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## Article Editorial

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## EDITORIAL

The first issue of 2018 includes eight articles from seven countries and continues exploring the diversity of emerging economies. Though mainly concentrating on managerial issues, the papers examine the aspects of the domestic public sector, internationalization strategies and performance of global brands in specific countries.

The issue starts with the paper of Mai Thanh Lan and Ta Huy Hung, who are concentrating on the leadership issues in Vietnam public administration. In this research, the authors confirmed the specific and important role of leadership in public administration, which is a sector that includes certain specificities. The researchers applied theoretical background of leadership in the context of Vietnam public administration that is characterised by rather unique features. They used key informant panel data amended with qualitative insights in order to contribute to the leadership competence framework to be used for researchers, policy-makers and practitioners.

The second paper continues analyzing the issue of leadership, however, from a different perspective. Researchers Vida Škudienė, Ieva Augutytė-Kvedaravičienė, Natalija Demeško and Anicetas Suchockis concentrate on the relationship between innovative work behaviour and leadership, with intention to find the moderating effect of locus of control. The sample of the study consists of 790 employees of the aircraft maintenance company in the Baltic States that was undergoing LEAN manufacturing implementation. This paper examines the effect of the leadership styles (transformational and transactional) on innovative work behaviour, thus contributing to the existing knowledge of the role of leadership styles and personality traits in managing innovative work behaviour and overall to the knowledge about how innovation can be managed in modern organizations. However, contrary to expectations, the results of the study do not confirm the assumption that locus of control has a moderating effect on the relationship.

The next article by Danuta Diskienė, Virginijus Tamaševičius and Agnė Kalvaitytė is also based on empirical data that have been obtained in Lithuania. These authors aim to analyze the managerial work in terms of managerial roles and their effect on perceived effectiveness of managers of small and medium-sized companies. The study revealed significant results and gave reasons for questioning the universalistic model of managerial roles by pointing out to their sensitivity to an organizational context. Though results demonstrate that a part of the activities of managers still fall into the traditional managerial roles, they also show a possibility to define new roles, such as Analyzer, Representative, Networker. Re-grouped managerial roles revealed a strong positive correlation with perceived managerial effectiveness.

The article developed by Mohamad Nur Utomo, Sugeng Wahyudi, Harjum Muharham and Maximus Leonardo Taolin explores the realities of firm performance in one of

the large emerging markets – Indonesia. The authors base their study on three theories: agency theory, stakeholder theory and legitimacy theory. The objective of this study is to examine empirically the effect of controlling-shareholders' monitoring on firm performance through the implementation of operational efficiency committed to environmentally friendly actions. The results indicate that controlling-shareholders have a positive impact on operational efficiency committed to environmentally friendly actions and also on firm performance. Operational efficiency committed to environmentally friendly activities has been found to mediate the effect of controlling-shareholders on firm performance. This study also demonstrates that firms with environmentally friendly commitment are receiving great economic contribution to their business, having their operational performance increased, and most importantly, finding their market value-based performance improved. Operational efficiency committed to environmental friendliness is then suggested to be a meaningful strategy for the firms to obtain sustainable performance.

The next paper by Nil Engizeka and Bahar Yaşınb explores the issue of corporate social responsibility on the basis of the study in Turkey. The authors approach the issue from the standpoint of consumers and their motivations; they relate CSR with consumer attributions and service quality. The data was obtained via surveying 400 customers of mobile telecommunication services. The results show that value driven, strategic and stakeholder driven motives have a direct and positive effect. Egoistic driven motive was found to be significant, with a negative effect. Service quality moderated only the relationship between strategic motives and supportive behaviour, and value driven motives and supportive behaviour, but in an unexpected direction. These findings differ from the results of some earlier studies and open the field for further analysis.

The authors of the next article Andrei Panibratov, Natalia Ribberink, Anna Veselova and Konstantin Nefedov focus on a cross-country aspect of analysis. They examine entry modes and liability of foreignness effects, exploring the case of Russian firms in the German market. They start with the statement that foreign subsidiaries sometimes are at a disadvantage as compared to domestic enterprises, especially if those are from emerging markets. Applying the liability of foreignness (LOF) concept, the authors address the issue of these disadvantages and relate them with the market entry modes. The paper presents results of a pilot study on 41 subsidiaries of Russian firms, operating in different regions of Germany, and concludes that investors are more concerned about information, customers and partnerships, while exporters appeared to be driven mostly by image considerations indicating minor interest to other characteristics of the host market. Although both exporters and investors experience significant negative effects from the lack of proper institutional and business knowledge on the host market, these effects vary for equity and non-equity entry modes. The authors suggest instruments to mitigate these effects, including cooperation with institutional agents, which is especially important for FDI strategy.

The next study, performed by Hyunjun Park, Kyungsu Han and Woojin Yoon, also takes into consideration the work of foreign subsidiaries. However, they concentrate on the impact of cultural distance on the performance of foreign subsidiaries and evidence from 472 foreign subsidiaries in the South Korean market. Unlike the majority of earlier studies that have used cultural distance as a control or moderating variable, this research uses it as an independent variable. The authors are focusing on the possible positive side of a broad cultural distance and assume that the performance of foreign subsidiaries is likely to be better when the cultural distance between their home countries and the host country increases. This study finds that having cultural similarities with a foreign market does not guarantee success; instead, cultural distance has a positive impact on financial performance, which means that firms can gain additional opportunities when entering a foreign market with broad cultural distance. This way the article contributes to the literature on international business by shedding light on cultural distance, a well-established but somewhat neglected concept in international business.

The issue concludes with one more study of the operation in a foreign market. Researchers Durdana Ozretic-Dosen, Marta Brlic and Tanja Komarac take the example of a perfectly established global brand and concentrate on local consumers' perceptions on brand extensions. On the basis of 242 questionnaires, the authors explore consumers' perceptions about the global parent brand and their attitudes towards its extensions in the Croatian market. Research results support the assumption that managers should introduce brand extension when they are sure of the position of the parent brand and its former extensions in the consumers' mind. As such, results corroborate previous findings, showing how it is necessary to know the existing level of brand affect, brand loyalty, and brand trust since they have different impacts on consumers' perceptions of the brand extension. The main contribution of the paper stems from the replication and extension of the previous research in a new context (in terms of the level of the market development and consumer culture), and increased understanding of the brand extension specificity in emerging markets.

Summarizing the content of this issue of the Journal, it is necessary to emphasise the importance of the very large geographic coverage of the endogenous research. The issue includes papers from very important and rather different markets, making them visible to the broad academic community. Additional visibility and convenience for reading/quoting will be achieved by assigning a DOI to all future publications in the journal. All this directly corresponds with the main purpose of the journal 'Organizations and Markets in Emerging Economies'. We look forward to submissions in order to serve our mission of contributing to creation and dissemination of the knowledge on organizations and markets in emerging economies.

**Sigitas Urbonavičius**

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