also for the whole world, that is globally. Many solutions are on the agenda for the protection of forests, both nationally and internationally. The most important of these concepts are sustainability, sustainable development and sustainable forestry activities.

Forests cover a quarter of Turkey. This rate is changing day by day due to some reasons and the ecological system is deteriorated and the natural balance is lost. In this case, it increases the importance of sustainable forestry activities. Along with sustainable forestry activities, it is determined where and how much forests can be used and which activities will continue and not. With the increasing importance of the concept of sustainability, new auxiliary concepts are added to this concept with each passing day. One of these concepts is social marketing. The goal in the concept of social marketing is to bring about behavioral change. The basis of the concept of social marketing is to protect the benefit of society in the long run rather than making profit, as in sustainability. Although these two concepts seem different, they basically serve the same purpose.

Marketing activities organized to assimilate a social idea into society and make positive changes in that idea are called social marketing. In social marketing, social purpose and long-term community benefit are prioritized rather than profit (Mucuk, 2001: 16). They realized that the main goal of social marketing is to influence people's behavior, and they thought that these behavioral changes could be created on issues such as forest protection. (Andreasen, 1993).

Studies that serve to solve some social problems such as the protection of the natural environment, the schooling and education of girls can be given as an example of the concept of social marketing. In short, purposes such as changing the judgment standard of the society or informing them and making the society more conscious can be evaluated within the scope

of social marketing (Bayraktaroğlu and İlter 2007).

Social campaigns can be more successful if they are similar to product campaigns. Even if social marketing is to use traditional marketing for social purposes, there may be some differences from traditional marketing, as well as some problems that are not seen in traditional marketing (Wiebe, 1952; Rothchild, 1979; Bloom and Bloom and Novelli, 1981; Celsi and Olson, 1988; Kotler). and Andreasen, 1996; Andreasen, 1993). Social marketing is more difficult to implement than classical marketing because changing behavior is uncontrollable and is often done with insufficient resources (Lefebvre and Flora, 1988).

In this study, the relationship between sustainable forestry and social marketing activities is mentioned. The aim of the study is to make social awareness more effective by using very different disciplines together. Although they seem like different concepts, the goal of these two concepts is to change social behaviors positively. Within the scope of the study, firstly, the concept of social marketing was discussed and examined. Afterwards, the concept of sustainable forestry was examined. Finally, the relationship between these two concepts is mentioned.

2. DEFINITION OF SOCIAL MARKETING

The concept of Social Marketing was born in the 1970s as a discipline developed by the marketing studies of Philip Kotler and Gerald Zaltman (Weinreich, 1999). The origin of the social marketing approach is based on the work of scientists in the 1940s and 1950s in social psychology, personal communication, advertising and public relations (Rothschild, 1997). The basis of the concept of social marketing is the concept of social responsibility and ethics. Social marketing creates a behavioral change in the target audience. This behavior change is done for the benefit of society and on a voluntary basis. While doing this, it uses marketing principles and techniques. In the concept of social marketing, the benefit of the individual and society is considered instead of the benefit of the producer. The concept of social marketing aims to teach, to create a new trend in society, to change beliefs and behaviors. There are many definitions of social marketing in the literature. Some of them are as follows.

According to Kotler and Andreasen (1996), social marketing is not a priority for sellers to make a profit, but for the benefit of the target audience and the general public trying to influence social behavior. Social marketing, market and marketing activities in the social system are investigated. In general, the term social marketing is used in product planning, pricing, communication, distribution, market research, etc. to achieve acceptance and implementation of social ideas in target groups. It includes activities

such as organizing, implementing and controlling programs using This situation shows the importance and necessity of social marketing (Tek, 1997; Tavmergen, 1998).

Social marketing; It is the process of controlling, implementing and designing activities and programs that include planning, pricing, communication, distribution and marketing research of goods or services and to increase the acceptability of social thought (Baytekin, 2015: 118). social marketing; people are independent from organizations or organizations and it is an effort to change attitudes and behaviors in order to establish and maintain a certain idea (Uslu & Marangoz, 2008: 116-117).

In the last 30 years, social marketing practices have been seen especially in the health sector. Today, social marketing is used in many different subjects such as reintegrating addicted youth into society, raising awareness about artificial or chemical fertilizers that affect water resources, thus protecting the environment and natural resources, and education of refugee children. (Bayraktaroğlu and İlter 2007).

While social marketing is a proven discipline often used to create certain behavioral changes in public health, such as smoking and alcohol consumption and exercise, social marketing for environmental issues is still in development and its effects are likely to be relatively limited (Takahashi, 2009, Haq et al., 2013).

However, the application area of social marketing has expanded over the consumption process in terms of energy saving and the widespread behavior of “responsible consumption” (Ulusoy, 2016: 285), which has a positive effect on the environment, society, self and others. Product, price, location, maintenance; listed as the 4Ps of social marketing (Kurtoğlu, 2007).

The concept of social marketing covers a process. This process is as follows.

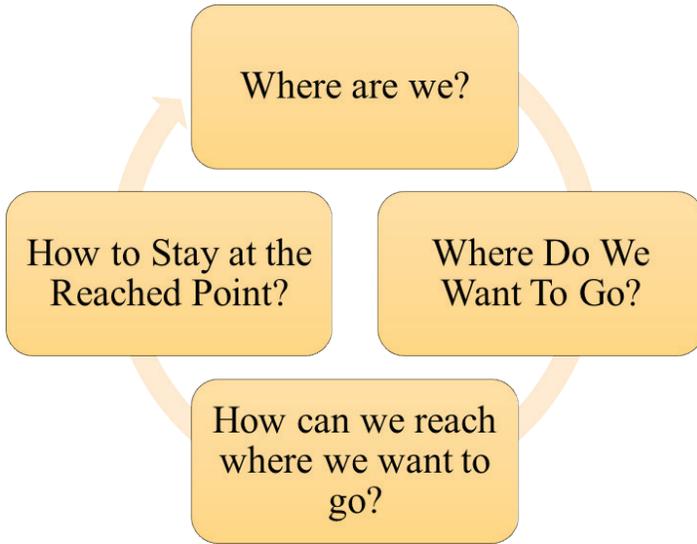


Figure 1. Social marketing process

3. SUSTAINABILITY

The fact that the natural resources in the world are limited, human needs are unlimited, and every satisfied need increases and creates new needs, causing the depletion of resources. The absence of resource scarcity in the future is related to the effective and efficient use of these resources. The concept of sustainability has entered our lives in order to use resources effectively and to raise awareness of future generations.

The concept of sustainability first entered our lives in 1982 with the document named ‘World Nature Charter’ prepared by the World Union for Conservation of Nature (IUCN) . The World Union for Conservation of Nature has defined sustainability as the management of resources without endangering the lives of living things. Subsequently, the concept of sustainability was mentioned again in the report titled “Our Common Future” published by the World Commission on Environment and Development (WCED) in 1987. The concept of sustainability is defined in this report as “meeting the needs of the present in a way that allows future generations to meet their needs”.

Sustainability is defined as the ability of a society to maintain the functioning of an ecosystem without interruption, deterioration, overuse or overloading of main resources (Kaypak, 2010: 98). Sustainability is the preservation of the values required by the ecological system (Daily and Erlich, 1996). Sustainability is the continuation of the desired situation (Maclaren, 1999).

The concept of sustainability is of great importance for today and for the future. There is the concept of sustainability in many aspects of our lives. In this study, the concept of sustainability has been examined in terms of forestry activities, which are the breath of our future.

4. FORESTRY AND ITS MAIN PROBLEMS IN TURKEY

Forestry is a field of activity that includes many sciences such as ecology, statistics, biology, mathematics, economics and law. In addition to the many benefits that forests provide, the importance of providing ecological balance, that is, ensuring natural balance, is increasing day by day. Rapid population growth and the accompanying unconscious urbanization cause many environmental problems. These environmental problems bring about the deterioration of the ecological system. Forests, which are at the forefront of natural resources, help to ensure ecological balance. Since forests are a renewable resource, they provide many ecological and socio-cultural benefits to nature and human beings (Aytekin, Kaygın and Yazıcı, 1997).

Table1. The importance of forests

Why is Forestry and Forestry Important?	
1	Conservation of soil and water and cleaning the air,
2	Home to 80% of humans and animals,
3	To be effective in reducing climate change,
4	Ability to control soil erosion,
5	Reducing desertification,
6	Reducing natural disaster risks,
7	Livelihood for many people
8	Providing biodiversity

All the reasons listed above reveal how important forest and forestry activities are for people and the environment. The growing importance of forests is important in the improvement of forests and their structures. Deterioration of forest structures brings with it many environmental problems. The concept of sustainable forestry is important to ensure the continuity of our forests and to take precautions. Sustainable forestry activities are at the forefront of the measures to be taken for the effective and efficient use of forests.

Since the creation of the idea of sustainability for the United Nations Meeting in Rio in 1992, forestry management in the production function has been given special attention to production continuity. Forests are adversely affected by irregular and unconscious use for production and different needs

of society. Therefore, creating a systematic understanding of sustainability is required to take into account the importance of sustainability principles.

Specific principles such as the Convention on Biological Diversity, Fundamental Principles of Forestry have been aligned with Sustainable Forestry Development (Agenda 21) and in the Rio Declaration. Later, in Vienna, October 1993, a new form of continuity called “Dimensions of Sustainability” was identified in the session on the “concept of sustainability” and its dimensions on forestry. Sustainability is expressed by the following equation.

$$\text{Sustainable Development} = \text{Ecological Sustainability} + \text{Socio-economic Development}$$

Sustainable forest management includes activities such as restoration of biological diversity, ensuring and protecting ecological sustainability. In other words, ecosystems must be balanced in accordance with environmental conditions compatible with other systems and managed as planned in order to preserve and maintain the natural balance of ecosystems. Accordingly, the management principle of multi-purpose sustainable forest management is to be ecosystem management.

The implementation of forestry activities in Turkey since 1963, approximately 99 percent of the total forests, takes place in the continuous production of wood-based cuttings and some by-products in large areas. About 1 percent of the remaining forest land is allocated for various former forest activities. With this practice, political influence, complex management, inexperience, ignorance and similar reasons lead to failure, and the establishment of forests, growth-growth conditions, and ecological structure deteriorate. As a result of sawdust cuts in large and small areas, animal and plant-derived species in the ecosystem have disappeared with the wide forest management application and biodiversity has been destroyed to a large extent as a result of practices against nature. As a natural consequence of this situation, forest loss in large areas, soil erosion and death of nature have been observed in almost all regions of Turkey, as in some parts of the world.

The structure of state forests according to Turkey’s 2015 data is presented in Figure 2. The distribution of Turkey’s forests is 99%, 1% special case.

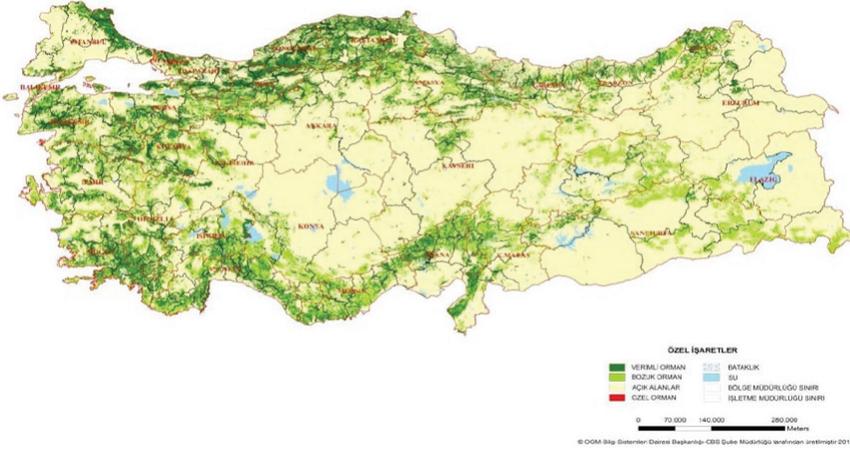


Figure 2. Forest distribution in Turkey (2019 data).

Source: OGM www.ogm.gov.tr (Date: 10.02.2021).

The distribution of forest forms seen by Turkey is given in Table 2. This table shows the distribution of forest lands in 1973, 1999, 2005, 2009, 2010, 2012, 2015, 2019.

Table 2. Forest distribution

Forest Form	Total		Normal Closed		Corrupted	
	Hectare	%	Hectare	%	Hectare	%
1973	20 199 296	one hundred	8 856 457	44	11 342 839	56
high forest	10 934 607	54	6 176 899	31	4 757 708	23
coppice forest	9 264 689	46	2 679 558	13	6 585 131	33
1999	20 763 248	one hundred	10 027 568	49	10 735 680	51
high forest	14 418 340	69	8 237 753	40	6 180 587	29
coppice forest	6 344 908	31	1 789 815	9	4 555 093	22
2005	21 188 747	one hundred	10 621 221	50	10 567 526	50
high forest	15 439 595	73	8 940 215	42	6 499 380	31
coppice forest	5 749 152	27	1 681 006	8	4 068 146	19
2009	21 389 783	one hundred	10 972 509	51	10 417 274	49
high forest	16 305 210	76	9 494 322	44	6 810 888	32
coppice forest	5 084 573	24	1 478 187	7	3 606 386	17
2010	21 537 091	one hundred	11 202 837	52	10 334 254	48
high forest	16 662 379	77	9 782 513	45	6 879 866	32
coppice forest	4 874 712	23	1 420 324	7	3 454 388	16
2012	21 678 134	one hundred	11 558 668	53	10 119 466	47
high forest	17 260 592	79	10 281 728	47	6 978 864	32

coppice forest	4 417 542	21	1 276 940	6	3 140 602	15
2015	22 342 935	one hundred	12 704 148	57	9 638 787	43
high forest	19 619 718	88	11 919 061	54	7 700 657	34
coppice forest	2 723 217	12	785 087	3	1 938 130	9
2019	22,740,297	one hundred	13,083,510	58	9,656,787	43
high forest	21,540,131	95	12,733,660	56	8,806,471	39
coppice forest	1,200,166	5	349,850	2	850,316	4

The table contains the data announced in 2019. Although forest areas have increased, some precautions should be taken in forestry and forestry activities. Although the increase in forest areas seems to be positive, these areas need to be improved. Sustainable forestry must be carried out effectively in order to benefit from forests effectively and efficiently.

5. MARKETING CONCEPT OF FOREST INDUSTRY IN TURKEY

According to FAO's 2009 report, the world's forests are growing annually between 1990-2000, with an average loss of 8868000 hectares, and between 2000-2005 the average annual loss is 7317000 hectares. This is a serious threat to the world's forests and humanity. Pollution of air, soil and water resources arising from forest incompatibilities, desertification, climate change, danger of extinction of biological diversity, hunger, etc. The problems are forestry, at the end of the 20th century the focus of the sustainable development process was established.

On 17 December 2007, the International Forestry Agreement was adopted by the United Nations General Assembly. The text was first adopted by all countries of the world at the Seventh Session of the United Nations Forestry Forum (UNFF7), and later approved by the United Nations Economic and Social Council (ECOSOC) on 17 October 2007. UNFF's 2007-2015 work program aims to legalize this non-legally binding agreement (OGM, 2008).

According to the Law on the Adoption of the Law No. 3234 on the Organization and Duties of the General Directorate of Forestry enacted in 1985, the duties of the General Directorate of Forestry can be grouped under three main headings (OGM, 2008).

Conservation of forests

- Protection of forests against biotic and abiotic pests,
- Conservation of the biological diversity of forests,
- Protection of forest areas and borders,

Improvement of forests

- Improvement and improvement of existing forests,
- Expansion of forest areas,

Leveraging the Forests

- Industrial and firewood use,
- Using non-wood forest products,
- To benefit from the social and cultural services of forests,
- Utilizing the protective and environmental functions of forests

The marketing concept of forest industries has grown more slowly compared to other businesses. Until the 1950s, the success indicator of forest industry management increased the total wood raw material supply. Forest industries, consumer goods companies that have completed their evolutionary development before, were used in marketing planning studies that started almost at the same time. After intensive studies on this subject, it was concluded that production-oriented management should be adopted in the 1960s (Rich, 1970).

The marketing understanding of today's forest industries can be measured by answering the following 5 questions:

- Who are the customers?
- What are customers buying?
- Why do customers buy goods and services?
- How much do customers buy?
- How do customers buy?

In terms of marketing, while efforts to transition to market-oriented management continue in Turkey, the marketing approach known as production-oriented management in forest management has completed the first stage of evolutionary development. The concept of marketing forest management in Turkey today means that the sale of forestry products can be made through auctions in the markets, according to the State Forestry Enterprises Revolving Fund Regulation, according to Article 30 of the Forest Law No. 6831. This clause has limited production due to meeting the needs and wants of customers and/or consumers without distinction between short-term interests and long-term needs. There is no relationship between the form of marketing in this article. It can be summarized as product sales and today's marketing. In addition, it cannot be said that this understanding is the only sales concept. In the concept of single sale,

marketing is defined as reaching the sales volume and reaching the sales volume in order to make a profit, being beneficial to the development of marketing. However, forestry services are not sufficiently interested in the development of sales volume in today's practices. Production is based on sales volume to generate profit. On the other hand, in forests producing wood raw materials, product types determined according to the annual production and satisfactory profit and the needs of the target markets cannot be considered according to master plans. However while great social benefits are expected from almost all forest resources belonging to the nation, meeting the needs and demands of the related services and/or goods from the forests according to the current practices of the relevant laws and regulations has been seen in some enterprises that provide social benefits. In the second degree, it is aimed to gain big in the short term (İlter and Ok, 2004).

It is not possible to see today's forestry activities and production as limited to seeing only state forest management activities. Today, the General Directorate of Forestry (OGM), the General Directorate of Nature Conservation and National Parks (MP), the General Directorate of Afforestation and Erosion Control (AGM), and the General Directorate Forest Village Relations Department (ORKÖY), which are organized under the name of the Ministry of Environment and Forestry, generate material and moral benefits. . Some of these benefits are subject to market transactions; Some of the benefits are seen as non-market transactions of public goods and services.

Saplings, souvenirs and similar trade activities, which are seen as market business, are still marketed under the name of "Production Concept". In addition, no marketing studies have been carried out for the needs of citizens who do not want to lose their lands by erosion, and it has been thought that such lands are the work of programs such as advertising, education and awareness raising. In other words, the awareness that forestry values that are out of marketing can be marketed has not yet emerged in the forestry community. The term referred to by Kotler and Andreassen (1996) as the first awareness period may have originated in forestry marketing. For this reason, although the advertising activities are carried out at the level of the ministry or the general directorates, the marketing place or idea of the General Directorate of Nature Conservation and National Parks (MP), the General Directorate of Afforestation and Erosion Control (AGM) is not seen. and the General Directorate of Forestry and Village Relations (ORKOY). For this reason, general directorates that cannot market themselves as an organization are often in danger of being closed down (İlter and Ok, 2004).

6. SUSTAINABLE FORESTRY

Sustainable forest management (SFM), consisting of 15 items and 42 principles that entered our lives with the principles of transparency, locality, participation, efficiency and sustainability, has become an important concept in the field of forestry today at the conference called "International Forestry Principles" held in Rio in 1972. "Sustainable Forest Management (SFM); It is the production of goods and services from forests for present societies without compromising the production capacity and biological integration of forests on which future generations will depend (Northern Forest Alliance, 1999). The United Nations on the other hand, sustainable forest management; It defines it as "a dynamic and evolving concept that aims to preserve and improve the economic, social and environmental values of all forests for the benefit of present and future generations". SFM not only contributes to the improvement of the ecosystem, but also realizes the flow of goods and services. SFM refers to the sustainable transfer of forests to the future with the effective use of resources. SFM not only maintains the ecological balance, but also aims to enrich nature by providing ecological diversity.

The SFM concept has three dimensions: ecological, economic and socio-cultural. When examined from an ecological point of view, it ensures the continuity of the diversity that makes up the ecosystem, ensuring the balance, and preventing the vegetation and climate changes. With this approach, a forest management that ensures sustainability is adopted. In economic terms, forest enterprises transform these assets into sustainable economic activities by providing goods and services. It provides continuity in the production of goods and services. In socio-cultural terms, it is ensured that the faults provided by forests are increased and transferred to future generations. Another socio-economic benefit it provides is that it provides economic benefits with the right of indigenous people who make their living from forestry. In this way, the public is educated, conscious and included in the administration.

Turkey participates as an active member in the negotiations conducted within the framework of the United Nations. The decisions that come out of these negotiations are being tried to be implemented. With SFM, it is aimed to prevent deforestation and to protect the ecological balance of forests. In this context, there is no deforestation in Turkey, but this does not mean that it will not occur in the future. Agricultural activities, fires, opening of forest areas to settlement, improper grazing, etc. Threats signal that there will be a degradation in the future. Sustainable management of forests plays an important role in preventing deforestation. Turkey carries out its activities in accordance with the Forest Europe process.

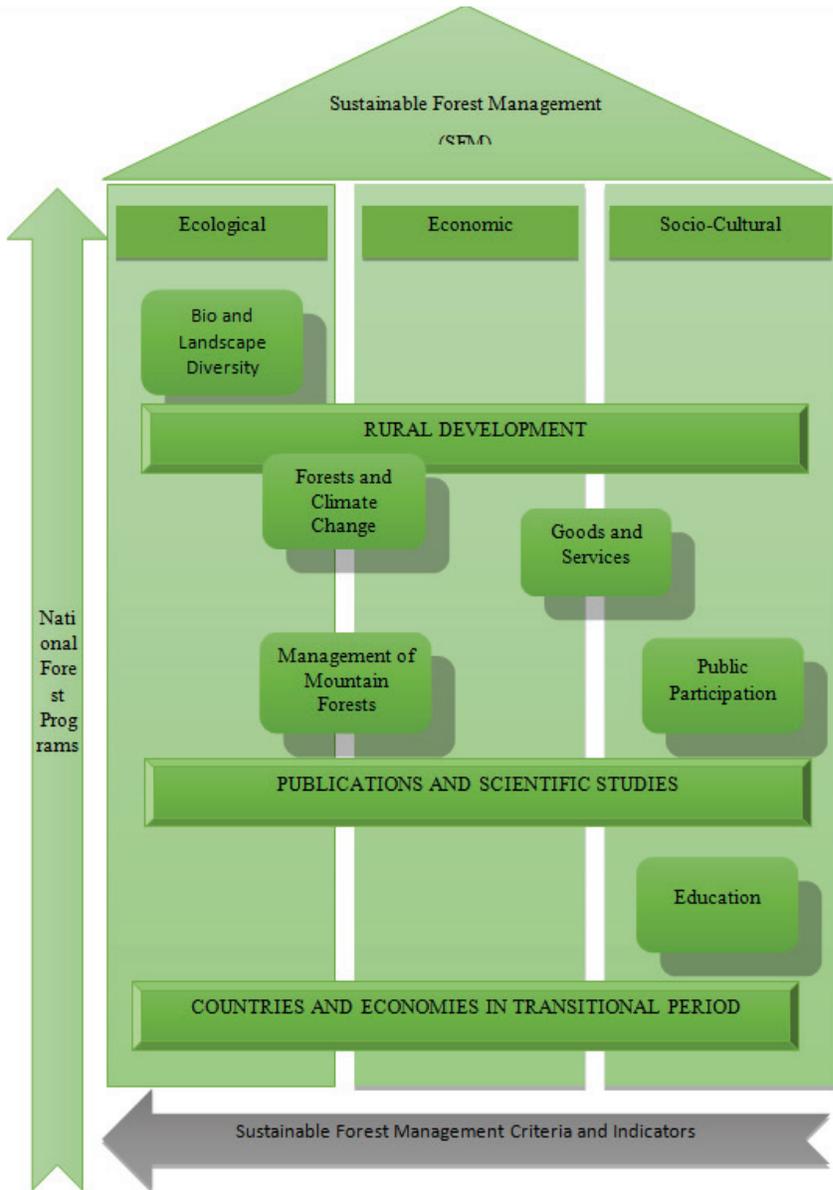


Figure 3. Sustainable Forest Management (Anonymous,2000c)

Sustainable forestry management consists of criteria and indicators. These criteria and indicators are used to evaluate the developments. SFM, there are 3 types of indicators. These;

Quantitative Indicators	Qualitative Indicators	Descriptive Indicators
• Expressed in concrete terms	• Expressed in abstract values	• Expressed in sentences

Figure 4. SFM indicators

7. CONCLUSION

The importance of the concept of social marketing is increasing day by day. With the concept of social marketing, solutions can be offered with correctly determined targets at the point of solving social problems. We often hear the concept of social marketing nowadays. Because the concept of social marketing, unlike the concept of commercial marketing, its purpose is not to make a profit, but its first purpose is to make a profit by providing social benefit. Although the concepts of social and commercial marketing have different goals, the methods and tools used are similar to each other.

Non-profit organizations, government agencies and some private companies use the concept of social marketing to influence the target audience and persuade them. The concept of social marketing includes a lot of imagination and effort. Thus, a behavioral change in society can be achieved.

It has been possible to develop suggestions to increase the functions of social marketing practices in forestry.

Five factors have been mentioned for successfully maintaining social marketing (Wiebe, 1952):

- Get an idea about the target audience,
- Target people should be directed to exhibit a certain behavior,
- Maintaining the mechanism that will enable the man to realize his desire,
- The function and adequacy of the mechanisms should be ensured and
- The cost of this behavior to the customer should be reduced.

In addition, changes such as environmental factors, human ability and human quality may be effective in changing the expected behavior of the target audience in social marketing (Fishbein et al., 1992; Andreasen, 1997).

Environmental factors are the conditions around people that prevent them from performing certain behaviors. One of the other features that are as important as environmental factors is to be able to perform the behavior. Environmental factors and abilities are effective in people's willingness to take action. If environmental factors have negative effects on people's desire to act, they should be eliminated. When necessary, the evaluation of alternatives other than traditional distribution channels can be effective in increasing their use (Bayraktaroğlu and İltter 2007).

However, if a person's abilities prevent him from performing the behavior, he should be trained to increase his belief. For this reason, before the campaigns are prepared, the situations that may prevent behavior change should be determined through research, and then ways to eliminate them should be investigated.

In addition, when people take action, they desire to receive positive effects from their environment. In other words, the behavior of the person and the desired effect must be in harmony. In this case, positive messages should be used to support these behaviors. For example, messages such as “others will approve and appreciate you if you act like this” can be given to the person.

