Business & Economics articles Links (March 2013)

1.

Title: **What promotes greater use of the corporate bond market? A study of the issuance behaviour of firms in Asia**
Authors: Mizen, Paul and Tsoukas, Serafeim
Source: Oxford Economic Papers; 2013, Advance Access. First published online: March 4, 2013
Abstract: This paper investigates bond market development in Asia by exploring the determinants of firms' decisions to issue public debt in a range of Asian economies. Using a novel database covering the period 1995 to 2007, we use comparable micro level panel of nine countries—China, Hong Kong SAR, Indonesia, Korea, Malaysia, Philippines, Singapore, Taiwan, and Thailand—to explore factors that promote bond issuance by firms. We control for firm characteristics and market features such as bond market depth and liquidity; we also consider supra-national policy initiatives to improve bond market function. Our paper demonstrates that regional initiatives have been an important step towards greater bond issuance by firms in Asia, mostly by fostering market deepening and improving liquidity.
Note: *Advance Access, first published online: March 4, 2013*
Database: Oxford Journals Online

2.

Title: **Perceptions about ethics institutionalization and quality of work life: Thai versus American marketing managers**
Authors: Marta , Janet K.M., Singhapakdi, Anusorn, Lee, Dong-Jin, Sirgy, M. Joseph, Koonmee, Kalayanee and Virakul, Busaya
Source: Journal of Business Research; March 2013, Vol. 66, Issue 3, Pp. 381–389
Abstract: Previous research suggests that ethics institutionalization positively influences quality of work life (QWL). This study hypothesizes that the effect of ethics institutionalization on QWL is stronger for Thai than U.S. managers, because the Thai culture is collectivistic, whereas the U.S. culture is individualistic. Survey data were collected from Thailand from a sample of marketing managers of Thai companies listed on the Stock Exchange of Thailand (SET). The U.S. data involved a sample of U.S. members of the American Marketing Association. The results provide partial support for the hypotheses.
Database: ***ScienceDirect***

3.

Title: **Cross-border diversification through M&As in Latin America**
Authors: Pablo, Eduardo
Source: Journal of Business Research; March 2013, Vol. 66, Issue 3, Pp. 425–430
Abstract: This study analyzes a database of 952 acquisitions in Latin America during the period from 1998 to 2004. Higher GDP growth correlation between the countries where the target and the bidder base their operations directly relates to

higher cumulative abnormal returns for the acquiring firm. This result in the emerging markets of Latin America supports the evidence that Kiymaz and Mukherjee (2000) report in developed economies. This study also finds that the bidder benefits from buying companies located in countries whose governance environment differs significantly from that in the country where the bidder resides, even if the quality of the governance in the target country is worse than in the bidder's country. Although counter-intuitive, this result is consistent with evidence that Haggendorff, Collins, and Keasey (2008) report.
Note: *This article belongs to a special issue: (1) Reconceptualizing Cross-Cultural Research in the Digital Age and (2) Advances in Business Research in Latin America Studies*
Database: ***ScienceDirect***

4.

Title: **How do bank competition, regulation, and institutions shape the real effect of banking crises? International evidence**
Authors: Fernández, Ana I., González, Francisco and Suárez**,** Nuria
Source: Journal of International Money and Finance; March 2013, Vol. 33, Pp. 19–40
Abstract: This paper studies the influence of bank competition on the real effect of 36 systemic banking crises in 30 countries over the 1980–2000 period and how this influence varies across countries depending on bank regulation and institutions. We find that bank market power is not on average useful for mitigating the negative real effect of a systemic banking crisis. Market power promotes higher growth during normal times in industries that are more dependent on external finance but induces a bigger reduction in growth during systemic banking crises. We also find a country-specific effect depending on bank regulation and institutions. Stringent capital requirements and poor protection of creditor rights increase the benefits of bank market power for mitigating the negative real effect of a systemic banking crisis because bank market power has a positive effect on economic growth during both crisis and non-crisis periods in these environments.
Database: ScienceDirect

5.

