

Journal of Business and Retail Management Research (JBRMR) Volume 10 Issue 3 July 2016

Editorial Comments

This edition of the *Journal of Business & Retail Management Research (JBRMR)* contains fourteen scholarly articles conforming to the principal objective of the journal, namely the dissemination of both applied and theoretical knowledge. These papers take the reader on a journey to various parts of the world and provide a thought provoking insight into a range of issues. The findings of a number of these papers are significant not only for academicians, but also for professionals, policy makers and those responsible for local, regional and national economic strategy.

Recent events, including the UK's referendum vote to leave the EU remind us all of the fact that internal and external factors affect change. We all need to be alive to this fact and be prepared to embrace change and make the best of the opportunities that can arise out of uncertainty. Some of us maybe take a degree of pleasure seeing pundits and forecasters frequently get things completely wrong.

It is especially heartening to see a marked increase in papers from outside Europe and North America being submitted for consideration for publication. This in itself provides fresh challenges, both for authors and the reviewers alike. The UN's demographic indicators certainly point to a marked diminution in the influence of Europe as a whole and thus many of the thought leaders and innovators are likely to come from parts of the world which for too long have been neglected and overlooked. This perhaps raises the question as to why so many business schools fail to examine case studies from Central and South America, Africa and other regions.

The Editorial Board of JBRMR is grateful to the contributors for making this journal the platform by which they have chosen to put their research into the public arena, and trust that they will use their good offices to ensure that others do the same.

The opening paper of this issue is entitled: **European Union and the utilisation of GSP from importer's perspective with special reference to lesser developed economies** by **Rachel A. English**. This paper certainly challenges some of the preconceptions and misconceptions about the European Union in regards to the preferential tariffs that can be available on the majority of goods imported from lesser developed countries. There is a general belief that the EU erects barriers that punish less developed countries, yet this research would appear to demonstrate that in point of fact this is untrue. In principle, most goods, except the likes of armaments are eligible for exemptions from higher tariffs, providing of course they meet certain key criteria. It is the criteria, the awareness of them and then the very process of applying for the said exemptions where the problem appears to lie, clearly the Devil is in the detail. Systems and processes that involve diverse players are by their very nature liable to get lost in translation and as a consequence both exporters and importers are deterred from making full use of Generalised System of Preferences. The issues raised in this paper in regards to Rules of Origin (RoO) are significant, as are those appertaining to the maintenance of quality. To small business, whether they be importers or exporters, the EU can appear a distant and forbidding structure, one that is highly complex and bureaucratic. The findings contained within this paper would appear to confirm some of the concerns raised about smaller companies not being able to be heard or even to access the decision making process. That line; "All six companies stated they feel remote from the EU policy making process." speaks volumes. Whilst some larger entities can afford to expend time, money and staff on lobbying, this is simply not an option of the vast majority of companies. Is it any wonder that small and medium companies have felt at a disadvantage? It is

worth noting that in the UK 99% of businesses are classified as small or medium sized according to Briefing Paper 06152 (Rhodes, 2015), if this is so for a highly complex economy, what about those that might in some economic respects be deemed less advanced.

If the European importers find the situation challenging, what are things like for exporting countries? For many the barriers appear insurmountable. As things stand rules that in theory are designed to assist nations at various stages of development are in point of fact discouraging trade. This should be a matter of concern for all. This research also highlights the challenges in regards to quality, an issue that requires greater effort from producer and exporter countries.

The world of statistics and statisticians is a veritable closed book to many. This area of study has yet to shake off the negativity associated with the following quotation, often attributed to the British Prime Minister, Benjamin Disraeli (1804-1881) "There are three kinds of lies: Lies, damned lies and statistics". The fact that we may be wary of statistics should not result in us dismissing them out of hand, in point of fact some of the world's finest minds are employed in gathering, collating and interpreting statistics. Anyone familiar with the work of the UK's Office for National Statistics (www.ons.gov.uk) or the Indian Statistical Institute (www.isical.ac.in) will appreciate the talent deployed to gather reliable and usable data.