Since social marketing strives to create some behavioral and altitude changes on the subjects of interest, people can give some emotional reactions to change these behaviors (Cohen and Areni, 1991). Therefore, it will be effective to create behavioral change by bringing emotional factors to the fore in social marketing working on such issues.

At the same time, messages using the fear factor, especially in advertisements, have not really been successful, such messages can only be successful if the target audience is conscious of their own skill. For this reason, if the fear factor is to be used, two-sided messages should be preferred. Related risk models show that fear only affects people who think they can change their behavior. However, if the man lacks self-confidence, messages of fear can cause the man to refuse addiction and defensiveness, as well as cause boredom (Wolburg, 2001). Therefore, messages that motivate and support people can be more effective.

Another issue that should be considered while designing a social marketing program is the speed at which people adapt to innovations. For example, “innovators” or “early adopters” who implement new things (innovations) early and fast are internal control oriented. They make their decisions according to their own interests and lose what the behavior brought them. The “late majority”, which accepts innovations late, has an external locus of control. Therefore, others are affected by their thoughts. In this case, if the target audience of a social campaign is the “late majority”,

it should be emphasized what others will think of their behavior. On the other hand, if the target audience is "early adopters" and/or "innovators", they should be told about the benefits and harms of expected behaviors (Bayraktaroğlu and İltter 2007).

Social marketing can target sometimes temporary, sometimes permanent behavioral changes. For example, an immunization campaign requires a one-time vaccination to prevent disease, while a social marketing practice to protect forests expects people to act permanently on this issue. It is easy to find participants in campaigns that require permanent behavior change because the man needs to think more and it may be difficult to make a decision (Andreasen, 1997). If the behavior change is permanent, the benefits of these changes should be explained. Sustainability is important for the success of social campaigns that aim to change behaviors. Therefore, it is important for the effectiveness of the campaign to be able to reach people continuously through media and personal means.

In addition, some behaviors can be performed by one person, while others may require more than one person to perform. Driving within stated speed limits is the driver's decision, but family planning is the partners' decision. Therefore, it is necessary to convince the partner (Bayraktaroğlu and İltter 2007).

None of the messages have the same effect on different target groups. For this reason, it is important to make market segmentation in social marketing and to prepare different strategies for each target market. Otherwise, a campaign that causes positive behavior changes in one group may result in negative behavior changes in the other. For this reason, different campaigns should be prepared for forest villagers living in and near the forest and citizens who are local tourists.

As a result, if we combine both concepts, both sustainability and social marketing concepts include activities that complement each other. The concept of sustainable forestry has adopted the efficient use of resources and their transfer to the future. While realizing this situation, it also carries out the process of raising awareness of people. At this point, sustainable forestry activities can be carried out effectively with social marketing. The important thing is to set a correct target and users should be able to be convinced of it. If a wrong target is determined in the concept of social marketing, everything is done in vain, and the purpose is strayed.

REFERENCES

- Andreasen, AR (1997): “Social Marketing Science and Practice Challenges”. Goldberg, ME, et al. (Der) Social Marketing: Theoretical and Practical Approaches,. Mahwah, NJ: Lawrence Erlbaum Associates, Publishers.
- Andreasen, AR (1993): “Presidential Address: The Social Marketing Research Agenda for Consumer Behavior Researchers”. M. Rothchild and L. Mc Allister (eds), *Advances in Consumer Research*, Vol.20:1-5, Provo, UT: Association for Consumer Research.
- Anonymous 2000c. Ten Years of the Commitment to European Forests, The Ministerial Conference on the Protection of Forests in Europe, ISBN 3-9020073-02-0, 24p, Austria.
- Aytekin A., Kaygın B. And Yazıcı H. (1997). “Export- Import and Production Forecastibg og the Papers Used in Turkey”, XI. Ormancılık Kongresi, Volume 4, Antalya.
- Bayraktaroğlu, G. and İlter, B. (2007) Social Marketing: Barriers and Suggestions, *Aegean Academic Review*, Vol: 7 (1), 117-132.
- Baytekin, EP (2015) *Current Marketing Approaches from the Perspective of Public Relations*. Ankara: Nobel Academic Publishing.
- Bloom, P. and Novelli, WD (1981): “Problems and Challenges in Social Marketing”, *Journal of Marketing*, 45 (Spring): 79-88.
- Celsi, RL and Olson, JC (1988): “The Role of Participation in Attention and Comprehension Processes ,” *Journal of Consumer Research*, 15 (September): 210-224.
- Cohen, J. and Areni, C. (1991): “Impact and Consumer Behavior”. TS Robertson and HH Kassarian (ed.), *Handbook of Consumer Behavior*, Englewood Cliffs, NJ: Prentice-Hall.
- Daily, G. & Ehrlich, PR (1996). Socioeconomic Equity, Sustainability and Earth's Carrying Capacity”, *Ecological Applications*, 6 (4), 991-1001.
- Fishbein, K, Bandura A, Triandis HC, Kanfer FH, Becker MH, Middlestadt, SE, and Eichler, A. (1992): *Factors Influencing Behavior and Behavior Change*, Final Report-The Theorist's Workshop. Rockville, MD: NIMH.
- Görücü, Ö., 2002. Sustainable Forestry Practices in Spain and Comparison with Turkey. KSU Publication No: 90, Textbooks Publication No: 12, Kahramanmaraş, 93 p.
- Haq, G., Cambridge, H., & Owen A. (2013). A targeted social marketing approach for community pro-environment behavior change *Local Environment* 18(10): 1134-1152.
- İlter, E. and Ok, K. (2004): *Forestry and Forest Products Marketing Policy and Management*, Form Offset Printing, Ankara.

- Kaypak, S. (2010). Sustainability of ecological tourism. *International Journal of Alanya Business Faculty (e-journal)*, 2(2), 93-114
- Kotler, P. and Andreasen, AR (1996): *Strategic Marketing for Nonprofits*, (5th ed.), Englewood Cliffs, NJ: Prentice-Hall.
- Kurtoglu, Sergun (2007). "Analysis of Social Marketing Concept", *Istanbul University Journal of Social Sciences*, (1), p. 125-134.
- Lefebvre, RC and Flora JA, (1988): "Social Marketing and Public Health intervention". *Health Education Quarterly*, 15(3): 299-315.
- Maclaren, VW (1999). Urban sustainability reporting, *Journal of American Planning Association*, 66 (2), 184-202.
- Mucuk, I. (2001): *Marketing Principles*, Turkmen Publications, Istanbul, 2001.
- OGM, (2008). General Directorate of Forestry 2008 Sustainable Forest Management Criteria Indicators.
- OGM, (2016). Forest management. www.ogm.gov.tr .
- Rich, SU (1970): "Marketing of forest products: Text and cases" McGraw-Hill (New York), 712 p.
- Rothschild, MD (1997): "An Historic Perspective of Social Marketing", *Journal of Health Communication*, Vol: 2 (4 October-December), 308-310.
- Takahashi, B. (2009). Social marketing for the environment: An evaluation of theory and practice, *Journal Applied Environmental Education & Communication*, 8(2): 135-145.
- Tavmergen I. P. (1998): *Social Marketing: Problems of General Practice and a Research from Turkey*, *Pazarlama Dünyası*, Issue 70, 22-28.
- Tek, O.B. (1997): *Marketing Principles, Global Management Approach, Turkey Practices*; Cem Ofset Printing, Istanbul.
- Ulusoy, E. (2016) . Experiential responsible consumption, *Journal of Business Research*, 69(1): 284-297.
- Uslu, AT, & Carpenter, M. (2008). A Research on Social Marketing and Environmental Voluntary Organizations in Non-Profit Organizations. *Dokuz Eylul University Journal of Social Sciences Institute*, 10 (1), 109-137.
- Weinreich, KN (1999): "What is Social Marketing", *Weinreich Communications*, <http://members.aol.com/weinreich/articles.html>, (13/06/2006)
- Wiebe, GD (1952): "Commercial Products and Citizenship in Television", *Public Opinion Quarterly*, Vol. 15 (Winter): 679-691.
- Wolburg, JM (2001): "The 'Risky Business' of Binge Drinking Among College Students: Using Risk Models for PSAs and Anti-Drinking Campaigns," *Journal of Advertising*, 30(4): 24-39.

Chapter 9

IMPORTANCE OF MARKETING STRATEGIES FOR TOURISM COMPANIES

Mete Ünal GIRGEN¹

¹ Dr. Mete Ünal Girgen, Uluslararası Fıfıl Üniversitesi Turizm ve Mutfak Sanatları
Yüksekokulu, Orcid: 0000-0003-2709-5639

1. Introduction

Marketing strategy for tourism companies can be defined as a way to go beyond in the long run. It includes concepts such as competitive advantage, profitability, promotion, sales and guest satisfaction in the market. We use the word strategy correctly when we talk about a longer-term success as opposed to daily goals and objectives. But the most basic way to achieve success in the short term. The marketing strategy must be implemented before the business is established. Before setting certain targets (profitability, guest satisfaction, etc.), it is necessary to conduct market research. Knowing what different aspects and original aspects are from other companies to compete will provide an advantage for companies.

Marketing strategy is a method that allows a company to focus its limited resources on the most promising opportunities for increased sales and a long-term competitive advantage (Baker, 2008). Marketing strategy is a collection of procedures and an organizational function for producing, conveying, and delivering value to customers, as well as managing customer relationships in ways that benefit the firm and its stakeholders. It is the activity, collection of institutions, and procedures for producing, conveying, delivering, and exchanging value-added offerings for customers, clients, partners, and society as a whole (Varadarajan, 2010).

Marketing does not mean only sales, but planning and promotions are also important activities of the marketing strategy. Concepts affecting human factors such as creating business plans, personnel recruitment and training, establishing a system to track guest comments and feedback, creating a menu, using social media, monitoring technological developments, and analyzing threats and advantages in the market (in SWOT analysis). shared), the use of natural resources, social responsibility projects in which the enterprise is involved, etc. and these whole of the concepts forms the marketing strategy. Tourism companies can talk about a success as a result of following the changing market conditions, guest demands and prices and applying appropriate transactions in the long term. Although the marketing mix, which was determined as 4P for many years, went up to 7P, in this study, 5P was briefly passed (Awan et al, 2015). These are as follows:

1. **Product:** The product that the business markets, the physical characteristics of the product or the features that make the service different, and both the product quality and the quality of service of this product are very important.

2. **Price:** At this stage, the price of the determined product or service is determined, the comparison and analysis made in the market according to the competitors and the profitability should be calculated at this stage.

3. Place: Access to products and services should be easy. The place where the product is sold should be a place that appeals to the consumer (target audience). A place where consumers can buy and prefer the product should be chosen. Businesses located in more than one place should pay attention to the same quality standards and service quality while ensuring profitability.

4. Promotion: During this transaction, it is explained how to inform the market about the product or service. In order to control what is offered to people who prefer the brand, it is relevant to the promotion that they need to be told about the features and benefits offered to them and what the main theme is. Which marketing tactics to use and what are the expectations both in the short term and in the long term are important functions of the promotion.

5. People: This is important for the newly added “P” and others to help you create or deliver your product or service. Who these people are (eg salespeople, virtual assistants) and their activities (eg sales calls, customer service) should be disclosed. Tourism businesses should know what the experience and education levels of their employees are. The way to be successful in the long run is through continuous training and staff development.

Effective companies use strategic planning, organization, leadership, execution and control to generate value. Meeting and exceeding consumer expectations not only provides competitive advantage in the market, but also benefits businesses (Camilleri, 2018). The process of designing and maintaining a strategic fit between the priorities of businesses, the way they use resources (such as natural or human resources) and emerging marketing opportunities is known as strategic planning (Kotler et al., 2018).

Marketing tactics in the long-term plans of businesses are to achieve certain goals in the long run. Marketing ensures that the target audience understands and recognizes the product being marketed and what differentiates it by businesses. The values that distinguish businesses from their competitors and the points that show which service or product is superior can be shown through marketing. It is the responsibility of marketing to ensure that the lifecycle continues. When the life cycle of a product or service begins to decline, the company must concentrate on creating or innovating the product/service, and the role of marketing is to sell the company’s strengths (George, 2014).

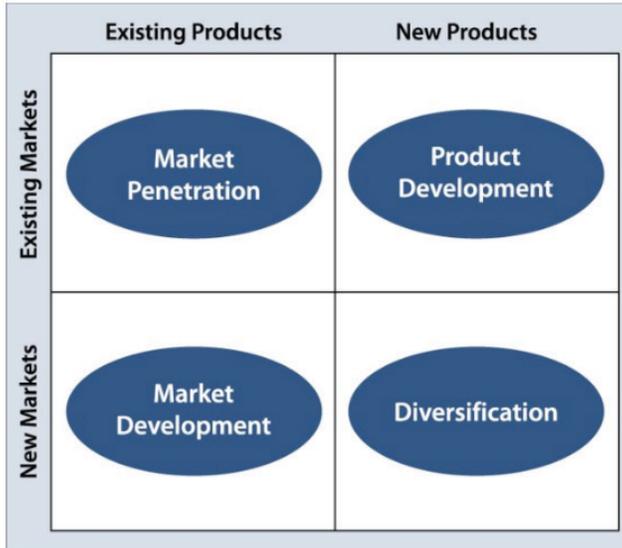
High-performance market characteristics, prepared by Kotler et al. (2014), include stakeholders, processes and companies, resources and organizational and business structures. When stakeholders are disclosed, most companies refer to their shareholders. Companies increasingly

understand the value of developing other stakeholders such as consumers, staff, vendors and the communities in which they work. Processes - companies constantly focus their attention on the need to manage more processes than departments. Examining how tasks are defined from department to department and barriers to creative output is crucial to marketing strategies. Because without identifying the obstacles, it is not possible to overcome them. When resources are mentioned, they include personnel, materials, devices and information to run processes by an organization. Today, more businesses are choosing to outsource less critical functions. Companies must work hard to match their structures, strategies and cultures with changing business strategy requirements (Kotler et al., 2014).

One of the most important items of marketing strategies for businesses is to create a mission statement. Business mission statements define the organization's purpose, promote the organization's culture, and support the development and emergence of traits such as team spirit and internal-entrepreneurship to achieve desired levels of success. The emergence of such abilities increases motivation in the workplace, which positively affects performance (Bartkus et al, 2006). The most basic of goals is productivity after increased performance. Concepts such as creativity and productivity increase profitability, and taking part in the market with an original product and a different service will create a competitive advantage. Correctly marketing their distinctive products results in word of mouth. Today, this has left its place to the e-word of mouth where guests share their experiences on sites such as TripAdvisor and Booking.com (Kotler et al, 2014).

It is a strategic structure that ensures long-term success for businesses that want to go beyond a normal business and aim for success. It aims to assist in deciding which of the four strategic directions should be followed in order to develop a business effectively (Hussein, 2013; Kotler, 2014; Wright, 2017). The Ansoff Matrix's four strategies include market penetration, product and market development and diversification. Market Penetration is concerned with expanding sales of existing products to a pre-existing market. Product development is concerned with bringing new items to a market that already exists. Market Development is the goal of this strategy is to break into a new market with existing items. Diversification means, the development of a new product in a new market by companies (Finney and Joseph, 2009; Bocken et al., 2016).

Figure 1. Igor Ansoff's Product-Market Growth Matrix



Source: Finney & Joseph, 2009.

SWOT analysis on the other hand, allow companies to analyze the company's strengths and weaknesses, while also seeing industry opportunities and threats. Before developing new marketing and sales strategies, SWOT analysis allows companies to create more accurate and effective strategies. SWOT analysis explained by Kotler et al. (2018) as the weights the company's overall strengths, weaknesses, opportunities, and threats. Strengths are the internal capabilities, resources, and positive situational factors are examples of strengths that may help the company serve its customers and achieve its goals. Weaknesses are the internal shortcomings and negative situational variables that interfere with the company's success are examples of weaknesses. Opportunities are favorable external factors or trends that a company may be able to exploit to its advantage. Threats are unfavorable external factors or trends that may pose performance challenges (Kotler et al., 2018).

2. Consumer Market and Consumers' Buying Behaviour

Consumer buying behaviour can be defined as 'the study of individuals, groups, or organizations, as well as all behaviours involved with the purchase, use, and disposal of products and services, is known as consumer behaviour'. Consumer behaviour refers to how a person's emotions, attitudes, and preferences influence their purchasing decisions (Ramya and Ali, 2016). The consumer market consists of end-users who

do not sell the product or service and it involves individual or family who obtain or purchase products and services for their own consumption (Kotler et al., 2018). One of the earliest models of consumer behaviour was proposed by Howard and Sheth (1969) which analyses buying behaviour by incorporating different psychological, social and marketing influences on consumer choice. Consumer decision-making is influenced by the power of the customer's attitude towards its available products, which is mainly influenced by consumer's experiences and learning with the product category (Howard and Sheth, 1969). Consumer buying behaviour are those actions, decisions, experiences and ideas that meet the wants and need of customers (Solomon, 1996). These are the activities, procedures, or measures taken by consumers pre or post purchasing a product or service in a marketplace. It is involved with all operations directly associated with the acquisition, consumption, and disposal of goods and services, as well as the decision procedures which precede and accompany these actions (Engel et al., 1995).

There are factors affecting the customer behaviour such as; social factor, cultural factor, personal factor and psychological factor. Cultural factor: consumer behaviour has deeply affected by their culture, sub culture and social class. According to (Nilesh, 2013) culture is in every society and is a major influence on people's desire and their behaviour, because the impact of culture on purchasing behaviour varies by country, advertisers must be extremely cautious when assessing the culture of various individuals, communities, or perhaps even countries. According to (Kotler et al., 2018) each culture encompasses fewer subcultures, or groups of individuals who share cultural values based on similar life challenges and situations. In each culture there are different subculture such as religions, nationalities, geographic areas and ethnic groups. Marketers may use such groups by dividing the business into segments. Marketers, for example, should design goods depending on the needs of a particular regional group (Nilesh, 2013). In every culture there is a form of social class where everyone in each class tend to have a habit of buying similar things, activities should be customized in different ways according to different class and social class is not determined by only income or status but can also be determined by wealth, occupation, education and lots more (Nilesh, 2013).

Personal factors such as lifestyle, age, self-concept, occupation, personality and economic situation also influence customer buying behaviour. Lifestyle can be defined as a customer's manner of living as defined by their hobbies, passions, or opinions; this also explains how they interact with the rest of the world (Hasslinger et al., 2007). Consumer behavior varies according to age, life stage, and even relationship. A consumer's preferences for purchasing a product or service alter with

age. For example, a 70-year-old will not want to buy a sport automobile, although a young person may, and with every stage of life, the demand for some items decreases while the need for others increases (Ramya and Ali, 2016).

Consumer's occupation tends to influence and affect their buying decision or behaviour. The amount of money they make at their job has an impact on what a consumer can buy. Most people in similar jobs have similar musical, wardrobe, and recreational preferences. Less well-off people are more prone to buy survival items rather than premium brands, designer shoes, or clothing. Another component that influences client purchasing behavior is psychological. Perception, motivation, learning, beliefs, and attitude are some of the psychological aspects. Consumers generally know what they want as a result of their knowledge, comprehension, beliefs, and inspiration (Solomon, 2004). Individuals can learn beliefs and attitudes through study and training, and these effects can influence the purchase process by forming a brand image and product in the consumer's mind. A belief is a descriptive thought about an entity based on real experience, point of view, and confidence, and it is created by human emotions. Attitude refers to how people assess, feel, and think about something, as well as how they make decisions about it (Kotler et al., 2018). A family generates the first insights on brands, products, and consumers. For example, people who established brand perceptions as children will make the same brand selections as adults, without even understanding that their family influenced their decisions. Due to the multiple components involved and their inclination to communicate with one another, consumer behavior is relatively complicated. Social, personal, psychological, and cultural factors can all have a significant impact on consumer buying behavior (Kotler & Armstrong 2010).

In tourism sector, the marketing climate and tourism organization's success can be influenced by both internal and external elements. Tourism companies must respond to current trends and changes in their macro and micro surroundings to remain competitive in market. As a result, external environmental elements such as political, economic, social, and technological effects influences the climate in tourism market. Internal environmental elements such as capital structures, finances, capacities, and marketing intermediates are taken into account when assessing the competitive advantages of specialized or low-cost service providers (Camilleri, 2018). According to United Nations World Tourism Organization forecasts for 2030, international tourism will grow over the next ten years at the same rate from 1950 to 2010, resulting in a tourist demand of around 1.8 billion tourists in the year 2030 (UNWTO, 2011). Travel and tourism suppliers have a special relationship with the marketing

climate in which they operate for the vast majority of other companies, company and client boundaries. Today's tourism and hospitality businesses are faced with unprecedented uncertainties and transitions, with a modern model of global and social growth characterized by a new geopolitical and economic balance, as well as new poles of development (Yeoman, 2008). On the one hand, despite successive specializations based on products, market concentration is increasingly visible, on the other hand, we still see a universe of supply with independent and dissociated characteristics from the main economic classes (Holjevac, 2003).

The tourism sector has developed over the years depending on the businesses in different sectors. Through their bargaining power, some of these companies have used alliances to reap the benefits of size, distance, and density savings, cost savings, the removal of legal barriers, and the development of additional barriers for new entrants, all based on the concept of intercontinental service based on the hub & spoke model (Doganis, 2001). Marketing 3.0 broadens the definition of marketing by include human needs, values, and spirit and for Marketing 3.0, the customer is a human being with other needs and ambitions that must never be ignored. As a result, emotional and human spirit marketing are part of Marketing 3.0. In times of global economic crisis, Marketing 3.0 becomes increasingly relevant to customers' lives, since they are the ones most affected by rapid technical, social, economic, and environmental changes (Kotler et al., 2010).

The strong brands in market often base their business approach on an active and close relationship with the customer, in addition to this spiritual and emotional connection. The use and advancement of technological channels B2C (Business-to-Consumer) and C2C (Consumer-to-Consumer) has been a commitment of tourist companies to achieve this goal, changing the delivery model of conventional tourism. This is particularly true in the tourism industry because of its immaterial and perishable nature. Inspired by the impact and performance of C2C networks, such as tripadvisor.com, tourism companies began to associate with these groups to create their own online spaces and resources and eventually joined the world of social media, such as Facebook. (McCarthy et al., 2010)

The follow-up of technological developments plays a very important role in the tourism sector, as in almost every sector. It is also very important in terms of providing competitive advantage in the market. Adaptation to technological applications (for example, the activation of the game Pokemon Go at the Marriot Hotel and the application of Virtual Reality applications in the tourism sector) is an excellent tactic to attract technology-following tourists to tourist facilities (Jain, 2017; Davies, 2021). Customers are connected and driven towards communization by

technology, just as countries and enterprises are connected and driven towards globalization by technology. Tourism companies that want to be a part of this new trend must answer this demand and make it easy for their customers in their communities to communicate with one another. Community support is necessary for business success. (Kotler et al., 2010). F-commerce for consumer brands is new and experimental, and future trends will be dictated by the effectiveness of f-commerce in achieving the brand's goals. The fate of f-commerce is not predetermined; it is up to brands to decide their own destiny (Marsden, 2011).

Tourism facilities have to follow the validity of the standards described and referred to herein, a continuous development and systematic applications that uses various geographical realities as well as various dimensions, business models and processes. Tourism companies should follow changes in the market, indirectly changes in customer profiles, new product ideas and marketing techniques in the market, and constantly prepare themselves for these changes. The multitude of opportunities provided by the Internet requires special attention. In this virtual environment, the commercial activity of tourism organizations, promotional activities and pricing are very important.

The internet and technical advancements primarily enable and promote marketing initiatives in which consumers buy travel and tourist services directly from the source. To fully benefit from these shifts, travel and tourism marketers must remain on top of rapid technical advancements while also going beyond the typical innovation dispersal paradigm. Direct marketing faces both obstacles and opportunities as network media grows in popularity. Companies must use social media to directly and indirectly reach out to their target audiences. Direct marketing has always been evaluated using cognitive and behavioral criteria (Palmer and Koenig-Lewis, 2009).

Social media has become the technique of expression in the twenty-first century, allowing us to communicate our opinions, thoughts, and manners in a whole new way. This style of communication has also had a big impact on organizations, which have realized that without a good plan and social media strategy, they have no hope of distinguishing out in the fast evolving digital freedom. The rapid expansion of social networking sites such as Twitter, LinkedIn, and Facebook, among others, has heralded a new era in social media. These channels are also available for tourism sector nowadays, as well as the booking.com, holidaycheck, TripAdvisor, Trivago etc. Any type of those online media that encourages participation (to receive feedback), transparency, dialogue, connectors and a sense of community is referred to as social media. Its getting important everyday because of the word of mouth term has transformed to e-word of mouth

(Sajid, 2016). The social media craze has had a huge impact; as a result of social media, research procedures have evolved. This allows brands to engage with their customers more effectively and strengthen their ties with them.

The advertising sector is not immune to the influence of social media. Companies are becoming more cautious when it comes to advertisements, mainly in terms of anticipating consumer reaction and avoiding surprise blunders to avoid viral consumer reprisal on social networking platforms (Saravanakumar and Suganthalakshmi, 2012). In the promotion mix, social media plays different roles. It allows businesses to communicate with their customers while also allowing regulars to communicate with each other. The firm's top priority is to shape customer cemetric so that they are aligned with the organization's goals (Gillin, 2007). For instance, PepsiCo has used social media in order to gather customer feedback for its DEW McCray promotions, which has resulted in the creation of new Mountain Dew varieties. The company has sold over 36 million cases of them since 2008. Moreover, with its immensely popular Idea Storm website, Dell Company has harnessed the power of social media to allow users to submit ideas for new product lines and enhancements, vote on them, and comment on them. Dell has continued to ship PCs with Linux installed and has added up community carry as a result of the website (Weber, 2007). Similar example can be the Pokemon Go that applied by Marriot hotels. There was a video on youtube of Fashion TV (2011), which was showing the importance of being part of social media channels of different sectors like fashion which applied by Banyan Tree Hotel (Roll, 2018). McDonald's gets a lot of things right when it comes to social media. These includes, posting on a regular basis/scheduling posts; posting content that is relevant to their target audience engaging customers. Customers and followers are being engaged in an entertaining way as well as for customer service. In their social promotion efforts, they are incorporating current and seasonal events (Giraffe Social Media, 2013). These activities follow as:

- Posting on a regular basis/scheduling posts,
- Publishing content that is relevant to their target audience.
- Interacting with consumers and followers in a fun and professional manner.
- Incorporating current and seasonal events into their social media marketing campaigns.
- Using a pleasant, amusing, and helpful tone of voice for the brand.
- Making use of each platform's unique characteristics and adapting content across channels.