Title: **How are creative industries weathering the crisis?**
Authors: Propris, Lisa De
Source: Cambridge Journal of Regions, Economy and Society; March 2013, Vol. 6 Issue 1, Pp. 23-35
Abstract: The article explores whether and how creative industries are surviving the current downturn in order to understand whether they will be in a position to contribute to UK's economic growth. The argument suggested here is that creative industries are crucial for *recasting* UK manufacturing so that parts of it can be competitively located in the UK. The only manufacturing activities that the UK can convincingly and sustainably aim to retain and grow are the high value-added, high innovation and high creativity ones.

Database: Oxford Journals Online

6.

Title: Financial Structure and Economic Development: A Reassessment
Authors: Cull, Robert, Demirguc-Kunt, Asli and Lin, Justin Yifu
Source: The World Bank Economic Review; March 2013, Advance Access
Abstract: The main results are that as economies develop (1) both banks and markets become larger relative to the size of the overall economy; (2) the association between an increase in bank development and an increase in economic output becomes smaller; and (3) the association between an increase in securities market development and an increase in economic output becomes larger.
The quantile regressions suggest that financial structure changes—becoming more market-oriented—as economies develop. This is consistent with theoretical arguments that economic development increases the demand for the …
Note: *Advance Access, first published online: February 18, 2013*
Database: Oxford Journals Online

7.

Title: Economic crisis and innovation: Is destruction prevailing over accumulation?
Authors: Archibugi, Daniele, Filippetti, Andrea and Frenz, Marion
Source: Research Policy; March 2013, Volume 42, Issue 2, Pp. 303-314
Abstract: The 2008 economic crisis has severely reduced the short-term willingness of firms to invest in innovation. But this reduction has not occurred uniformly and a few firms even increased their investment in spite of the adverse macroeconomic environment. This paper, based on the latest three waves of the UK Community Innovation Survey, compares drivers of innovation investment before and during the crisis. We find that the crisis led to a concentration of innovative activities within a small group of fast growing new firms and those firms already highly innovative before the crisis. The companies in pursuit of more explorative strategies towards new product and market developments are those to cope better with the crisis.
Database: ScienceDirect

8.

Title: THE EFFECT OF INNOVATION CAPABILITIES AND EXPERIENCE ON CROSS-BORDER ACQUISITION PERFORMANCE.
Authors: Suh, YonJin, You, JaeJoon and Kim, PhilSoo
Source: Global Journal of Business Research (GJBR); March 2013, Vol. 7 Issue 3, Pp.59-74
Abstract: Due to the integration of the European market, the globalization process, and the rising importance of technological innovation, there has been a surge in cross-border acquisition strategy for European firms. Innovative technology and experience are the main drivers behind firms' acquisition imperatives to realize sound performance. Based on the resource-based view and organizational learning perspective, our empirical research focuses on the effects of European firms'

innovative capabilities and experience on their acquisition performance when targeting United States firms. The results indicate that both innovative capabilities and experience have a positive effect on acquisition performance. This suggests that in order to have successful acquisition performance, European firms need to reinforce their innovative capabilities and commit to accumulating experience in articulating cross-border acquisition strategy. In addition, we discuss the interaction effect that relatedness has on the acquisition performance of European firms. Our findings indicate that related **acquisitions** associated with redundant or similar innovative capabilities and acquisition experience hinder acquisition performance. We posit that relatedness has a negative moderating effect on acquisition performance. [ABSTRACT FROM AUTHOR]
***Database*: Business Source Complete**

9.

Title: **The pre-acquisition evaluation of target firms and cross border acquisition performance**
Authors: Ahammad, Mohammad Faisal and Glaister, Keith W.
Source: International Business Review; 2013, Available online: 17 February 2013
Abstract: The paper investigates the impact of the pre-acquisition evaluation of target firms on the performance of cross border acquisitions using data from a sample of acquisitions made by UK firms. The findings provide reasonable support for organizational learning theory, suggesting that the more the acquiring firm learns about the target firm then the better will be the acquisition performance. Specifically, we find support for the hypothesis that thorough evaluation of the strategic and cultural fit positively influences cross border acquisition success. Further, the analysis reveals that detailed evaluation of the target firm's employee and business capability improves acquisition performance. The managerial implications of the findings and directions for future research are also discussed.
***Database*: ScienceDirect**

10.

