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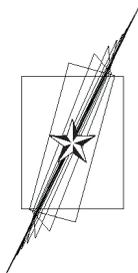
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## From the Editor

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The July 2016 issue of the *DLSU Business and Economics Review* (DLSU B&ER) is a collection of a wide range of topics in contemporary business and economics contributed by young and promising scholars and researchers coming from South Asia, Southeast Asia, and Sub-Saharan Africa. The DLSU B&ER provides a forum for high-quality research and a venue for intellectual discourse. We have eleven articles in this issue that profoundly contribute to the continuing exchange of ideas and theoretical perspectives on collective bargaining and decent work, consumer choice and attitude, strategic marketing, and banking and finance. Empirical analysis spans from qualitative focus group discussions and customer satisfaction surveys to structural equation modeling, generalized method of moments estimation, and computable general equilibrium analysis.

The first theme revolves around the foundational element of collective bargaining and decent work in the workplace. In a rapidly changing industrial relations environment, there has to be an enabling framework for labor market governance that recognized the rights of workers and employers and promotes decent work. It is a key instrument for extending social protection to all workers and for promoting productive employment and improving working conditions.

The first paper that looks at decent work practices and collective bargaining in the workplace is by Divina M. Edralin and titled “**Good Work Through Decent Work: Practices of Sixteen Unionized Firms in the Philippines.**” Results showed that decent work practices could lead to the securing of just wages, strengthening of unions, inclusion of the poor working people in society, and workers having a chance at a life of human dignity. Findings also revealed that collective bargaining is a powerful instrument for ensuring decent work and improving working conditions and extending security and equity to all workers. Her findings underline the need for the amendment of the labor relations’ framework that is currently used by the Department of Labor and Employment so as to be more effective in the implementation of decent work practices and promotion of collective bargaining.

A related article on workplace practices written by Leahlizbeth Angbetic Sia and Tiffany Adelaine G. Tan is titled “**The Influence of Organizational Justice on Job Satisfaction in a Hotel Setting.**” They examined the relationship between organizational justice and job satisfaction among the employees in terms of the fairness of the manager/supervisor in staff relationships, pay, and schedule (among others). Of the three dimensions (distributive, procedural, and interactional) of organizational justice examined, results suggest that the perception of distributive and interactional justice in a hotel setting is positively related to employees’ job satisfaction. This finding implies that providing adequate compensation and fair treatment to the staff could work effectively and productively resulting in positive attitudes and behavior and improved performance.

Still related to promoting good practices on decent work in the workplace is the article “**Hospital Service Quality Assessment and Analysis: A Multi-Perspective Approach**” by Joy Mari S. Bautista and Jazmin C. Tangsoc. It provides some insights on hospital service as determined by how management designs the service environment and how services are delivered. Through the multiperspective assessment, the authors found out that advancement of equipment and facilities as well as improved administrative services can create a more desirable atmosphere that motivates positive attitudes, provides satisfaction, and bring out competence and reliability in health care service among employees and health professionals.

The next three papers focus on marketing strategies that address information asymmetry between producers and consumers. With consumers’ changing consumption behavior and patterns along with a changing business environment, the following research works contribute to the continuing discourse on consumers’ choice and time allocation and marketing strategy that can optimize consumers’ satisfaction and loyalty for a product or service.

The paper “**Microeconomic Analysis of the Eating-Out Behavior of Modern Filipino Households: The Tobit, the Craggit and the Heckit Models**” by Cesar C. Rufino is an investigation of consumer’s decision of eating food-away-from-home. A series of national household expenditure survey data were analyzed to compare relevant microeconomic models that address censoring, truncation, and sample selectivity issues as well as the complex nature of the household survey data. Results of the study confirm the superiority of the Heckit model and the significant socioeconomic and demographic characteristics affecting households’ decision to eat out. His findings validated the time allocation theory and established Engel’s Law that FAFH is a necessity as consumers change their food consumption patterns with the change in their income.

Another paper that deals with consumer behavior and marketing strategy is titled “**An Empirical Examination of Relationship Between Emotional Attachment and Attitudinal Brand Loyalty Towards Luxury Fashion Brands,**” written by Anand Thakur and Rupinderdeep Kaur. The study examined the relationship of emotional attachment and attitudinal brand loyalty in the perspective of female consumer towards luxury fashion brands. Results suggest that marketing strategy formulation needs special emphasis towards dimensions of emotional attachment, namely, referral influence, connect with brand, pleasure, and tenderness. Further, firms need to strengthen brand reputation, performance and feature upgrading, purchase intention, and brand synchronization to get attention from customers and win attitudinal loyalty in branded luxury fashion.

Relevant to market strategy is to enhance professional commitment and capture customer value. In the paper by Muhammad Adam and Hendra Syahputra, “**Creating Market Orientation and Business Culture to Increase SMEs’ Performance: The Case of Aceh Province in Indonesia,**” SMEs in Aceh continue to experience business management-related problems because of lack of planning and business commitment. For SMEs to survive in a competitive business environment, the authors examined the causal relationship among market orientation, business commitment, business performance, and business culture. Results suggest that market orientation has a positive relationship with business commitment and business performance, and business culture also has

a significant influence on business performance. It is thus the SMEs’ interest to understand business culture and staff commitments in order to establish business performance for financial gains.

