



Nottingham University
Business School

UNITED KINGDOM · CHINA · MALAYSIA

Business@Nottingham

Nottingham University Business School Newsletter

Issue 1, July 2013



- Journal articles
- Research projects

- Conferences
- Executive Education Programmes

Editor's note

The Nottingham University Business School (NUBS) Malaysia is pleased to present its inaugural newsletter during the summer break of this academic year 2012-2013. Published on a quarterly basis, our newsletter aims to highlight NUBS Malaysia's research and consultancy projects, publications, executive education programmes, conferences, seminar series, achievements and events as well as the leading business trends.

In this very first issue, the newsletter will feature the various research projects that the academics are embarking on during the summer break as well as latest publications, and upcoming conferences and executive education programmes for this calendar year.

Journal articles: first half of 2013

The efficiency of the hotel industry in Singapore

Ashrafi, A., Seow, H. V., Lee, L. S. and Lee, C. G.

Existing literature related to evaluating the efficiency of the hotel industry, generally, uses different types of radial Data Envelopment Analysis (DEA) to compare the relative efficiency of different hotels in a location. This research note has adopted a different approach by treating years as decision making units (DMUs) which allows policy makers to evaluate the relative efficiency of a hotel industry as a whole over a specified time period so that the effects of the occurrence of events on the efficiency of hotel industry can be evaluated. This study focuses on the efficiency of hotel industry in Singapore from 1995-2010. The analysis uses the non-radial DEA called the Slacks-Based Measure (SBM) to identify the efficient years. Then the efficient DMUs are ranked with the SBM model of super-efficiency. From *Tourism Management*, 37: 31-34, 2013.

Solid waste disposal options in Malaysia: a contingent valuation experience, "a glance at the world"

Kee, P. C. and Jamal, O.

This study was undertaken to estimate the household demand, and to reveal the factors influencing the willingness-to-pay (WTP) of respondents, for improved solid waste disposal services. The contingent valuation technique was employed on 873 randomly selected households in the Klang Valley, Kuala Lumpur. The study revealed the presence of the Not-In-My-Backyard syndrome evident by the higher WTP when the distance impact factors between residential areas and disposal sites are weaker. The tobit estimation found that the WTPs were higher in the generic than the label format contingent valuation questions with higher distance impact factors, but otherwise as the factors become weaker. These suggested a lower preference for incineration as compared to sanitary landfill as the improved waste disposal option, and that incineration is better tolerated when the disposal sites are located further away from the residential areas. From *Waste Management*, 32(11), pp. 2565-2566, 2012.

Turnover, ownership and productivity in Malaysian manufacturing

Ergun, D., Wong, K. N. and Yap, M.M.C.

Applying Foster, Haltiwanger, and Krizan's decomposition of productivity growth method to Malaysian manufacturing census data for 2000 and 2005, we analyse if firm turnover by ownership (domestic vs foreign) has any impact on the sector's aggregate productivity growth. The findings show that turnover matters regardless of ownership, but more importantly, attracting foreign

direct investment inflows could induce positive 'net entry effect'. The analysis shows that large-sized foreign and domestic entrants are more productive than medium-sized and especially small-sized ones. The study provides important implications for government policies based on ownership and firm size. From *Journal of the Asia Pacific Economy*, 18 (1), 2013.

Evidence of dividend catering theory in Malaysia: implication for investor sentiment

Mamunur, R., Fauzias, M. N. and Izani, I.

The study investigates key determinants of corporate performance in Malaysia. Using panel data (2002-2007) of 361 companies listed in Malaysia, the study finds dividend per share, use of debt, number of board members, last year's performance as the significant determinants across four selected industries: trading/services, property, consumer products and industrial products. The study also finds that dividend per share is influenced by market performance, and is followed by last year's dividend and size of the dividend. These evidences exhibit the presence of dividend catering incentives; as such, market demand for dividends drive the corporate dividends. It concludes that investor sentiment has influence over corporate decisions in Malaysia. From *Contemporary Economics*, 2013.

Housing price cycles and aggregate business cycles: stylised facts in the case of Malaysia

Hui, H. C.

The results show that housing price is pro-cyclical with respect to the aggregate business cycle. Second, cyclical variations in house prices are more strongly correlated with the real economy than with the financial sector. Third, housing price cycles are rather autonomous in the sense that they can be predicted by only a limited number of macroeconomic time series. While house price is a good in-sample predictor for cyclical fluctuations in various macroeconomic time series, the out-of-sample performance suggests that house price is appropriate for predicting a more limited range of macroeconomic cycles. Some policy implications follow from these findings. From: *The Journal of Developing Areas*, 47 (1), pp. 149-169, Spring 2013.

A comparative performance analysis of conventional and Islamic exchange-traded funds

Nafis, A.

By making use of 85 Exchange-traded Funds (ETFs) from UK iShares between 2008 and 2011, this article compares the performance of conventional and Islamic ETFs. Islamic ETFs can beat both conventional ETFs and the market benchmark index based on risk-adjusted performance measures. Overall, both ETFs were able to outperform the market benchmark index. It is also evident that a portfolio of Islamic ETFs shows less variability and hence is less risky compared with their conventional counterpart. From *Journal of Asset Management*, 14, pp. 27-36, 2013.

Electricity consumption and international tourism: the case of Singapore

Lee, C. G.