McDonald's has a strong social media presence, having established itself as a globally recognized brand. They may use social media to focus on keeping current followers and brand loyalists because of their global brand prominence.

Metrics as McDonald's Social Media accounts of March 2021:

- Facebook: 80 Million followers;
- Twitter: 3.7 Million followers;
- Instagram: 3.9 Million followers; YouTube: Approximately 500 thousand subscribers; Pinterest: Approximately 20 thousand followers (Giraffe Social Media, 2021).

The Marriot Hotel chain on the other hand, made a great success in the hospitality market. The Marriott International is a US-based worldwide hospitality company that maintains and franchises a broad portfolio of hotels and lodging facilities. J. Willard Marriott and his wife started the company when they opened a root beer stand in Washington, D.C. In 1957, the couple founded their first hotel in Arlington, Virginia. Since then, the company has grown at a breakneck pace. Marriott International will have more than 7,500 hotels around the world by 2020. They adopt themselves for the changes in the sector and update the technological changes for their companies. A large percentage of these units are now located outside of the United States. This is due in part to the acquisitions of Delta Hotels in Canada and Starwood Hotels and Resorts in the United States in 2015 and 2016, respectively. The number of Marriott International properties by region varied greatly as of 2020. Marriot brand as world's largest hotel company, generated around 10.57 billion dollars in revenue in 2020, down from 20.97 billion the previous year. It was the most profitable hotel firm in the world in 2019, outperforming other major hotel chains such as Hilton Worldwide, Hyatt Hotels, and Accor. Marriott's revenue was more than double that of its main competition, Hilton Worldwide. Marriott International, Inc. had approximately 7,000 hotels worldwide in 2020, surpassing Hilton Worldwide, which had around one and a half thousand less properties in the same year. Successful marketing strategies of Marriot International includes market targeting, marketing mix and product strategies (Lock, 2021; Shastri, 2021).

The JW Marriot, a luxury brand produced by Marriott International, is aimed at clients wanting a tranquil and sumptuous environment throughout their stay. Marriott International has effectively established various target markets within the sector by focusing on the needs of its clients. As a result, their clientele are generally individualistic, sophisticated, and self-defined travelers as well as business travelers who are willing to spend

more money on their accommodations. The type of hospitality services is Marriott's fundamental product in its marketing mix. Their product strategy encompasses all aspects of hotel management. They have more than 30 hotel brands, including Ritz-Carlton, Sheraton, Renaissance, and many others. The term "marketing mix" is widely used to describe a company's strategy for reaching out to its target market. A marketing mix can also be utilized to figure out what a company is up to from a marketing standpoint. It covers the 4Ps, or Product, Price, Place, and Promotion, which include a company's product, price, location, and promotion. Marriott International's M Live has been shaping the future of the hospitality industry with their communities in Marriott Hotels. M Live is a platform, wherein the M Live team of Marriot Hotel chain tracks a variety of topics that are popular worldwide and organizes its content around these topics. Furthermore, it also targets people on an individual level. There are other marketing & advertising campaigns of Marriott International such as #GoldenRule marketing campaign that keeps them as the leader in hotel sector (Shastri, 2021).

Tourism companies can use mobile marketing to shape or modify consumer impressions of a brand in innovative ways. Thanks to recent improvements in mobile technology, higher penetration rates, and inherent characteristics of mobile devices, the mobile channel has grown into the ultimate marketing vehicle, allowing businesses to create a pervasive electronic presence alongside their clients anytime, anywhere. Mobile advertising has become a substantial revenue generator, in addition to the unique prospects for creating and maintaining consumer relationships given by mobile services. SMS, MMS, WAP, and Java are just a few of the technology platforms that can help with mobile marketing. However, the majority of research to date has concentrated on SMS-based mobile marketing. As a result, more research into mobile marketing technology is required, especially into how various technologies and applications are used in various campaigns (Michael and Salter, 2006).

In fact, social media is not about money or institutions. The goal isn't to make billions of dollars for stockholders. It has nothing to do with the ownership of a corporation. Ordinary people are using social media to take control of their surroundings and to find new and imaginative ways to unify their collective voices in order to achieve their objectives. Although Social Media Marketing (SMM) is mostly internet-based, it shares some traits with non-internet-based marketing approaches like word-of-mouth marketing. It's a way of using social media to promote a website, brand, or company by interacting with or gaining the attention of current or potential customers (Micu et al., 2017).

3. Engaging customers and communicating customer value and advertising

Business-to-business marketing is founded on creating and conveying customer value. The perspective on the value construct and communicating client value propositions has shifted dramatically in recent years. The origins of the value notion may be traced back to early economic literature, which distinguished between two complimentary viewpoints on consumer value: value in trade and value in usage. The ambiguity of the idea of sustainable development, along with its growing relevance in national, international, and corporate policy, has resulted in a significant political war over the term's interpretation, which has resulted in a large political battle for power over our future. It is suggested that the value literature has moved from a focus on resource exchange and value in exchange to a focus on resource integration and value in use, based on this crucial distinction. The customer value and articulating customer value propositions through this lens, and argue that in today's competitive market places, a deep understanding of how value is created in a customer's idiosyncratic use situation is becoming increasingly important (Eggert et al., 2018).

Tourism and hospitality service providers always want to increase level of satisfaction, make them loyal to the company and search ways to engage customers in the value creation process to deliver personalized experiences. The transition to such applications in the tourism sector has been facilitated by the rapid development of information communication technology. Current business research on online customer engagement on social media and the internet mostly focuses on computer-based platforms. Mobile instant messaging (IM) has significant potential for interactions between businesses and users. On the basis of service-oriented systems and computer-mediated communication theories, customers' perceived co-creation experiences facilitated by mobile IM should also be examined in the marketplace (Lei et al, 2020). Hotels today have to actively respond to guest reviews as they influence other travelers' decisions about their visit. Still, studies on how hotel managers respond to online reviews are constantly changing and innovating. In the service industry, lessons can be learned even from mistakes. Mistakes made during the service or missing points mentioned by the guests can create an advantage. Proper tracking and analysis of shortcomings allows hotel operators to change them. Although this may seem like a low-scoring comment in the short run, it is important in the long run to become a hotel business with a high score average (Li, 2017). The ability to measure service quality is very important for businesses that want to achieve a service-oriented computing paradigm. There are many techniques available in the market, and most of them attempt to calculate the quality of a service by collecting quality

ratings from service users and then combining them in one way or another. In particular, the frequency, speed, and length of the reviews response are business techniques that influence guests. When examining studies based on large-scale field data from Booking.com, Holidaycheck, and TripAdvisor, the more comments, the higher the average value is important in the event of customer engagement. The frequency and speed of responsiveness indicate that traveler engagement has increased significantly, as indicated by guest engagement and higher popularity. Also, frequent and quick response system is more effective for budget (premium) hotels. Therefore, tourism companies' response to online reviews serves as a critical communication channel to engage customers (Kotler et al, 2014). In market, to create competitive advantage in market tourism marketers should concentrate not only on creating informative and interesting social media marketing, but also on ensuring that the ads are credible. Furthermore, tourism practitioners should systematically integrate Facebook and Instagram accounts into their marketing plan because it influences customer attitudes and, as a result, behavior, particularly when the company employing social media advertising has a solid corporate reputation (Li, 2017).

Despite the widespread usage of social media by tourists and businesses in recent years, the efficiency of social media advertising in the tourism industry remains unknown to practitioners and academics (Hamouda,2018). Touristic consumption, based on Baudrillard's critique of the ideological component inherent in all consumption, occupies a unique position in this social semantic for a variety of reasons. Because tourism is a product consumed outside of normal time and social space, advertising plays an important, if not critical, role. As a result, the social semantic exerts itself through its representation: advertising discourse, rather than through the product itself. Advertising discourse, on the other hand, is numerous, with each type having its own ideology and competing with the others. Behind the business struggle is a social class rivalry, but one with a new typology that isn't based on the capital/favor relationship. The conventional model, the clerical/executive model, the youth model, and the "intellectual class" model are all examined and illustrated using advertising slogans (Thurot and Thurot,1983).

The Internet is a major marketing and communication tool in the tourism sector, therefore it's remarkable that the structural relationship between tourism and Internet-based advertising has gotten so little attention. Experiential marketing is perhaps the most modern marketing approach, yet it has been largely disregarded by those involved in tourist and hospitality marketing and promotion, as has been the case with many marketing breakthroughs. While many businesses have moved away from traditional features and benefits techniques in favor of experiential

marketing, tourism and hospitality marketing does not appear to have explicitly addressed the theoretical concerns involved (Williams, 2006). The usage of experiential marketing in the hospitality and tourism business is not widely documented, despite the fact that experience is acknowledged as a major value. As a result, we'll look at experiential marketing in the context of hospitality and tourism operations. The businesses were founded to investigate the connections between experiential marketing, experiential value, and customer pleasure. According to studies on the issue, both measurement and structural equation models have a good overall model fit. Furthermore, the total result implies that emotional and functional values offered by feel perception, think perception, and service quality should promote consumer happiness through experiential marketing. The findings of this study can be used by hospitality firms to obtain a deeper understanding of client experiences, establish effective marketing strategies, and further stage the operational environment so that consumers' perceived experiential value is maximized (Wu et al., 2008).

4. Conclusion

While this study talks about the importance of marketing strategies for businesses in the tourism sector, it also explains many methods by exemplifying. Marketing strategy is a very important concept for tourism businesses to focus on existing resources and increase sales, compete with their competitors and gain competitive advantage in the market. It is the name given to the systematic planning process that ensures that all these practices are used in the best possible way. In other words, marketing strategies are a comprehensive plan designed to achieve the marketing goals of organizations. It is the building block of the marketing plan concept. Contrary to popular belief, it is a broader and long-term concept, unlike concepts such as sales or promotion. As in all sectors, it can be designed for tourism businesses after detailed marketing researches in the market. Marketing strategies help businesses focus on the best possible opportunities to increase sales and profitability, increase guest satisfaction and customer loyalty.

References

- Awan, W. A., Salam, A., & Inam, S. G. (2015). The impact of marketing mix (5 Ps) elements on sales of UPS: A case of Karachi Market–Buyer’s perspective. *VFAST Transactions on Education and Social Sciences*, 3(1), 50-56.
- Baker, M. J. (2008). *The Strategic Marketing Plan Audit* (2nd ed.). Cambridge Strategy Publications Limited. p. 3. ISBN 9781902433998.
- Bartkus, B., Glassman, M., & McAfee, B. (2006). Mission statement quality and financial performance. *European Management Journal*, 24(1), 86-94.
- Bocken, N. M., Fil, A., & Prabhu, J. (2016). Scaling up social businesses in developing markets. *Journal of Cleaner Production*, 139, 295-308.
- Camilleri, M. A. (2018). The marketing environment of tourist destinations. In Camilleri, M.A. (Ed.) *The Branding of Tourist Destinations: Theoretical and Empirical Insights*. Bingley, United Kingdom: Emerald.
- Davies, C. (2021). Virtual reality tourism ready for takeoff as travellers remain grounded. *The Guardian*. Retrieved from: <https://www.theguardian.com/technology/2021/feb/06/virtual-reality-tourism-ready-for-takeoff-as-travellers-remain-grounded>
- Doganis, R. (2001). *The Airline Business in the 21st Century*. New York: *Routledge*.
- Eggert, A., Ulaga, W., Frow, P., & Payne, A. (2018). Conceptualizing and communicating value in business markets: From value in exchange to value in use. *Industrial Marketing Management*, 69, 80-90.
- Engel, J. F., Blackwell, R. D., & Miniard, R. W. (1995). *Consumer behavior*. Fort Worth, TX: Dryden Press.
- Fashion TV. (2011). Banyan Tree Grand Opening Party ft Special Fashion Show - Bali. Fashion TV Parties. Retrieved from: <http://www.FTV.com/videos>
- Finney, A., & Joseph, M. (2009). The forecasting mantra: A holistic approach to forecasting and planning. *Foresight: The International Journal of Applied Forecasting*, (12), 5-13.
- Gajjar, N. B. (2013). Factors affecting consumer behavior. *International Journal of Research in Humanities and Social Sciences*, 1(2), 10-15.
- George, D. K. (2014). Marketing role in the company’s strategic planning, *Marketing Blog*, 2014, March 31. Retrieved from: <https://marketingcsumb.wordpress.com/2014/03/31/marketing-role-in-the-companys-strategic-planning/>
- Gillin, P. (2007). *The New Influencers: A Marketer’s Guide to the New Social Media*. *Linden Publishing*.
- Giraffe Social Media, (2021). *Social Media Case Study: How McDonald’s Uses Social Media*. Retrieved from: <https://www.giraffesocialmedia.co.uk/social-media-case-study-how-do-mcdonalds-use-it/>

- Hamouda, M. (2018). Understanding social media advertising effect on consumers' responses: An empirical investigation of tourism advertising on Facebook. *Journal of Enterprise Information Management*.
- Hasslinger, A., Hodzic, S., & Opazo, C. (2008). Consumer behaviour in online shopping. Department of Business Studies, Kristianstad University.
- Holjevac, I. (2003). A vision of tourism and the hotel industry in the 21st century. *International Journal of Hospitality Management*, 22(2), 129-134. [http://dx.doi.org/10.1016/S0278-4319\(03\)00021-5](http://dx.doi.org/10.1016/S0278-4319(03)00021-5).
- Howard, J. A., & Sheth, J. N. (1969). The theory of buyer behavior. *New York*, 63.
- Jain, J. (2017). Marriott's Poké Triumph – How M Live Turned \$3k into Millions in Brand Awareness. *Hotelemarketer.com*. Retrieved from: <http://hotelemarketer.com/2017/02/17/marriotts-pokemon-triumph-how-m-live-turned-3k-into-millions-in-brand-awareness/>
- Kotler, P. & Armstrong, G. (2010). Principles of Marketing. Pearson Education. Thirteenth Edition. New Jersey.
- Kotler, P., Bowen, J. T., Makens, J., & Baloglu, S. (2014). Marketing for Hospitality and Tourism. ed. *Harlow, Essex: Pearson Education Limited*.
- Kotler, P., Kartaya, H., & Setiawan, I. (2010). Marketing 3.0 - From Products to Customers to the Human Spirit. New Jersey: John Wiley & Sons, Inc.
- Kotler, P., Makens, J. C., Bowen, J. T., & Baloglu, S. (2018). *Marketing for hospitality and tourism*. Pearson Education.
- Lei, S. I., Ye, S., Wang, D., & Law, R. (2020). Engaging customers in value co-creation through mobile instant messaging in the tourism and hospitality industry. *Journal of Hospitality & Tourism Research*, 44(2), 229-251.
- Lock, S. (2021). Marriott International - statistics & facts. Statista. Retrieved from: <https://www.statista.com/topics/1872/marriott-international/#dosierKeyfigures>
- Marsden, P. (2011). F-commerce; Selling on Facebook, The Opportunity for Consumer Brands. Syzygy White Paper. Retrieved from http://socialcommercetoday.com/documents/Syzygy_2011.pdf
- Michael, A., & Salter, B. (2006). Mobile marketing. *Routledge*.
- Micu, A., Micu, A. E., Geru, M., & Lixandriou, R. C. (2017). Analyzing user sentiment in social media: Implications for online marketing strategy. *Psychology & Marketing*, 34(12), 1094-1100.
- Palmer, A. and Koenig-Lewis, N. (2009), "An experiential, social network-based approach to direct marketing", *Direct Marketing: An International Journal*, Vol. 3 No. 3, pp. 162-176.
- Ramya, N., & Ali, S. M. (2016). Factors affecting consumer buying behavior. *International journal of applied research*, 2(10), 76-80.

- Roll, M. (2018). Banyan Tree – Branded Paradise From Asia. Retrieved from: <https://martinroll.com/resources/articles/asia/banyan-tree-business-brand-strategy/>
- Sajid, S. I. (2016). Social media and its role in marketing.
- Saravanakumar, M., & Suganthalakshmi, T. (2012). Social media marketing. *Life Science Journal*, 9(4), 4444-4451.
- Shastri, A. (2021). The Art of Marketing Hotels: Strategy of Marriott – A Case Study. <https://iide.co/case-studies/marketing-strategy-marriott-international/>
- Solomon, M. R. (1996). *Consumer behavior* (3rd ed.). Engle-wood Cliffs, NJ: Prentice-Hall.
- Solomon, M. R. (2004). *Consumer behaviour*. Sixth edition. Prentice Hall.
- Thurot, J. M., & Thurot, G. (1983). The ideology of class and tourism confronting the discourse of advertising. *Annals of tourism research*, 10(1), 173-189.
- UNWTO [United Nations World Tourism Organization]. (2011). *Tourism Towards 2030: Global Overview*. Madrid: UNWTO.
- Varadarajan, R. (2010). Strategic marketing and marketing strategy: domain, definition, fundamental issues and foundational premises. *Journal of the Academy of Marketing Science*, 38(2), 119-140.
- Weber, S (2007). Plug Your Business! Marketing on MySpace, YouTube, blogs and podcasts and other Web 2.0 social networks. *Weber Books*.
- Williams, A. (2006). Tourism and hospitality marketing: Fantasy, feeling and fun. *International Journal of Contemporary Hospitality Management*.
- Wu, S. I., Wei, P. L., & Chen, J. H. (2008). Influential factors and relational structure of Internet banner advertising in the tourism industry. *Tourism Management*, 29(2), 221-236.
- Yeoman, I. (2008). *Tomorrow's tourist: scenarios and trends*. Oxford: Elsevier.

Chapter 10

THE DARK TRIAD OF PERSONALITY AND JOB SATISFACTION: A RESEARCH IN TOURISM SECTOR

Esin YÜCEL¹

¹ Dr. Esin Yücel

Akdeniz Üniversitesi

ORCID: 000-0003-1371-8911

1. Introduction

Personality traits are important signifiers of the behaviors and manners that the individuals exhibit toward their colleagues and customers in their professional and social lives (Sığrı & Gürbüz, 2011: 31). There are individuals with traits that can be described as “dark,” as well as individuals with traits desired/sought after/expected/positive in the general society.

It is evident that despite all the vetting procedures used by corporate structures in hiring and selecting new employees, a complete spectrum of personality traits cannot be determined at this stage. In these situations, we face with the novel problem of how to manage employees with these dark traits. Especially in tourism sector, which is labor intensive by nature, both the positive and dark traits of the employees’ will affect the corporate climate as well as the quality of service and its sustainability because of their direct contact with customers, and general customer satisfaction, customer loyalty, and many other corporate outputs.

Frequent studies can be observed in the international body of literature on narcissism, psychopathy, and Machiavellism, which are said to be the main dark traits of personality. Increasing unethical business practices in recent years led the researchers in the field of management to study the dark personality traits as much as positive aspects of personality traits because of their potential for damage to the corporate entity and the society itself, and those studies have mainly focused on the impact of dark traits on the corporate output (Brunell et al., 2008; Penney & Spector, 2002; Robinson & O’Leary-Kelly, 1998; Amernic & Craig, 2010; Galperin et al., 2011; Rosenthal & Pittinsky, 2006; Kiazad et al., 2010; Kessler et al., 2010; Harms et al., 2014; Jones & Paulhus, 2011; McDonald et al., 2012; O’Boyle et al., 2012; Furnham et al., 2013; Maples et al., 2014; Schyns, 2015; Jonason & Webster, 2010; Skeem et al., 2011; Jonason et al., 2015; Spain et al., 2013). A lack of studies on this subject in the Turkish body of literature is noteworthy (Kanten et al., 2015; Özsoy & Ardiç, 2017; Özsoy et al., 2017(a;b); Özer et al., 2016; Aydoğan & Serbest, 2016; Özen Kutanis et al., 2015). A study of the Dark Triad of personality traits in corporate settings spanning a whole set of variables would significantly contribute to the understanding of possible corporate outcomes. With this purpose in mind, the object of this study is to find out the impact of the Dark Triad of personality traits on job satisfaction of employees in the four and 5-star hotels around the Alanya region. The data have been collected via survey forms from the employees of those lodging establishments and analyzed by SPSS 22.0 soft-ware, and evaluated by theoretical and applicable perspectives. In the study, first, a theoretical framework has been laid, and methods and procedures have been de-scribed, then the findings are

discussed in the light of the body of literature. The results are thought to be of interest to researchers and executives in the sector.

2. Conceptual Background

2.1. The Dark Triad of personality: Narcissism, Machiavellianism, and Psychopathy.

“The Dark Triad of Personality” as a concept, defined by Paulhus and Williams (2002: 557) consists of sub-components of narcissism, Machiavellianism and psychopathy which are regarded as dark traits of personality. Despite the general acceptance of Paulhus and Williams as the progenitors of the concept in the body of literature, Harms and Spain (2015: 21) state that the said study for dark personality traits as not novel, but put forward by Emil Kraepelin in his textbook describing the structure of disturbing personalities and thus, the concept of dark personality in 1907. Harms and Spain (2015) claim that Kraepelin’s description of the personal traits consisting ethical insanity, (characterized by lack of empathy, tendency for cruelty and deficiency in foresight) instability, (ill-naturedness, uneasiness, and apathy) deceitfulness and fraudulence (having joy from deceiving others and tendency to blame others for failure) are currently labeled as psychopathy, borderline personality, paranoia, and Machiavellism.

2.2. Subclinical Narcissism

Paulhus and Williams (2002: 557) have described the trait of narcissism as subclinical narcissism. Narcissism is defined as a personality disorder in psychiatry and clinical psychology, whereas subclinical narcissism is considered as a personality trait in social and organizational psychology. The difference between these concepts with many similarities in definitions is the lower tendency of narcissism in subclinical narcissism. Besides, narcissism is diagnosed clinically, but subclinical narcissism is determined by one’s self-evaluation. There are no discernible clinical symptoms in subclinical narcissism, which is the prior stage of a disorder (Paulhus & Williams, 2002: 560; Campbell et al., 2010: 269).

A narcissist individual has a psyche that exaggerates the qualities he has and builds a whole new self with the qualities he has not. Narcissist, feeling unique and privileged, tends to establish authority over others. It can be said that an individual who wants to be followed has a dominant trait of leadership. A narcissist individual who feels superior to others thinks only the essential people can understand him because the rest are not equipped enough. It is crucial for narcissists to have power because there is a fact of repressed psychological needs. The individual tries to get attention to be

admired, so he boasts with his haves or have-nots in order to be seen as durable, attractive and vital. Those individuals do not appreciate others and detest emotional bonds, cannot feel empathy and suspicious and distrustful to others. They do not hesitate to lie for their objects and to be seen strong/superior, with the primary motive of holding personal needs and interests before everything else. They do not accept criticism and to be criticized may trigger aggressive behavior.

In addition to these, individuals with narcissistic personality traits who crave power and success are expected to display a desire to achieve strategical positions both in social and professional lives. But the important aspect here being if the means to achieve these goals is ethical or not. Madan (2014: 1741) states that narcissistic individuals in corporate settings are more inclined to unethical behavior (Raskin & Terry, 1988; Ames et al., 2006; Campbell et al., 2010; Jonason & Webster, 2010; Campbell & Miller, 2011; Jones & Paulhus, 2014).

2.3. Machiavellianism

The concept of Machiavellism is based on Italian philosopher and politician Niccolò Machiavelli's thoughts. According to Machiavelli, which his thoughts on government are explained in his book "The Prince," the end justifies the means. For glory, all is fair. Machiavelli claims that all men are selfish, skittish, insatiable, ungrateful, and double-dealing. Thus, a smart administrator who wants to be successful, who wants to win, must be evil, when needed.

Originally, Niccolò Machiavelli had defined his view, which is named after himself, for politics. Machiavelli thinks that a politician may break his word if it is in his interest. He should deceive the public without a second thought if success depends on it. Then, in the 1970s, Christie and Geis (1970: 84) claimed that Niccolò Machiavelli's strategy as "Machiavellism," a personality trait, being a part of the personality that defines individual diversity. For Machiavellist individuals, it is rightful to take actions like lying and cheating to achieve their objectives. They want to get intimate with essential people because those people have power on their way to their goals. For Machiavellist individuals, it is effortless to manipulate people or facts for their personal gains, and the other people are definitely untrustworthy so that no information should be shared with them. Although being extroverts, they are never sincere, and they are always hypocritical in their relationships. They prefer to convey to people what they desire to hear, not the truths, to manipulate them. They do not hesitate to exploit their acquaintances and display unethical behavior for self-interest, because they despise the social and ethical norms (Nagler et al., 2014; Christie & Geis, 1970; Fehr et al., 1992; Gunnthorsdottir et al., 2002; Kessler et al., 2010).

2.4. Subclinical Psychopathy

Just like with narcissism, psychopathy is defined as a disorder in the scope of psychiatry and clinical psychology, whereas subclinical psychopathy is considered as a personality trait in social and organizational psychology. The main difference between the concepts which share many similarities in the lower tendency of psychopathy in subclinical psychopathy. Also, psychopathy requires a clinical diagnosis, but subclinical psychopathy is determined by self-evaluation. There are no visible clinical symptoms for the subclinical psychopathy, which is the prior stage of the disorder (Paulhus & Williams, 2002; Campbell et al., 2010).

It is commonly remarked for the psychopathic individuals to express frequent impulsive behavior, dismissive and sarcastic manners, and being impatient, easily bored, and maladaptive (Skeem et al., 2011). The individual with unethical tendencies does not show remorse for his actions. It is ordinary to make impulsive and sharp decisions without much thought for the individual that cannot hold onto long term relationships or express commitment and loyalty to others. Moreover, psychopaths do not care or afraid of the consequences of their unethical actions. They want immediate reward and satisfaction for their needs (Spain et al., 2013: 4).

Common characteristics of narcissism, machiavellism, and psychopathy are as follows: expertly cloaked social malevolence, selfishness, establishing superficial and self-interest oriented interpersonal relationships, maladaptation, hypocrisy, manipulative attitude, apathy, and objective oriented behavior (Paulhus & Williams, 2002). Individuals with Dark Triad personalities use several manipulative techniques to impress other people or society at large. It can be safely said that the characteristic properties of Dark Triad personalities are lying to some individual to have something done, threatening, praising forcefully, and treating an individual in a charming way (Bayramoğlu, 2019: 84).

