Editorial

Adam Szyszka*

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Welcome to the first issue of the *International Journal of Management and Economics* in 2021. Despite the ongoing COVID19 pandemic we continue our efforts to publish all quarterly issues of IJME on time. In the current one we present six empirical papers in various areas of finance, economics, and management. The geographical scope of this issue covers Turkey, Pakistan, the European Union, Poland, the Visegrad Group countries, and Germany.

Melik Ertugrul and Ali Coskun in the first article entitled “What is a real measure of corporate liquidity” analyse an accrual-based liquidity ratio (current ratio) and a cash-based liquidity ratio (operating cash flow ratio) from the perspective of the financial health hypothesis. The hypothesis argues that the valuation multiple of book value of equity increases as corporate financial health decreases and the valuation multiple of earnings decreases as financial condition worsens. The authors use the median values of examined ratios and the sample consisting of firms listed on Borsa Istanbul during 2009-2018. They document that valuation multiples of book value of equity and earnings are statistically indifferent between low-liquid and high-liquid subgroups obtained for the median current ratio. However, the valuation multiple of book value of equity (earnings) is significantly higher (lower) for the low-liquid than the high-liquid subgroups determined with the median operating cash flow ratio. This is consistent with the financial health hypothesis. As the conclusion, the authors promote the operating cash flow ratio as a better measure of corporate liquidity than commonly used the current ratio.

The second article is also in the area of corporate finance, and more specifically, it is dedicated to the interactive role of monitoring hypothesis and information asymmetry. The paper is entitled “Corporate board vigilance and insolvency risk: a mediated moderation model of debt maturity and fixed collaterals”, and it is by Rana Hussain, Xuezhou Wen, Haroon Hussain, Muhammad Saad, Sikander Qalati. The authors focus on the relationship between board vigilance and insolvency risk, mediated by debt maturity and moderated by fixed collaterals. They construct a data set of 284 non-financial firms from Pakistan over the period from 2013 to 2017 and use hierarchical multiple regression analysis with OLS and PCSE regression estimators. The results indicate that debt maturity mediates the relationship between both sub-constructs of board vigilance, ie. CEO non-duality and board independence. What is particularly interesting, the fixed collaterals negatively moderate the relationship between leverage maturity and emerging market z-score indicating inefficient use of fixed assets as collaterals.

The third paper is in the area of international economics, and more specifically it focuses on the growing importance of Information and Communication Technology (ICT) services in international trade. Joanna Stefaniak and Adam Ambroziak in the paper entitled “Intra-EU vs Extra-EU Trade in ICT Services” aim to identify trade positions of particular EU Member States in trade in ICT services and assess changes that have taken place in the period 2013 – 2018. The analysis of trade positions are carried out by comparing the Revealed Symmetrical Comparative Advantage (RSCA) with the trade balance index (Lafay Index). The study finds that countries of the highest importance for the EU’s intra and extra trade in ICT services are not holding the best positions in trade in this area, except for Ireland. Additionally, leaders in ICT services do better in extra-EU trade rankings than in the EU Internal Market. The authors suggest explanation based on the notion that in case of ICT services geographical distance does not matter to business operations due to the digitalisation of economic activities.

*Corresponding author: Adam Szyszka, Collegium of World Economy, SGH Warsaw School of Economics, Warsaw, Poland

The next paper, entitled “Learning by Outward and Inward Internationalisation and the Outward/Inward Innovativeness of Firms in Poland”, is by Maja Szymura-Tyc. The study focuses on the influence of internationalisation on innovativeness while taking into account their multifaceted nature. The author proposes a holistic approach and explores the relationships between the outward (e.g. exporting, outward FDI) and inward (e.g. importing, inward FDI) internationalisation with the outward (product and marketing) and inward (process and organisational) innovativeness of 274 firms in Poland, using formative variables and correlations analysis. The main findings are that the outward internationalisation is conducive to both the outward and inward innovativeness, while the inward internationalisation supports only the inward innovativeness. Learning by outward and inward internationalisation supports innovativeness of firms, responsible for their international competitiveness.

The fifth article, “Offshoring of white-collar jobs: theory and evidence”, is by Artur Klimek. The author argues that foreign direct investment (FDI) in advanced business services (ABS), referred as the offshoring of white-collar jobs, has become one of a major developments in the operations of multinational corporations (MNCs). In his paper he first outlines the key elements of the theoretical framework and proposes a formal model for business services within MNCs. In the second step, the model is tested empirically using a sample of large European companies with foreign affiliates in Visegrad countries (i.e. Czech Republic, Hungary, Poland, and Slovakia). The paper includes many interesting findings regarding the factors driving the offshoring of white-collar jobs in the sample under the analysis.

The final paper of this issue is in the area of marketing. Sandra Schneider in her article entitled “Acceptance of mobile loyalty cards in the German B2C consumer goods market” draws our attention to the fact that while there is a declining trend in the use of physical loyalty cards, the importance of mobile applications is increasing. Using a dataset of 255 participants and the on-line survey method, the study reveals that in addition to financial benefits, convenience and psychological factors also have a significant influence on acceptance of mobile loyalty cards. Furthermore, the usage behavior is not negatively influenced by apprehension of loss of control over personal data. Based on the findings, the author offers some practical implementation ideas.

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