The next paper is entitled: **World edible oil prices prediction: Evidence from mix effect of ever difference on Box- Jenkins approach** by **Karia, Hakim and Bujang**. George Box (1919-2013) and Gwilym Jenkins (1932-1982) were eminent statisticians interested in the autoregressive moving average. In essence their model comprised of the following: 1) model identification/model selection 2) Parameter estimation 3) Model checking. In exploring Time Series Averages this paper comes down firmly in favour of the Autoregressive Integrated Moving Average (ARIMA) by virtue of its apparent accuracy and utility. The edible oil market is a burgeoning one, with a plethora of oils being traded from mustard complex and soya oil to palm oil to sunflower oil and others in between. Many readers might well be amazed to hear that the global vegetable oil production amounted to over 179 million metric tons in 2015/2016 (www.statista.com).

The next paper is entitled: **Local Industrial Development in Algeria** by **Ratiba and Djamila**. This paper reminds us of the underlying challenges of endeavouring to direct, oversee and stimulate regional economic development. In common with many countries Algeria initially undertook a centrally directed approach to regional development. This top down approach is familiar to many, and is replete with all the usual problems associated in regards to the fact that key stakeholders have little or no input. The creation in Algeria's case of programs of local industry (PIL) in the 1970's coincided with the rule of President Houari Boumediene whose approach was to oversee state-controlled socialist economy. His successor President Chadli Benjedid permitted some economic reforms and what we discover here is that by the 1980s the approach had gradually moved from a sectoral to a regional approach. With the hydrocarbon sector dominating the Algerian economy successive administrations have been slow to harness the potential of the regions.

We learn from this study that the relatively recent creation of integrated industrial development zones (ZIDI) has proved to be a step in the right direction as these clusters have aimed to harness infrastructure, industrial specialisms and importantly educational centres in the form of universities. That said, it is clear that the presence of all of these also tends to reflect and underscore the regional imbalance, which is not just a reflection of Algeria, but is true of nearly every country. The legislative mindset is such that there remains very little regional autonomy and this undermines the effectiveness of the ZIDI. Whilst progress is limited to some

extent, it is heartening to see the authors acknowledge some examples of success, such as the creation of the industrial park of Sidi Khettab (2012).

Understanding the local context is of paramount importance when endeavouring to discover the factors that are causing inertia or resistance amongst those in national roles. Algeria has had a troubled history, and continues to labour under the legacy of an educational system and elite that is dominated by a peculiarly French way of thinking. This in itself is worthy of a research paper. That said, we are reminded that there is no quick fix when it comes to meaningful and self-sustaining regional development.

Confidence and trust are the bedrock of all financial transactions, and thus even the merest suspicion that financial reports are being in any way manipulated should be a matter of concern. The next paper is entitled: **The impact of firm characteristics on earnings management: an empirical study on the listed firms in Egypt** by Bassiouny. This paper highlights the fact that financial scandals have begun to shift attitudes both locally and internationally. Whilst in some respects the prevailing attitude was one of detachment, increasingly there is an awareness that legislation and the financial mechanism require attention if fraud and malpractice are to be reduced. Note the use of the word 'reduced', the chances of total eradication are nil. Bassiouny acknowledges that Egypt has endeavoured to address the problem by introducing a whole raft of legislation, and yet still there are question marks around the subject of earning management. A paper of this nature reminds us that just because some are engaged in dishonest activity, we must not tar all individuals and organisations with the same brush.

Central to the issue of trust is the role played by auditing, the more frequent and robust the auditing processing the more likely it is to discover anomalies. Herein lies the challenge, are auditors sufficiently well trained and equipped to engage in the task that they are charged with? Internationally, we are already seeing the growth in forensic accounting, and this is a trend that is likely to continue. In the Egyptian context there are other factors that also greatly influence the business dynamic, chief of these being the military's wide ranging business and economic interests. The author's comment about the future scope to take note of Egyptian cultural drivers using the Geert Hofstede's insights and models seems eminently sensible, not least because it will help provide a greater understanding of societal norms, attitudes and tolerances.

