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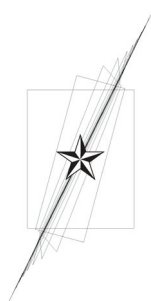
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FROM THE EDITORS

This issue of the DLSU Business and Economics Review is composed of two sets of articles. The first part is a collection of the papers drawn from the Principles for Responsible Management Education (PRME) Asia Research Conference held in Manila last 13-14 November 2013. The second set of papers consists of regular submissions to the journal.

For this issue, we have invited Dr. Raymund B. Habaradas, Conference Chair of the PRME Asia Research Conference, as guest editor to take care of the selection and preliminary editing of the papers in the said conference. For our regular submissions, the task of preliminary editing is given to our new Managing Editor, Dr. Marites Tiongco.

Dr. Habaradas and Dr. Tiongco will provide brief introduction of the articles included in this issue.

At this point I would like to thank our reviewers from various universities in the Philippines and the Asia-Pacific region for their insightful evaluation of all paper submitted to the journal. We hope that you will continue your support in making DLSU Business and Economics Review a major vehicle for dissemination of business and economics research in the region.

TERESO S. TULLAO, JR.
Editor-in-Chief

On November 13-14, 2013, the Ramon V. Del Rosario College of Business (RVRCOB) of De La Salle University (DLSU) co-organized the 4th PRME Asia Regional Forum and Research Conference with the Asian Institute of Management (AIM) and Ateneo de Manila University (ADMU). An initiative backed by the United Nations, the Principles for Responsible Management Education (PRME) encourages business schools and universities worldwide to integrate corporate responsibility and sustainability in their curricula, research, teaching methodologies, and institutional strategies in response to new business challenges and opportunities. That the three leading business schools in the country co-organized this important regional event sends a strong signal to the world about the commitment of business educators in the Philippines to the six PRME principles.

Principle No. 4, in particular, calls upon business schools to “engage in conceptual and empirical research that advances our understanding about the role, dynamics, and impact of corporations in the creation of sustainable social, environmental, and economic value.” This served as our inspiration for the PRME Asia Research Conference, the theme of which was “Socially Responsible Practices of Asian Businesses”. Out of more than 40 papers submitted and presented by scholars from all over the Philippines and a few other Asian countries, we feature five papers that passed DLSUBER’s tough review process.

The article by Luisito Abueg, Mariel Monica Sauler, and Benito Teehankee (*Towards a Common Good Model of the Firm*) challenges the dominant “profit-maximizing model of the firm,” which promotes self-interested behavior (a.k.a., greed) among business students. In their paper, Abueg, Sauler, and Teehankee present a baseline model of the firm, which incorporates “the provision of living wages and benefits for the employees of the firm and those of its supplier.” Could teaching this “alternative principle for grounding a model of the firm” to this generation of business students trigger the creation of more responsible businesses that genuinely care for their various stakeholders?

In this generation, at least, we know that there are still companies (and even entire industries) that exploit the working class. In the article *Precarious Work Undermines Decent Work: The Unionized Hotel Workers’ Experience*, Divina Edralin shows that precarious work is prevalent in 12 unionized hotels she examined. This is a direct result of the desire of these hotels’ management to “lower expenses or costs for salaries and benefits” so as

to raise profit levels. One wonders whether big business, as a modern institution, has failed in its task of creating wealth as evidenced by the persistent levels of poverty in many developing countries. In the Philippines and in India, for example, many have remained poor in spite of the rapid economic growth experienced by these two countries, thus the need for alternative institutional arrangements (as proposed by Mark Anthony Velasco in his paper *Linking Property Rights and Capital Accumulation in the Philippines*), new organizational forms such social enterprises (as briefly described by Divya Singhal in her paper *Women Empowerment through Social Initiatives: An Indian Story*), or new management models (as discussed by Marife Posadas in her paper *Converlogical Management Theory: Towards the Development of the Communicative Competence of an Organization*).

