

Hot Articles

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Business & Economics



Title: [Combining Multivariate Volatility Forecasts: An Economic-Based Approach](#)

Author: João F. Caldeira, Guilherme V. Moura, Francisco J. Nogales and André A. P. Santos

Journal: Journal of Financial Econometrics

First published online: December 30, 2016

Doi: 10.1093/jjfinec/nbw010

Abstract

We devise a novel approach to combine predictions of high-dimensional conditional covariance matrices using economic criteria based on portfolio selection. The combination scheme takes into account not only the portfolio objective function but also the portfolio characteristics in order to define the mixing weights. Three important advantages are that i) it does not require a proxy for the latent conditional covariance matrix, ii) it does not require optimization of the combination weights, and iii) can be calibrated in order to adjust the influence of the best performing models. Empirical application involving a data set with 50 assets over a 10-year time span shows that the proposed economic-based combinations of multivariate volatility forecasts leads to mean–variance portfolios with higher risk-adjusted performance in terms of Sharpe ratio as well as to minimum variance portfolios with lower risk on an out-of-sample basis with respect to a number of benchmark specifications.

Database

Oxford Journals

Title: [Employment Adjustment and Controlling-minority Ownership Structures: Providing Evidence for Stewardship Governance](#)

Author: Ming-Yuan Chen and Wei-Ting Chiu

Journal: CESifo Economic Studies

First published online: December 24, 2016

Doi: 10.1093/cesifo/ifw017

Abstract

This study investigates the influence of controlling-minority ownership structures (CMSes) on the employment adjustment of firms. We propose that entrepreneur-operated CMS firms typically develop a stewardship governance structure, which relies heavily on the social and psychological context of trust between management and employees, and demands employment stability. Accordingly, firms with more deeply ingrained CMSes are expected to have a lower employment adjustment speed. By applying a partial adjustment model to a sample of Taiwanese firms, we show that firms continually adjust to achieve a target employment level. The empirical proxy variables for the extent of CMSes are negatively related to the adjustment speed, particularly among firms with above-target employment or having consecutive periods of loss. Our results are robust after considering the assumption of lump-sum adjustment behavior.

Database

Oxford Journals

Title: [Wage- vs. profit-led growth: the role of the distribution of wages in determining regime character](#)

Author: Thomas I. Palley

Journal: Cambridge Journal of Economics

Volume: 41 **Issue:** 1 **Page:** 49-61

Doi: 10.1093/cje/bew004

Abstract

The wage- versus profit-led distinction is a cornerstone of post-Keynesian growth theory. However, the existing theoretical literature focuses on the functional distribution of income and ignores the distribution of wages. This paper shows how the distribution of wages affects whether an economy is wage- or profit-led. Since the distribution of wages impacts personal income distribution, that explains why income inequality can also impact regime character. Increases in workers' wage share always increase growth and capacity utilization regardless of the economy's character. Furthermore, an increase in workers' wage share can flip an economy from being profit-led to wage-led.

Database

Oxford Journals

Title: [Public Service Motivation and Public Service Behaviors: Testing the Moderating Effect of Tenure](#)

Author: Ulrich Thy Jensen and Christian Fischer Vestergaard

Journal: Journal of Public Admin Research and Theory

Volume: 27 **Issue:** 1 **Page:** 52-67

Doi: 10.1093/jopart/muw045

Abstract

Providers of public services are expected to act upon their motivation to deliver public service with the purpose of doing good for others and society (public service motivation [PSM]). While existing studies seem to support this claim, methodological shortcomings question the validity of their conclusions. We analyze the relationship between PSM and the use of home visits among Danish general medical practitioners (GPs) using a panel research design to examine how changes in PSM dimensions relate to changes in objectively measured public service behaviors. We show that GPs alter their public service behaviors according to changes in their level of self-sacrifice and compassion, as predicted by PSM theory. Importantly, we also find that behavioral effects are conditional on tenure. Longer-tenured GPs alter their public service behaviors less strongly in response to changes in their level of PSM. The findings imply that PSM is malleable and that PSM is a particular workable lever in changing public service behaviors among shorter-tenured public service providers.

Database

Oxford Journals

Title: [Understanding the relationship between green approach and marketing innovations tools in the wine sector](#)

Author: Mariantonietta Fiore, Raffaele Silvestri, Francesco Conto and Giustina Pellegrini

Journal: Journal of Cleaner Production

Volume: 142 **Issue:** 4 **Page:** 4085–4091

Doi: 10.1016/j.jclepro.2016.10.026

Abstract

Over the last years, research about sustainability has been interesting due to growing importance of green orientation in the consumer purchasing process. In particular, in the wine industry producers' environment-friendly behaviour, in terms of organic winemaking, agricultural waste recovery, efficient water use, can represent a high-powered chance to differentiate products and to face new market challenges. Understanding consumer expectations and new purchasing trends by means of marketing tools leads the wine producers to adopt green oriented innovations. Therefore, this research sought to investigate the relationship between marketing innovation tools and green firm approach. Structured on-line questionnaires were used to ascertain the views of 280 wineries in Apulia region, in South Italy, that has a very long history as a wine producer. Findings of this study indicate that wineries with marketing innovative tools seem to have a more eco-friendly approach, since the sustainability orientation can be considered a crucial issue in the framework of the new firm competitiveness challenges. Finally, implications shed some light on the importance of adopting suitable marketing and communication tools to address wineries towards sustainability based trends.