2.5. Job Satisfaction

Job satisfaction can be described as one's emotional reactions and attitude toward different aspects of the job and employee's personal assessments of the work and the labor relations. Given the fact that a considerable part of the day of an individual is being spent in a workplace environment, it is more than fair to say that job satisfaction would directly affect individuals' life satisfaction. The job contentment's role is widely known as the center of many corporate outputs. Studies on job satisfaction have shown the direct and indirect effects of the characteristics of the job, workplace environment, management style, and reward system –

be it material or not - and many other factors on job satisfaction. While lower job satisfaction levels have adverse effects on both employees and corporate outputs, higher satisfaction levels bring positive outcomes for individuals as well as the corporate entity.

The workforce's importance cannot be stated enough, especially in tourism more than any other sector. It is impossible for an employee with a low job satisfaction level to perform the expected service and maintain customer loyalty and satisfaction. Job satisfaction is tied to management style and the opportunities provided by the organization on the one hand, and it is tied to different traits of the employees on the other (Agho, Mueller & Price, 1993: 1015).

An employee with behavioral tendencies of a Dark Triad personality can be expected to display aggressive manners and have conflicts with his subordinates or superiors. Thus, his inclination to hold self-interest above all, his thoughts of superiority to others, and his all-around negative behavior would put him in a collision course with his colleagues' behavioral traits. They may find the corporate setting a challenging place to gain acceptance. Besides, especially in narcissistic individuals, being power and success orientedness may lead to high expectancies from work (Campbell et al., 2010). These kinds of traits are behavioral tendencies that can negatively affect job satisfaction. On the other hand, it is possible to say that the narcissists tend to exaggerate themselves in self-evaluations. Moreover, this possibility could have positive effects on the job satisfaction of narcissists. Because, in this study, job satisfaction is measured by self-evaluation. Therefore, it is hard to assume the relationship between narcissism and job satisfaction. Nevertheless, depending on the body of literature, it is expected that narcissism would negatively affect job satisfaction.

Machiavellism has a high tendency to express maladapted, irresponsible, and aggressive behavior, and they are highly object-oriented. This may lead to elevated levels of disappointment or aggression when one faced with negativity in the workplace. Also, in this study, considering that the psychopaths' traits of maladaptation, aggression, disloyalty, and a lack of sense of belonging, an adverse effect of Machiavellism and subclinical psychopathy on job satisfaction is expected. In this context, the employees' The Dark Triad traits (H_1) and its sub-components' [subclinical narcissism (H_{1a}), Machiavellism (H_{1b}), subclinical psychopathy (H_{1c})] are being questioned as the premise of job satisfaction.

3. Data and Methodology

3.1. The Object of the Study, Hypotheses

This study aims to find out if the Dark Triad of Personality traits make a difference in job satisfaction levels with employees working in lodging establishments. In this regard, the hypotheses set are as follows.

H_1 : The Dark Triad of Personality Traits of lodging establishment employees affect their job satisfaction.

H_{1a} : Subclinical narcissistic traits of lodging establishment employees affect their job satisfaction levels.

H_{1b} : Machiavellist traits of lodging establishment employees affect their job satisfaction levels.

H_{1c} : Psychopathic traits of lodging establishment employees affect their job satisfaction levels.

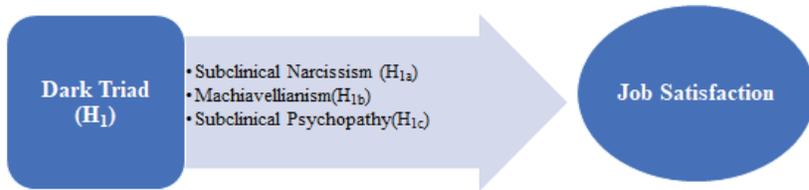


Figure 1: Research Model

3.2. Universe and Sampling

The study universe is comprised of the employees from 4 and 5-star hotels in Alanya. It was not possible to access the exact number of the population. The method of accidental sampling was utilized.

The researcher reached out to personnel working in various departments of the 25 hotels which had accepted to participate in the study, and after the goal of the study was conveyed to the employees, the survey forms were distributed to the ones who agreed to participate. The survey was done with 698 employees, but 14 of them were taken aside for different reasons, and 684 survey forms were used for analysis. The data was collected between August 15th and September 30th of the year 2019.

3.3. Data Collection and Analysis

In the first section of the survey form, questions to determine the personality traits of the participants were presented. In the second section, the Scale for Dark Triad was included. The adaptation to Turkish of 'Dark

Triad Dirty Dozen' by Jonason and Webster (2010) was made by both Eraslan - Çapan et al. (2015) and Özsoy and et al. (2017c). In this study, the adaptation by Eraslan-Çapan (2015) was used. In the scale, each of subclinical narcissism, Machiavellism and subclinical psychopathy is measured by four questions and applied as 5 Point Likert. In the third section, the scale for job satisfaction by Hackman and Oldham (1975), adapted to Turkish by Basım and Şeşen (2009), is utilized. The scores for measuring job satisfaction in a single dimension with five questions on a 5 point Likert type scale are within the range of 5 to 25. Higher scores mean higher job satisfaction.

In data analysis, SPSS 22.0 (Statistical Package for Social Sciences) software program was used. Frequency distributions and percentages with standard deviation and arithmetical averages were calculated for questions in survey forms, and the results were presented as tables. To test the hypotheses of the study, necessary correlational and multiple regression analyses were run and interpreted. The scales' reliability was tested with the Cronbach's Alpha (α) coefficient.

4. Results

4.1. The reliability of scales

Table 1. Cronbach Alpha (α) Coefficient of Scales and Sub Dimensions

	Number of Substances	A
The Dark Triad	12	0,88
Subclinical Narcissism	4	0,88
Machiavellianism	4	0,81
Subclinical Psychopathy	4	0,89
Job satisfaction	5	0,79

4.2. Facts about demographic properties of participants in the study.

The findings regarding the demographic characteristics of the participants in the research are shown in Table 2. 52.5% of the participants are women while 47.5% are men. When the education status of the participants are considered, it is seen that 22.5% of them are undergraduate, 29.7% of them are associate degree graduates, 26.9% of them are bachelors degree graduates, and 20.9% are MA or Ph.D. When the age ranges are considered, 34.9% of them are 18-30; 36.1% are 31-45, and 28.9% are 46 and over. When the marital status of the participants is evaluated, 47.9% of them are married, 52.0% are single. When the working periods in the

business are examined, 23.7% of them are less than 1 years, 18.7% are 1-5 years, 18.7% are 6-10 years, 20.9% are 11-15 years, and 17.9% are 16 years and more.

Table 2. Demographic properties of participants

		f	%
Gender	Male	325	47,51
	Female	359	52,49
	Total	684	100,00
Level of education	Primary education	154	22,51
	Associate degree	203	29,68
	Bachelors degree	184	26,90
	MA and Ph.D.	143	20,91
	Total	684	100,00
Age	18-30	239	34,94
	31-45	247	36,11
	46+	198	28,95
	Total	684	100,00
Marital status	Married	328	47,95
	Single	356	52,05
	Total	684	100,00
Years in current position	Less than 1 year	162	23,68
	1-5 years	128	18,71
	6-10 years	128	18,71
	11-15 years	143	20,91
	16+	123	17,98
Total	684	100,00	

4.3. Correlation values between variables

In this section of the study, a correlation analysis was run to determine the relationship between the Dark Triad and job satisfaction.

Table 3. Corellation matrix between variables

	Dark Triad	Subclinical Narcissism	Machiavellianism	Subclinical Psychopathy
Dark Triad	1			
Subclinical Narcissism	-	1		
Machiavellianism	-	-	1	
Subclinical Psychopathy	-	-	-	1
Job satisfaction	-0,72*	-0,76*	-0,70*	-0,81*

Table 3 shows the results of the correlation analysis between the Dark Triad and job satisfaction. A significant and negative relation between Dark Triad with its subcomponents and job satisfaction levels was found, albeit in various quantities. ($p < 0.01$) The findings state that the relation between job satisfaction and general Dark Triad traits is a strong and negative one ($r = -0,72$) Between the subcomponents of Dark Triad comprising subclinical narcissism ($r = -0,76$), Machiavellism ($r = -0,70$) and subclinical psychopathy ($r = -0,81$) with job satisfaction have a strong and negative relation.

4.4. Hypotheses test with Regression Analysis

In this section of the study, a regression analysis was made for the Dark Triad and its subcomponents' (independent variables) effect level on job satisfaction (dependent variable).

Table 4. The results for regression analysis

Model	Independent variable	B	St. Error	t	p	R	R ²	F
	Constant	0,162	0,129	1,215	0,000*	0,723	0,522	730,925
	Dark Triad	0,924	0,022	26,908	0,000*			
Job satisfaction	Constant	0,715	0,150	4,416	0,000*	0,810	0,656	469,002
	Subclinical Narcissism	0,837	0,049	22,548	0,000*			
	Constant	0,882	0,139	6,714	0,000*	0,846	0,715	651,813
	Machiavellianism	0,686	0,022	24,244	0,000*			
	Constant	1,875	0,183	9,255	0,000*	0,858	0,736	155,355
	Subclinical Psychopathy	0,757	0,054	11,089	0,000*			

Table 4 shows the results of the regression analysis between the Dark Triad and job satisfaction. A significant effect of the Dark Triad and its subcomponents was found on job satisfaction after the analysis. ($p = 0,000$) It is possible to say when an explanation of job satisfaction (a dependent variable) is made; all subdimensions are effective in a highly and negative way. It can be observed that subclinical narcissism's effect on total variance was 65%, Machiavellism stands on 71%, and lastly, subclinical psychopathy at 73%. The effect level of total Dark Triad traits for defining

job satisfaction is at 52%. In the light of these results, the hypothesis of “The Dark Triad and its subcomponents affect the job satisfaction levels of lodging establishment employees” of the study was accepted.

5. Discussion and Conclusion

The goal of this study is to put forward whether the traits named the Dark Triad to have an effect on the workforce of the tourism sector. To test the hypotheses claimed in the study, correlation and regression analysis were run. As the result of the study, there is a significant relationship between the Dark Triad personality traits and the job satisfaction of lodging establishment employees.

According to the results of multiple regression analysis, it is found that the Dark Triad subcomponents (subclinical psychopathy, Machiavellism, and subclinical narcissism) have a negative and significant effect on job satisfaction. It is possible to say that the results are being similar to previous work (Mathieu, 2014; Skiera, 2016; Bakır et al., 2003; Özsoy and Ardiç, 2017) and parallel with the expected level in the body of literature on Dark Triad.

Behavioral traits like exaggerating one’s self qualities, feeling unique and privileged, making much of having power, unable to show empathy, being suspicious and distrustful against other people, putting self-interest and needs above all, being hypocritical, using means like cheating and manipulative actions, and unable to take criticism producing results that have a negative relation with the job satisfaction is an expected finding. Any obstruction for their goals these individuals would face, or business going not as planned could lead to straining. Factors like these will have a reducing effect on the job satisfaction levels on individuals prone to maladaptation to environmental variables. Besides, according to multiple regression analysis, subclinical psychopathy’s effect on job satisfaction is more significant than the other two traits is mostly consistent with the body of literature. Because, generally, it is claimed that psychopathy is more destructive than the other two dark traits of personality. For example, Furnham, Richards, and Paulhus (2013) emphasize the danger psychopathy poses over the other two dark personality traits after examining studies made about Dark Triad between 2002 and 2013.

In the current market conditions in which many similar services and products offered by different tourism companies, it is the human factor facing the customer that has the potential to differentiate the product and ensure customer satisfaction. In this regard, the human capital’s personality traits that can make a difference while offering the standard service are crucial for lodging establishments. Although hiring new personnel is a

well-screened procedure with specific conditions, there is always a chance for these with dark traits to slip through the cracks. Therefore, observing employee behavior, measuring Dark Triad tendencies, and arranging in-service training to lower such tendencies can be made by tourism establishment operators and managers.

It is thought that the study about the Dark Triad and Job Satisfaction made with employees of 4 and 5-star hotel establishments in Alanya would contribute to industry-specific knowledge as well as academic one with its findings. Another study on the Dark Triad and Job Satisfaction could be made with different sampling groups from a different sector. That would make it possible to have a comparison between different types of industries.

A quantitative method of research was utilized in the study. While the quantitative method assists the researcher in producing results that can be easily generalized and enables a comparison between different groups, there are some limitations like the difficulty of obtaining samples, perfect in both quality and quantity, and the possible bias of the means of the measurement. Besides all of those, the Dark Triad itself (subclinical narcissism, Machiavellism, and subclinical psychopathy) is comprised of concepts that are inherently hard to evaluate objectively, and it carries the limitation of assessing an individual with means based on his own declarations. The findings of the study and the reliability of the scales used are restricted by the answers given by the individuals in the sampling group. It must also be noted that the sampling is comprised of 684 employees working in twenty-five 4 and 5-star hotels in Alanya. Therefore, the findings cannot be generalized for all lodging establishment workers.

References

- Agho, A.O., Mueller, C.W. and Price, J.L. (1993) Determinants of Employee Job Satisfaction: An Empirical Test of a Causal Model. *Human Relations*, 46, 1007-1027.
- Amernic, J. H. & Craig, R. J. (2010). Accounting as a Facilitator of Extreme Narcissism. *Journal of Business Ethics*, 96(1), 79-93.
- Ames, R., Rose, P. & Anderson, C. P. (2006). The NPI-16 as a short measure of narcissism. *Journal of Research in Personality*, 40, 440-450.
- Aydođan, E. & Serbest, S. (2016). İş Yerinde Karanlık Üçlü: Bir Kamu Kuruluşunun İç Denetim Biriminde Araştırma. *Sayıştay Dergisi*, 101, 97-121.
- Bakır, B., Ozer, M., Uçar, M., Guleç, M., Demir, C., ve Hasde, M. (2003). Relation between Machiavellianism and job satisfaction in a sample of Turkish physicians. *Psychological Reports*, 92, 1169-1175.
- Basım, N., ve H. Şeşen (2009) Örgütsel Adalet Algısı-Örgütsel Vatandaşlık Davranışı İlişkisinde İş Tatmininin Aracılık Rolü”, 17 nci Yönetim ve Organizasyon Kongresi, Eskişehir, 21-23 Mayıs.
- Bayramođlu, E. (2019). Ölümlülük Manipülasyonunun, Bağlanma Türlerinin ve Karanlık Üçlü Kişilik Özelliklerinin Risk Alma Davranışına Etkisi. Unpublished Master's Thesis, Maltepe University, Social Sciences Institute, İstanbul.
- Brunell, A. B., Gentry, W. A., Campbell, W. K., Hoffman, B. J., Kuhnert, K. W. & DeMarree, K. G. (2008). Leader Emergence: The Case of the Narcissistic Leader. *Personality and Social Psychology Bulletin*, 34(12), 1663-1676.
- Campbell, W.K., Hoffman, B. J., Campbell, S. M. & Marchisio, G. (2010). Narcissism in organizational contexts. *Human Resource Management Review*, 21, 268-284.
- Campbell., W. K. & Miller, J. D. (2011). *The Handbook of Narcissism and Narcissistic Personality Disorder: Theoretical Approaches, Empirical Findings, and Treatments*. New York: John Wiley & Sons.
- Christie, R. & Geis, F. L. (1970). *Studies in Machiavellianism*, New York: Academic Press.
- Eraslan-Çapan, B., Satıcı, S. A., Yılmaz, M. F. & Kayış, A. R. (2015). Karanlık Üçlü Ölçeđi: Türkçeye uyarlama çalışması. 13th National Counseling and Guidance Congress, 7-10 Ekim, Mersin, Türkiye.
- Fehr, B., Samsom, D. & Paulhus, D. L. (1992). The construct of Machiavellianism: Twenty years later. In, C. D. Spielberger ve J. N. Butcher (Eds.), *Advances in personality assessment*, 9, 77-116, Hillsdale, NJ: Erlbaum.

- Furnham, A., Richards, S.C. & Paulhus, D.L. (2013). The Dark Triad of personality: A 10 year review. *Social and Personality Psychology Compass*, 7, 199-216.
- Galperin, B. L., Bennett, R. J. & Aquino, K. (2011). Status Differentiation and the Protean Self: A Social-Cognitive Model of Unethical Behavior in Organizations. *Journal of Business Ethics*, 98(3), 407-424.
- Gunnthorsdottir, A., McCabe, K. & Smith, V. (2002). Using the Machiavellianism instrument to predict trustworthiness in a bargaining game. *Journal of Economic Psychology*, 23, 49-66.
- Hackman, J.R. and G.R. Oldham (1975) Development of the Job Diagnostic Survey, *Journal of Applied Psychology*, 60, 159-170.
- Harms, P. D. & Spain, S. M. (2015). Beyond the Bright Side: Dark Personality at Work. *Applied Psychology: An International Review*, 64(1), 15-24.
- Harms, P. D., Spain, S. M. & Wood, D. (2014). Mapping Personality in Dark Place. *Industrial and Organizational Psychology*, 7(1), 114-117.
- Jonason, P. K. & Webster, G. D. (2010). The Dirty Dozen: A concise measure of the Dark Triad. *Psychological Assessment*, 22, 420-432.
- Jonason, P. K., Wee, S. & Li, N. P. (2015). Competition, Autonomy, and Prestige: Mechanisms through which the Dark Triad Predict Job Satisfaction. *Personality and Individual Differences*, 72, 112-116.
- Jones, D. N. & Paulhus, D. L. (2011). The role of impulsivity in the dark triad of personality. *Personality and Individual Differences*, 51, 679-682.
- Jones, D. N. & Paulhus, D. L. (2014). Introducing the Short Dark Triad (SD3): A Brief Measure of Dark Personality Traits, *Assessment*, 21(1), 28-41.
- Kanten, P., Yeşiltaş, M. & Arslan, R. (2015). Kişiliğin karanlık yönünün üretkenlik karşıtı iş davranışlarına etkisinde psikolojik sözleşmenin düzenleyici rolü. *Atatürk Üniversitesi İktisadi ve İdari Bilimler Dergisi*, 29, 931-259.
- Kessler, S. R., Bandelli, A. C., Spector, P. E., Borman, W. C., Nelson, C. E. & Penney, L. M. (2010). Re-examining Machiavelli: A Three-Dimensional Model of Machiavellianism in the Workplace. *Journal of Applied Social Psychology*, 40 (8), 1868-1896.
- Kiazad, K., Restubog, S. L. D., Zagenczyk, T. J., Kiewitz, C. & Tang, R. L. (2010). In Pursuit of Power: The Role of Authoritarian Leadership in the Relationship between Supervisors' Machiavellianism and Subordinates Perceptions of Abusive Supervisory Behavior. *Journal of Research in Personality*, 44(4), 512-519.
- Madan, A. O. (2014). Cyber Aggression / Cyber Bullying and the Dark Triad: Effect on Workplace Behavior/ Performance. *International Journal of Social, Management, Economics and Business Engineering*, 8(6), 1740-1745.

- Maples, J. L., Lamkin, J. & Miller, J. D. (2014). A test of two brief measures of the Dark Triad: The dirty dozen and short Dark Triad. *Psychological Assessment*, 26, 326-331.
- Mathieu, C., Neumann, C. S., Hare, R. D., & Babiak, P. (2014). A dark side of leadership: Corporate psychopathy and its influence on employee well-being and job satisfaction. *Personality and Individual Differences*, 59, 83–88.
- McDonald, M. M., Donnellan, M. B. & Navarrete, C. D. (2012). A life history approach to understanding the Dark Triad. *Personality and Individual Differences*, 52, 601-605.
- Nagler, U. K. J., Reiter, K. J., Furtner, M. R. & Rauthmann, J. F. (2014). Is There a “Dark Intelligence? Emotional Intelligence is Used by Dark Personalities to Emotionally Manipulate Others. *Personality and Individual Differences*, 65, 47-52.
- O’Boyle, E. H. Jr, Forsyth, D. R., Banks, G. C. & McDaniel, M. A. (2012). A meta-analysis of the Dark Triad and work behavior: A social exchange perspective. *Journal of Applied Psychology*, 97, 557-579.
- Özen Kutanis, R., Özsoy, E., Karakiraz, A. & Uslu, O. (2015). Örgütsel Davranış Araştırmalarında Kişiliğin Karanlık Yönü (Narsisizm, Makyavelizm ve Psikopati) Dikkate Alınıyor mu? 23rd National Management and Organization Congress, 14-16 May, Muğla Sıtkı Kocman University, Muğla.
- Özer, Ö., Uğurluoğlu, Ö. Kahraman, G. & Avcı, K. (2016). Hemşirelerin Karanlık Kişilik Özelliklerinin Sosyo-Demografik Değişkenler Açısından İncelenmesi. *CBÜ Sosyal Bilimler Dergisi*, 14(3), 203-2016.
- Özsoy, E. & Ardıç, K. (2017). Karanlık Üçlünün (Narsisizm, Makyavelizm ve Psikopati) İş Tatminine Etkisinin İncelenmesi. *Yönetim ve Ekonomi*, 24(2), 391-406.
- Özsoy, E., Ardıç, K. & Balaban, Ö. (2017a). Karanlık Üçlünün Örgütsel Bağlılığa Etkisinin İncelenmesi. *Political, Economic and Social Research Congress Abstract Book*, 9-11 November, 2017, Ankara.
- Özsoy, E., Ardıç, K. & Balaban, Ö. (2017b). Karanlık Üçlünün Yöneticiye Güvene Etkisinin İncelenmesi. *Political, Economic and Social Research Congress Abstract Book*, 9-11 November, 2017, Ankara
- Özsoy, E., Rauthmann, J. F., Jonason, P. K., ve Ardıç, K. (2017c), «Reliability and validity of Turkish version of Dark Triad Dirty Dozen (DTDD-T), Short Dark Triad (SD3-T) and Single Item Narcissism Scale (SINS-T)», *Personality and Individual Differences*, 117, ss. 11–14
- Paulhus, D. L. & Williams, K. M. (2002). The Dark Triad of personality: Narcissism, Machiavellianism and psychopathy. *Journal of Research in Personality*, 36, 556–563.

- Penney, L. M. & Spector, P. E. (2002). Narcissism and Counterproductive Work Behavior: Do Bigger Egos Mean Bigger Problems? *International Journal of Selection and Assessment*, 10 (1/2), 126-134.
- Raskin, R. & Terry, H. (1988). A principal-components analysis of the narcissistic personality inventory and further evidence of its construct validity. *Journal of Personality and Social Psychology*, 54, 890-902.
- Robinson, S. L. & O'Leary-Kelly, A. M. (1998). Monkey See, Monkey Do: The Influence of Work Groups on the Antisocial Behavior of Employees. *Academy of Management Journal*, 41(6), 658-672.
- Rosenthal, S. A. & Pittinsky, T. L. (2006). Narcissistic Leadership. *The Leadership Quarterly*, 17, 617-633.
- Schyns, B. (2015). Dark personality in the workplace: Introduction to the special issue. *Applied Psychology: An International Review*, 64, 1-14.
- Sıđrı, Ü. ve Gürbüz, S. (2011), "Akademik Başarı ve Kişilik İlişkisi: Üniversite Öğrencileri Üzerinde Bir Araştırma", *Savunma Bilimleri Dergisi*, 10 (1), ss. 30-48.
- Skeem, J. L., Polaschek, D. L. L., Patrick, C. J. & Lilienfeld, S. O. (2011). Psychopathic personality: bridging the gap between scientific evidence and public policy. *Psychological Science in the Public Interest*, 12, 95-162.
- Skiera, R. A. (2016). Examining the relationship between narcissism and job satisfaction and commitment among college-educated professionals: A quantitative study. Dissertation. University of Capella. <http://search.proquest.com/docview/1861666421>
- Spain, Seth M.; Harms, Peter D.; and Lebreton, James M., "The dark side of personality at work" (2013). Management Department Faculty Publications. 99. <https://digitalcommons.unl.edu/managementfacpub/99>

Chapter 11

EDUCATION AND SCHOLARLY ACTIVITIES OF THE GREAT SELJUK SULTĀNS AND SELJUK SULTĀNS OF IRĀK

Pınar KAYA TAN^{1*}

¹ Asst. Prof., Division of Mediaeval History, Department of History, Faculty of Science and Letters, Kırklareli University; orcid.org/0000-0002-7025-399X. e-mail: pinarkaya@klu.edu.tr.

INTRODUCTION

One of the principal factors developing the leadership qualities of various monarchs throughout different historical periods was their upbringing since early childhood and the ways they applied their education to political, military and cultural areas. Thorough education of rulers has to do with not only the influence of their social environment and scholarly circles, but also the efforts of their tutors and their personal endeavors. In the Seljuk Empire, which was one of the most eminent Turco-Islāmic states, as well as the branches of the Seljuk dynasty, the rulers were characterized by strong martial qualities, superior administrative skills, and keenness to promote learning, arts, culture and public works, all of which were thanks to the education that they received from an early age. The present study investigates into the education processes for the rulers of the Seljuk Sultānate of Irāk (1119-1194), which was founded as a quasi-vassal of the Great Seljuk Empire (1040-1157) due to geographical proximity to the Empire in question as well as Baghdād as the seat of the Caliphate. Further, through various historical sources, it attempts to illustrate the emphasis these sultāns laid on scholarly and cultural activities.

Seljuk maliks did not only go through a rigorous education process from an early age, but also spent time to converse with men of learning and took special care for their own education by equipping themselves with additional even areas of expertise in science or arts after their accession to the throne. Seljuk rulers and statesmen fostered educational activities by building, commissioning and endowing educational institutions and patronizing scholars, thereby helping elevate the cultural and scholarly life of the people. Indeed, right after the inception of the Seljuk Empire, there started a rapid movement of establishing madrasas, where distinguished professors undertook educational activities. Seljuk sultāns paid special attention to the education of their subjects, which applied even more so to each of their maliks, i. e. the would-be heirs to the throne. Accordingly, they made sure that they were educated by the distinguished professors of the time and particularly involve in activities that would develop their martial skills.