International inbound tourists consume electricity of a destination either directly or indirectly. Despite the recognition of potential effect of international tourism on electricity consumption, not many papers have investigated the existence of such relationship empirically. This research note intends to fill the existing literature gap by determining such relationship with time-varying volatility models using the data of Singapore. A GARCH-M(1,1) model is selected. This model indicates that industrial production and total international inbound tourists have positive effects on electricity consumption. The model also suggests that the variability of electricity consumption has a positive effect on electricity consumption. From *Anatolia*, 24 (1), pp. 91-94, (2013).

Legally scored

Chan, W. L. and Seow, H. V.

This paper offers an alternative interpretation that preserves the intention of legislation while retaining the integrity and effectiveness of credit scoring models. A legal analysis is conducted on anti-

discrimination laws in the UK, with US law as a comparison, to demonstrate that concerns in using information protected under anti-discrimination laws as variables may be misplaced, as the laws do not preclude the inclusion of all relevant variables in modelling. From *Journal of Financial Regulation and Compliance*, Vol. 21, No. 1, pp. 39-50 (2013).

Trade liberalisation, FTAs and the value of firms: stock market evidence from Singapore

Parinduri, R.A and Thangavelu, S.M.

We examine the effects of the United States–Singapore Free Trade Agreement (FTA) on the value of firms listed in the Singapore Exchange using event study analysis. Despite the predictability of the FTA negotiations, we find that one event – the removal of the last obstacle to the free trade deal in January 2003 – increases the value of firms in some industries by 1–11% on average. These results indicate that trade liberalisation and FTAs do increase the value of firms. From *Journal of International Trade and Economic Development*. 22(6), 924-941, 2013.

Research projects: first half of 2013

Economic value of agricultural multifunctionality in Malaysia

Chuen-Kee Pek

Creating the awareness of non-food based agricultural economic contributions such as food security, air pollution and flood mitigation etc.

Economic impact of climate change on food security in Malaysia

Chuen-Kee Pek

Understanding of public's awareness, attitude and perception of climate change on food security.

The corporate demand for green and ethical banking initiatives in Malaysia

Hui-Boon Tan, Hee-Kim Chung, Mei-Mei Ang and Chuen-Kee Pek

Determining the bankers' and consumers' perception on practices of green and ethical banking.

Zakat and Waqf: Foundation of a philanthropic community

Nafis Alam

A team of researchers from University of Nottingham Malaysia Campus, UiTM-Melaka, Cardiff University and City University London will investigate the role of Zakat and Waqf in a humanistic development in accordance with the goals and objectives of Islamic law.

Business sustainability, reporting and economic consequences: The case of a developing country – Malaysia

Chee-Kwong Lau

Identifying and measuring the latent constructs of business sustainability.

Developing an effective management accounting system for quality initiative: The case of hospitals in medical tourism

Hui-Boon Tan, Woan-Ting Hung, Kin-Boon Tang

Investigating the convergence and integration of different forms of quality initiatives in Malaysian private hospitals involved in medical tourism.

Developing a Model for HRO Effectiveness –A Study in Malaysia

Mandy Siew and Maniam Kaliannan

Developing a conceptual model for Human Resource Outsourcing (HRO) effectiveness.



Upcoming conferences...

The annual conference of International Centre for Corporate Social Responsibility (ICCSR) will be held on 19-20 August 2013 at the Kuala Lumpur City Teaching Centre of the University of Nottingham Malaysia. The ICCSR Malaysia Conference is titled "New CSR dynamics? Institutions and systems in a more challenging era" and is designed to examine the following questions — What are the roles of business actors, like multinationals (MNCs), business associations and other initiatives in spreading CSR? Can they impact on business more widely or even more holistically? What are the roles of non-business actors, such as civil society, government, professions, (social) media, and educators? How and why do they impact on CSR?

The key note speakers for the conference are:

- 1. Dato' Sri Nazir Razak**, Group Managing Director/Chief Executive Officer of CIMB Group, and Deputy Chairman of CIMB Bank, CIMB Investment Bank and President Commissioner of PT Bank CIMB Niaga Tbk.
- 2. Professor Jeremy Moon**, Director of International Centre for Corporate Social Responsibility (ICCSR), Nottingham University Business School (NUBS).

The conference will include panel sessions from leading academic and practitioners from business and non-business organisations and also paper presentations. The conference welcomes papers which address the questions about the new CSR dynamics which would include:

- analysis of new CSR institutions and systems
- analysis of other systems for holding business responsible
- international, national and comparative perspectives
- sector and issue-based evaluations
- CSR in the broad or selected issues such as climate change, human rights, corruption, supply chains
- theoretical or empirical contributions.

Further information

Nottingham University Business School (NUBS)

e: iccsr.nubs@nottingham.edu.my

w: www.nottingham.ac.uk/business/ICCSR/events.php?e=111

Upcoming NUBS Malaysia Executive Education Programmes

Invitation to launch and sneak preview of upcoming 2013 and 2014 Executive Education Programmes
22 August 2013 (2.30pm-4.30pm)

The Regulation of Corporate Governance in Malaysia
3 September 2013

Strategic Financial Management and Reporting Decisions
11-12 September 2013

Out Thinking The Competition
30 October 2013

Business Driven Innovation and Commercialisation Strategies: Learning from the USD3.0 Billion Indian Biotechnology Industry Experience
2-8 November 2013

Find out more:
www.nottingham.edu.my/business/executiveeducation

Nottingham University Business School
The University of Nottingham Malaysia Campus
Jalan Broga, 43500 Semenyih
Selangor Darul Ehsan
Malaysia

Contact us

t: +60 3 8924 8000

w: www.nottingham.edu.my/make-an-enquiry

 www.facebook.com/NUBSMalaysia

 www.twitter.com/uonmalaysia