Editorial

The seventh issue of the Journal of CENTRUM Cathedra coincides with the tenth anniversary of CENTRUM Católica. In its first decade of existence, the achievements and international recognition of CENTRUM Católica are both outstanding and impressive. In only ten years, under the vision and direction of its Director General, Dr. Fernando D’Alessio, CENTRUM Católica has become a leading business school in Latin America and the top business school of Peru.

CENTRUM Católica has contributed to the formation of business leaders and guided research in the fields of management, finance, and economics, at the top level of academia and spanning the world. This remarkable track record sets challenging goals for the future to surpass its first ten years of achievements in a second decade of success.

This issue of the Journal of CENTRUM Cathedra contains seven articles in the areas of marketing, finance and management: they cover the topics of sales estimation, brand improvement, foreign news spillover effects on the stock market, a new test of the present value model of stock price determination, internationalization of SMEs, family firms, and HRM in Indian multinational subsidiaries. The articles present research conducted in the United States of America, India, Australia, Peru, and several European countries. Different research techniques have been used in the articles: a dynamic linear model enhanced by a multiple structural change model, conjoint analysis, EGARCH models, periodic integration and cointegration methods, and finally qualitative methodologies. Thus, this seventh issue of the journal maintains its objective to cover the multidisciplinary character of management with a global perspective.

The first article by Kurt Jetta and Erick W. Rengifo develops a more accurate and robust baseline for sales estimates using a dynamic linear model enhanced by a multiple structural change model. Two tests are proposed to determine the superiority of a particular baseline estimate: the minimization of weekly sales volatility and the existence of no correlation with promotional activities in these estimates. For both tests, the method proposed in the article demonstrates a superiority to the existing log-linear models.

The second article by Vincent Charles, Mukesh Kumar, and Tulika Anand focuses on the different attributes which influence the decision of consumers when purchasing an aerosol product. It uses conjoint analysis combined with a multidimensional scaling technique to compare the importance of different attributes of aerosols from the consumers’ perspective in order to improve the existing brand or to launch a completely new brand of aerosol. The research is based on positioning a new brand of room air freshener among all other existing brands in the capital city of Bihar (Patna) in India.

The article entitled “US News Spillover Effects: Sectoral Evidence” by Tho Nguyen studies the spillover effects of US macroeconomic news on different sectors of the Australian stock market. It documents how different sectors responded differently to US news. Furthermore, the article found that while US news is absorbed relatively quickly on the conditional mean, the volatility impact is more persistent.

The fourth article, “Periodic Integration and Cointegration of U.S. Stock Prices, Dividends, and Interest Rates: A New Test of the Present Value Model” by Hassan Shirvani, Natalya Delcroux, and Barry Wilbratte, offers a new test of the present value model of stock price determination, using some of the recent advances in the econometrics of seasonal time series. The authors found evidence of periodic seasonal integration in stock prices, dividends, and interest rates, and thus inferred that conventional cointegration tests may not be robust. Using the periodic cointegration test, their results failed to support the present value model, and reinforced the case against the efficient market hypothesis.
The fifth paper, “Case-Study of Internationalization in Peruvian SMEs” by Fernando Vasquez and Clair Doloriert, aims to better understand and assess the strategic effectiveness of three Peruvian SMEs, and focuses on internationalization and information communication technologies. Through qualitative content and thematic analysis, the authors identify push and pull factors of internationalization and explore e-business tools and technologies. A descriptive framework of SME internationalization for the three SMEs studied is proposed and can be used for further substantive and correlational inquiry.

The sixth article by Mauricio Jara and Félix J. López analyzes the influence of large shareholders on earnings management in family-owned firms using a sample of firms from nine European countries. The authors examined how the existence of a controlling coalition in family-owned firms affects earnings management. They found that increased contestability for the control of the largest shareholding reduces earnings management in family-owned firms. Their results also show that in firms where the largest shareholder is a family, a second or third family shareholder increases discretionary accruals.

The last article by Roli Nigam and Zhan Su, explores the behavior of Indian multinationals and their management culture, through its Human Resources Management (HRM), practices and makes a contribution to the scarce literature available on the subject of emerging country multinationals. The HRM practices chosen for the study are power delegation; compensation, promotion and rewards; performance appraisal; and training, development, and career planning.

This seventh issue of the journal has been made possible by the contribution and collaboration of many academics and researchers who submitted articles for evaluation and the different experts who reviewed the articles. Thanks are also due to the administrative and editorial staff of CENTRUM Católica, CENGAGE, and Language Online Editing. Special recognition goes to Professor Fernando D’Alessio, the Director General of CENTRUM Católica.

The next edition of the Journal will be a special issue covering the topic of Data Envelopment Analysis and its Applications to Management.

Sergio J. Chión
Editor