1. EDUCATION AND SCHOLARLY ACTIVITIES OF THE GREAT SELJUK SULTĀNS

To begin with the early Seljuk period, Saldjūkbeg (d. 397 AH/1007 AD[?]), i.e. the eponymous ancestor of the dynasty, took under his protection his grandsons Ṭughril (1040-1063) and Čaghri (d. 451/1059) following the death of his son Mīkāl, personally taking care of their

education.¹ Saldjūkbeg initially served the Oghuz Yabghu as a *šu bashi* (military commander).² However, he was soon forced to leave his service due to certain differences of opinion.³ This duty he undertook demonstrates that he was quite versed in military arts. It appears he passed these skills onto his grandsons, who later laid the foundations of a great polity like the Seljuk Empire. Since most sources on the emergence of the Seljukids did not survive to the present day, we are not able to understand the education process experienced by Tuğhril and Čağrı brothers. Still, it is known that from their early youth they displayed excellent skills in combat, horseback riding, archery, wielding weapons, which clearly shows that the two brothers were trained particularly in military arts and received the education required for leadership. Nevertheless, in their early years they continuously had to pursue a nomadic lifestyle in order to find lands for their clansmen and tackle with challenging matters of statecraft in order to found an empire, which apparently prevented the two brothers from developing mastery in any scholarly field. Furthermore, as part of his great efforts to establish peace and order in the Islāmic world, Tuğhril Beg specifically required the construction of a mosque next to any newly-erected public building (al-Ḥusaynī, 1943: 16; al-Bundārī, 1943: 25; Ibn Khallikān, 1397/1977, V: 65-68). This attitude suggests that, even at the early stages of its rise, the rulers of the Empire earnestly promoted the construction of mosques and madrasas along with public works.

Hero of the Battle of Mantzikert and son of a military genius like Čağrıbeg, Sultān Alp Arslān (r. 1063-1072) was gifted with great prowess heralding that he would be a great warrior, and rose to the rank of commander at a very young age and even starting to lead armies. As Alp Arslān grew up in battlefields among people who could be considered as masters of war of the day and as his primary teacher had his father Čağrıbeg, who was the most outstanding commanders of the period, he gained substantial experience since the time he was a malik. As a matter of fact, he owed his success directly to the fact that he was tutored by Nizām al-Mulk (d. 485 AH/1092 AD), a great warrior, statesman and administrator. Thus, throughout his later life he saw the impact of his experiences and education

1 Drawing upon the sources as narrated by the work titled *Malik-nāma*, which contained valuable information about the early Seljuk era but failed to survive to the present day, Mīrkhwānd, (1339: 237-238) noted that Seljuk Beg took care of the education of the orphaned princes, and also remarks that “*Seljuk saw the signs of maturity and prosperity in Mīkāl’s children of age, and thus, until the moment he drew his last breath, he subordinated the army troops and affairs of other associations to their opinion and judgment.*” Also see Khwāndamīr, 1353: 480; Köymen, 1991a: 33.

2 Also appearing as *šu bashi* in the sources, it is a title conferred upon army commanders in Turkic states. See. al-Ḥusaynī, 1943: 1; Kramers-[Bosworth], 1997: 736-737; İlgürel, 2009: 447-448.

3 Concerning the developments that took place during this period, see. al-Ḥusaynī, 1943: 1-3; Ibn al-‘Adīm, 1982: 20; Mīrkhwānd, 1339: 235-236; Köymen, 1991a: 10-17.

upon his personality. He started to lead armies even when he was still a malik, earned great acclaim with his success, and did not go anywhere without his bow and arrow, all of which attest to his training as a fine warrior (Piyadeoğlu, 2018: 230; Kesik, 2014: 44).

It appears that Čağrıbeg, who was raised by his grandfather, dedicated the same care to his son Alp Arslān, making sure that he was educated as the principal heir to the Seljuk throne. As a matter of fact, Mehmet Altay Köymen remarks that (1991a: 7) Alp Arslān, already in the lifetime of his father Čağrıbeg, prepared himself not only for the throne of the Seljuk sultānate of Khurāsān, i. e. the hereditary domain of his father which he would anyway inherit one day, but also and more importantly for the Great Seljuk throne (Piyadeoğlu, 2018: 230; Kesik, 2014: 44).

Following his accession to the throne for which he had prepared since his childhood, Sultān Alp Arslān appointed Nizām al-Mulk as grand wazīr and embarked on a massive campaign of education thanks to his efforts. In order to sponsor and spread Sunnīsm, meet the religious needs of the newly-converted Oghuz communities, train the civil servants and scholars needed by the country, integrate poor and talented students into the society, and also spiritually conquer the already-conquered lands, he commissioned in Baghdād the first example of the series of madrasas that would be named Nizāmiyahs and donated a generous sum in kind and in cash to this educational institution. With the inauguration of the Nizāmiyah madrasas, which constituted a cornerstone not only for Turkish history and civilization, but also for the Islāmic civilization as a whole, many cities around the country started to offer education at the seminary level. Established in various parts of al-Irāk al-Arab, al-Irāk al-Adjam, Khurāsān, Mā Warā' al-nahr, Syria and Anatolia under the sponsorship and aegis of first Sultān Alp Arslān and later Sultān Malikshāh (r. 1072-1092), these madrasas earned such a reputation that even some madrasas inaugurated after the death of Nizām al-Mulk came to be known by the same name as they were modeled on Nizāmiyah madrasas. These educational institutions exerted a deep influence on the political, scholarly and religious life of the period, with many sultāns, khalīfas and statesmen building eponymous madrasas following the example of Nizām al-Mulk.⁴

Sultān Alp Arslān took special efforts to financially support scholars and even required a tithe to be paid to them while donating part of his revenues as charity to the poor (al-Ḳazwīnī, n. d.: 412; Turan, 1969: 255). His *majlis* (council) was always abundant in scholars, poets and erudite men, and took great pleasure in discussions of the valor of Khalīfa Ali (Amīr

4 Ibn al-Djawzī, 1992, XVII, 91, 117; Ibn Khallikān, 1397/1977, V: 70; Turan, 1969: 257; Kafesoğlu, 1973: 160-163; Köymen, 1991b: 347-382; Kisāi, 1374: 229-252; Ocak, 2017: 278-358; Özeydin, 2018: 20-21; Id, 2007a: 188-191.

al-Mu'minīn Alī) and Iskandar (Alexander the Great) (Khwāndamīr, 1353, II: 487). He took part in such scholarly gatherings as much as he could, which is equally important for showing Alp Arslān's educated status.

Sultān Alp Arslān was highly attentive to the education of his sons and particularly Malikshāh, whom he declared to be the heir apparent, and made sure he received a thorough education through private teaching and practical training by talented tutors and generals under his command (Kafesoğlu, 1973: 5-7; Koca, 2011: 79). He also pioneered the emergence of the title *atabak* in Seljuk history: Following the Battle of Manzikert he placed his wazīr Nizām al-Mulk in charge of his son Malikshāh so that he would gain experience in government affairs and develop his administrative skills, and accordingly bestowed upon him the title of *Ata Khwādja* or *Atabak*. Starting with Nizām al-Mulk, this title and its attendant responsibilities gradually evolved into one of the highest government offices. Indeed, while distributing the border march among family members in particular, Seljuk sultāns appointed for their underage sons an *atabak* among military commanders who acted in the capacity of guardian and tutor. Thus, the *atabeg* would dedicate himself to the education of the malik as his employer, make sure they were prepared for any future hardship and govern the province on his behalf (Kafesoğlu, 1973: 15-16; Özeydin, 2001: 140-143; Alptekin, 1991: 38-40).

Furthermore, the sultāns were careful about the selection of *atabak* from among experienced, clever and deserving individuals. For they could potentially be involved in pretensions for the throne on behalf of their employers upon provocation by princes. As atabaks were selected by the sultān from among trustworthy individuals, they were expected to protect them from taking wrong decisions. While this institution proved to be extremely useful for the Seljukids, it later deviated from its initial purpose and instigated intrastate conflict, for it was atabaks themselves who encouraged the princes under their protection to seize the throne in a potential succession crisis as there was no clear system of succession in the Seljuk Sultānate of Irāk in particular (Özeydin, 2001: 145; Öztürk, 2019: 4-5).

During his campaign against Gurdjīstān, Sultān Alp Arslān left his son Malikshāh, then a 9-year-old boy, at the military camp he established in Nakhčiwān accompanied by his experienced wazīr Nizām al-Mulk and some reserve troops, while he marched directly on Georgia with the bulk of his army. While Alp Arslān and his Seljuk army conducted a massive raid on Georgian domains, Malikshāh and Nizām al-Mulk, with the troops under their command, entered Eastern Anatolia, where they conquered many fortified cities and fortresses around Lake Wān. Characterized by a precocious body and soul thanks to the education he had received, Prince

Malikshāh displayed excellent combat skills by fighting at the forefront during all the assaults just like all great Turkic warlords. It should be noted that Malikshāh was a very fine horseman, could dexterously wield weapons of many types, chiefly bow and arrow, and never shrank from joining battle⁵ In short, Malikshāh had the potential to command armies at such a young age, which was definitely thanks to Nizām al-Mulk as well as the commanders in his entourage who superintended his military education.

Sultān Malikshāh laid great emphasis on science, literature and poetry, even composing poems himself.⁶ Sultān Malikshāh also established numerous madrasas, libraries, charity complexes (*imarets*) and hospitals. His reign saw a flourishing of many Šūfis, jurists (faḳīh) and even men of kalām such as al-Ghazālī (d. 505 AH/1111 AD) who retained his fame up to the present day, as well as the proliferation of very important scholarly works (Kafesoğlu, 1973: 157-158). Promoting scientific studies, Sultān Malikshāh in 466 AH (1074 AD) commissioned an observatory, where he, together with Nizām al-Mulk, invited astronomers (*munajjim*) such as Umar Khayyām, Abu'l-Muzaffar Asfezārī and Maymūn b. Nadjīb al-Wāsiṭī, asking them to revise the-then calendar in use. Following meticulous studies, the committee, examining earlier calendar systems of Iran, concluded that it would be more reasonable to devise a new calendar rather than revising the existing ones. Thus, named Djalālī after Sultān Malikshāh's regnal title Djalāl al-Dawla, the new calendar was adopted, setting the day of the Sun entering Aries as the first day of the year (March 21 according to the Gregorian calendar) (Ibn al-Aṭhīr, 1987, X: 97; Özeydin, 2018: 25; Id, 2007b: 195) the author of *Musāmarat al-Aḫbār*, (2000: 16) which is one of the most significant primary sources on the history of the Seljuks of Rum, (d. 733 AH/1332-1333 AD) recounts the following observation: “*Sultān Malikshāh took the path of justice and generosity in state administration, paid tribute to scholars and sheikhs by providing them with bounteous donations, from which learned men derived substantial benefits.*” This attests that the sultān not only promoted the activities of scholars, but also actively sponsored them through substantial sums. Another instance of Sultān Malikshāh's favor towards scholars is noted by Dawlat-shāh (d. 900 AH/1494-1495 AD) (1901: 57-58) as follows: “*One Eid night, Sultān Malikshāh and his ministers went up to the roof of the palace in order to see the reflection of the crescent moon. Yet, the crescent was barely seen. While everyone present felt distressed about this, Sultān Malikshāh, pointing out to the*

5 al-Ḥusaynī, 1943: 24-25; Ibn al-Aṭhīr, 1987, X: 49-51; Khwāndamīr, 1353: 490-491; Aḥmad b. Maḥmūd, 1977, I: 60-62, II: 22; Kafesoğlu, 1973: 3-5; Koca, 2011: 79-80; Özeydin, 2004: 54-57.

6 On the poems composed by Sultān Malikshāh, see. 'Awfī, 1906: 34; Özgüdenli, 2014: 43-45.

moon with his fingers, asked the poet Mu'izzī (d. btw. 518-521 AH/btw. 1124-1127 AD) to compose a poem describing the moon. Then, Mu'izzī, right on the spot, extemporized a quatrain (rubā'ī) depicting the moon, which extremely pleased the Sulṭān, who promoted and rewarded the poet with the office of ambassador to the Rūm”.

One should not overlook the significance of the personal efforts by Nizām al-Mulk in this education thrust under Seljuks. So long as Nizām al-Mulk was alive, peace reigned throughout the country, and men of religion, knowledge and virtue were able to lead quite prosperous lives thanks to the opportunities he offered to them, thereby giving rise to a brilliant new generation in the country. Furthermore, it is also related that whenever Nizām al-Mulk saw men of knowledge and virtue in a town, he commissioned a madrasa there for such people, and created endowments and libraries to meet their needs; (Ibn al-Ḳalānīsī, 1908: 121; Ibn al-Athīr, 1987, X: 179-180; al-Bundārī, 1943: 58) to such a degree that Ibn al-Ḳalānīsī (1908: 121) narrates that around 12.000 jurists (*faqih*) and men of similar professions lived off the madrasas and estates endowed by Nizām al-Mulk.

Tādī al-Mulk Abu'l-Ghanā'im (d. 486 AH/1093 AD), the *khāznadār* during the reign of Malikshāh, complained as follows to Sulṭān Malikshāh about Nizām al-Mulk's expenditures for scholars: *“Every year Nizām al-Mulk payeth an annual sum of 300.000 dinars from thy treasury to Quran reciters, jurists and Ṣūfīs. Should this sum be us'd for reforming the army, we could even conquer Constantinople (Istanbul) and achieve so many victories against the infidels!”* This unsettled the Sulṭān, who in turn asked Nizām al-Mulk to report to him about the situation. In his response, Nizām al-Mulk said *“O Sulṭān of the World! God bestow'd upon thee and me so many graces that none of his sons could ever have. And in return, dost thou think much of an annual sum of 300.000 dinars for scholars, jurists and Quran-reciting hafizes, who exalt God's religion? Thou spendest this much sum for the troops fighting every year. Still, an arrow shot by the strongest and sharpest shooter among them could not go more than a mile. They can only hit a close target, and miss far away targets. Yet, I, with the money I spend, equip and maintain such an army that sendeth prayers like arrows: No distance or any human whatsoever can prevent these arrows from reaching the Throne of God.”* Upon all these words, the Sulṭān, with all his worries subsided, approved and praised the action of his wazīr, saying *“Hence I give thee abundant money and wealth, and all thy words shall be welcome to me. Multiply the army of the scholars and righteous persons who pray for my well-being, and show them thy generosity and grace: Thou hast all the wealth of the world”* (al-Ḥusaynī, 1943: 46; Aḥmad b. Maḥmūd, 1977, I: 143-144).

Following his death, Sultān Malikshāh was succeeded by Sultān Berkyārūḡ (r. 1092-1104), who had been tutored and supervised by Gümüşh Tigīn Djāndār as *atabak*.⁷ Djāndārs were officials responsible for the protection of the sultān and palace. These forces consisted of ḡulāms recruited from Turks in particular. Gümüşh Tigīn's title djāndār suggests that he was of a military background and the choice was made in favor of such an *atabak* for excelling Berkyārūḡ's military skills. The first *atabak* of Berkyārūḡ was 'Alī b. Abū 'Alī al-Ḳummī, about whom the sources do not mention any information. Without doubt, education was the principal motive for his appointment as the *atabak* to Berkyārūḡ (al-Bundārī, 1943: 85; Özeydin, 2001: 141).

Sultān Berkyārūḡ was succeeded by his brother Muḡammad Tapar (r. 1105-1118), who was educated under the tutorship of Kutluḡh Tigīn. During his reign, Berkyārūḡ rewarded his brother with Gandja and neighboring lands as appanage (*iqṭā*), and appointed Amīr Kutluḡh Tigīn as *atabak*, asking him to be with Muḡammad Tapar. Once he grew strong enough, Muḡammad Tapar attempted to seize the throne and killed Kutluḡh Tigīn, who tried to prevent this venture. Thus, despite his efforts to stop the rebellion of the prince, Kutluḡh Tigīn paid it with his own life (Ibn al-Aṡḡīr, 1987, X: 237; Özeydin, 1990: 12; Piyadeoḡlu, 1999: 26). Although there is scarce information as to the education he received, Sultān Muḡammad Tapar is known to be an extremely devout and learned sultān as far as religious sciences are concerned (Mīrkhwānd, 1339: 305; Özeydin, 1990: 152). This suggests that he underwent an extensive religious education, or developed quite an interest in religious sciences.

Finding himself in the midst of fights for the throne only at the age of six upon his father's death, Sultān Sandjar later succeeded in gaining experience in state administration, and made up for his educational shortcomings thanks to his skills and experience. Sultān Sandjar held the 'ulamā in high esteem, and treated them so warmly. Indeed, he established close friendships with scholars and men of letters, took pleasure in the company of devotees and saints, and welcomed scholars with respect and affection, rewarding them with utmost generosity. It is even mentioned that he once rewarded scholars with 700.000 dinars in five consecutive days, in addition to various horses, valuable articles, robes and a thousand satin clothes. When his khāznadār cautioned him that the treasury would be drained at this rate, he is said to have responded: "*It would be unpleasant if people said that I am inclined towards worldly possessions!*" (al-Ḥusaynī, 1943: 88; Aḡmad b. Maḡmūd, 1977, II: 81).

An anecdote involving Sultān Sandjar and scholars relates that about 70

⁷ al-Ḥusaynī, 1943: 52; Rāwandī, 1999, I: 137; al-Bundārī, 1943: 85; Aḡmad b. Maḡmūd, 1977, I: 33; Piyadeoḡlu, 1999: 5-6.

Ḥanafīs died during a controversy between Shafī‘īs and Ḥanafīs in Nīsābūr. The events had taken place near Sultān Sandjar’s army headquarters. Upon hearing what happened, he called for Hajīb-i Buzurg (Grand / Buzurg Hād̄jīb) Maḥmūd al-Ḳāshānī, who was in charge of palace organization, and asked him to call upon Muḥammad ibn Yahyā, the head of the Shafī‘is, to convey him the following message: *“Are these lands thine or mine? If they are mine, then thou shouldst leave and if they are thine, then prepare for a war with me!”* Maḥmūd al-Ḳāshānī arrived at the city and found Muḥammad ibn Yahyā in the Mosque of Nīsābūr. Muḥammad saw the hād̄jīb but did not honor him. A while later, Maḥmūd al-Ḳāshānī greeted Muḥammad ibn Yahyā, kneeled before him and said: *“The Sultān hath sent thee his regards; we have heard about what happened. What was the reason for such conflict and controversy, for which so many scholars have been killed and so much blood was shed for nothing? In these cities, thou canst do whatever thou pleaseth and no one would raise any objection to thy command. Whatever we have achieved, we have achieved them through thy blessings and prayers...”* In doing so, he conveyed a message different from the sultān’s. In the meantime, the Sultān regretted his decision after he had sent Maḥmūd al-Ḳāshānī, who found Sultān Sandjar downcast upon his return. Sultān asked him: *“What didst thou do and what didst thou tell Shaikh Muḥammad?”*, to which Maḥmūd al-Ḳāshānī replied that he had not conveyed the Sultān’s message and instead talked kindly to the head of the Shafī‘īs. The Sultān found it hard to believe that and asked Maḥmūd al-Ḳāshānī to swear that he was telling the truth. Upon Ḳāshānī’s oath, the Sultān was so relieved and contented; he lauded Maḥmūd al-Ḳāshānī saying *“Thou art such a good man!”* and bestowed him Nīsābūr as an addition to his appanage (al-Ḥusaynī, 1943: 88; Aḥmad b. Maḥmūd, 1977, II: 81-82). Thus, a government official rose to high esteem at in the eyes of the sultān by paying respect to a scholar.

Thanks to Sultān Sandjar’s deep respect for knowledge, scholarly and intellectual debates were highly popular in the Seljuk lands where numerous works were published and scholars from all corners of the world and not just from Islāmic lands came in flocks to settle in Khurāsān. The greatest scholars of the time had been at Sandjar’s side since his reign as a malik in Khurāsān. Many renowned scholars of the period including Awḥad al-Dīn Anwarī, Mu‘izzī, Umar Khayyām, Rashīd al-Dīn Waṭwāt, Farīd al-Dīn Aṭṭār, Sayyid Hasan-i Ghaznawid, Nizāmī ‘Arūḏī, Adīb Ṣāber and Muntaḏjab al-Dīn Bedī either received the sultān’s blessings or were personally present in his palace.⁸ The sultān educated himself

8 Dawlat-shāh, 1901: 83-85; Şeşen, 2005: 442; Özeydin, 2009: 507-511. Sultān Sandjar always had a place for poets in his gatherings and he himself wrote some Persian poems see. Özgüdenli, 2014: 46-49. For the poets and men of letters who lived during this period, see also Browne, 1920: II; Arberry, 1958: 53-163; Safā, 2002: 125-280.

through tutoring and by availing himself of the scholars around him and he also built a remarkably rich library at his palace in Marw (Şeşen, 2005: 442). During the reign of Sulṭān Sandjar, Nizāmiyah madrasas were also flourishing and numerous statesmen and scholars were being trained in these madrasas which focused on education in medicine, philosophy, and astronomy.

2- EDUCATION AND SCHOLARLY ACTIVITIES OF SELJUK SULṬĀNS OF IRĀK

This particular emphasis laid by the sulṭāns of the Great Seljuk Empire upon education was continued by the Seljuk sulṭāns of the Irāk. In fact, the first Seljuk sulṭāns of Irāk were the sons of Sulṭān Muḥammad Tapar, who made sure that his sons were very well educated.⁹ Historical resources indicate that the Irāk Seljuk Sulṭān Maḥmūd ibn Muḥammad Tapar (r. 1118-1131) was an astute man who was well-versed in Arabic and knew Arabic poetry and proverbs by heart. (al-Ḥusaynī, 1943: 69; al-Bundārī, 1943: 147; Aḥmad b. Maḥmūd, 1977, II, 55). In addition to Arabic, Sulṭān Maḥmūd was also highly adept in prophetic biography (*sīrah*) and history. He was a protector of scholars involved with these fields as well as benefactors (al-Ḥusaynī, 1943: 69; al-Bundārī, 1943: 147; Ibn Khallikān, 1397/1977, IV: 269; Özeydin, 2003: 371-372).

The sulṭān was narrated to have a good grasp of the dīwān affairs, accounting, and bookkeeping and personally audited the records (Mīrkhwānd, 1339: 321; Khwāndamīr, 1353: 520). Rāwandī (1999, I: 196) praised the sulṭān's deftness in writing and expression in addition to all his talents. Apparently, the Seljuk Sulṭān of Irāk received versatile education, improved himself in many areas, and acquired such competencies that were lauded by the authors of the period. Sulṭān Maḥmūd encouraged his statesmen in his entourage to carry out scholarly activities. 'Azīz al-Dīn Abū Naşr Aḥmad b. Ḥāmid, who was one of the most renowned scribes of the time and also the uncle of Imād al-Dīn al- Işfahānī, (d. 597/1201) who penned *Zubdat al-nuşra*, was appointed to *dīwān al- Istifā* (revenue collection office) during the reign of Sulṭān Maḥmūd and established a school for orphans in Baghdād, to which he dedicated rich waqfs as financial backing. He also founded a mobile hospital whose paraphernalia, medicines, doctors, and equipment could hardly be carried by two hundred camels (al-Bundārī, 1943: 129-130).

It is probable that the Irāk Seljuk Sulṭān Tuḡhril ibn Muḥammad Tapar (r. 1132-1134) was also well-educated just like his brothers. Sulṭān Tuḡhril I valued poets and scholars of religious sciences in particular,

⁹ The Seljuk Sulṭānate of Irāk was established with the capital city of Hamadhān. About Seljuq activities in the city see. Azar Nasirabadi, 2020: 209-236.

taking pains to lend material and spiritual support to their activities. He built a large madrasa in Hamadhān, to which he dedicated waqfs and encouraged celebrated scholars of the day to teach there (Rāwandī, 1999, I: 201-202; al-Bundārī, 1943:160). Imād al-Dīn Ghāznawī (d. 550/1155[?]), whose *tezkires* or bibliographical compendiums served as examples for contemporary poets, entered the sultān's service and composed *qaṣīdas* that praised him (Rāwandī, 1999: I, 201-202).

The third sultān of the Irāk Seljuk State, Mas'ūd ibn Muḥammad Tapar (r. 1134-1152) also valued and protected scholars and learned men, and abstained from ignorance. Sayyid Ḥasan-i Ghāznawī, a poet and preacher, was highly honored by Sultān Mas'ūd and 'Abbāsīd Khalīfa Al-Rāshīd Bī'llāh (r. 1135-1136) during his visit to Baghdād and was even sent back to his country on a golden howdah (Dawlat-shāh, 1901: 105). This was a time when the top state officials were also encouraged by the sultān to support scholarly activities. When the sultān was in Baghdād, Tād̄j al-Dīn b. Dārust, his wazīr who was accompanying him, restored the Tād̄jiyya Madrasa, which had been built in Baghdād by his uncle Tād̄j al-Mulk Abu'l-Ghanā'im, a grand wazīr of the Great Seljuk Empire, and thanks to him, scientific activities in the madrasa recommenced (al-Bundārī, 1943: 195). From this anecdote, it is clear that Sultān Mas'ūd promoted all kinds of scientific activities and related construction efforts. Sultān Mas'ūd adopted Khā ṣṣ beg b. Balangirī as his protégé and Khā ṣṣ beg, who would later become a prominent amīr, was raised and cherished by the sultān. Distinguishing himself with his military capabilities, the amīr was appointed as an *atabak* by the sultān, attaining the rank to train the crown princes. In fact, during the reign of Malikshāh ibn Maḥmūd (r. 1152-1153), who acceded to the throne after the sultān's death, Khā ṣṣ beg b. Balangirī reached a position in which he ruled the state (Ibn al-Athīr, 1987, XI: 99, 108, 142; Mīrkhwānd, 1339: 326; Öztürk, 2008: 463-473). An amīr who had been personally trained by the sultān was then appointed as an *atabak* by the sultān himself, which attests to the high level of education in this period. It is related by the sources that the Seljuk Sultān of Irāk Malikshāh ibn Maḥmūd, who was not so much concerned with state affairs, was a pretty good archer (Rāwandī, 1999: II, 241).

Muḥammad ibn Maḥmūd (r. 1153-1159) is another Seljuk Sultān of Irāk about whose education the sources provide information. Sultān Muḥammad is mentioned as a sultān favoring scholars and defending their rights (Rāwandī, 1999: II, 248-249; Mīrkhwānd, 1339: 332; Khwāndamīr, 1353: 526-527). As for his martial skills, he was remarkably adept in the games of *gūy-u čawgān*, an extremely deft archer, and a very fine horseback rider (Rāwandī, 1999: II, 248). Although contemporary sources do not contain information about the education of Sulaymānshāh ibn Muḥammad

Tapar (r. 1159-1160), who acceded to the throne after Muḥammad ibn Maḥmūd, it would be plausible to assume that Sulaymānshāh was under the influence of Sulṭān Sandjar's scholarly entourage and the emphasis he laid on education, for he spent his princely years under the tutelage of Sulṭān Sandjar. There exist some fine examples of poetry written by Sulaymānshāh himself ('Awfi, 1906: 39-40; Özgüdenli, 2014: 49). As a matter of fact, Anwarī (d. 585/1189[?]), one of the poet laureates of Sulṭān Sandjar and one of the greatest *qaṣīda* (ode) poets of Persian literature, eulogized Sulaymānshāh when he was a malik (Rāwandī, 1999: I, 191). Likewise, during the enthronement ceremony of Sulaymānshāh, Sayyid Ḥasan-i Ghaznawi praised him with his verses in the presence of the high-ranking statesmen, emphasizing that “*the ruler of the world seated him on the thrones of both Irāk and Khurāsān*” (Sayyid Ḥasan-i Ghaznawid, 1362: 9).