Title: **The effects of financial crisis on fiscal positions**
Authors: Tagkalakis, Athanasios
Source: European Journal of Political Economy; March 2013, Vol. 29, Pp. 197-213
Abstract: The recent financial crisis was characterized by the sizeable fiscal cost of banking sector bail out operations and the significant automatic and discretionary fiscal policy response to shrinking output, which have put increased pressure on public finances in many industrialized countries. This paper tries to evaluate the impact of financial crisis episodes on debt developments. The findings indicate that severe financial crisis episodes increase the stock of debt by 2.7%–4.0% of GDP, on average in the 20 OECD countries examined. In countries with big financial sectors it ranges from 4.2%–5.3% of GDP and in countries with smaller financial sectors it is about 1.4%–1.7% of GDP. The primary balance and the cyclically adjusted fiscal policy stance ease by about 2.6% of GDP and 1.6% of potential GDP, respectively, in the event of a severe financial market crash. Expansionary fiscal interventions are more pronounced in countries with sizable financial sectors. I find significant

evidence that a financial market collapse paves the way for a subsequent deterioration in debt ratios.
***Database*: ScienceDirect**

11.

Title: Are banks too big to fail or too big to save? International evidence from equity prices and CDS spreads
Authors: Demirgüç-Kunt, Asli and Huizinga, Harry
Source: Journal of Banking & Finance; March 2013, Vol. 37, Issue 3, Pp. 875–894
Abstract: Deteriorating public finances around the world raise doubts about countries' abilities to bail out their largest banks. For an international sample of banks, this paper investigates the impact of bank size and government deficits on bank stock prices and CDS spreads. We find that a bank's market-to-book value is negatively related to the size of its liabilities-to-GDP ratio, especially in countries running large public deficits. CDS spreads appear to decrease with stronger public finances. These results suggest that systemically important banks can increase their value by downsizing or splitting up, especially if they are located in countries with weak public finances. We document that banks' average liabilities-to-GDP ratio reached a peak in 2007 before a significant drop in 2008, which could reflect these private incentives to downsize.
***Database*: ScienceDirect**

12.

Title: Hollywood in decline? US film and television producers beyond the era of fiscal crisis
Authors: Christopherson, Susan
Source: Cambridge Journal of Regions Economy and Society; March 2013, Vol. 6 (1), Pp.141-15
Abstract: In the national and global entertainment media production centre of 'Hollywood', the fiscal crisis punctuated a long-term trend towards declining employment and production capacity. Two factors explain why entertainment media production workers faced the contemporary fiscal crisis in a vulnerable position: (i) media conglomerates adopted a global strategy that severely limited financing and distribution options for medium- and low-budget films; and (ii) the decrease in mid-budget projects in film and television reduced opportunities to compose a sufficient income from project-based work in entertainment media production. This analysis demonstrates the critical role the labour force plays in project-based industries and has implications for how we understand adaptation and change over time in production 'clusters'.
***Note*:** *This article appears in: Creatives after the Crash*
***Database*: Oxford Journals Online**

13.

Title: Is Disclosure an Effective Cleansing Mechanism? The Dynamics of Compensation Peer Benchmarking

Authors: Faulkender, Michael and Yang, Jun
Source: Review of Financial Studies; March 2013, Vol. 26 (3), Pp. 806-839
Abstract: Firms routinely justify CEO compensation by benchmarking against companies with highly paid CEOs. We examine whether the 2006 regulatory requirement of disclosing compensation peers mitigated firms' opportunistic peer selection activities. We find that strategic peer benchmarking did not disappear after enhanced disclosure. In fact, it intensified at firms with low institutional ownership, low director ownership, low CEO ownership, busy boards, large boards, and non-intensive monitoring boards, and at firms with shareholders complaining about compensation practices. The effect is also stronger at firms with new CEOs. These findings call into question whether disclosure regulation can remedy potential problems in compensation practices.
***Database*: Oxford Journals Online**

14.