Three research papers and a research note provide insights on Islamic banking, financial market inefficiency, and financial regulation. Islamic banking has expanded rapidly across the world, and it spans from commercial to investment banks and financial companies. Its rapid growth and development has attracted much attention in the economic literature. The paper “**Dynamic Interactions Between the Islamic Stock Prices and Macroeconomic Variables: Evidence from Malaysia**” by M. Shabri Abd. Majid explored the dynamic interactions between Islamic stock prices and macroeconomic variables such as industrial production index, consumer price index, real effective exchange rate, and Islamic interbank overnight rate. The findings indicated that, in the short run, the development of Islamic stocks, Islamic banking industry, and national economy would promote and strengthen the Malaysian position as a viable international hub for the Islamic finance industries in the world. In the long run, however, only the industrial production index was found to be significant to contribute to the Islamic stock price movements. The study also investigated the dynamic relationship between Islamic stock prices and Islamic bank financing loans in the Malaysian economy with reverse effects, which implies that the bank might depend on Islamic stock market strength and vice versa.

An attempt to fill the gap in the finance literature about market anomalies is presented by Abdul Ghofar in his paper “**The Influence of Accrual Anomaly and Winner-Loser Anomaly on Abnormal Return: The Indonesian Evidence.**” He investigated the existence of two market anomalies—accrual anomaly and winner-loser anomaly—and identified which anomaly is more significant in influencing abnormal return in the Indonesian Stock Exchange. The existence of winner-loser anomaly is justified by the significant effect of overreaction on the price reversal phenomena. This finding indicates that there exists asymmetric information in the Indonesian market and that it has improperly weighted the new and old information. Understanding the characteristics of the Indonesian capital market and verifying if the efficient market hypothesis works properly are useful for investors in formulating their investment strategy.

Another paper related to finance and the quality of finance reporting is “**Audit Fees, Corporate Governance Mechanisms, and Financial Reporting Quality in Nigeria,**” written by Salau Abdulmalik O and Ayoib Che Ahmad. They examined the relationship between abnormal audit fees and earnings management as proxy for financial reporting quality. One of the key findings suggests that abnormal audit fees are negatively and significantly related to earnings management, which implies that excessive fees charged by auditors improves the quality of financial reporting, while reducing remuneration of auditors might also reduce the quality of financial reporting. Regulators should pay attention to audit fees structures to prevent likely future impairment of auditors’ independence. Another key finding reveals that weak institutional frameworks, as well as corruption-ridden environments, dampen efficient monitoring of corporate governance mechanisms in Nigeria. This is evident in some of the financial accounting scandals in Nigeria; the majority of shareholders colluded with the management of minority shareholders to falsify financial documents. This reinforces the need for additional regulations such as regulating audit fees to protect the interests of the minority shareholders to improve the quality of financial reporting.

A research note on recent developments of the financial regulatory system is written by Mc Reynald S. Banderlipe II and titled “**Recent Developments in Regulating ‘Too Big to Fail’ Banks in the Philippines.**” The term *too big to fail* (TBTF) is linked to the measures undertaken by the government to save large companies from failure, because it would result to economic disaster due to their interconnectedness with other entities for goods and services. It would be necessary for the government to undertake actions that will efficiently manage these financial institutions, should they fail. The author suggested that the Bangko Sentral ng Pilipinas (BSP) should have the unilateral authority to authorize the deposit insurance commission to seize the banks towards rescuing them or instituting an orderly liquidation process. A transparent resolution process will aid in reducing risk thereby decreasing the uncertainty in stabilizing the financial regulatory structure and increasing the credibility of the BSP in its decision-making activities. The response of Philippine banks in the light of new financial regulation, particularly on capital and liquidity standards, is determined by the length of time

in which new requirements are fit into the system. In the end, regardless of the length of time, the decisive action of banks to comply with new regulations could boost confidence in strengthening their capital and liquidity positions. So if banks comply with the new regulations, it could work towards ensuring long-term financial stability. By mitigating the adverse effects and trying to keep as close as possible to the rudiments of current financial regulation, the economy will be in the best position to promote sustained growth and development.

The last article demonstrates a computable general equilibrium model with household survey-based microsimulation technique that evaluates a policy intervention or program. Although it does not fit into the themes discussed above, the article “**Determining the Potential Economic and Poverty Effects of the National Greening Program (NGP)**” is significant in the sense that the methodology used provides a reliable evidence-based method for policy formulation and program design. The authors, Caesar B. Cororaton, Arlene Inocencio, Marites Tiongco, and Anna Bella Manalang, carried out policy simulations to quantitatively assess the potential economic and poverty impacts of the NGP using a computable general equilibrium (CGE) model. The assessment indicates that the NGP will result in an improvement in the overall output of the economy from the baseline scenario (declining forest cover, increasing incidences of infectious diseases that negatively affects labor endowment, and declining agricultural land productivity because of climate change). The simulation results indicate that a full implementation of the NGP (with 1.5-million-hectare target reforestation with 100% survival rate) generates notable poverty reduction effects in the long run as factor payments improve and consumer prices decline. Also, agricultural output (food production) is higher as land moisture and productivity improve with increased forest cover. The effects are much less under a partial NGP implementation scenario (50% lower than the desired target). However, a full implementation of a reforestation program may be difficult to achieve as indicated by previous reforestation efforts in the country. This implies that the results under a partial NGP are more realistic and are likely to be achieved, unless the government exerts extra effort to significantly push for a full implementation of the reforestation program.

The diversity of topics of these eleven articles highlights the commitment of the DLSU B&ER to provide a venue for a wide range of issues in business and economics presenting empirical evidence and applying innovative methodological approaches.

Finally, in behalf of the editorial board and the publishing team, I would like to express my gratitude to all the authors for their significant contributions to this issue of the DLSU B&ER, as well as the hundreds of contributors all over the region for their continued interest in the journal, and to innumerable peer reviewers from all over the world for their comprehensive reviews and patience to make sure that the articles meet high standards of scholarship that DLSU B&ER has set.

Marites M. Tiongco, PhD  
Associate Editor