Arslān Shāh (r. 1161-1176), the Seljuk Sulṭān of Irāk, was taken under the wings of his uncle Masūd, who acceded to the throne after his father Sulṭān Tuḡhril I and personally took care of his education (Rāwandī, 1999, II: 270; Lambton, 1988: 231). Sulṭān Masūd and even Arslān Shāh had as tutor the historian Zahīr al-Dīn Nīṣābūrī, who was renowned for his work *Selcūknāme* (Rāwandī, 1999, I: 64; Özgüdenli, 2013:102). When he desired to learn calligraphy in the year 577 A.H (1181-1182 AD), Sulṭān Tuḡhril II (r. 1176-1194) sent for the famous calligrapher Zayn al-Dīn Majd al-Islām Maḥmūd ibn Muḥammad ibn Ali er-Rāwandī, the uncle of Ibn al-Rāwandī, who was the author of the work *Rāhat al-Sudūr wa Āyat al-Surūr*. Then he bestowed upon him the honor of *ustād* and took private courses from him (Rāwandī, 1999, I: 41-42; Kaya, 2017: 178-179). This case also illustrates how eager was the sulṭān to learn, endeavoring with great enthusiasm for self-development by learning from the best tutor of the time. Tuḡhril II also befriended with many scholars, and took pleasure in their company. The Sulṭān was a very talented person in areas such as calligraphy, rhetoric (balāgha), poetry and literature (Rashīd al-Dīn, 1999: 264; Khwāndamīr, 1353: 531). Along with such qualities, he was also a very good horseback rider and a skilled spear-thrower. Rashīd al-Dīn comments that (1999: 264), as far as arts (*honarhā*) as well as science and culture (*farhang*) fit for princes were concerned, no sulṭān could incorporate many qualities as much as Sulṭān Tuḡhril II did.

CONCLUSION

As concluding remarks, it should be noted that it was one of the priorities of Seljuk sulṭāns to protect and support the scholars and intellectuals of their realm, and promote scientific and cultural institutions. The sulṭāns grasped the significance of education since the inception of their empire, exerted themselves to the utmost to advance education. It

was part of their usual, unvarying activities to protect men of learning and culture, provide them with opportunities and commission schools and madrasas. As potential commander-in-chief of the army since their time as prince, they underwent training about military activities, gained substantial experience in archery, horseback riding and wielding weapons, and had the chance to put their education into practice by taking part in battles and campaigns under the guidance of their *atabaks*.

Various sources speak very highly of Seljuk sultāns for their combat skills, weapon wielding capabilities and way of leading troops. All such achievements are clear indications of the serious education they received from early childhood onwards. With their noble ideal of protecting science and scholars, Seljuk sultāns evidently paved the way for the rise of a powerful Turco-Islāmic civilization. This importance laid on education under Seljuk rule did not only gain appreciation by other Muslim states of the time, but also encouraged many thinkers to settle in the lands ruled by Seljuk Turks, thanks to the value attached to scholars and the environment of freedom provided for scholarly activities.

REFERENCES

- AHMAD B. MAHMŪD. (1977). *Saldjūk-nāma* (Vol. 1-2). (Erdoğan Merçil ed.). İstanbul: Tercüman Yayınları.
- ALPTEKİN, C. (1991). Atabeg. *İslâm Ansiklopedisi*. (Vol. 4, pp. 38-40). İstanbul: Türkiye Diyanet Vakfı Yay.
- AKSARAYI, Karīm al-Dīn Maḥmūd. (2000). *Musāmarat al-Akhbār*. (Mürsel Öztürk Turkish trs.). Ankara: Türk Tarih Kurumu Basımevi.
- ARBERRY, A. J. (1958). *Classical Persian Literature*. London: George Allen & Unwin Ltd.
- ‘AWFĪ. (1906). *Lubāb al-albāb* (Vol. 1). (E. G. Browne & M. M. Qazvīnī ed.). Leiden-London: Brill and Luzac & Co.
- AZAR NASIRABADĪ, G. (2020). Büyük Selçuklular Dönemi’nde Hemedan’ın Siyasi Tarihi. *Selçuk Üniversitesi Selçuklu Araştırmaları Dergisi (USAD)*, Issue: 12, pp. 209-236.
- BROWNE, E. G. (1920). *A Literary History of Persia From Firdawsi to Sa’di* (Vol. 2). London: Cambridge University Press.
- AL-BUNDĀRĪ. (1943). *Zubdat al-nuṣra wa-nukhbat al-uṣra*. (K. Burslan Turkish trs.). *Irak ve Horasan Selçukluları Tarihi*. İstanbul: Maarif Matbaası.
- DAWLAT-SHĀH. (1901). *Tadhkirat al-shu‘arā’*. (E. G. Browne ed.). Leiden.
- AL-ḤUSAYNĪ, Şadr al-Dīn Alī b. Nāşir (1943). *Akhbār al-Dawlat al-Saldjūkiyya*. (Necati Lugal Turkish trs.). Ankara: Türk Tarih Kurumu Basımevi.
- IBN KHALLĪKĀN. (1397/1977). *Wafayāt al-a’yān* (Vol. 4-5). (Ihsaan Abbas ed.). Beirut.
- IBN AL-‘ADĪM. (1982). *Bughyat al-ṭalab fī ta’rīkh Ḥalab*. (Ali Sevim ed.). *Bi-yografilelerle Selçuklu Tarihi*, Ankara: Türk Tarih Kurumu Basımevi.
- IBN AL-DJAWZĪ. (1992). *al-Muntazam fī ta’rīkh al-mulūk wa-al-umam* (Vol. 17). (Muḥammed ‘Abd al-Qādir ‘Atā & Mustafā ‘Abd al-Qādir ‘Atā ed.). Beirut.
- IBN AL-ATHĪR. (1987). *al-Kāmil fī al-ta’rīkh* (Vol. 10). (Abdülkerim Özeydin Turkish trs.). İstanbul: Bahar Yayınları.
- IBN AL-ḲALĀNĪSĪ. (1908). *Dhayl ta’rīkh Dimashk*. (H. F. Amedroz ed.). Beirut.
- İLGÜREL, M. (2009). Subaşı. *İslâm Ansiklopedisi*. (Vol. 37, pp. 447-448). İstanbul: Türkiye Diyanet Vakfı Yay.
- KAFESOĞLU, İ. (1973). *Büyük Selçuklu İmparatoru Sultan Melikşah*. İstanbul: Milli Eğitim Basımevi.

- KHWĀNDAMĪR. (1353). *Habīb al-siyar fī akhbār-i afrād al-bashar* (Vol. 2). (M. Dabīr Siyāqī ed.). Tehran.
- KAYA, P. (2017). *Arslanşah ve II. Tuğrul Dönemi Irak Selçukluları Tarihi (1161-1194)*. Unpublished Ph. D dissertation, Istanbul University, Istanbul.
- AL-ĞAZWĪNĪ, Zakariyyā b. Muḥammed. (n.d.). *Āthār al-bilād wa-akhbār al-'i-bād*. (Dār Şādir ed.). Beirut.
- KESĪK, M. (2014). Sultan Alp Arslan'ın Liderlik Vasıfları. *FSM İlmî Araştırmalar İnsan ve Toplum Bilimleri Dergisi*, Issue: 4, pp. 43-52. doi: <http://dx.doi.org/10.16947/fsmiad.40786>.
- KĪSĀĪ, N. (1374). *Medâris-i Nizamiyye ve Te'sirât-i 'lmî ve ictimâ'î-yi Ân*. Tehran.
- KOCA, S. (2011). *Selçuklu Devri Türk Tarihinin Temel Meseleleri*. Ankara: Be-rikan Yayınları.
- KÖYMEN, M. A. (1991a). *Büyük Selçuklu İmparatorluğu Tarihi Kuruluş Devri* (Vol. 1). Ankara: Türk Tarih Kurumu Basımevi.
- KÖYMEN, M. A. (1991b). *Büyük Selçuklu İmparatorluğu Tarihi Alp Arslan ve Zamânı* (Vol. 3). Ankara: Türk Tarih Kurumu Basımevi.
- KRAMERS, J. H.-[BOSWORTH, C. E.]. (1997). Şu-Başi, *The Encyclopaedia of Islam (new edition)*. (Vol. 9, pp. 736-737). Leiden: Brill.
- LAMBTON, A. K. S. (1988). *Continuity and Change in Medieval Persia: Aspects of Administrative, Economic and Social History, 11th-14th century*. London: I. B. Tauris.
- MĪRKHWĀND. (1339). *Rawḍat al-şafā' fī sīrat al-anbiyā' wa'l mulūk wa'l khulafā'* (Vol. 4). Tehran.
- OCAK, Ahmet. (2017). *Selçuklu Devri Üniversiteleri Nizâmiye Medreseleri*. İstanbul: Nizamiye Akademi.
- ÖZAYDIN, A. (1990). *Sultan Muhammed Tapar Devri Selçuklu Tarihi (498-511/1105-1118)*. Ankara: Türk Tarih Kurumu Basımevi.
- ÖZAYDIN, A. (2001). *Sultan Berkyaruk Devri Selçuklu Tarihi (485-498/1092-1104)*. İstanbul: İstanbul Üniversitesi Edebiyat Fakültesi Yayınları.
- ÖZAYDIN, A. (2018). Nizâmülmülk'ün Büyük Selçuklu İmparatorluğu'na Hizmetleri. *Selçuk Üniversitesi Selçuklu Araştırmaları Dergisi*, Issue: 8, pp. 1-31.
- ÖZAYDIN, A. (2003). Mahmûd b. Muhammed Tapar. *İslâm Ansiklopedisi*. (Vol. 27, pp. 371-372). İstanbul: Türkiye Diyanet Vakfı Yay.
- ÖZAYDIN, A. (2004). Melikşah. *İslâm Ansiklopedisi*. (Vol. 29, pp. 54-57). İstanbul: Türkiye Diyanet Vakfı Yay.
- ÖZAYDIN, A. (2007a). Nizâmiye Medresesi. *İslâm Ansiklopedisi*. (Vol. 33, pp. 188-191). İstanbul: Türkiye Diyanet Vakfı Yay.

- ÖZAYDIN, A. (2007b). Nizâmülmülk. *İslâm Ansiklopedisi*. (Vol. 33, pp. 194-196). İstanbul: Türkiye Diyanet Vakfı Yay.
- ÖZAYDIN, A. (2009). Sencer. *İslâm Ansiklopedisi*. (Vol. 36, pp. 507-511). İstanbul: Türkiye Diyanet Vakfı Yay.
- ÖZGÜDENLİ, O. G. (2014). Büyük Selçuklu Sultanlarına Ait Farsça Şiirler. *Marmara Türkiyat Araştırmaları Dergisi*, Vol. 1 (2), pp. 39-67. doi:10.16985/MTAD.2015210886.
- ÖZGÜDENLİ, O. G. (2013). Zahîrüddîn-i Nisâburî. *İslâm Ansiklopedisi*. (Vol. 44, pp. 102-103). İstanbul: Türkiye Diyanet Vakfı Yay.
- ÖZTÜRK, M. (2019). *Irak Selçuklu Devleti Atabegleri*. İstanbul: Bilge Kültür Sanat Yayınları.
- ÖZTÜRK, M. (2008). Selçuklu Emîri Hasbeg b. Belengirî. (Abdülkerim Özyayın etc. ed.), *Prof. Dr. Işın Demirkent Anısına / In Memory of Prof. Dr. Işın Demirkent* (pp. 463-473), İstanbul: Dünya Yayıncılık.
- PİYADEOĞLU, C. (2018). *Sultan Alparslan Fethin Babası*. İstanbul: Kronik Yayıncılık.
- PİYADEOĞLU, C. (1999). *Büyük Selçuklular Döneminde Atabegler*. Unpublished MA Thesis, İstanbul University, İstanbul.
- RASHİD AL-DİN. (1999). *Djâmi' al-tawârîkh* Vol. 2 (5). (Ahmed Ateş ed.). Ankara: Türk Tarih Kurumu Basımevi.
- RÂWANDÎ, (1999). *Râhat al-şudûr wa-âyat al-surûr* (Vol. 1-2). (Ahmed Ateş Turkish trs.). *Râhatü's-sudûr ve âyetü's-sürûr (Gönüllerin Rahatı ve Sevinç Alâmeti)*. Ankara: Türk Tarih Kurumu Basımevi.
- SAFÂ, Z. (2002). *İran Edebiyatı Tarihi* (Vol. 1). (Hasan Almaz Turkish trs.). Ankara: Nüsha Yayınları.
- SAYYİD HÂSAN-İ GHAZNAWİD. (1362). *Dîwân-i Sayyid Hasan-i Ghaznawid*. (Müderres-i Razavî ed.), Tehran.
- ŞEŞEN, R. (2005). Sultan Sencer'in Muhitinde Yaşayan Felsefeciler, Matematikçiler, Tabipler. *XIV. Türk Tarih Kongresi Bildiriler (9-13 Eylül 2002)*, Vol. 1, Ankara: Türk Tarih Kurumu Basımevi, pp. 441-452.
- TURAN, O. (1969). *Selçuklular Tarihi ve Türk-İslâm Medeniyeti*. İstanbul: Turan Neşriyat Yurdu.

Chapter 12

THE RELATIONSHIP OF COMPETITION AND RISK IN THE BANKING SECTOR: EVIDENCE FROM OECD COUNTRIES¹

Sedat AYDOĐDU²

Emin Hüseyn ÇETENAK³

¹ "Bankacılık Sektöründe Rekabet ve Risk: OECD Ülkeleri Üzerine Bir Uygulama" adlı Yüksek Lisans Tezinden türetilmiştir.

Aydođdu, S. (2021). "Bankacılık Sektöründe Rekabet ve Risk: OECD Ülkeleri Üzerine Bir Uygulama". Niđe Ömer Halisdemir Üniversitesi Sosyal Bilimler Enstitüsü Bankacılık ve Finans Anabilim Dalı, Niđe. Danışman: Doç. Dr. Emin Hüseyn ÇETENAK

² Niđe Ömer Halisdemir University, Niđe, sedataydogdu94@gmail.com ORCID: 0000-0002-9354-3519

³ Associate Prof. Dr., Niđe Ömer Halisdemir University, Department of Finance and Banking, Niđe, cetenak@gmail.com, ORCID: 0000-0003-2900-4948

1. INTRODUCTION

Banks provide numerous and important services to both individuals and businesses. As financial service providers above all, banks provide their customers with a safe place to store their deposits. In addition, routine transactions such as money withdrawal, deposit, money transfer, interest income, check writing, and bill payments are carried out by banks through various account types including checks, savings accounts, and certificates of deposit. Due to all these functions, banks are not only important for the country's economy but also have the power to influence society.

When we look at the economic crises experienced in the past, the power of the banking sector to affect society can easily be seen. For example, the effects of the 2008 banking crisis were felt in both developed and developing countries, and many people lost their jobs, and the power and influence of large financial institutions became the subject of discussion in society. In such a large system, it is extremely important to regulate and supervise the system, since the disruptions or developments that may occur have a great impact on the country's economy.

Increasing competition among banks may threaten the solvency of institutions that have a relationship with the bank, and the banking system may be adversely affected by this situation. As the value of a falling behind bank will erode at this level of competition, it may choose to pursue riskier policies to protect its previous profits. These and similar risky policies may increase the NPL (Non-Performing Loans) ratios in the banking system, resulting in more bank failures.

Countries with developed economies are in a better situation than developing countries against the negativities that may occur in the financial system. Since developing and emerging economies are more fragile in this regard, they must always be prepared for such problems (Ferry and Sapir, 2010).

One of the potential problems that can be experienced in the financial system is the level of risk that banks take in the process of competing with other banks, in other words, the relationship between competition and risk in that economy. This risk that banks take to compete and stay in the market may cause them to make too much profit in the future, as well as cause financial instability and collapse of the market. Therefore, it is essential to examine the relationship between banks' competition and risk.

2. THE RELATIONSHIP OF COMPETITION AND RISK IN THE BANKING SECTOR

The rapid development and change of technology, products, and ideas in the world have made it necessary for the banking system to keep up with this order, and it has become important to examine the effects of

competition and risks on it. Questions such as how important risk in a place is where there is competition and how much risk-taking behavior affects competition are the basis of the most important questions of this relationship.

The banking sector has always had a very important place for national economies. The ability of other sectors to continue their activities in a country's economy largely depends on the banking sector. For this reason, factors such as risk, competition, efficiency, concentration in the banking sector are of great importance. In the management of risk, which is an important skill for banks, it is expected to make the right decisions with low costs. There are two main reasons for a bank to increase its risk knowing that it will create a negative situation; make more profit and increase competitiveness.

With the increase in factor trade in the world and the globalization of economic activities, competitiveness based on basic factors such as cheap labor, raw materials, and natural resources has come to an end. One of the biggest reasons for this is the industrialization that came after the industrial revolution and the effect of the ensuing technological developments on the rate of liberalization. The importance of the classical theory, which explains the competitiveness by considering the unit production costs, decreases in this case. Expert workforce, high technology, and good communication infrastructure, which are among the advanced production factors, are becoming more and more important in explaining competitive power. In empirical studies examining the differences in regional competitiveness, the development of productivity levels and the stock in production factors are characterized as the source of competitiveness. Because access to developing production factors is getting easier with each passing minute and product-based similarities emerge. Here, the most important factor that will distinguish companies from each other will be the strategic decisions they will make for competition (Ayaş, 2002).

Increasing competition conditions in the market causes banks that launch their products to innovate and take risks in order not to fall behind. These changes push banks to seek to stay in the market and become a leader with low costs and as high risk as possible.

The level of risk and competition that banks take in their quest to stay in the market and become a leader has led to the questioning of stability in the banking sector. Studies on the competition-stability relationship are grouped under two main headings. The first of these is the view that competition and risk cause instability and the other is the view that competition and risk do not cause instability, on the contrary, they increase stability (Carletti and Hartmann, 2007). The approaches suggesting that

competition and high risk cause instability in the financial economy are examined under the following headings.

2.1. Franchise Value Hypothesis

The Franchise Value Hypothesis is an approach that advocates the view that competition causes instability. It can be defined as the present value of the future benefits or expected profit flow of investors holding deposits in the bank (Northcott, 2004). The franchise value hypothesis is the analysis of the relationship between market structure and excessive risk-taking by banks. In general, this hypothesis states that competition increases the fragility of the banking system as it negatively affects the franchise value of the banks.

It is assumed that the underlying source of franchise value is the profits that make up the market power available in well-regulated banking systems. (Micco and Panizza, 2005). The importance of these profits for banks is that they can act as a buffer in case of a possible negative shock. For this reason, investors invest their deposits in banks with higher profits because they value them more and they think they are stronger against shocks, which increases the market value of the bank (Keeley, 1990; Furlong and Kwan, 2006). In addition to market power, bank size, reputation, and the relationship between banks and their customers are also defined as important criteria of franchise value (Jimenez et al., 2013).

Considering the studies in the literature (Keeley, 1990; Schaeck et al., 2006; Jimenez et al., 2013), it is thought that the franchise value plays an important role in limiting the risk taken by the banks. He stated that the main reason for this is not to lose the franchise value that the banks have in their position and to avoid bankruptcy. To protect their franchise value, banks limit their risk-taking by holding more equity and less risky portfolios, becoming relatively more cautious, and thus contributing to the stability of the banking system (Levy Yeyati and Micco, 2003).

In addition, according to the Franchise Value Hypothesis, high competition hurts the stability of the banking system. These competitive steps, which take risks aggressively to earn high profits and neglect the market power conditions, cause the franchise value of the banks to decrease. Examples of risky steps banks can take are lowering their capital levels, choosing high-risk portfolios, taking out high-level loans, etc. can be displayed. Risky steps taken may increase the probability of bankruptcy of banks and cause financial instability by causing more fragility (Keeley, 1990; Carletti and Hartmann, 2007; Jimenez et al., 2013). For this reason, banking systems with low concentration levels and high-risk levels are due to competition. they are more vulnerable to possible crises (Beck, 2008, Berger et al., 2008).

Academic research on the Franchise Value Hypothesis begins in the 1980s. In 1984, Marcus examines the relationship between market power and franchise value using a one-period research model. According to the results of the research, banks that experience a decrease in franchise values follow more risky policies (Beck, 2008). From a theoretical point of view, some researchers argue that capital is a characteristic of the level of loss banks face when they go bankrupt, and banks with higher equity face less risk and have a negative relationship between risk and capital (Furlong and Keeley, 1989). With more capital, banks can often strongly resist adverse shocks, thereby reducing the likelihood of bankruptcy. Therefore, bank risk is assumed to be inversely related to bank capital. For this reason, banks tend to reduce their bank risks to protect their capital buffers and franchise values and to maintain their financial stability by being as prudent as possible. Evidence from the US banking sector by Shrieves and Dahl (1992), Jacques and Nigro (1997); and Aggarwal and Jacques, (1998) seem to confirm this relationship.

2.2. The Effect of Risk and Competition on the Spread of Crises

One of the approaches that think that risk and competition increase the fragility of the financial market is that these two headings have a great impact on the spread of crises. Academic studies conducted under this title think that crises increase the possibility of spreading to the entire financial sector through the interbank market (Beck, 2008). To prevent a bank experiencing a financial crisis from affecting the system under normal conditions, other banks in the market are expected to help by providing liquidity. However, the studies conducted by Allen and Gale (2004) and some other researchers show that banks that are currently at a high level of competition and that have taken high risks may be reluctant to provide funds to the bank/banks that have liquidity problems and that they also need the bank to provide funds due to the coordination problem brought about by high competition. They also argued that there would not be a mechanism to support cooperation that would enable the intervention. As a result of such a situation, the bank, which has financial problems, will not be able to intervene, first the bankruptcy of the bank and then spreading to the sector will lead to a systematic crisis. On the contrary, in an Oligopolistic market where few banks operate, in a situation where the concentration is high and the probability of cooperating to raise funds is high, the support given to any bank that has a financial problem can prevent the spread of this crisis. (Allen and Gale, 2004)

2.3. The Effect of Competition on Risk Diversification

Large banks operating in a highly concentrated market, thanks to their economies of scale and scope, contribute to the stable development

of the financial system by reducing the overall risk level by making more effective asset and risk diversification. In a market where concentration is not high and competition is high, it is very difficult for small-scale banks to diversify their assets and investments. This will lead to a high level of risk as banks cannot distribute their risks. The excess of banks with high-risk levels also makes the financial market more vulnerable to vulnerability (Beck, 2008).

2.4. The Effect of Competition and Risk on the Regulation of the Banking Sector

Another approach that advocates the view that competition increases instability in the banking market is the effect of competition and risk on the regulation of the banking sector. According to this approach, it is argued that in a market with few banks, the concentration level is high, the competition and the level of risk taken are low. Another view is that the level of competition and the risk taken are high, and it is more difficult to regulate and control in the markets where many and small-scale banks operate. According to this approach, the control and supervision of a highly concentrated market with few large banks is easier and more effective. He argues that in a market where regulation and supervision are high and effective, the probability of a crisis is low and the stability of the financial system is continuous (Beck, 2008). As an example, the fact that the banking system of the United States, which has many banks, has experienced more crises compared to the banking systems such as the concentrated United Kingdom and Canada, which has fewer banks, is cited as proof of this assumption.

Although the view that competition and the high level of risk taken increase instability is high in the literature, some studies claim the opposite of this situation (Boyd and De Nicolo, 2015 and Martinez-Miera and Repullo, 2008) supporting that competition increases financial stability. The “risk shifting paradigm”, which explores the effects of market power and competition on moral decay and adverse selection problems in the credit market, is the strongest supporter of this approach.

2.5. The Risk Shifting Paradigm and the Effect of Market Power on Credit Risk

The risk shift paradigm examines the impact of competition and market power through the loan interest rate on the problems of adverse selection and moral degradation from loan customers. Boyd and De Nicolo (2015) internalized the effect of competition in the credit market on credit risk and concluded that competition increases stability among banks. Martinez-Miera and Repullo (2008), on the other hand, developed a new model by adding the effect of the increase in loan interest rates on loan incomes to

the paradigm. According to this approach, the higher the loan interest rates, the greater the loss to be incurred by the bank in the losses that may occur due to adverse selection and moral degradation. However, from another point of view, there will be an increase in loan interest income from paid loans. This effect is called the “Margin Effect” in the literature, and it will contribute to the stability of banks as long as they keep the amount of collected loans higher than uncollectible loans (Martinez-Miera and Repullo, 2008). As the risk-shifting paradigm is balanced in this way with the franchise value and margin effect, a non-linear relationship emerges between competition and stability. Researchers have found that as the level of competition in credit and deposit markets increases, the risk level of banks is low at first, but begins to increase after a certain level (Jimenez et al., 2013; Van Hoose, 2010 et al.). It is also highest when competition is very high.

3. LITERATURE

In recent years, increasing bank competition, especially with technological developments, has brought with it many studies in this field. How banks keep up with the new era, how they act in gaining new customers, and what level of risk they take in the market compared to their competitors while doing these have been the focus of attention of many researchers. For example, the Consultant (2018) researched the subject of “Competition and Stability in the Banking Sector in Developed Countries” in his study. As a result of his analysis of 25 developed countries between 2007 and 2015, he concluded that competition in developed countries increased the fragility, and this was due to fluctuations in profits and low capital ratios (Consultant, 2018).