Discussion of societal norms and attitudes, particularly in an Arab context leads us nicely to the next paper entitled: **The application of technology acceptance models in the Arab business setting** by Dajani and Yaseen. The seemingly exponential growth in new technology raises questions as to why in some parts of the world there is greater reticence to adopt technology than in others. This paper explores various models that seek to explain this, the Technology Acceptance Model (TAM) being a preferred model used by many. TAM centres upon perceived usefulness coupled with perceived ease of use. The utilitarian nature of technology is clearly of paramount importance, but equally it is important not to ignore cost. We all would do well to ask wherein lies a reticence to adopt and embrace new technology. Sociological factors are an aspect that is all too frequently overlooked. What about the centrality of human relationships? This is particularly true in Arab societies.

For some there is a natural ambivalence about technology, an attitude that has partly been the result of centuries of self-reliance. An absence of appropriate infrastructure has impeded adoption, as has mistrust, especially in regards to what are viewed as personal transactions which technology appears to put into a public sphere. The point made in this paper about the role played by social media in the so-called Arab Spring is a significant one, this causes those in authority to be wary and users to be anxious about how activity may or may not

be viewed. The law of unintended consequences comes to mind. Additionally the paucity of research in regards to gender and age is important, not least because this is true well beyond the Arab World. In his seminal work *Diffusion of Innovations* (1962) Everett Rogers highlighted the centrality of human capital. There are times when those designing and marketing technology seem to take a one size fits all approach, and thus as a result seem to want us the consumer to fit the product rather than the other way around. The adoption and usage of technology is not uniform and this paper reminds us to take far greater cognizance of difference.

The human dynamic is something that is often spoken of in rather abstract terms in many business schools. By so doing there is a very real danger that those in leadership and management roles lose sight of the intrinsic worth of employees and thus treat them as little more than automata. HRM is central to operational effectiveness, yet all too often is viewed either as an optional extra or an organisational encumbrance. The next paper: **Linking expectations and culture at Links of London** by Sherman and Tae manages to highlight some extremely important HR issues and provides the reader with a rather interesting case study. Most businesses whether they be large or small have an element of the pressure cooker about them, is it any wonder then that some are quite blunt in their assessment, they merely state; "if you can't stand the heat, get out of the kitchen". Such an attitude whilst understandable hardly helps matters and in some respects HRM is there to help temper that heat and ensure that the energy and circumstances that generate it is directed in such a manner so as to optimise individual talents for the betterment of the organisation and those that work within it. Brand, expectations and day to day operational effectiveness are all vitally important. The impact of change and the way in which change is communicated and handled demands much of those in key roles. Mention is made in this paper of office layout, yet in recent years certain organisations have witnessed the emergence of hot seating, a phenomenon that has in many cases caused tension, insecurity and disharmony, and all this in the name of so-called efficiency and progress.

Sherman and Tae are quite right to highlight the centrality of culture. We are all familiar with pro-active and reactive cultures. Issues such as workplace bullying is an issue that is receiving more and more attention - in this regard the following is well worth perusing: www.bullying.co.uk/bullying-at-work/ Recognition and an appreciation of different circumstances can help with organisational harmony. Whether a person is a 'best fit' is extremely subjective. In addition this paper highlights something of the role of those on high whose edicts are expected to be carried out promptly and efficiently.

Links of London makes for an interesting case study. There are some who might dispute the statement that the company is the; "English equivalent of New York's Tiffany and Co". After all Tiffany and Co was founded in the same year that Queen Victoria was crowned (1837) coincidentally the same year that Martin van Buren became the 8th President of the United States of America. An overseas brand trying to find its feet and become an established brand in the US is worthy of a study in itself. The reader is presented here with some of the day to day situations and through a specific case study and given a timely reminder of the veritable quagmire that is the field of employee relationships. From the use of LinkedIn as a recruitment tool to the bruised egos of individuals we are taken on a veritable roller coaster, which in all honesty often feels all too familiar. We certainly need to reflect more and work rather harder to gain a holistic view of the human dynamic of which we are both part of the problem, yet also one of the keys to the solution.

