

DLSU BUSINESS &
ECONOMICS REVIEW

Volume 32 Number 1 • JULY 2022

The *DLSU Business & Economics Review* (DLSU BER) publishes high-quality theoretical, empirical, and methodological research in the fields of accounting, business management, commercial law, economics, finance, and marketing. The DLSU B&ER aims to reach an audience in these six fields and is published biannually (January and July) by De La Salle University, Manila, Philippines. Unless otherwise noted, the ideas, opinions, and conclusions expressed in the DLSU B&E Review are those of the authors and not necessarily those of the Editorial Board of the journal or the management and staff of De La Salle University. It is listed in SciVerse Scopus since 2011, abstracted and Indexed in EBSCO since 2009, and listed in the ASEAN Citation Index. It is also an awardee of the Journal Challenge Grant of the Philippine Commission of Higher Education (CHED).

Annual Subscription Rates: Foreign libraries and institutions: US\$60 (airmail). Individuals: US\$50 (airmail). Philippine domestic subscription rates for libraries and institutions: Php1,800, individuals: Php1,300. Please contact Ms. Joanne Castañares for subscription details: telefax: (632) 523-4281, e-mail: joanne.castanares@dlsu.edu.ph

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ISSN 0116-7111

Published by De La Salle University Publishing House
2401 Taft Avenue, Manila, 0922 Philippines
Telephone: (63 2) 523-4281 / 524-2611 loc 271
Fax: (63 2) 523-4281
Email: dlsupublishinghouse@dlsu.edu.ph
Website: <http://www.dlsu.edu.ph/offices/publishing-house/default.asp>

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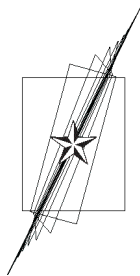
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From the Editor

The July 2022 issue of the DLSU Business and Economics Review consists of fourteen papers dealing with contemporary and traditional business and economic issues. The paper by Delano Villanueva speaks loudly of the challenges that economies face today. Emerging from pandemic lockdowns, forward-looking economies strive to get their growth engines working again. The realm of growth theory is part of every macroeconomist's journey, with analytical pathways characterized by theoretical rigor. Villanueva echoes Douglas North's challenge of integrating institutions into growth models. Accepting the challenge, he structures his model by linking institutions to productivity sectors. As established in his paper, the marginal externality spillovers from productivity sectors are critical for an economy to achieve high growth. Such a theoretical result has policy – content. He argues that institutional adherence to property and contract rights, policy stability, efficient financial intermediation, reliable public infrastructure, education, training, and other policies, and sufficient resource allocation can result in sustained high economic growth. Villanueva endeavored to enshrine institutions in a growth theory like other macroeconomists, and his conclusions cannot be overstated. More than ever, every economy's long-run growth story is underpinned by the quality of its institutions.

Institutions represent fundamental factors that boost economic growth, but disadvantaged individuals, particularly children facing deprivation and poverty, should remain the focus of effective policy interventions. On the development front, societal outcomes are tempered by realities on the ground but are continuously shaped by the interplay among social preferences, policy environments, and constraints. Realities are captured by data, albeit imperfectly. However, data matters for development and good policy formulation; data limitations necessitate creativity. Reyes and Mandap recognized how data limitations lead to poor statistical characterizations. They use and adapt the Community Based Monitoring Systems (CBMS) data to demonstrate that children's multidimensional poverty can be adequately characterized locally, yielding actionable information, improving mapping/monitoring techniques, and helping improve policy design.

When data are rich enough, methodological breakthroughs are expected. Two papers tackling demand analysis and impact evaluation provide insightful and clean results. Demand analysis is one area where the desirable research qualities of rigor, depth, and precision are present. Dumagan and Abrigo have verified household rationality by measuring income and price elasticities of common sources of fuel and food. They find that own-price elasticities of fuel sources and food consumption are negative, and income elasticity is only negative for a certain type of fuel, namely: fuelwood, charcoal, and biomass residues. As explained convincingly, negative income elasticity is consistent with energy demand shifts to more efficient fuel sources as income increases. Such a result may be encouraging since it tempers the welfare-degrading effects of fuel price increases. Moreover, the paper presents a remarkable result: Filipino households optimally determine expenditures.

Often, it is acknowledged that the Philippines can potentially reap demographic dividends, which may have growth implications. Recently, adolescent pregnancy has surfaced as potential issue households may face. Conchada, Tiongco, and Sy quantitatively explore the novel idea that conditional cash transfer schemes may materially affect the incidence of adolescent pregnancy through education. Known as the Pantawid

Pamilyang Pilipino Program (4Ps), the program aims to enhance recipients' education and health outcomes. Using two years from the National Demographic and Health Survey (NDHS), they investigated whether program interventions affect adolescent pregnancy via the education channel. Employing well-known impact evaluation techniques such as difference in differences (DID) and coarsened exact matching (CEM) estimators, their study establishes, with a high degree of confidence, that adolescent pregnancy is not directly affected by the 4Ps.