As a signatory of PRME, RVRCOB hopes that these five articles will contribute in facilitating “dialog and debate” among educators, students, business, and other stakeholders on critical issues related to global responsibility and sustainability.

RAYMUND B. HABARADAS
Guest Editor

The next six articles of this volume is a collection of business related articles on organizational behavior, strategic management, and financial risk management.

The research article by Burawat Piyachat, Kuntonbutr Chanongkorn, and Mechinda Panisa (*The Mediate Effect of Employee Engagement on the Relationship Between Perceived Employer Branding and Discretionary Effort*) explores the relationships among employer branding, employee engagement, and discretionary effort via the effect of employee expectation. The results indicated strong positive relationships between employer branding and employee engagement, employee engagement and discretionary effort,

employer branding and discretionary effort, employer branding and employee expectation, and employee expectation and employee engagement, which supported previous studies.

A research note on organizational culture by Manodip Ray Chaudhuri and Partha Naskar (*Job Satisfaction: The Eventual Smidgeon for Occupational Consummation and Contentment in Profession*) reviews relevant literature on business and management focusing on job satisfaction at work. It addresses job satisfaction from a diverse set of angles, namely: occupational fulfillment, dimensions and attributes, high performance human resource initiatives, public and private sector perspectives of the problem, organizational

culture, organizational citizenship behavior, self and the soul for contentment, and forces towards human fulfillment at work, all visited from the standpoint of workplace consummation and contentment for superior performance of an average worker, and for a successful organization in the long run.

An article on strategic marketing by Tuyet Mai Nguyen and Phong Tuan Nham (*A Domino Effect from Fairness to Online Customer Loyalty*) contributes to a limited existing research on customer loyalty in e-commerce. It explores the different dimensions of fairness—distributive fairness, procedural fairness, and interactional fairness—that could build customer loyalty on online shopping through trust and customer satisfaction.

Related to e-commerce is the issue of cybercrime and its challenges in a changing business world which has received much attention. This emerging threat is discussed in a research note by James Keith Heffron (*The Philippine Cybercrime Prevention Act of 2012: To Protect or Destroy?*). In his article, Heffron provides an overview of the Philippine Cybercrime Prevention Act and its legal and ethical challenges. Given the perceived constitutional violations of the Cybercrime Prevention Act, the author suggests an alternative law on eliminating cybercrime that will contain all provisions relating to the lawful conduct of computer and internet usage, the definition of cybercrimes and its penalties, the rules on its enforcement and implementation, and protection of the constitutional rights of the people.

Two articles in this issue are related to income distribution and financial management, both of which can impact the process of economic development. The article of Mohammed Salah

Chiadmi and Fouzia Ghaiti (*Modeling Volatility of Islamic Stock Indexes: Empirical Evidence and Comparative Analysis*) looks at the theoretical foundation of the international financial system by investigating the volatility of Islamic stock market during the global financial crisis in 2007-2008 using the Exponential Generalized Autoregressive Conditional Heteroscedastic model, taking into account the leverage effect and leptokurtosis usually observed in financial times series data. The authors conclude that Islamic stock indexes were relatively resilient to the effects of the global financial crisis due to several factors, including the inherent strength of Islamic finance and ethical conduct in doing business.

One of the key drivers to financial instability is the rising income inequality. The article of Moises Neil Serino (*Decomposition Analysis of Income Inequality in Eastern Visayas, Philippines*) examines different sources of income inequality at the regional level. He used the expenditure approach decomposing inequality by using proxies for human capital stock, demographic composition and infrastructure access, and income source. Results suggest that an increase in wage income will worsen inequality while an increase in income from agriculture sector will tend to reduce inequality, which implies that government should focus its efforts in promoting inclusive growth by enhancing agricultural productivity as a means of reducing high inequality, particularly in Eastern Visayas.

The arguments and evidence presented by the articles in this issue ARE our journal's contribution to the growing importance of discussing organizational management and social responsibility, strategic marketing, and financial risk management in outstanding current business environment.

MARITESM. TIONGCO
Managing Editor