



## Editorial

The aim of this special issue was to broaden our understanding of various challenges and dilemmas that Emerging Economies face to achieve sustainable solutions. The major focus was put on emerging countries and regions that are fragile and detached from competitive markets. To understand the market integration, businesses development, technology and innovation enhancement, citizenship empowerment and inclusion, governmental policies undertook measures to ensure better standards of livings and sustainable development. So we put emphasis on sustainability as a challenge in emerging economies, taking into account the launch of Sustainable Development Goals (SDG). Sustainability, the key success factor for a brighter future, can be linked to societies, environment, economy, innovation, consumer well-being, digitalization, ethics, and governance, among others. Discussion about the approaches may help economies build fundamentals of *sustainable societies and related supporting policies* concept where smart targets can be set to converge and meet the standards of developed countries' sustainability frameworks. Emerging economies are experiencing many challenges such as urbanization, migration, market distortions, political imbalances, security issues, climate change and environmental destructions, instable policies relating to businesses and labor market, among others. All these barriers and obstacles negatively impact the economic development and sustainability.

Sustainable development is a complex process that requires an honest involvement of all categories of stakeholders—companies, public authorities, consumers, portfolio investors, non-governmental organizations, financial institutions. Public authorities play a central role in the metamorphosis of the world economy, which should integrate the principles of sustainable development into the all aspects. The adoption of specific legal regulations, the setup of the institutional framework, the monitoring of the application of the laws are some of the levels on which the state can be involved so that the companies have a behavior that pursues the maximization of the interests of the stakeholders and not only of the shareholders (profit maximization). Protecting the environment, supporting local communities, fighting against corruption, respecting the rights of employees are some of the central bridges that determine the reconfiguration of the business strategy. In addition to complying with legal regulations, companies voluntarily adopt certain codes of conduct or principles through which they promote social responsibility. Unfortunately, the behavior of companies is not always honest, and certain social responsibility actions only aim to cover the negative externalities they generate in the economy, being a greenwashing technique.

In this context, in the lead article, Acharjya, Kumar and Mohapatra analyze the impact of behavioral biases—anchoring, loss aversion, overconfidence, disposition and regret aversion—on investment decision making, and the mediating role of risk perception between the biases and investment decisions. Using data from over 500 retail investors trading in the stock and FOREX market, they find that the anchoring effect, availability heuristics, disposition effect, and overconfidence significantly impact investment decisions, whereas loss aversion and regret aversion have a significant adverse impact on investment decisions. Further, risk perception serves as a complete mediator between the overconfidence heuristic and investing decisions. Implication for investors is that behavioral biases can impair the quality of investment decisions, and risk perception can improve their quality and sustainability.

In the next article, Hoang and Nguyen examine how service quality and customer satisfaction play a vital role in businesses in emerging markets such as Vietnam which still needs to catch up with the Western service standards. It is even more important in service industry as it deals with people. Further, local businesses need to compete with foreign businesses due to the Foreign Direct Investments in Vietnam. So the authors test the impact of the five dimensions—*tangibility, responsiveness, reliability, assurance* and *empathy*—of the SERVQUAL on customer satisfaction in Vietnamese banking industry.

Results of their study indicate that all the five dimensions of service quality significantly impact customer satisfaction. More specifically, *Reliability* and *Empathy* most influence the customer satisfaction.

In the next insightful article by Sejdari and Banda, they determine if the Gravity Model is applicable in the Albanian economy and conforms to the economic theory. The authors offer a timeline of the historical changes that brought about the commerce liberalization and the integration of the country into organizations and trade agreements that facilitated significant growth and sustainability. The authors employed an original panel data regression of the Gravity Model, focusing on exports between Albania and its European reported trade countries during 2003-2019. The Model supports the theoretical framework and demonstrates how GDP and FTA's positively impact export, while distance negatively impacts export. They also discuss the *Mini Schengen Zone*. The Model also supports the economic theory, proving that GDP impacts positively the export flows and distance negatively. However, the impact of Free Trade Agreements (FTA) on export flows was not significant.

In another article relating to economic growth, Jaka, Wahyuni and Sutyarjoko examine the role of strategic renewal in firm performance of Micro, Small, and Medium Enterprises (SMEs) in Tourism during Covid 19 in the context of Indonesia. Using Structural Equation Modeling, their findings highlight the importance of human capital and ambidextrous capabilities in creating resilience and improving firm performance through strategic renewal. They also find that organizational resiliencies do not always positively affect strategic renewals; only a high degree of organizational resiliencies with innovative capabilities can orchestrate the strategic renewal.

In the final article, Athmay and Fantasy explore the concept of performance measurement in public sector in the context of an emerging markets such as UAE. Specifically, they focus on the critical question of what public sector managers know about performance measurement, and what they see its potential for improving the performance of their organizations. Their findings show that the overall public performance of the UAE local governments is excellent which is contributed by both financial performance and nonfinancial performance.

In the book review section, Mirela Panait reviews the book—*Greenwashing: Foundations and Emerging Research on Corporate Sustainability and Deceptive Communication* by Agostino Vollero. Emerald. 2022.

We do hope you would find this Special Issue useful. Please do let us know your comments and suggestions for future special issues.

Respectfully,

*Guest Editors*

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