Title: **The scope of financial institutions: in-sourcing, outsourcing and off-shoring**
Authors: Clark, Gordon L. and Monk, Ashby H. B.
Source: Journal of Economic Geography; March 2013, Vol. 13 (2), Pp. 279-298. First published online: January 11, 2013
Abstract: In recent years, the standard theory of the integrated firm has given way to a concern about the relative advantages of in-sourcing over outsourcing, recognizing that the scope of the firm is a strategic matter. The issue of in-sourcing versus outsourcing has been accompanied by a concern about the geographical scope of the firm: whether the outsourcing of tasks and functions is close-at-hand or offshore. In this article, we begin with reference to Coase and the literature that has followed in his wake suggesting a crucial and unrecognized issue in his conceptualization is the problematic question of who has authority to make decisions (governance). We suggest a way of conceptualizing the tasks and functions of firms which rely upon firm-specific strategic assets including human capital, governance and decision-making procedures, and the information systems that underpin decision making. The objects of our analysis are financial institutions such as mutual funds, pension funds, sovereign wealth funds and investment management companies. To the extent that the cost of services is important, these types of financial institutions have sought to discount costs by outsourcing, even off-shoring. At issue is the viable geographical reach of this type of institution noting the various ways contemporary institutions (small and large) have sought to deal with this issue. Our analysis is conceptual and theoretical rather than empirical and is based on a set of case studies and fieldwork and the implications to be drawn thereof.
Note: *This article appears in: Special Issue: Global Retail and Global Finance – Honouring Neil Wrigley.*
***Database*: Oxford Journals Online**

15.

Title: **The Economics of International Policy Agreements to Reduce Emissions from Deforestation and Degradation**

Authors: Kerr, Suzi C.
Source: Review of Environmental Economics and Policy; Winter 2013, Vol. 7(1), Pp. 47-66.
Abstract: This article synthesizes the key conceptual insights from economics for the design of international policies to reduce deforestation and forest degradation and increase reforestation (known as REDD+) as part of the international climate change mitigation effort. Most of the emphasis is on the contribution of economics to the effective design of results-based policies that introduce a price incentive for "strong" states (i.e., those with the institutional capacity to respond effectively to such policies) to address deforestation, degradation, and reforestation. The article also emphasizes how large-scale agreements can minimize leakage and adverse selection, the importance of allocating uncertainty with care, and the need to differentiate clearly among potentially conflicting objectives. It explores the conflicts between cost sharing and efficiency that arise because of private information and the inability of states to make long-term commitments. The article also examines policies that complement price incentives, and, for weak states, policies that can substitute for results-based agreements.
***Database*: Oxford Journals Online**

16.

Title: Country-of-origin fit's effect on consumer product evaluation in cross-border strategic brand alliance
Authors: Lee, Jin Kyun, Lee, Byung-Kwan and Lee, Wei-Na
Source: Journal of Business Research; March 2013, Volume 66, Issue 3, Pp. 354–363
Abstract: This study examines the effect of country-of-origin (COO) fit on consumer brand attitude and finds that cross-border strategic brand alliance (SBA) is a viable market entry strategy for host and partner brands. Specifically, cross-border SBA creates positive synergistic effects when the images of countries involved are both favorable. In addition, the partner brand suffering from less favorable country image is able to leverage COO fit and gains favorable brand image and consumer product evaluation. Mediation analysis further examines the role of cross-border SBA and provides implications and suggestions for future research in this area.
***Database*: ScienceDirect**

17.

