

Emerging Economic and Business Trends in Developing Markets

EDITORIAL LETTER

The Special Issue: "Emerging Trends in Developing Markets" assembles papers with the objective to promote the debate surrounding the theory and practise of economic and business challenges in developing markets by examining specific emerging trends. Selection of articles were done based on blind review process. A total of 11 articles that appear in this special issue are introduced below with the aim of providing a discourse on the issues surrounding latest developments in trends across developing markets.

The first paper is titled "An Investigation of the Moderating Effect of Liquidity on the Relationship between the Debt and Financial Performance of REITs in Malaysia: An Optimal Liquidity Estimation," by Zalina Zainudin, Mazhar Hallak Kantakji, Omer Ahmed Salmeen, Nur Syairah Ani and Nursyuhadah Abdul Rahman. The article examines the effect of leverage on financial performance of REITs whilst accounting for the optimal level of liquidity which yields the maximum performance. Findings provide evidence towards a moderating effect due to liquidity implying the managerial incentive for maintain adequate levels of liquidity.

The second contribution is entitled "Dynamic Panel Model of Dividend Policies: Malaysian Perspective," by Nor Anis Shafai, Annuar Md. Nassir, Norhuda Abdul Rahim, Fakarudin Kamarudin and Nor Hayati Ahmad. The paper looks at the determinants of dividend policy of listed firms from the perspective of a developing country. It is found that profitability and size have a positive influence on dividend policy whilst leverage and risk are negatively linked. In addition, it is found that dividends are sticky and current policy is influenced by historical decisions.

The third article in this special issue is "The Effectiveness of the Bank Lending Channel: The Role of Banks' Market Power and Business Model" by Omar Alaeddin, Moutaz Abujeib, Wajahat Azmi, Mhd Osama Alchaar and Kinan Salim. It looks at the effectiveness of bank lending channel from an opaque structure of dual banking system. Findings do not imply any distinctive difference hence indicating that market power does not influence the effectiveness of lending channel.

The fourth article "The Impact of Emotional Intelligence on Work Performance: Perceptions and Reflections from Academics in Malaysian Higher Education" by Ratneswary Rasiah, Jason J Turner and Patrick Yew Foo Ho investigates the role of antecedents on work performance of academics which is motivated by the gap in the literature which predominantly examines factors from the student perspective. It provides insights on employability skills students require from the perspective of academics and the role of these skills in work performance of academics. Findings indicate the importance of emotional intelligence given the need to equip graduates with work-ready skills.

The fifth contribution titled "A Conceptual Model of Customer Satisfaction: Moderating Effects of Price Sensitivity and Quality Seekers in the Airline Industry" by Harith Yas Khudhair, Ahmad Jusoh, Abbas Mardani, Khalil Md Nor and Dalia Streimikiene proposes a conceptual model which captures elements ignored in the literature. Inclusion of the moderating effects allows the model to provide a more accurate reflection on the determinants of customer satisfaction. This is especially important in a competitive industry given the challenges in modelling customer satisfaction due to variation among consumers.

The sixth paper "Value of Excess Cash Holdings of Financially Unconstrained Companies" is by Erny Hendrawaty which examines a single and multiple criteria dimension which provides empirical evidence of agency problems arising from excess cash holdings in unconstrained firms in a developing country. Findings provide insights to investors as well as regulators in examining the balance sheet of cash rich companies in order to ensure proper governance as well as a rethink of existing regulations.

The seventh article "An Empirical Analysis on the Application of Financial Derivatives as a Hedging Strategy among Malaysian Firms" is by Jaafar Pyeman, Shahsuzan Zakaria and Nor Asyiqeen Mohd Idris. The study fills a gap in the literature due to the lack of studies concerning the use of derivatives amongst firms in developing countries. Evidence from the empirical analysis indicate that leverage, capital expenditure

and profitability are positively linked the use of derivatives. These indicate the potential for financial distress as the main driver for use of financial derivatives as a hedging tool given the ability to manage risks effectively.

The next study "Determinants of Brand Equity: Communication of Corporate Social Responsibility (CSR) versus CSR itself and Company Credibility" is authored by Ms Mahrinasari and investigates the link between CSR and credibility to brand equity. The main findings point towards CSR communication as playing a significant role in creating brand equity. In addition, CSR image also mediates the relationship which provides a tool for strategic management for firms in order to enhance brand equity.

The following contribution "Information Quality and Management Support as Key Factors in the Applications of Continuous Auditing and Continuous Monitoring: An Empirical Study in the Government Sector of Indonesia" by Slamet Seodarsono, Sri Mulyani, Hiro Tugiman and Didik Suhardi provides evidence on the link between use of information technology as well as management support in the application of continuous auditing and continuous monitoring in the public sector. Furthermore, authors establish a causal link between continuous monitoring and continuous auditing.

The tenth paper "Stock Market Trends and Oil Prices: Evidence from a Developing Country" is by Anggraini

Dewi, Phonwattana Somsathid, Sudawan Somjai, Erlane K Ghani and Zulfikar Bagus Pambuko highlights the significant impact of oil prices on all indicators of stock market performance. In addition, authors also establish the link to lagged values indicating impact of historical prices on stock market performance as well.

The final article "Financial Development, Market Freedom, Political Stability, Economic Growth and CO2 Emissions: An Unexplored Nexus in ASEAN Countries" by Muhammad Haseeb, Samanan Wattanapongphasuk and Jemsittiparsert Kittisak establishes a positive link between political stability and CO2 emission. Furthermore, evidence presented also indicates that political freedom and economic freedom determines level of CO2 emissions.

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