There are also many studies in the literature examining the relationship between competition and risk. For example, Boyd, DeNicolo, and Jalal (2006) and De Nicolo and Loukoianova (2007) found that the risk of bank failure increases in less competitive markets, while Jimenez, Lopez and Saurina (2013) found that competition decreases as risk increases. Jimenez, Lopez and Saurina (2013) examined the relationship between bank competition and risk-taking in the Spanish banking system for the period 1988-2003. They used the NPL ratio, which measures the credit risk level of banks and the quality of outstanding loans, as a measure of bank risk-taking. They used Lerner indices for commercial loans and deposits and their average as a measure of market power. In addition, they applied concentration measures such as HHI, CR5, and the number of banks to measure market power. They found empirical evidence supporting the franchise value paradigm, which suggests a negative relationship between market power and risk-taking, and concluded that as banks’ market power increases, banks’ NPL ratios decrease (Jimenez, Lopez, & Saurina, 2013).

Tabak, Fazio, and Cajueiro (2012) discussed the effects of bank competition on risk-taking behaviors in 10 Latin American countries between 2003 and 2008. Unlike previous findings, they found the opposite effect for average competition, while they concluded that competition affects risk-taking behavior in a non-linear way, as both high and low levels of competition increase financial stability. In addition, they concluded that bank size and capitalization are important factors in explaining this relationship, and on the other hand, the larger a bank, the more competitive advantage is gained (Tabak, Fazio, & Cajueiro, 2012).

Anginer, Demirgüç, and Zhu (2014) concluded in their study that there is a strong negative relationship between bank competition and systemic risk. They concluded that more competition encourages banks to take more diverse risks and makes the banking system less vulnerable to shocks. When the effect of the institutional and regulatory environment on the systemic risk of the bank is examined, it has been determined that the banking systems have a more fragile structure in countries where supervision and private supervision are weak, state ownership of banks is more, and there are public policies that restrict competition (Anginer, Demirgüç, & Zhu, 2014).

Berger, Klapper and Turk-Ariss (2009) tested the effect of market structure on banks' risk potential for 23 countries. Z score for risk, Lerner Index for competition, and HHI index for concentration were used in the study. In addition, bank size, operating constraints, and banking freedom were used as instrument variables in the analysis. As a result of the analysis, Berger, Klapper, and Turk-Ariss (2009) found that more market power leads to riskier loan portfolios, consistent with the competition-stability view. However, they also found that overall bank risk was partially reduced, as banking institutions had significantly more equity. This result suggests that banks with more market power are exposed to less overall bank risk, most likely because of higher franchise values. If banks have higher franchise value resulting from market power, they can hedge that value from higher credit risk through more equity, a smaller loan portfolio, or other risk-reducing techniques. According to the results, market power increases credit risk, but banks with more market power generally face less risk (Berger, Klapper, & Turk-Ariss, 2009).

Liu and Wilson (2011) investigated whether the relationship between competition and risk changed between different Japanese banks in the 2000-2009 period. As a result of the empirical analysis, they concluded that the risk varies according to the bank types. Liu and Wilson (2011) find that banks across the country (City and Trust) are riskier than their regionally focused counterparts (Regional, Shinkin, and Credit Cooperative banks). They concluded that the relationship between competition and risk also

varies among bank types depending on risk levels (Liu and Wilson, 2011).

Levy Yeyati and Micco (2007) examined the effect of concentration on banks' competitive behavior and financial stability for eight Latin American countries. They used CR3, CR5, and HHI index based on total bank assets to measure banking system concentration; They used the H-statistics and the Z-index, which represents the bankruptcy risk of banks, to measure the competitiveness of the banking system. As a result of their analysis, they did not observe any evidence that the concentration significantly reduces competition. In addition, in terms of banking sector stability, it was determined that the increased concentration did not have any effect on the bank insolvency risk. However, they found that bank solvency risk was positively correlated with competition, supporting the franchise value paradigm. (Levy Yeyati and Micco, 2007).

In their analysis, Liu and Moluneux (2011) examined the effects of competition on bank risk-taking behavior in four Southeast Asian countries (Indonesia, Malaysia, the Philippines, and Vietnam). As a result of the research, they concluded that competition does not increase bank risk-taking behavior and the results seem robust for different model features, estimation approaches, and variable structures. They also found that concentration is inversely proportional to bank risk, while regulatory restrictions positively affect bank risk-taking.

Fungacova and Weill (2009) present an empirical examination of the role of bank competition in the emergence of bankruptcies for Russian banks for the period 2001-2007. They used the Lerner Index to measure competition. As a result of the analysis, they found that a high degree of market power reduces the occurrence of failures for Russian banks. The findings support the competition-vulnerability view that high bank competition is detrimental to financial stability (Fungacova and Weill, 2009).

Mateev, Tariq and Sahyouni (2021), in their study, examined the effects of banking competition and capital level on the risk-taking behavior of banking institutions in the Middle East and North Africa region. In the study, they measured data from more than 225 banks for 18 countries with Panel Data Analysis. According to the results, they found that banks in the Middle East and North Africa region tend to have higher capital ratios as the competitive environment increases and banks increase their capitalization levels in response to high risk (Mateev, Tariq, & Sahyouni, 2021).

In the last quarter-century, the relationship between competition and risk in the banking sector has been the focus of many studies in the academic community. Studies in this field have been handled in many ways. Most of the studies have examined the effects of banks' risk and

competition level on stability. As a result of these studies, it has not been possible to reach a definite judgment on the competition-risk-stability relationship in the banking sector. An important and most of the studies have concluded that competition causes high risk, and this causes instability in the banking market (Fungacova and Weill, 2009; Anginer, Demirgüç and Zhu, 2014; Tabak, Fazio and Cajueiro, 2012). However, there are also studies suggesting that competition and high risk contribute to the stability of the banking sector (Boyd and De Nicolo, 2015 and Martinez-Miera and Repullo, 2018). When these studies, which concluded that competition affects the risk levels of banks and the stability of the sector, positively or negatively, it was not possible to conclude when evaluated together. Therefore, it is important to approach cautiously the opinions of the majority that competition causes high risk and high risk causes instability in the financial sector, and for this reason, restriction of competition.

4. DATA, MODEL, AND FINDINGS

The effect of competition between banks on the risk of banks has been the subject of many academic and political debates, especially after the global financial crisis. Although competition in the banking sector has led to greater innovation and efficiency, suspicions that this competition has led to greater vulnerability have increased academic interest in the subject.

Similarly, with the financial crisis, systemic fragility, and the resurgence of interest in prudential macroeconomic regulation, discussions on risk assessment practices and reorganization of the financial system have resumed. Therefore, investigating the reasons for the risk-taking behavior of banks in line with efforts to ensure and maintain systematic stability can be evaluated within the scope of this subject (Tabak, Fazio, & Cajueiro, 2012).

Banks must use the savings they collect from the market correctly and direct them back to the market. While doing this, banks want to reach more savings compared to their competitors, to use these savings as loans, and to make a profit as a result. However, the existence of many banks in the market forces banks to take some risks to gain an advantage and attract savings. This situation brings with it the questions of how much risk the banks take to compete, and what the dimensions of the relationship between competition and risk are. For this reason, it is important to measure the relationship between competition and risk in the banking sector.

Within the scope of the study, OECD countries, which are thought to have a homogeneous structure, were selected to determine how the level of competition in the banking sector affects the risk in the sector. For this purpose, data from the years 1996-2014 belonging to 35 OECD member countries, whose data can be accessed from the World Bank, were used.

The reason why the analysis is limited to the years 1996-2014 is since the Lerner Index variable, which is used to measure competition, has not been published by the World Bank after 2014.

In the study, GMM (Generalized Moments Method), which is one of the dynamic panel data estimation methods, was used to determine the effect of competition in the banking market of 35 OECD member countries on the risk of the banking market. In the literature, the GMM method is frequently used in first-order autoregressive processes with a large number of cross-sectional data and a small-time dimension (Bowsher, 2002:216). Since the main model of the study, which is the subject of estimation, is a dynamic model, it is expected that the econometric model will also have a dynamic structure. Unlike the static panel data model, the dynamic panel data model contains one or more variables with its lagged values.

In the first step of the estimation, the error terms are assumed to be independent and homoscedastic with firm/country versus time. This assumption is stretched when the variance-covariance matrix generates a consistent estimate from the errors obtained in the first step. The two-stage GMM estimator appears to be more efficient when the error term is heteroscedastic. In the generalized moment method (GMM), the first difference is estimated by the generalized least squares method by transforming the dynamic fixed-effect model tool with variables. The estimators obtained are called generalized moment estimators or two-stage instrument variables estimators (Güriş, 2005).

Roodman (2009) suggests that the dynamic panel method can be used instead of the static panel method in the following situations:

- The unit size in the dataset is more than the number of times ($N > T$)
- The model to be tested is a linear function
- A significant relationship between its lag values and the dependent variable
- Independent variables are not entirely exogenous

The model to be tested in the study is as follows:

$$\mathbf{BankZ}_{i,t} = \alpha + \beta_1 \mathbf{Lerner\ Index}_{i,t} + \beta_2 \mathbf{GDP}_{i,t} + \beta_3 \mathbf{BankROE}_{i,t} + \varepsilon_{i,t}$$

The variables included in the model are explained in detail below:

BankZ: This variable, which is added to the model to measure the risk of the banking sector, basically shows the probability of a country's banking system default. This variable, taken from the World Bank website,

can be considered as a common measure of stability at the institutional level. The Z-score is calculated as $Z = (k + \mu)/\sigma$; where k is equity as a percentage of assets, μ is the return as a percentage of assets, and σ is the standard deviation of the return on assets as a representative of return volatility. A high z-score calculated in this way means a lower probability of bankruptcy. The Z-score has several limitations as a measure of financial stability. The most important limitation is that z-scores are based entirely on accounting data (World Bank, 2021).

Lerner Index: The Lerner Index shows the competitiveness of the banking sector. This variable is calculated using the Lerner Index, which shows the degree of market power of a firm in the economy. Developed by the Russian-British economist Abba P. Lerner in 1934, the Lerner Index can be formulated as $= (P-MC)/P$

Here P represents the price of the good determined by the firm and MC represents the marginal cost of the firm. The index ranges from 0 to 1. The higher the value of the Lerner Index, the more the firm can charge its marginal cost, hence the greater its monopoly power. The value of the Lerner index lies between zero (perfect competition) and one (strong market power).

GDP: This variable represents the percentage change in the per capita Gross Domestic Product (GDP) of countries, in other words, economic growth. GDP is one of the most common indicators used to monitor the health of a country's economy. GDP is one of the most closely watched and most important economic indicators for both economists and investors. This variable, which is added as a control variable to the model to be tested within the scope of the study, will answer the question of how the risks in the banking market are affected by the developments in the country's economy.

Bank ROE: The ROE variable added as a control variable to the model to be tested within the scope of the study represents the return on equity ratio (ROE) of banks. The ratio calculated as net profit divided by equity is a measure of financial performance.

4.1. Results

In Table 1, some basic statistics of the variables in the model are given.

Table 1. Descriptive Statistics

Variable	Obs.	Mean	St. Dev.	Minimum	Maximum
Bank Z Score	769	12,41	7,43	0,01	47,57

Lerner Index	621	0,19	0,13	-1,60	0,49
Bank ROE	770	8,54	13,82	-117,67	55,18
GDP Growth	735	0,019	0,03	-0,15	0,21

The lowest value of the Z score variable, which measures the risk level in the banking sector, is 0.0167, while the highest value is 47.57. Before the level of competition in the banking sector in OECD countries, the average of the Lerner Index variable is 0.19, the lowest value is -1.60 and the highest value is 0.494474. The lowest value of the ROE variable, which measures the return on equity ratio in the banking sector, is -117.67%, while the highest value is 55.18%. The standard deviation of the ROE variable, which has a mean of 8.54%, is 13.8. The average the percentage change in the GDP per capita variable, which is used as a measure of economic growth, is approximately 2% and the standard deviation is 3%.

Table 2. Correlation Coefficients Matrix

	Bank Z Score	Lerner Index	Bank ROE	GDP Growth
Bank Z Score	1,000			
Lerner Index	0,0258	1,000		
Bank ROE	0,1188	0,1475	1,000	
GDP Growth	0,3822	-0,0026	-0,0113	1,000

Table 2 contains the matrix showing the correlation between the variables. There is a positive correlation of 0.0258 between the risk level in the banking sector and the Lerner Index, which represents the competition in the market. On the other hand, there is a correlation of 0.1188 between the Lerner Index and ROE. There is a correlation close to zero between the change in GDP added to the model as a control variable and the Z-Score of 0.38, the change in GDP, and the Lerner index and ROE. On the other hand, there is a correlation of 0.14 between banking return on equity and Z score.

Table 3 below presents the results of the model tested using the Two-Stage System GMM analysis to determine the relationship between competition and risk in the banking sector.

Table 3. GMM Results

Grup Variable :Country	Obs. : 586			
Time Variable :Year	Group : 35			
Number of Instruments: 18	Minimum : 7			
Wald chi2(3) : 269.01	Mean : 16,74			
Prob > chi2 : 0.000	Maximum : 18			
Z Score	Coefficient	St. Error	Z	P > Z
Lerner Index	40.77	15.48	2.63	0.008
GDP	-243.64	97.82	-2.49	0.013
ROE	1.11	0.3770	2.95	0.003
Constant	-1.56	3.94	-0.40	0.691
AR(1) Arellano-Bond Test			Z = -1.80	0.071
AR(2) Arellano-Bond Test			Z = -1.20	0.232
Sargan: chi2(14) = 10.94			Prob > chi2 = 0.691	
Hansen: chi2(14) = 7.60			Prob > chi2 = 0.909	

According to the findings, there is a significant and positive relationship at the level of 0.05 between the Lerner index representing competition and the Z score. According to the results of the analysis, the increase in competition among banks increases the risk of banks, on the other hand, the decrease in competition causes a decrease in the risk of banks. It would be useful to remind here that an increase in the Z score means less risk, and an increase in the Lerner index means less competition. On the other hand, a significant and positive correlation at the level of 5% between return on equity and Z score, which was added as a control variable to the model, and a significant and negative relationship at the rate of 1% between the Z score and the change in GDP was found. Accordingly, as expected, we can say that the increase in the return on equity of banks reduces the risk of banks. On the other hand, the negative relationship between economic growth and banking market risk shows us that banks take more risk during periods of good economy and less risk-taking behavior when the economy is bad. The AR1 and AR2 estimation results show that there is no autocorrelation problem in the model. Again, the Sargan test results, which were conducted to test the validity of the instrumental variables, show that the validity of the instrumental variables in the model cannot be rejected. In the next part of the study, the findings will be interpreted, and some suggestions will be made.

5. CONCLUSION

The knowledge of how much competition between banks increases or decreases the risk of banks is of great importance in terms of benefiting both the financial system and the real economy. Because banks, which have

a large share in the economy, have the power to greatly affect the country's economy and growth. In this study, the relationship between competition and risk in the banking sector for OECD countries was examined. How the positions taken by the banks due to the competition in the market affect the risk in the sector and the relationship between them are examined.

As a result of the analyzes, findings were obtained in parallel with the results obtained in their studies Tabak, Fazio and Cajueiro (2003 and 2008), Martinez-Miera and Repullo, (2010), Liu and Wilson, (2011), Anginer, Demirgüç and Zhu (2014), Ijaz (2021). Accordingly, it has been determined that there is a significant and positive linear relationship at the level of 5% between competition and banking market risk, and the risk increases as competition increases. It has been concluded that in the case of monopolization of the market, that is, a decrease in competition, the risk taken by banks decreases. GDP and ROE variables added to the model as control variables also gave significant results. Accordingly, it has been observed that there is a negative and significant relationship between economic growth and banking risk. This shows that as the national income increases, the risks were taken in the banking market also increase. It was concluded that there is a positive relationship between the other control variable, banking return on equity, and the Z variable. This result shows that the increase in the return on equity causes a decrease in the banking market risk.

As a result, considering that the competition between banks, which are of great importance for the country's economies, brings with it a risk, and high risk can cause instability in the financial sector; It is important for market regulators to carefully monitor bank behavior in terms of preserving the stability of national economies and financial markets.

REFERENCES

- Aggarwal, R., Jacques, K.T. (1998), “Assessing The Impact Of Prompt Corrective Action On Bank Capital And Risk”, *Economic Policy* 4, 23-32.
- Allen, F., Gale, D. (2004), “Financial Contagion. *Journal of Political Economy*”, 108(1), 1–33.
- Anginer, D., Kunt-Demirguc, A., Zhu, M. (2014), “How Does Competition Affect Bank Systemic Risk?”, *Journal of Financial Stability*, 23(1), 1-26.
- Arellano M., Bond, S. (1991), “Some Tests of Specification for Panel Data: Monte Carlo Evidence and An Application to Employment Equations”, *Review of Economic Studies*, 58, 277–297.
- Ayaş, N. (2002), “The Role of Efficiency in Developing Regional Competitiveness”, *Journal of Muğla University Social Sciences Institute*, Fall 2002, 9.
- Beck, T. (2008), “Bank Competition and Financial Stability: Friends or Foes?”, *World Bank Policy Research Working Paper*, 4656.
- Berger, AN, Demirgüç-Kunt, A., Levine, R., Haubrich, JG (2004), “Bank Concentration and Competition: An Evolution in the Making”, *Journal of Money, Credit and Banking*, 36 (3), 433 -451.
- Berger, A.N., L.F. Klapper, R. Turk-Ariss. (2009), “Bank Competition And Financial Risk”, *Journal of Financial Services Research*, 35(2), 99–118.
- Boyd, J.H., G. DeNicolò, A.M. Jalal. (2006), “Bank Risk Taking And Competition Revisited: New Theory And Evidence”, *IMF Working Paper* 06-29.
- Carletti, E., Hartmann, P., Spagnolo, G. (2007), “Bank Mergers, Competition, and Liquidity”, *Journal of Money, Credit and Banking*, 39 (5), 1067-1105.
- Advisor, G. (2018), “Bank Competition, Regulations, And Stability In Developed Countries”, Ph.D. Thesis, Boğaziçi University, Institute of Social Sciences, Istanbul.
- Ferry, J., Sapir, A. (2010), “Banking Crisis Management In The EU: An Early Assessment. *Economic Policy*”, 25(62), 341–373.
- Fungacova, Z., Weill, L. (2009), “How Market Power Influences Bank Failures: Evidence from Russia”, *Social Science Research Network Working Paper*.
- Furlong, F.T., Keeley, M.C. (1989), “Capital Regulation And Bank Risk-Taking: A Note”, *Journal of Banking and Finance*, 13(6).
- Furlong F. T., Kwan S. H. (2006), “Sources of Bank Charter Value”, *Federal Reserve Bank of San Francisco Working Paper*.
- Güriş, S., Çağlayan, E. (2005), “Econometrics Basic Concepts”, *Der Publications*, Istanbul.
- Gianni De Nicolò, Elena Loukoianova. (2007), “Bank Ownership, Market Structure, And Risk. *Econpapers*”, 3377-3395.

- Jimenez, G., Lopez, J. A., Saurina, J. (2013), “How Does Competition Impact Bank Risk-Taking?” Federal Reserve Bank of San Francisco Working Paper Series, 23.
- Keeley, M. C. (1990), “Deposit Insurance, Risk, and Market Power in Banking”, *The American Economic Review*, 80, 1183-1200.
- Levy Yeyati, E., Micco, A. (2007), “Concentration and Foreign Penetration in Latin American Banking Sectors: Impact on Competition and Risk”, *Journal of Banking and Finance*, 31, 1633-47.
- Liu, H., Wilson, J.O.S. (2011), “Competition and Risk in Japanese Banking”, *Applied Economics*, 1-18.
- Liu, H., Moluneux, P. (2011), “Competition and Risk In South East Asian Commercial Banking”, *Applied Economics*, 44, 3627-3644.
- Martinez-Miera, D., Repullo, R. (2010), “Does Competition Reduce The Risk Of Bank Failure?” *Review of Financial Studies*, 23(10), 3638–64.
- Maatev, M., Tariq, MU, Sahyouni, A. (2021), “Competition, Capital Growth And Risk-Taking In Emerging Markets: Policy Implications For Banking Sector Stability During COVID-19 Pandemic”, *Plos One Research Article*, June 24.
- Micco, A., Panizza, U. (2005), “Bank Concentration and Credit Volatility”, *Central Bank of Chile Working Papers*, 342.
- Northcott, C. A. (2004), “Competition in Banking: A Review of the Literature”, *Bank of Canada Working Paper*, 2004-24.
- Repullo, R., (2004), “Capital Requirement, Market Power, And Risk-Taking In Banking”, *Journal of Financial Intermediation*, 13, 156-182.
- Roodman, D. (2009), “How To Do Xtabond2: An Introduction To “Difference” And “System” Gmm In Stata”, *Center For Global Development, Working Paper*.
- Schaeck, K., Cihak, M., Wolfe, S. (2006), “Are More Competitive Banking Systems More Stable?”, *IMF Working Paper*, 06/143.
- Shrieves, R.E., Dahl, D. (1992), “The Relationship Between Risk And Capital In Commercial Banks,” *Journal of Banking and Finance*, 16, 439-457.
- Tabak, B.M., Fazio, D.M., Cajuerio, D.O. (2012), “The Relationship Between Banking Market Competition And Risk-Taking: Do Size And Capitalization Matter?”, *Journal of Banking and Finance*, 36(12), 3366-3381.
- Van Hoose., (2010), “The Industrial Organization of Banking: Bank Behavior, Market Structure, and Regulation”, January 2010. *ResearchGate*.

Chapter 13

FACE READING FROM MYISTISM TO HUMAN RESOURCES: PERCEPTIONS OF HRM PROFESSIONALS TOWARDS FACE ANALYSIS IN THE RECRUITMENT PROCESS¹

Umut Can ÖZTÜRK²

¹ This study IV. It was presented as a summary text at the International Conference on Empirical Economics and Social Science (eICEESS'21) and was developed as a full text in the framework of the feedback received.

² Assoc. Dr., Isparta University of Applied Sciences, Isparta Vocational School, Human Resources Program

1. INTRODUCTION

The concept of self-employment has also become important with the increasing importance of entrepreneurship in the growth and development process of economies (Darıcı & Taşçı, 2015) and the autonomy and flexibility-based working philosophies of Y-Z generations. However, the vast majority are still employed. Thus, recruitment processes and behaviors emerge as an important research topic. Although it has been handled in different ways by researchers, the important point is that the importance of qualified personnel in terms of organization is great. People are now seen as the most important factor that determines the production of goods or services in organizations (Demirkıran, 2014:5).

Although the effectiveness and efficiency of organizations are related to many different variables, success in the process of finding and selecting employees is very important in overall organizational success. Intellectual capital, which employees acquire skills and competencies from another perspective, is one of the main indicators of organizational success. In this context, it is the responsibility of HRM professionals to determine the most suitable candidate for the organization and who can provide added value in competitive advantage, based on the principle of right person for the right job, which is a very complex and risky process. Geylan (1992:101) states the main results of wrong employee selection in his study: “Wrongly selected employee brings an additional training load to the organization, reduces productivity, increases work accidents, increases the workload on colleagues and increases the employee turnover rate. The wrongly chosen employee usually has to leave the organization after a while.” This means a significant loss of time and cost for the organization in finding and selecting a second employee for the second time. In fact, it is necessary to interpret the resulting picture more deeply. Employee selection, in the simplest terms, is “the selection of candidates who will fit best for the organization and for a particular position,” as Bingöl (2013: 229) comments. The main point emphasized here is “harmony”; job fit, organizational fit, culture fit...etc. When the recruitment equation and the situation that will result from wrong choices are so complex, the methods and data sources used for selection also diversify.

The step before the recruitment process is the candidate identification and finding phase. At this point, the most frequently used and utilized data source is the CVs that the candidates submit to the labor market. The CV provides a lot of data about the candidate to those in the human resources department. Although it is a controversial issue, it would not be wrong to state that the photographs of the candidates are very effective in the selection process. This effect can create positive or negative prejudice or sentiment. In his study, Erdoğan (2007) said, “There are many valid

reasons why photographs are not included in the CV in western countries such as England and America. One of these reasons is that if your image in the photograph is not positively received by the manager, it is highly likely that your resume will be ignored.” The idea that many negative perceptual misconceptions such as prejudices, sexism and racism can be involved is among the debates. However, in our country, photography is a required and often mandatory part of job applications. At this point, the effect and perception dimensions of photography in the recruitment and candidate finding process is a subject worth investigating. Maybe even if it is not considered as a real and effective variable in terms of the recruitment process, it is a subject that has been evaluated and wondered for centuries both in terms of physiognomy in the west and the science of dress in the east.

Today, almost everything can be imitated and/or substituted within the scope of the organization, but there is still human resource, which is one of the most important resources in providing difference and competitive advantage. In this context, it is one of the primary duties of HRM professionals to choose the right human resource in the first place. The more various methods are used in this multidimensional task process, the less the risk of making the wrong choice. Perhaps the most well-known of these methods is the curriculum vitae prepared by the candidates. Despite being controversial, photos in resumes are an important point for HRM professionals (Öztürk, 2021).

In this study, the perceptual importance that HRM professionals give to the photographs of the employee candidates in the process of employee selection and the preference of the candidates with what kind of features are discussed from the perspective of clothing science and physiognomy, within the framework of facial analysis. Face Reader Online 8.0 analysis program was used in the photo analysis of the candidates.

2. CANDIDATORY IDENTIFICATION AND EMPLOYEE SELECTION

The management of the recruitment and selection process, which is associated with every HRM process, is one of the most basic functions of HRM. The reason for this is that it would not be wrong to state that choosing an employee who is fully compatible with the organization and the job is the trigger for the entire HRM process. However, it is a very difficult process because it affects the entire functioning of the organization. In fact, these two processes are different from each other, but they follow each other in content.

