

# Economics and Business Review

Volume 8 (22) Number 4 2022

## CONTENTS

### Editorial introduction

*Ida Musiałkowska, Paweł Niszczoła* ..... 3

## ARTICLES

### World capital markets facing the first wave of COVID-19: Traditional event study versus sensitivity to new cases

*Pedro Luis Angosto-Fernández, Victoria Ferrández-Serrano*..... 5

### Corporate governance, excess-cash and firm value: Evidence from ASEAN-5

*Tahir Akhtar* ..... 39

### Examining the effect of credit on monetary policy with Markov regime switching: Evidence from Turkey

*Ali İlhan* ..... 68

### Wage determination, Global Value Chains and role played by wage bargaining schemes: The case of Poland

*Dagmara Nikulin, Joanna Wolszczak-Derlacz* ..... 88

### Stock returns and liquidity after listing switch on the Warsaw Stock Exchange

*Dorota Podedworna-Tarnowska, Daniel Kaszyński* ..... 111

### Who is talent? Implications of talent definitions for talent management practice

*Agnieszka Skuza, Habte G. Woldu, Shawn Alborz*..... 136



## Editorial introduction

The papers published in this issue apply various perspectives to advance the understanding of several pertinent issues in economics, business, and finance. The first two papers investigate data from many countries to gain new insights into capital markets and corporate finance. Three other papers focus on specific countries and through the application of robust methodologies and multiple measures strengthen the conclusions. The issue is concluded with a paper that takes a theoretical view on the issue of managing talented personnel which has changed substantially since the onset of the pandemic.

In the first paper, entitled **World capital markets facing the first wave of COVID-19: Traditional event study versus sensitivity to new cases**, Pedro Luis Angosto-Fernández and Victoria Ferrández-Serrano investigate how stock markets around the world react to news concerning new local outbreaks of COVID-19. Data from 80 countries shows variations in the resilience to such adverse news. The findings can be useful for predicting how markets will react to such shocks in the future.

In the second paper, **Corporate governance, excess-cash and firm value: Evidence from ASEAN-5**, Tahir Akhtar analyses the country- and firm-level governance practices' role in the relationship between excess-cash and firm value in ASEAN-5 markets. An analysis carried out on a sample of 578 firms suggests that excess-cash reduces a firm's value. At the same time the paper explains that excess-cash motivated by managerial ownership increases firm value while excess-cash due to managerial entrenchment reduces it. The study might help practitioners in developing the best liquidity policies to enhance business performance.

The third study, **Examining the effect of credit on monetary policy with Markov regime switching: Evidence from Turkey**, written by Ali İlhan provides insights into the identification of two types of regimes: a low- and high-interest rate regime. The prevalence of the former indicates the policy authorities' growth priorities. The study shows that the Republic of Turkey has an asymmetric policy stance. According to the study, the monetary policy only significantly responds to inflation in the low-interest rate regime and the high-interest rate regime and that both inflation and credit have significant positive impacts on interest rate setting.

Dagmara Nikulin and Joanna Wolszczak-Derlacz in the fourth article **Wage determination, Global Value Chains and role played by wage bargaining**

**schemes: The case of Poland** analyse the linkages between global value chains (GVC) involvement and wages in Poland given different wage bargaining schemes. The findings point out that despite the lack of a significant relationship between the sectoral involvement in GVC and the level of wages in Poland workers covered by a collective pay agreement on average receive higher wages and that the wage-GVC nexus is conditioned by the type of pay agreements.

The fifth paper by Dorota Podedworna-Tarnowska and Daniel Kaszyński, entitled **Stock returns and liquidity after a listing switch on the Warsaw Stock Exchange**, analyses how transitions from the “junior” tiers of stock markets to the main tiers are perceived by investors. To do so the authors use a substantial ( $N = 71$ ) dataset of transitions made by companies listed on the Warsaw Stock Exchange. What is an especially worthwhile addition to the literature is that they look at three moments that such transitions could have an effect: firstly, when this transition is approved by shareholders, secondly, when the transition is approved by a regulatory agency and thirdly, on the initial day of trading on the higher tier of the stock market.

Agnieszka Skuza, Habte G. Woldu, and Shawn Alborz, the authors of the sixth and final study entitled **Who is talent? Implications of talent definitions for talent management practice**, review the existing scholarship on talent definitions and its conceptualizations. The study also presents the potential implications of talent definition on talent management practices stating that a single approach to talent definition makes the company vulnerable. It also highlights potential critical research areas towards which the study of talent may be extended which would be of use to both academia and business.

*Ida Musiałkowska  
Paweł Niszczoła  
Lead Editors*