

EDITORIAL

In this issue our journal continues to explore the diversity of emerging economies and complexity of multidisciplinary research issues. In addition to the typical empirical studies, we are presenting a literature review paper and a paper that concentrates on a methodological issue: i.e., assesses the suitability of a measuring scale that has been developed in a highly advanced economy for a country that is just on its way towards that level.

The issue presents nine articles. They originate from very wide geographies but at the same time present a continuum that starts with the literature review and studies in economics, goes on to investigate the problems in investments, mergers and important topics of management while ending with the issues of services and marketing.

The first article of Brian Muyambiri and Nicholas M. Odhiambo is a paper that provides in-depth literature analysis on the impact of financial development on investments. It mainly focuses on the papers that concentrate on interaction between financial development and investment, determinants and measurement of both financial development and investment. The study concludes that the majority of studies on the relationship between financial development and investment are highly skewed towards assessing the relationship using bank-based financial development indicators, as compared to the market-based financial development indicators. Given the number of studies assessed, the impact of financial development on investment appears to be inconclusive and not sufficient to have a really consistent knowledge on the issue. The study shows that the relationship between these two macroeconomic variables seems to differ from country to country; it is dependent on the proxies used to measure the level of financial development, as well as the methodology employed.

The author of the second paper Le Thanh Tung analyzes remittances and domestic investment in developing countries, concentrating on the Asia-Pacific region. The paper aims to fill the empirical gap on the issue analysis in the Asia-Pacific region by investigating the impact of remittances on domestic investment with a sample including nineteen developing countries in 1980–2015. The findings are conflicting with the evidence from other regions. The results robustly confirm that remittances have a negative impact on domestic investment. Additional analysis suggests that the impact of trade openness on domestic investment has a negative sign, at least considering the analyzed period of time. The paper also provides some policy suggestions to solving the future outlook of remittance flows in this region.

The next article investigates the determinants of inflation in South Africa (authors – Oatlotse Madito, Nicholas M. Odhiambo). The analysis was partly inspired by concerns regarding the recent trends, questioning effectiveness of the current monetary

policy approach in response to internal and external factors of domestic inflation. By using Error Correction Model (ECM) modelling techniques, the authors disclose that inflation expectations, labour costs, government expenditure and import prices are positive determinants, while GDP and exchange rates are negative determinants of inflation. This allows developing an important managerial implication: in order to achieve the macroeconomic policy objective of a stable and low inflation rate for South Africa, more emphasis should be placed on anchoring inflation expectations as a highly significant determinant of inflation.

The next article by Maimunah Ismail, Nordahlia Umar Baki and Zoharah Omar concentrates on one aspect of mergers and acquisitions (M&A). The study addresses a knowledge gap that is linked with insufficient analysis from the perspective of human resources. More specifically, the authors are interested in the extent to which organizational culture and organizational justice play a role in group cohesion of the employees. The study is based on the Person-Environment (P-E) Fit Theory and investigates the influence of organizational culture and organizational justice factors on group cohesion in selected M&A organizations in Malaysia, the areas of the Klang Valley. Structural Equation Modeling analysis provides insights to the theory and practice of human resource management in organizations experiencing M&A.

Olaoluwa J. Oluwafemi and Samuel Essien Okon also analyze human resources, but from a different perspective: they propose that adopting total quality management (TQM) program in an organization may have consequences not only for organizational outcomes but also for employee work behaviour. This proposal grounds the study that investigates the conceptual and empirical link between TQM practices, job satisfaction, and employee work engagement. A survey of employees of a food and beverage multinational company in Lagos metropolis yields data that was analysed in order to estimate the influence of TQM. Significant positive relation was found between dimensions of TQM practices (leadership and management support, employee participation, training, reward and recognition, customer focus), job satisfaction and employee work engagement. After controlling for sex, age and experience, job satisfaction and TQM practices construct jointly and independently predicted employee work engagement; job satisfaction partially mediated the relationship between TQM practices and work engagement. This raises a discussion regarding the implications of soft TQM implementation on employee job satisfaction for achieving highly engaged workforce.

Inga Minelgaitė, Romie F. Littrell and Vida Škudienė turn to the analysis of human resources from a different perspective: they concentrate on leader-follower aspect emphasizing the aspect of the followers' diversity. They observe that business sectors in the post-communist transformation settings are still undergoing societal cultural shift and facing distinct leadership challenges and also suggesting a different pattern of leadership behaviour. The study used 129 responses to the Leader Behaviour Description Questionnaire XII in order to identify the followers' preferences of the leadership behaviour in Lithuania. ANOVA and correlation analyses were used to identify how followers'

age, level of education, and gender are related to leadership behaviour. The findings reveal that followers in Lithuania have diverse attitudes towards perception of effective leadership. This study on leader behaviour within the context of the followers' socio-demographic characteristics contributed to the knowledge about leadership behaviour in countries that still may have laddering effects from the past.

In the next article its author Bindu Chhabra assesses the impact of dispositional and organizational factors on turnover intentions. The study is based on Indian retail sector, which had a major issue of attrition, and uses data from Delhi and NCR. The assessment of the underlying factors leading to turnover intentions and actual turnover was very important not only from a theoretical, but also from a managerial standpoint. The study explored the effect of job satisfaction and core self-evaluation on turnover intentions and also analyzed whether core self-evaluation (CSE) moderated the relationship between job satisfaction and turnover intentions. Hierarchical multiple regression showed that both job satisfaction and CSE were negatively related to turnover intentions. Also, CSE was found to moderate the relationship between job satisfaction and turnover intentions such that the relationship was stronger for the employees with low core self-evaluation.

Hasnain Baber also analyzed evidence from India and concentrated on the transportation. However, the main issue was the perceptions of service in the context of Toyota Motors in India. The study aimed to analyze how the gap between the level of expectation in service quality and service perception influences customer satisfaction of Toyota customers in India. A large scale of survey (1721 customers) yielded empirical data that was analyzed using structural equation modelling. The findings revealed a gap between service quality level expected by customers and their perceptions, except in the case of tangibility, where perceived quality surpasses expectations. The study showed that there is a constructive and significant control of the multidimensional SERQUAL scale on customer satisfaction. The findings will help automobile market players to get insights about quality perception of customers and to meet customer expectations.

In the last article of this issue, Vytautas Dikčius, Eleonora Šeimienė and Ramūnas Časas present an in-depth assessment of the existing brand personality scale. They state that J. Aaker's brand personality scale has been used in Lithuania without a proper validation, though the country (as many others) has certain specificities in this regard. This led to imperfections in measurements, since numerous earlier studies concluded that this scale is both culture- and country-sensitive. The authors assessed the scale validity by using several consecutive stages: started with a qualitative study that involved experts and finished with an extensive quantitative study in three product categories. The analysis revealed that in the Lithuanian context, the brand personality scale is composed of three dimensions, such as Sincerity, Modernity-Excitement and Competence. The scale is valid and consists of 13 traits, compared to 42 traits in the original version.

Summarizing the content of the current issue of the Journal, I would like to mention its emphasis on endogenous research once again. We are happy to receive numerous

studies from researchers from emerging economies that not only identify and fill the gaps regarding the specificity of emerging economies, but also promote the development of the international scope of knowledge on these economies. This well corresponds with the main purpose of the journal 'Organizations and Markets in Emerging Economies', and we are happy to publish such studies.

We look forward to serving our mission of contributing to creation and dissemination of the knowledge on organizations and markets of emerging economies.

Sigitas Urbonavičius

Editor-in-Chief,

Organizations and Markets in Emerging Economies