Exactly in the area between these two processes, the characteristics and variables of the candidates come into play. One of these variables and

influence factors is the photographs in the resume. Before reaching this point, it will be useful to evaluate the concepts of finding and selecting candidates and their importance in order to understand the whole subject. In this context, the typical process of finding and selecting employees in an integrated context is visually shared as follows;

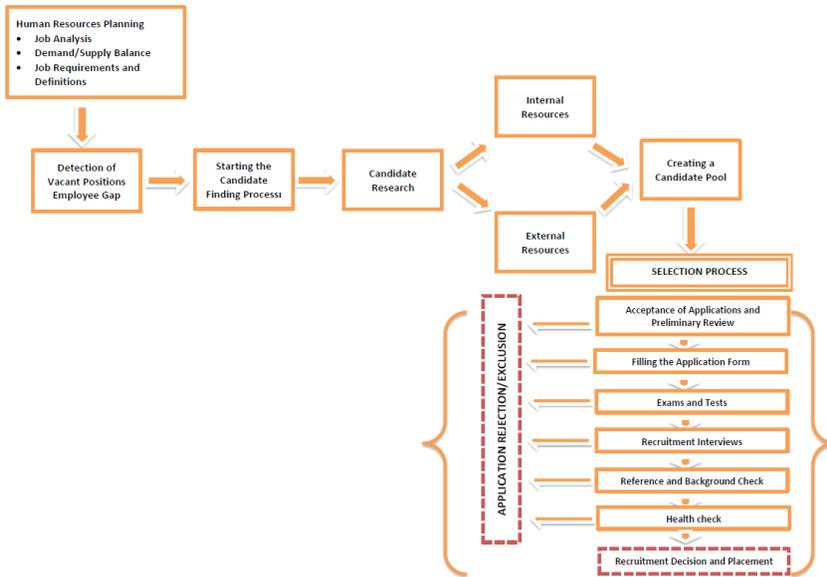


Figure 1: *Integrated Employee Recruitment and Selection Process*

Source: adapted from Uyargil et al. (2008:130) and Acar (2013:133).

Finding an employee is a “search” activity, and at this stage, it is important to create the largest “candidate pool” suitable for the purposes of the business, and then to make the “right choice”. The success of this stage depends on both the effective business analysis and human resources planning of the business and the correct creation of the candidate pool (Akdoğan, 2012: 2). The concept of selecting an employee, on the other hand, can be defined in its simplest form as “the process of selecting a candidate with the desired characteristics from among many candidates in order to successfully fulfill a job (Anthony et al., 1996: 243)”. They are similar but different processes in many respects, which follow each other and intermingle at certain points. With the human resource planning process, the number and qualifications of the employees to be recruited are determined, in a sense, a framework is created within the scope of the right person for the right job. In line with the needs and the policies of the organization, the search for employees is started through internal and external resources, and announcements or announcements are started. At

this point, job candidates apply to the organization, and it would not be wrong to say that the most frequently used method in the application process is the CV method. Along with this process, employee selection procedures also come into play. The main purpose in the recruitment process is to create as wide a pool of candidates as possible. Because what is wanted is not just to fill a gap, but to identify a high-performing candidate who will integrate with the organization and the business. In the selection process, the employee tries to reduce the number of candidates with the methods used in the election process, instead of increasing the number of candidates for open positions (Erdođdu, 2013: 85). In this context, as shown in Figure 1, various handling methods such as pre-screening (resume review and application form), exam, tests, interviews and health assessment are used.

While evaluating the harmony between the organization and the employee in the context of purpose and target in the process of finding and selecting employees, it should be planned and managed in a human-oriented, objective, strategic context (Gök, 2006: 38) and should be carried out meticulously by paying attention to details. But on the other hand, this process needs to be carried out quickly because when the disruptions to be experienced are taken into account, the costs will increase in many steps due to the wrong employee selection or the lack of employees due to delays (Sabuncuođlu, 2000: 72). Before mentioning the aforementioned costs, it would be correct to mention the main factors that cause these wrong recruitments (Sandico and Kleiner, 1999 as cited in Sarılar, 2006: 5);

- Incomplete and ambiguous analysis of jobs and positions
- Inadequate analysis of job requirements
- Inadequate initial elimination
- Wrong and inadequate interview techniques
- Wrong and insufficient questioning techniques
- Excessive and inappropriate promotion and image of the organization
- Creating false career/wage expectations
- Failure to perform reference check

Mistakes made by the enterprise in the procurement and selection process have many negative effects, from decrease in productivity to work accidents, from conflict to an increase in employee turnover. Employee turnover costs are difficult to measure and most organizations fail to realize its impact on profitability and employee productivity (Haque et al., 2019). Mistakes made in procurement and selection cause cost increase in two points in particular; Compensation and other expenses caused by

the mistakes and accidents made by the poor quality employee in the business and the dismissal of the wrongly selected employee. In addition, such situations cause many expenses such as rehiring costs and training of newcomers to increase (Akdoğan, 2012:3). It is important to understand the importance of the situation to address the consequences of not being able to provide suitable personnel for the job at the organizational and individual level. The results mentioned in the Table below are listed in detail (Koç, 2000);

Table 1: *Individual and Organizational Reflections of Wrong Personnel Selection*

INDIVIDUAL RESULTS	ORGANIZATIONAL RESULTS
<ul style="list-style-type: none"> • Depressed due to failure when given a job beyond his abilities. • When given a job below their abilities, they experience problems such as not adopting the job and not taking the job seriously. • Job dissatisfaction is experienced • Decreased commitment to work and organization • Personal inefficiency and dissatisfaction are experienced. 	<ul style="list-style-type: none"> • The number of work accidents increases • Increases absenteeism and turnover • Costs increase • In-service training expenses increase • Other personnel are adversely affected • Efficiency and productivity decrease • Conflict environment and perception of organizational injustice occur

3. CLOTHING SCIENCE AND PHYSIONOMY WITHIN THE FRAMEWORK OF BACKGROUND PHOTOGRAPHY AND FACE READING IN EMPLOYEE SELECTION

The nature of the job and the organizational structure have a positive relationship with the methods used in the selection process. In other words, job characteristics will affect how the organization selects employees. Each method provides a mechanism for collecting certain types of information about applicants. In this context, the things to be considered in the recruitment process are the skills, education, work experience and demand conditions in the domestic market (Mortensen, 1970; Lipmann and McCall, 1976 as cited in Ayhan, 2019). If the organization is interested in the candidate's work history, "curriculum vitae" and "application forms" are possible methods that are frequently used to collect the necessary information (Wilk and Capelli, 2003:104). This process is not free from stereotypes and social prejudices. Shared beliefs and values influence practices and distort the perception of HRM professionals in the process of comparing candidates. A choice that must be made on the basis of qualifications for professional performance may be subject to the influence of biased judgment based on presumed and stereotypical qualifications. Another trigger for this is the large number of candidates and the associated information overload

(Paim & Pereira, 2018). In this process, the HRM professional may act with basic and past prejudices and general stereotypes in order to make quick decisions.

Human resources professionals go through the process of making a judgment and making a decision about the candidate by looking at the CV, and the existence of more than one factor affecting this process necessitates the examination of this process (Vardarliet et al., 2018). One of these areas is the photos in the resume. When the domestic literature was examined, Vardarliet et al. (2018) tried to discover the areas where human resources professionals focused on by using the eye tracking method in the CVs they examined during the recruitment process. As a result, they concluded that all professionals must look at the photos and that the resumes with photos create a more positive judgment. Vernon and Coley (2010: 10) also put forward the idea that the photo in the CV is an element that can attract the employer or HRM professional's first and perhaps only interest and cause them to examine it more carefully. In a sense, the importance of photography is a phenomenon that is widely accepted, but at this point, the question of what is the influencing factor and how it is examined arises. This subject of curiosity and research is not new, in fact, it dates back hundreds of years. In eastern culture, "ilm-i kıyâfe(t)" appears as physiognomy in western culture.

As mentioned above, the approach that reveals the characters, morals and inner characteristics of people by looking at their organs and external appearances such as hair, eyes, ears, hands is called kıyâfe(t) science [ilm-i kıyâfe(t)] in the east and physiognomy (physiognomy) in the west. The works that deal with the data of this method are called kıyâfe(t)-nâme in eastern culture. Experts in this science are called kayif, kıyâfet-şinâs or physiognomist (physiognomist) (Kırbıyık, 2009). Physiognomy is thought to have developed systematically for the first time in China. The art of face reading has been used from Ancient China to Ancient Greece, and then in today's modern world to obtain clues and information about the characters of individuals (Demir and Dođru, 2017).

Since ancient times, people have been using physiognomy to understand other people and their internal structures. Like every field of science, it is devoted to deepening and specific sub-titles over time. İlm-i Giyim or İlm-i sîmâ, which is a special type of physiognomy, means "understanding the morality of people from their facial features" (Kırbıyık, 2009). Face-reading, also known as the art of face reading, is a science known since ancient times, and the first studies in this field are based on the art of face reading known as "Mien Shiang" in China, which dates back to BC. There is a close relationship between being happy and being happy. In the following years, it also affected the western culture, facial

features attracted the attention of Aristotle, and he adopted the belief that people's facial features gave detailed information about their personalities (Bozkurt, 2009: 27).

Today, the use of information and communication technologies in human resources management has become an important strategy that organizations use to gain competitive advantage. It provides an opportunity to create new ways to contribute to the HR applications of information technologies and organizational effectiveness (Erdoğan & Esen, 2011). Parallel to this, physiognomy has changed in an innovative context by adapting to today's conditions and technology, and has become electronic with computer and digital image processing technologies. Face detection in an image is an important development in digital image processing. However, detecting, detecting and selecting the positions of sensory organs such as eyes, nose and mouth on the face is one of the difficult areas of digital image processing. ASM (Active Shape Model), AAM (Active Appearance Model) and similar models have been used in the past. Especially since 2006, the CLM (Constrained Local Models) method has been actively used because it gives better results (Demir and Doğru, 2017). The ability to develop accurate predictions of data processing and computer programs created as a result of time and research has increased over the years. Religious beliefs and the science of clothing within the framework of these beliefs have been perceived by a certain part as "fortune telling" for many years (Türk, 2007:118) and scientifically it has often been approached with suspicion. But some studies show the opposite. In the studies of Al Moubayed et al. (2014) and Gavrilescu (2015), the accurate prediction rate of certain personality traits with the face recognition system was found to be around 70%. Although the professional world has begun to resemble each other on a global scale over time, these results may not yield the same results in local applications, since today's societies are not uniform when viewed from the framework of analysis (Wasti & Erdil, 2007).

4. MATERIAL AND METHOD

In this part of the study, the analysis and evaluation of the data obtained for the determined purposes will be made.

4.1. Purpose and Importance of the Research

Physical characteristics by many; It is thought that it provides researchers and professionals with a means of obtaining information about personality and psychological features that will be much more objective than questionnaires and neuropsychological tests, and that can be obtained remotely by using a face portrait without requiring personal participation (Kamenskaya & Kukharev, 2008). In this study, it is possible to interpret the perceptual importance that HRM professionals give to the photographs

of the candidates in the process of selecting the employee, and to interpret the candidates with what kind of features by using face reading technology.

When the literature is examined, it has been determined that the studies on the subject abroad are mostly in the field of psychology and marketing. In the domestic literature, although there are studies on face reading in the context of philosophical and literature, no study has been found within the scope of research / practice and in the recruitment process for HRM and organizational behavior. It is thought that the study will present a different perspective with its feature of being a pioneering study within the scope of e-iky and innovative iky.

4.2. Assumptions and Limitations of the Study

When examined in other studies in the literature, the most difficult aspect of such a study is that it is diverse in terms of ethnicity, clothing, haircut and other features that affect the face as well as the perception of the person (Al Moubayed et al., 2014). Although it is not possible to apply the “Ceteris paribus” assumption in social science research, this limitation has been tried to be avoided by keeping a single person and all other characteristics the same. However, differences such as the energy reflected by the person and the instantaneous light change could not be prevented.

Since the research is in the scope of the pilot application, limitations were made in the scope of the photograph diversity and the number of people interviewed in the focus group, due to the limited time and cost factors. This reduces the chance of making comments in a broad perspective.

Since the program used is a demo version, sufficient data could not be reached. However, it has a scale that focuses on emotional states rather than personality dimensions.

4.3. Research Method

In the research process, the qualitative method was used gradually. Purposive sampling method was used to increase the external validity while selecting the participants in the study. Accordingly, in order to be well-informed and knowledgeable in the field, “Taking an active role in the Recruitment Process and CV reviews”, “Minimum 5 years of experience” in order to be aware of various misconceptions with experience and experience, to have strong interaction with new hires and to have up-to-date perceptions. Interviews were made with 6 HR Professionals “including Generation Y, who were born between 1980-96”. Demographic information of the participants is given in Table 2;

Table 2: *Demographic Data of Participants*

PARTICIPANT	AGE	EDUCATION STATUS	EXPERIENCE (Year)	POSITION	SECTOR
K1	38	Bachelors degree	11	Assistant Manager	Tourism
K2	32	MSc	5	Chef	Food industry
K3	35	Bachelors degree	9	Chef	Tourism
K4	38	Bachelors degree	13	Manager	Tourism
K5	33	Bachelors degree	9	Chef	Food industry
K6	34	Bachelors degree	9	Assistant Manager	Food industry

Data were collected using semi-structured interview forms with the participants in August-October 2019. Interview forms were transferred to Word document and descriptive and content analysis was made. Depending on the research purpose, three main research questions were determined:

- RQ1: What is the importance of the candidate's photos on the CV for you?

- RQ2: (Stage 1) If you assume that they have equal competencies and career backgrounds, which employee would you prefer to call for an interview and why? (For 8 photos created via 8 master code)

- RQ3: (Stage 1) what would your top 3 rankings be?

Explanation: The same person was photographed wearing the same clothes, over 8 main themes (Natural, Happy, Sad, Angry, Surprised, Scared, Disgusted and Contemptuous) in the Face Reader Online program. When necessary, bowing was done with photo processing programs and questions were asked to the participants.

- RQ4: (Stage 2) If you assume that they have equal competencies and career backgrounds, which employee would you prefer to call for an interview and why? (for photos created through the 3 prominent codes and their derivatives)

Explanation: In the 1st stage, 2 themes were determined based on the dominant themes of the selected pictures and a question was asked again by creating combinations with other themes belonging to them.

5. RESULTS

The findings obtained in the research are shared below based on the research questions determined with their basic dimensions. In addition, some of the statements that play an important role in the formation of themes and codes are included under each question.

RQ1: What is the importance of the candidate's photos on the CV for you?

Table 3: *Participants' Ideas Regarding the Importance of the Candidate's Photos in the CV*

KEY PHRASES	FREQUENCY	PERCENT
Inseparable Part	2	33
Not without	1	17
Important	6	100
Complementary/Supporting	2	33
Rapport	2	33
Energy	2	33
The first impression	4	67
Personality Mirror/Reflection	2	33
Professional	4	67
Reliable	3	50
Memorable	2	33

Within the framework of the answers given, the expression repeated by all the participants without exception was “Important”. In other words, all participants find the photo in the CV important and effective. The expressions that clarified this with 4 participants were “First Impression” and “Professional”. In the context of the shared answers, it can be said that the participants got the first impressions of the person to whom the photographs were important and examined the professional stance of the candidates. Another striking factor is that half of the participants find CVs with photos more reliable.

Some participant statements about this theme are as follows:

K2: “... I agree with the idea that the candidate is hiding something unintentionally when I do not see a photo on the resume”, “...In a way, the first contact area with the candidate is indispensable”

K4: “I want to see the harmony between the candidate’s CV and the photo of the person, in a sense, it feels like a reflection of the personality and gives me confidence in the decision to be made”

RQ2: (Stage 1) If you assume that they have equal competencies and career backgrounds, which employee would you prefer to call for an interview and why?

Except for participant 6, all participants primarily preferred the “Happy” dominant photo. Participant 6 preferred the “Natural” dominant photo. In the table below, the opinions of the participants regarding the reasons for preferring the photographs are given;

Table 4: *Reasons for Choosing Dominant Feature Photos in the Scope of Main Themes*

THEME	KEY PHRASES	FREQUENCY	PERCENT
HAPPY	Energetic	4	80
	Sympathetic/Friendly	3	60
	Confidence	2	40
	Compatible	2	40
	Willing	2	40
	Patient	2	40
	High communication skills	2	40
	Submissive	2	40
	Humble	2	40
	Youth	2	40
Potential	2	40	

In the table above, the statements of the participants who chose the photo in the dominant theme of “Happy” are given by at least 2 participants. The predictable headlines were the most frequently repeated phrases, namely “Energetic” and “Sympathetic, Friendly”. The interesting thing is that 2 participants perceived that the candidate was obedient in his statement. The interesting thing about this statement is that it indicates that this feature is a desired feature in a sense. In a context, it can be said that the participants tend towards those who show “Type B Personality Traits”.

Some participant statements about this theme are as follows:

K3: “... In the candidate’s expression, a willingness and obedient nature is felt to adapt to the organization... Humility is essential in friendly people, which is one of the characteristics we want”

K6: “Natural people have always seemed more reliable to me... I found the candidate in a way sincere and calm... It provides a more professional and calmer feeling... Resistant to stress and serious”

RQ3: (Stage 1) what would your top 3 rankings be?

Table 5: *Participants’ Tendency to Rank Photos with Dominant Feature*

DOMINANT THEME	RANK 1	RANK 2	RANK 3	TOTAL
Happy	5	1	0	6
Natural	1	3	2	6
Sad	0	0	0	0
Mad	0	0	0	0
Surprised	0	0	0	0
Frightened	0	0	0	0
Disgusted	0	0	0	0
Condescending	0	2	4	6

In the context of dominant-themed photographs, it is seen that the participants focused on 3 main themes and even did not mention any other

themes except the 3 themes mentioned. As mentioned above, the photo with the theme “Happy” was preferred with the joint decision of 5 participants in the 1st place, while the photo with the “Natural” theme was the most preferred theme with 3 participants. Significantly, the “Shy” themed photo attracted the attention of the participants and emerged as dominant in the 3rd rank.

Some participant statements about this theme are as follows:

K4: “I feel a sense of self-confidence and courage when I look at this (Condescending Photo)”

K5: “The candidate has a self-confident and charismatic structure (Condescending Photo)”

K6: “Even though it has an aura, it doesn’t give me full confidence, I feel a lack I don’t think I’d choose it normally (Contemptuous Dominant Photo)”

From the comments of the participants, it is noticed that the expressions of “condescending” are actually evaluated within the scope of self-confidence and charisma. But despite this, no one put it first, they added it to the next evaluations.

RQ4: (Stage 2) If you assume that they have equal competencies and career backgrounds, which employee would you prefer to call for an interview and why?

Table 6: Preference Tendencies of Participants in Mixed Themes

MIXED THEME			FREQUENCY
Dominant Theme	2. Theme	3.Theme	
Happy	Condescending	Natural	2
Happy	Natural	Condescending	3
Condescending	Happy	Natural	0
Condescending	Natural	Happy	0
Natural	Condescending	Happy	0
Natural	Happy	Condescending	1

In the mixed-themed photos, a result has emerged in parallel with the previous comments and almost completely overlapping. 3 of the participants preferred the order of Happy-Naturally-Shy. It was immediately followed by the Happy-Shy-Shy-Natural ranking with 2 participants. When Table 5 is examined, the rankings of the participants in the separate themes and their preferences in the mixed-themed photos were also the same. In a way, a result has emerged that completes the validity of electronic face reading.

CONCLUSION

Resumes are a tool that candidates use to prove themselves and their compatibility with the job to the evaluator. It is the candidate's first contact with the evaluator, which would not be wrong to compare it to first impression. In today's conditions, HR professionals will not have the opportunity to examine the CVs of all candidates for a long time in the face of high number of applications, during which the evaluator will try to be fast but careful. One of the areas where evaluators are consciously or unconsciously affected during the pre-selection process is the photographs of the candidates. In the light of this fact, researchers face several questions, "Which facial expression variables in the photograph affect the choice?", "Can this work be done with electronic programs?" and "Do the results of the programs match with the comments of the professionals?". When the results of the study are evaluated, the first point to be noticed is that the results of the Face Reader program and the comments of HR professionals show parallelism. Although no information was given about the themes of the photos, the professionals were able to find the right themes in their evaluations. Considering the theme of the ideal resume photo of the determined focus group, it is seen that they prefer the happy-natural-condescending order. On the other hand, individual theme preferences were also realized in the same order. The point that misled the professionals in the study or the factor that created the perceptual difference was the identification of the condescending expression with "self-confidence". As a result, when the general evaluation of the study is made, it would not be wrong to say that face reading programs can be used even though there are still small margins of error in photo interpretation.

Since the study is one of the first studies in its field in the domestic literature or the first to be identified, there may be deficiencies in the results reached in the basic process. In future studies, by multiplying the variable number of candidates with similar characteristics in a larger resume pool, the ideal CV photo frame can be formed on a national basis. Matching and coherence in human-computer interpretation, which is the side result of the study, can be tested with a larger sample and evaluation process, and cultural updates can be made.

REFERENCES

- Acar, A.C. (2013), İnsan Kaynakları Planlamasında İşgören Seçimi, İnsan Kaynakları Yönetimi içinde, İ.Ü. İşletme Fak. İKY A.B.D. Öğretim Üyeleri, Beta Pub., İstanbul.
- Akdoğan, A.A. (2012), İnsan Kaynakları Temin ve Seçimi, İn İnsan Kaynakları Yönetimi, ATA AÖF Pub., Erzurum.
- Al Moubayed, N.; Vazquez-Alvarez, Y.; McKay, A. and Vinciarelli, A. (2014), Face-Based Automatic Personality Perception, 22. ACM International Conference on Multimedia, 3-7 November, USA
- Anthony, W. P.; Perrewe, P. and Kacmar, M. (2006), Strategic Human Resource Management, Dryden Pub., USA.
- Ayhan, F. (2019), Türkiye Ekonomisinde İşsizliğin Belirleyicisi Olan Temel Makroekonomik Değişkenlerin Tespitine İlişkin Bir Uygulama, Uluslararası İktisadi ve İdari İncelemeler Journal, 25: 235-252.
- Bingöl, D. (2013), İnsan Kaynakları Yönetimi, Beta Pub., 8. Ed., İstanbul.
- Bozkurt, K. (2008), Kıyâfet İlmi Türk Edebiyatında Kıyâfet-Nâmeler Ve Sa‘Bân-I Sivrihisârî’nin KIYÂFET-Nâmesi, Dicle University Institute of Social Sciences, Department of Islamic History and Arts, Master’s Thesis, Diyarbakır.
- Darıcı, B. and Taşçı H. M. (2015), Kendi Hesabına Çalışılan İşler: Türkiye Üzerine Ekonometrik Bir Uygulama, Yönetim ve Ekonomi Journal, 22(1): 16-30.
- Demir, E. and Doğru, S. (2017), Yüz Algılama Alanındaki İnovasyonlarla Birlikte Fizyonomi İlmi, 19. Academic Informatics Conference, Aksaray University, Aksaray.
- Demirkıran, M. (2014), Sağlık Bakanlığı’ndaki Nitelikli Personel Devrinin Nedenlerine ve Önlenmesine Yönelik Nitel Bir Çalışma, Süleyman Demirel University Social Sciences Institute PhD Thesis, Isparta.
- Erdoğan F. (2007), Fotoğrafınız ve CV, <http://kariyeryolculugu.com/blog/2007/07/20/fotografiniz-ve-cv/>, Date of access: 16.02.2020.
- Erdoğan, E. (2013), İnsan Kaynakları Yönetiminde Personel Seçimi ve Psiko-teknik Testlerin Önemi, Atılım University Institute of Social Sciences, Ankara.
- Erdoğan, N. and Esen, M. (2011), An Investigation of the Effects of Technology Readiness on Technology Acceptance in e-HRM, Procedia Social and Behavioral Sciences 24: 487-495.
- Gavrilescu, M. (2015), Study on determining the Big-Five personality traits of an individual based on facial expressions, 2015 E-Health and Bioengineering Conference (EHB), Lasi.

- Geylan, R. (1992), İşgören Yönetimi, Tamer Ofset, Eskişehir.
- Gök, S. (2006), 21. Yüzyılda İnsan Kaynakları Yönetimi, Beta Pub., İstanbul.
- Haque, A.; Fernando, M. and Caputi, P. (2019), Perceived human resource management and presenteeism Mediating effect of turnover intentions, Asia-Pacific Journal of Business Administration, 11(2): 110-130.
- Kamenskaya, E. and Kukharev, G. (2008), Recognition of Psychological Characteristics from Face, Methods of Applied Informatics, Pol. Acad. Sci. 1: 59-73.
- Kırbıyık, M. (2009), Kıyâfet-Nâme-İ Cedîde Hakkında, A.Ü. Türkiyat Araştırmaları Enstitüsü Journal, 39: 793-813.
- Koç, N. (2000), İnsan Kaynaklarını Değerlendirme ve Personel Seçiminde Psikolojik Testler, Ankara Üniversitesi Eğitim Bilimleri Fakültesi Journal, 33 (1): 1-7.
- Öztürk, U. C. (2021), Mistizimden İnsan Kaynaklarına Yüz Okuma: İKY Profesyonellerinin İşe Alım Sürecinde Yüz Analizine Yönelik Algıları, IV. International Conference on Empirical Economics and Social Science (eICEESS'21), Türkiye.
- Paim, A. S. and Prereira, M. E. (2018), Judging Good Appearance In Personnel Selection, Revista Organizações & Sociedade, 25(87): 656-675.
- Sabuncuoğlu, Z. (2000), İnsan Kaynakları Yönetimi, (1.Ed.), Ezgi Pub, Bursa.
- Sarılar, Ö. (2006), Bankalarda Uygulanan İşe Alım Süreçleri: Türkiye Cumhuriyeti Merkez Bankası Örneği, T.R. Central Bank Directorate, General Directorate of Human Resources, Specialization Thesis, Ankara.
- Türk, G. (2007), Anadolu Sahasına Ait Bir Kıyafet-Nâme Örneği Üzerine İnceleme, Adnan Menderes University Social Sciences Institute. Master Thesis, Aydın.
- Uyargil, C.; Adal, Z.; Ataay, İ. D.; Acar, A. C.; Özçelik, O.; Sadullah, Ö. and Tüzüner, V. L. (2008), İnsan Kaynakları Yönetimi, (3. Ed.), Beta Pub, İstanbul.
- Vardarlıer, P.; Çetin, C. and Karaköy, D. (2018), Özgeçmişlerin Biçimsel Özelliklerinin Göz İzleme Yöntemiyle Değerlendirilmesi: İdeal Özgeçmiş Biçimi Nasıl Olmalıdır?, Gümüşhane Üniversitesi Sosyal Bilimler Enstitüsü Journal, 9(22): 335-356.
- Vernon, K. H. and Coley, K. G. (2010), Investing in Your Success, Continuing Education Center, USA.
- Wasti, A. and Erdil, S. (2007), Bireycilik ve Toplulukçuluk Değerlerinin Ölçülmesi Benlik Kurgusu Ve INDCOL Ölçeklerinin Türkçe Geçerlemesi, Yönetim Araştırmaları Journal, 7:39-66.
- Wilk, S. L. and Cappelli, P. (2003), Understanding the Determinants of Employer Use of Selection Methods, Personnel Psychology, 56: 103-124.