From the stresses and strains of employee interactions we move swiftly on to a paper that wrestles with the Holy Grail of Retailing, namely discovering what lies behind irrational purchase behaviour. **A meta-analysis of consumer irrational purchase behaviour based on**

Howard-Sheth mode by **Xinhui** and **Han** makes clear that opinion still remains divided when it comes to an agreed definition of exactly what constitutes irrational behaviour by customers. The precise cause of such behaviour remains elusive and thus is the cause of considerable discussion and research. Recent technological developments and the growing interest in data mining and the use of algorithms has embolden retail analysts and other interested parties in their belief that someday soon the answer will be found. Of course we all would do well to exercise some caution, not least because both individual and group psychology is clearly a part of the conundrum. We can at least take comfort from the fact that all the theorising and the models that result are certain to generate new solutions and ideas and have more than a few surprises for all concerned along the way. With profit margins in the retail market being so tight, anything that helps give a business a better understanding of why customers behave the way that they do has to be useful. For those interested in dealing more effectively with people who behave irrationally, the following is well worth reading: <http://theoverwhelmedbrain.com/irrational-people/>

The next paper tackles an issue that is a growing concern across the world, namely that of the; "underlying discrepancy between the process and the output of the entrepreneurship programs" as the author of the following paper puts it. **The making of an entrepreneur: aligning institutional paradigm to the industry needs** by **Velasco**. The choice of the word 'aligning' is extremely important, because it gets to heart of the problem of much of the education provided in higher educational establishments across the globe. To what extent is the education being provided actually fit for purpose? Are educators equipping students with the skills needed for the world of work? Equally, we could well ask, do those formulating courses have a desire to meet the needs of the wider world. Herein lies not only an issue in regards to national capacity building, but also some fundamental questions about education itself. Are we helping the young to question, to innovate, to problem solve and to create? How relevant is education? Has learning become stifled by its own habits and conventions?

This research happens to have been undertaken in the Philippines, yet reading this I feel that it would resonate with people across the globe. What role does education have in entrepreneurship? Clearly it does have a major role and yet still many of us are risk averse. The gap between theory and practice stated by Velasco is a perennial problem. It is important that this paper also makes mention of unemployment and underemployment. There are clear concerns about the quality and practical business experience of those delivering programmes, just as there is about meaningful engagement with the wider world. The picture is a challenging one, especially as higher education appears to be churning out students who clasp pieces of paper that in certain cases are of little relevance to the world in which they have to operate.

This research elucidates something of the fundamental problem that continue to challenge all who lead, manage and deliver higher education. It also provides food for thought about societal attitudes towards enterprise and the taking of risks. Another interesting dimension might well have been that in relation to the case studies being used in the curriculum, as well as the way in which gender impacts in the landscape of entrepreneurial education. There is clearly no room for complacency. We all would do well to reflect upon the issues raised by this paper.

At the root of so many challenges and problems one invariably finds failures in leadership. Sometimes organisation have the right people, but in the wrong roles, whilst in others incompetent individuals have been promoted upwards with dire results. Whilst there is a general consensus as to what makes an effective leader, there is a tendency to draw upon a limited repertoire of leadership types, many of whom pay scant regard to genuine

accountability. The next paper is entitled: **Effect of Transformational Leadership and High Performance Work Systems on Job Motivation and Task Performance: Empirical Evidence from Business Schools of Thailand Universities** by Pongpearchan. Anyone who explores Transformational Leadership (TL) may well be surprised that this form of leadership is not viewed as standard, and yet in many organisations and institutions it is relatively rare. Charisma is often viewed with suspicion by those who sit on appointment boards, what is more, those that visibly demonstrate empathy and concern for personnel, especially those in junior or lower status role are at times seen as weak or indeed suspect. Business schools in Thailand as elsewhere are invariably macho environments that are results driven and take no prisoners when it comes to performance. In common with many over higher education institutions job insecurity and job inequality are all too commonplace and as a direct result the atmosphere for employees is one that can appear intimidating, personally less rewarding and an environment in which workplace bullying has the potential to thrive.