Title: Corporate social responsibility among SMEs in Italy
Authors: Coppa , Marcello and Sriramesh, Krishnamurthy
Source: Public Relations Review; March 2013, Vol. 39, Issue 1, Pp. 30–39
Abstract: Much of the scholarly discussion on CSR has focused on large corporations even though small and medium enterprises (SMEs) constitute the bulk of businesses in many countries of the world. According to the Organization for Economic Co-operation and Development (OECD), 99.9% of the corporations in Italy are SMEs employing fewer than 250 people. This study sought to explore the CSR among SMEs including whether they practice CSR as a strategic function, who the main stakeholders were for their CSR activities, the drivers of CSR, and the

motivations to engage in CSR. Data were collected from three sources: a survey of executives of a sample of 105 SMEs; qualitative in-depth interviews of the owner–managers of five SMEs and élite interviews with opinion leaders. The sample organizations practiced CSR mainly through informal, internally oriented and relational methods with very little, if any, managerial and strategic approach. A large number of sample organizations viewed employees as the most important stakeholders for CSR communication whereas customers, suppliers, and business partners trailed far behind. Interestingly, the media, government, NGOs, and unions were relegated to the bottom of the list. Networks of personal relationships (including that of owner–managers and top executives) were frequently used to conduct CSR activities.
***Database*: ScienceDirect**

18.

Title: Financial Development: Structure and Dynamics
Authors: Torre, Augusto de la, Feyen, Erik and Ize, Alain
Source: World Bank Economic Review; 2013, Advance Access, First published online: February 26, 2013
Abstract: This paper analyzes the process of financial development over the last three to four decades from the perspective of the fundamental frictions (agency and collective) to which economic agents were exposed. A comprehensive statistical benchmarking analysis showed that financial development followed regular dynamics that can be largely explained by the underlying frictions. In particular, the sequencing, returns to scale, and shape of the developmental paths for various types of financial activities—including public debt, banking, insurance, asset management, and capital markets—broadly matched benchmark predictions. Reflecting financial innovation and the dynamic interaction between financial and economic development, financial development paths were also found to be strongly dependent on initial conditions. At the same time, policy differences, including the failure to improve the quality of the enabling environment and prevent financial crashes (the dark side of finance), were found to explain a sizable share of the deviations of individual country paths from the benchmarks.
Note: *Advance Access.*
***Database*: Oxford Journals Online**

19.

Title: Can Brands Move In from the Outside? How Moral Identity Enhances Out-Group Brand Attitudes.
Authors: Choi, Woo Jin and Winterich, Karen Page
Source: Journal of Marketing; Mar2013, Vol. 77 Issue 2, Pp. 96-111
Abstract: Consumers tend to have more favorable attitudes for their in-group brands than their out-group brands. However, little is known regarding how brand managers can overcome consumers' negative attitudes toward out-group brands. Drawing on the moral identity literature, the authors theorize that moral identity may enhance out-group (but not in-group) brand attitudes through decreased

psychological distance. Four studies demonstrate that moral identity increases out-group brand attitudes. The authors also identify two important boundary conditions of this moral identity effect. These findings suggest that brand managers who want to overcome the less-than-favorable perceptions associated with out-group brands may benefit from drawing on consumers' moral identity in marketing communications. Theoretically, this research establishes that moral identity extends beyond prosocial behaviors to influence marketplace judgments (i.e., brand attitudes and categorization). [ABSTRACT FROM AUTHOR]
***Database*: Business Source Complete**

20.

Title: Social Media from an Integrated Marketing and Compliance Perspective.
Authors: Schlinke, Jennette and Crain, Stephanie
Source: Journal of Financial Service Professionals; Mar 2013, Vol. 67 Issue 2, Pp.85-92
Abstract: Many professionals understand they should be doing more with social media but are unsure where to begin. To add to the challenge, most industry professionals are required to meet standards set by state and federal regulators. This **article** addresses four key considerations those in the financial services industry should weigh when structuring a social media strategy. [ABSTRACT FROM AUTHOR]
***Database*: Business Source Complete**

Selected by Ploenchan Akvanich, Research Support Services, Chulalongkorn University.