One clear realization in economic science is that sectors are interlinked, potentially reinforcing development and welfare outcomes within economic systems. The pandemic has held sway for two years, significantly affecting social behavior, upending business fortunes, and introducing a slew of policies. Several papers have shown that social policies can only be successful if agents are rational enough to follow prescribed guidelines or protocols limiting social interaction and mobility. Calub offers a game-theoretic explanation for people's adherence to pandemic mobility restrictions. Formulating a signaling game, he finds support for a perfect Bayesian separating equilibrium; that is, individuals will find it unappealing to go outside if they observe that others do not or opt to venture outside if others do. Tweaking his model by including a government, he shows that regardless of government type (effective or ineffective), agents would still comply with a stay-at-home order. Interestingly, payoffs for staying at home may be higher under an effective government. While it is understandable that the paper does not capture all possible model configurations, it nonetheless offers plausible explanations for the observed behavior of individuals during the pandemic.

While Calub accounted for the role of government in his model, other institutions, such as the media, also contributed to the pandemic effort. Using the Theory of Planned Behavior, Bautista et al. examined the role of media, that is, whether it represents a mediating variable that promotes adherence to pandemic policies. Their findings support the view that individuals are weakly influenced by subjective norms, arguably an important result. However, their other notable results also showed that quarantine adherence is positively associated with attitude, self-efficacy, and controllability.

The last pandemic-related paper in this issue focuses on financial implications. Many know mobility restrictions negatively affect economic activity, leading to anemic corporate performance. Using available market data of publicly listed companies in the Philippines, Panopio and Cudia showed significant declines in the percent change in revenue, expenses, and net income relative to average figures for 2017 to 2019.

This journal issue also emphasizes the importance of human resource development and management. Traditionally, worker quality is assessed in terms of how productive they are. Contemporary issues paint a different picture altogether. Issues that pertain to inclusion, worker satisfaction and happiness, workplace performance and skills, and barriers to career advancement are worth examining. Indeed, Seva, Resurreccion, and Gutierrez espoused a refreshing view that deals with inclusion. In the labor market, persons with autism (PWA) continue to suffer from inequities or lack of opportunities due to firms' limited recognition of their value or potential in the workplace, poor labor demand due to perceived high costs of integration, and labor market discrimination. What Seva et al. have developed are frameworks for inclusion and performance. They showed the importance of undertaking organizational changes to integrate PWAs and identifying measures to elicit better performance. Focusing on a sample of Filipino seafarers, Castro and Edralin find that job satisfaction does not lead to happiness at work. They have convincingly shown that vigorous work engagement, dispositional effect, and flourishing at work affect happiness at work instead. Their paper provides invaluable insights by developing a framework that highlights happiness at work in a workplace environment.

From the labor market, we now shift our focus to the world of finance, clarifying the practical value of cost stickiness and identifying the effects of dividends on firm performance. The classical theory stipulates that firms operate in a frictionless environment, where symmetric adjustments are expected. However, such may not be the case in terms of cost adjustments. In their paper, Catalig et al. look into publicly-listed firms during the period 2009 – 2019 to examine whether costs adjust symmetrically to the economic activities of firms. When costs adjust asymmetrically, then costs are deemed sticky. Their methodology involves two steps. First, they identified

cost items such as SG & A, Total Costs, and Cost of Goods Sold and determined if each is cost-sticky. Then they validated whether proximate theories that deal with adjustment, political, and agency costs can explain cost stickiness among firms. While the results are mixed, the paper is deemed important from a cost management point of view. In another paper, Professors Nugroho and Saragih claim that their paper is the first to empirically examine the impact of dividends on returns with profitability and free cash flow as control variables based on market conditions in Indonesia. While dividends positively affect returns, one issue they pointed out concerns the difficulty of identifying the effect of market states (advancing or declining conditions). Surely, this may spark research interest in finding a way to capture stochastic shifts in market conditions within the same estimation framework and identify the impact of dividends.

Finally, we acknowledge the indispensable role of systematic literature reviews (SLRs), which represent scientific and replicable ways of identifying literature gaps and the state of a field of study. Systematic literature reviews can be vital learning tools for surfacing overlooked research themes, generating insights, and identifying practical issues or areas of concern. Altaf et al.'s topic of women on corporate boards (WOCB) augurs well for identifying relevant gender and development-related issues in the corporate sector. Women remain underrepresented in top managerial positions, eliciting analytical interest and genuine concern on corporate governance. Altaf et al. established positive contributions of women on corporate boards in financial and non-financial performance, highlighting the lack of such studies in developing countries, the apparent disconnect between theory and empirical results, and antecedents of WOCBs that have remained unexplored. In another paper, Akther et al. use bibliometric and content analyses to map issues and research items in the human resource management literature. They find that the discipline during the period has focused on safety issues, human resource management (HRM) technology, business model and HRM, information and knowledge management, and HRM and teamwork. The study may be useful for updating HRM research in the face of unprecedented corporate environment changes due to the pandemic and other global disruptions. Finally, Rusli et al. sought to understand how market reactions affect politically connected firms given event announcements and outcomes. They use the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA).