The HE sector is an increasingly competitive environment, one where programme leaders have to be prepared to fight their corner. Departments and faculties find that if results are not on an upward trajectory they find themselves under intense scrutiny and possibly subject to cuts in budgets staffing or even in peril of seeing courses axed or the department wound up. Transformational Leaders offers a potential life line not least because potentially it can help forge a unity of purpose that helps individuals fulfil their promise. This Thai research also appears to confirm the value of having High Performance Work Systems (HPWS) as a means of delivering overall effectiveness.

Our attitudes to money are very telling and thus we can learn much from examining the way in which money is accessed, saved and deployed in the world in former times, currently and how things may be in the future. The next paper is entitled: **A study of customer satisfaction on select service dimensions with reference to ATMs and CDMs services in Oman** by Jamil and Khan. For many readers these devices are an integral part of life and yet as this study reveals they are a relatively recent phenomenon. In some parts of the world technology has already skipped a generation out of necessity and places such as Somaliland have already embraced mobile to mobile money transfer with enthusiasm. *Following Mobile Money in Somaliland* (Iazzolino, 2015) is somewhat of a revelation. Essentially, where money is wanting to be accessed in Oman or elsewhere the key elements are ease of access and security. As in any new development trust is important as is convenience. Businesses need to be mindful of the old adage; 'Time is money', this is as true for the customer as it is for the business itself. In this research one of the most telling lines is the following; "It is imperative to meet and match the expectations of the customers in terms of the service being delivered by banks.", sometimes of course the banks themselves are not entirely certain as to what these "expectations" are, hence the importance of eliciting feedback and having clear channels of communication with a view to finding out customers' needs and endeavouring to meet them. Actually, when we come to think of it, all service providers should surely want to exceed expectations, for therein lies that important factor that can give a provider the edge over rivals.

Technology is undergoing various evolutionary stages and businesses need to be aware of new developments as well as invest in the technology and training that ensures smooth and seemingly seamless operations. The era of digital banking has already brought about both foreseen and unforeseen consequences. Many of us have probably not seen or written a cheque for months. The issue of fraud is a massive issue, one the banking sector is reluctant to talk about with candour. Money matters are invariably sensitive and this paper makes clear that businesses need to win their customers over and ensure that they are part of the development

process. What may well work in one part of the world, may not suit or be embraced elsewhere. Yet one thing is for certain, and that is money in some form or another looks likely to be around for some time and thus it is beholden on banks to be alive to new possibilities than can help meet customer needs.

The world of retail is fascinated by what drives consumers to make seemingly compulsive purchases. A considerable body of know has accrued in recent decades that has endeavoured to elucidate this topic further. Egypt makes for an interesting country study, not least because it is one of Africa's most populous countries, but also because since local market liberalisation post-2004 the retail market has undergone a rapid expansion in many respects. **Investigating the effect of the "big five" personality dimensions on compulsive buying behaviour of Egyptian consumers** by Fayeze and Labib uses quantitative research. The research undertaken for this paper by its very nature is somewhat restrictive, not least because as the paper acknowledges itself; "banks, multinational companies and universities" were the places where the questionnaires were distributed. There is every likelihood that some of the elite universities in Alexandria could somewhat skew the results as they are certainly not representative of the Egyptian population as a whole. Herein lies the challenge for researchers, how does one go about accessing the bulk of the population? This is all the more relevant in the light of the fact the recent research has shown that alarmingly in Egypt illiteracy is actually rising. As recently as 2013 according to the Central Agency for Public Mobilization and Statistics (CAPMAS) literacy rates in Egypt were as follows; 18.5% of males and 33.6% of females. This is germane for several reasons, one being the ability to access a representative sample of the population as a whole and two the fact that there is a tendency in academia to distribute research in areas and environments that are familiar to us and in which we feel most comfortable. This is an issue that to some extent dogs most research and warrants far greater attention, acknowledgement and discussion than it currently receives.

