

EDITORIAL

What do we know about the structure of economic behavior? After decades of studies and theory building a cleavage is still persisting between the neoclassical approach to economics, which assumes that decisions are guided by rationality and related to the prospect of future rewards, and approaches that recognize the social and psychological bases of economic behavior, since decisions are made by humans, individually or as part of organizations.

The economic perspective assumes that decision-makers are rational and consistent with the objective of maximizing a subjectively expected utility; the behavioral perspective adds more realistic parameters related to the influence of social norms, emotions, environmental factors, taking into account that humans' powers of computation and cogitation are limited, and people are not consistent.

Terminology itself should be clarified: the concepts of "utility", "rationality", "trust", and also "intelligence", do not have universal meanings depending on the influence of ethics, social rules, physiological factors and even "visceral factors"¹ (e.g. hunger, thirst, sexual desire, anger, fear).

Of course, when interpreting economic phenomena, the assumption of purely rational and coherent behavior is unlikely to be realistic. Adam Smith, who prior to introducing the concept of the "invisible hand" published in 1759 a book entitled "The Theory of Moral Sentiments"², stated that to make economy improve, philosophers are required.

To understand the economic behavior, a multidimensional, interdisciplinary approach becomes necessary, the distance between different research communities must be reduced and opportunities from the integration of research methodologies must be pursued. Sociology, political sciences, psychology, neurosciences, biology, anthropology, can contribute in completing the analytical perspectives that are needed for the exploration of human behavior.

The papers collected in this issue of The International Journal of Economic Behavior (IJEB) contribute in continuing the construction of the complex mosaic of concepts and tools that is necessary for the study of economic behavior. A special thanks goes to Elena Druica and Viorel Cornescu, former Editors-in-Chief of the Journal, for the intuition they had in starting this challenging initiative, of which I have the honor of holding the reins.

Mlambo's paper focuses on expectations, analyzing merits and demerits of the two main expectations formation hypotheses, adaptive and rational expectations. The author concludes that the adaptive expectations hypothesis can be considered more appropriate for short-term

1 Loewenstein G. (1996), "Out of Control: Visceral influences on Behavior", *Organizational Behavior and Human Decision Processes*, 65(5003), March, pp. 272-92.

2 Smith, A. (1759/1892). *The Theory of Moral Sentiments*. New York: Prometheus Books.

analysis when data and information are scarce. Rational expectations, being based on broader and longer learning experience and data, can be considered appropriate for more comprehensive and longer-term planning.

The paper of Omran, Abdulbagei and Gebril help us to understand which are the critical success factors for the construction industry, in order to address investment choices in this sector. Based on the case of the Libyan construction industry, a quantitative analysis highlights ten critical factors, some of which are objective and some subjective, that impact on construction projects.

In Omran, Bazeabaz, Gebril and Wahm's work, a study on the characteristics of managers is presented. Based on an empirical research on project managers, the article analyses and ranks a series of characteristics related to personality, attitudes and skills.

The measurement of service quality is the subject of Oyeniyi and Abiodun's paper, who conducted an empirical research on department stores in Nigeria. They found a combination of subjective and objective key factors affecting customers' satisfaction, among which are reliability, personal interaction, problem solving and physical appearance of the store.

Del Baldo and Aureli focused their study on the mechanisms of cooperation among small and medium-sized enterprises for internationalization strategies. They analyzed a particular form of cooperation recently adopted in Italy, the "network contract". Results indicate that the network contract is not the most suitable instrument to promote the internationalization of smaller firms, although internationalization may emerge as a secondary result of this type of inter-firm relationship.

Sokolova's paper provides an efficiency analysis of policies of interest rate reduction launched by the authorities of many Western countries in response to the global economic crisis of 2008. Results show that interest rates adjustments can be harmful for the whole economy, and in particular for financial institutions.

Finally, Erfani and Islam examine how European Union (EU) membership impacted the financial performance of firms within ten new EU members states of Central and Eastern Europe. Econometric methods were used to determine the efficiency and profitability of these companies. The paper empirically demonstrates that firms' profitability has increased since their countries joined the EU.

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Editor-in-Chief