Database

ScienceDirect

Title: [A study on chaos in crude oil markets before and after 2008 international financial crisis](#)

Author: Salim Lahmiri

Journal: Physica A: Statistical Mechanics and its Applications

Volume: 466 **Page:** 389–395

Doi: 10.1016/j.physa.2016.09.031

Abstract

The purpose of this study is to investigate existence of chaos in crude oil markets (Brent and WTI) before and after recent 2008 international financial crisis. Largest Lyapunov exponent is estimated for prices, returns, and volatilities. The empirical results show strong evidence that chaos does not exist in prices and returns in both crude oil markets before and after international crisis. However, we find strong evidence of chaotic dynamics in both Brent and WTI volatilities after international financial crisis.

Database

ScienceDirect

Title: Elements of strategic social media marketing: A holistic framework

Author: Reto Felix, Philipp A. Rauschnabel and Chris Hinsch

Journal: Journal of Business Research

Volume: 70 **Page:** 118–126

Doi: 10.1016/j.jbusres.2016.05.001

Abstract

Social media marketing is an integral element of 21st-century business. However, the literature on social media marketing remains fragmented and is focused on isolated issues, such as tactics for effective communication. The current research applies a qualitative, theory-building approach to develop a strategic framework that articulates four generic dimensions of strategic social media marketing. Social media marketing scope represents a range from defenders to explorers, social media marketing culture includes the poles of conservatism and modernism, social media marketing structures fall between hierarchies and networks, and social media marketing governance ranges from autocracy to anarchy. By providing a comprehensive conceptualization and definition of strategic social media marketing, this research proposes an integrative framework that expands beyond extant marketing theory. Furthermore, managers can apply the framework to position their organizations on these four dimensions in a manner consistent with their overall corporate mission and objectives

Database

ScienceDirect

Title: [How are Africa's emerging stock markets related to advanced markets? Evidence from copulas](#)

Author: Jones Odei Mensah and Paul Alagidede

Journal: Economic Modelling

Volume: 60 **Page:** 1-10

Doi: 10.1016/j.econmod.2016.08.022

Abstract

The finance literature provides ample evidence that diversification benefits hinges on dependence between assets returns. A notable feature of the recent financial crisis is the extent to which assets that had hitherto moved mostly independently suddenly moved together resulting in joint losses in most advanced markets. This provides grounds to uncover the relative potential of African markets to provide diversification benefits by means of their correlation with advanced markets. Therefore, we examine the dependence structure between advanced and emerging African stock markets using copulas. Several findings are documented. First, dependence is time-varying and weak for most African markets, except South Africa. Second, we find evidence of asymmetric dependence, suggesting that stock return comovement varies in bearish and bullish markets. Third, extreme downward stock price movements in the advanced markets do not have significant spillover effects on Africa's emerging stock markets. Our results, implying that African markets, with the exception of South Africa, are immune to risk spillover from advanced markets, improves the extant literature and have implications for portfolio diversification and risk management.

Database

ScienceDirect

Title: [Marking-to-Market, Commonality in Liquidity, and Government Guarantee Effect.](#)

Author: Shyu, Hawfeng

Journal: Journal of Accounting, Auditing & Finance

Volume: 32 **Issue:** 1 **Page:** 73-9

Doi: 10.1177/0148558X16659606

Abstract

Based on market prices and other market inputs to value assets and liabilities, adopting fair-value measurement creates many unpredictable economic consequences, such as amplifying the vicious cycle of falling prices during a worldwide financial crisis. This article investigates whether marking-to-market disclosure affects the commonality in liquidity. Commonality in liquidity is defined as the sensitivity of stock liquidity to the variation in market liquidity. My study indicates that marking-to-market disclosure is associated with higher commonality in liquidity. In addition, I find that higher commonality in liquidity is associated with lower stock liquidity. I also find that a positive association between commonality in liquidity and stock illiquidity is mitigated by the effect of a government guarantee

Database

Business Source Complete

Title: [Insights into the Relationship between Risk Tolerance and Market Volatility](#)

Author: Grable, John E. and Wookjae Heo

Journal: Journal of Financial Service Professionals

Volume: 71 **Issue:** 1 **Page:** 17-20

Abstract

Financial advisors sometimes think that as market volatility increases, the financial risk tolerance of their clients will decrease. This makes sense if it is assumed that fear leads to a rethinking of expectations and strategies. Financial advisors may find it surprising that there may be major differences between male and female clients regarding this assumption

Database

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