The twelfth paper of this issue is entitled: **Engagement in integrated reporting: evidence from the International Integrating Reporting Council adoption framework** by Boonlua and Prankasen. The issue of corporate governance has been very much in the spotlight, especially in the period immediately after the financial crisis of 2007/2008, a fact that became all the more pressing because of a whole series of major corporate scandals. As the authors rightly point out a key element is that of "improving corporate communication", something which is easier said than done. Whilst the aims and objectives of the IIRC are laudable, ensuring compliance is far from easy, especially when legislation has not always caught up with recent developments and where sanctions in respect of breaches of certain codes are insufficient or take an inordinate amount of time to take effect.

This paper is well structured and in many ways provides a useful model of how such research should be undertaken. Taking Thailand as its focus, there are some questions that need to be asked about cultural attitudes, especially in regards to the cultural acceptance of questioning and also the culture, legislation and safeguards in respect to whistle blowing. The issues raised here underscore the problems that companies are faced with across the globe. Transparency is an issue that warrants even greater attention, yet all too often there are plenty of positive words and intentions, yet the real situation is one of obfuscation and the opaque. The issue of taxation is always a thorny one. The old adage states that; 'There are two things in life that cannot be avoided: death and taxes' remains as true as ever. **The penultimate paper of this issue is entitled: Does goods and services tax stimulate economic growth? International evidence** by Hakim, Karia and Bujang. We would do well to dwell for a moment on the purpose and role of taxation, whilst it is perfectly understandable that both people and

organisations resent taxation, it certainly has a significant function in modern society. We only have to think of the ability to be able to access free education until the age of eighteen, free or subsidised healthcare and of course transport infrastructure to begin to appreciate that taxation is a corner stone of the social contract. By examining the effectiveness of VAT the authors of this paper have been able to make international comparisons and have found that there would appear to be a compelling case for the reduction of VAT on certain products, as the present flat rate system used in most countries disproportionately burdens those on middle and lower incomes. The introduction of sliding scales that are product specific certainly sounds perfectly reasonable, until one reflects on the political implications of such an action. One thing is for certain, and that is the lobbying of administrations would go into overdrive as various vested interests would wish to ensure that their products were placed in a lower band. Some industries might well strike a decidedly disputatious tone and thus the only ones likely to win would be the lawyers. Cause and effect is a part of life, and governments the world over are wrestling with the complexities of revenue collection and the need to find the optimal point at which taxation is most effective and efficient. It is worth noting that the authors have made a case for reducing personal taxation, a measure that I imagine few readers would disagree with.

The final paper is entitled: **A study of factors influencing customers' purchasing behaviours of gold ornaments by Chaisuriyathavikum and Punnakitikashem.** Taking Thailand as its focus, this paper reminds the reader that there are differing attitudes towards the desirability of high quality gold. It is noteworthy that in Europe and North America there is a general willingness to accept lower carat gold, whilst in Asia customers expect a far higher grade of gold. It is worth remembering that depending on the gold content the colour of the gold itself varies. The 24 carat gold available in Thai gold shops is mined locally with some 3000 kilos of gold produced in 2012 (United States Geological Survey (USGS) Minerals Resources Program) Creating an environment that it is both congenial and conducive to sales is of paramount importance, hence the emphasis placed in this research on various hedonic elements. The nature of gold is such that the key drivers behind gold sales are investment and its use as a personal adornment. Retailers need to have a keen understanding of what motivates customers to make specific purchases at certain times and thus must attune their marketing and pricing structures so as to capitalise on every available sales opportunity.

The nature of the retail space is undergoing an extraordinary transformation, primarily because of changing technology and the ability to engage with customers as never before. Data mining has become essential as has the ability of those in leadership and management roles to be proactive rather than reactive. In larger enterprises the finance mechanisms have become so complex and Byzantine in nature that there are legitimate concerns about the ethical nature of some businesses and their ability to respond to consumers' needs. This issue presents some significant research that should embolden us to look beyond the familiar and maybe use some case studies from parts of the world that are all too often overlooked. Reflecting on the subject of the final paper, all of us would do well to note those words from William Shakespeare's play, *The Merchant of Venice*: "All that glitters is not gold;"



Dr P.R.Datta
Editor-in-Chief