



Proceedings for the Academy of Business Research

Fall 2012

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Social Security: Transparent Transition from Unsustainable Entitlement to Personal Economic Sustainability

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The Social Security system was established in 1935 as a pay as you go system (PAYGO) to provide support for Americans in their retirement years. This entitlement system fulfilled its intended purpose for many decades; however that is no longer the case. The purpose of this project is two-fold. First, the authors present convincing evidence that the system, in its present form, will be insolvent by 2038. Second, we propose an immediate structural change to the system, modeled after the reformed Chilean pension system. Under the proposed Secured Transparent Retirement Asset Program (STRAP), citizens establish an individual account, managed by private investment managers using a pre-set risk adjusted strategy. Comparing the existing model to STRAP, we make a convincing case that the proposed program will rescue the existing system from insolvency while assuring economic sustainability to retired Americans for generations to come.

Callable Bonds, Reinvestment Risk, and Credit Rating Improvements: Role of the Call Premium

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Anthony Byrd, University of Central Florida
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If firms issue callable debt to restrain wealth assignments to bondholders as information unfolds, then the bondholders in anticipation of such action will seek recompense. Two venues that afford bondholders wealth assignments are the long maturity bonds issued when interest rates are high that are likely to fall in the future; and the high risk bonds issued when credit ratings are low that are likely to rise in the future. The call provision restrains wealth assignments to bondholders in both cases. While other bond provisions may be altered to yield the required recompense, we argue that the call premium is well suited for one important reason. The recompense afforded to bondholders is conditional on the realization of wealth. Using a sample of 4254 callable bonds issued between 1980 and 2010, we present the evidence that the choice for the call premium supports our hypothesis. We also find that the call premium is an integral component of the determinants of maturity, which in turn depends critically on the level of interest rates, both previously unpredicted and unobserved in the literature.

Creating an Effective Financial Literacy Education Program for Minority Middle and High School Students

Helen K. Simon, Florida International University

In September of 2010, State Farm Mutual Insurance Company donated \$200,000 to FIU for purposes of establishing a financial literacy lab. Their requirement was for the lab staff to conduct at least one community service project each fall and spring term for the following four years. The response from the surrounding community was overwhelming. In an attempt to provide proof that our program was effective, we began to administer pre and post tests to the student groups. Substantial improvement began to emerge in some of these groups, evidenced by a significant improvement when we compared their pre and post test scores. A review of the literature indicates that this was not the case with most of the other established programs. This research seeks to determine what makes some programs successful and others unsuccessful.

Fractional Integration and Dividend Yield Predictability

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Previous studies on price-dividend relationship, including both the linear models followed the process introduced by Stambaugh (1999) and the power law model proposed by Lüders *et al.* (2004), rely on equations with integer lags to estimate the parameters. However, more evidence indicates that long-term persistent financial series, which cannot be properly modeled by finite and integer lags, are the more general case. This paper examines the long-term persistency or fractional integration properties of the market prices and aggregate dividends series in the US markets. Wavelet Multiresolution Analysis technique is used to examine the stationarity and persistency properties of the time series. The analysis results indicate that US stock prices series has short memory, whereas the dividends series is a persistent process with long memory. This finding helps explain the contradicting conclusions generated in previous literature on the price-dividend relationship and suggests that a cointegration between the two series based on finite and integer integration is not valid.

Does Institutional Outperform Retail? Performance Comparison of Mutual Funds Using Multiple Measures

Mehmet Sencicek, Albertus Magnus College

Despite the substantial amount of literature on mutual fund characteristics and performance, Institutional Mutual Funds have received little attention even though they are different from retail mutual funds in several respects that could affect their respective performance. In this study, Institutional Mutual Fund performance was evaluated in the nine different styles based on Morningstar's style box and compared to those of their counterparts using established traditional and conditional models as well as nonparametric methods. The results suggest that while larger institutional funds tend to outperform retail funds in most categories, the evidence is mixed for smaller institutional funds.

Challenges of Online Teaching - An Update

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The Internet is creating exciting opportunities for universities and their stakeholders. Universities are experimenting with different modes of education. E-learning is one such mode, where students can learn from any place at any time, so long as they have an Internet connection. As e-learning diffuses across courses and curriculum it is becoming important for stakeholders to understand requirements, expectations and deliverables associated with e-Learning. Expectations are changing as we learn more and more about delivery aspects of e-Learning. Both students' and teachers' roles change and require adjustments. However, many students as well as faculty do not realize the rigor and requirements of e-Learning. It is important to understand e-Learning "culture" to teach and learn in an online environment.

Researchers have already established differences in e-learning and face-to-face pedagogies. E-learning creates asynchronous environment requiring more of a "facilitator" skill since learning becomes participative and communication flows both ways. Lecture contents, assessment tools and class participations all change and require "new" approaches. There are no fixed (or limited) office hours and there is no face-to-face contact making discussion area, e-mails and chat rooms as primary mode of communication and learning. Though end result is the same (i.e., student learning) but teaching pedagogy is very different. Simply adopting face-to-face teaching model will not work in e-learning environment.

Based on our teaching experience of over twelve years both online and face-to-face and our interaction with faculty at many other conferences, we discuss similarities and differences in face-to-face and online teaching and provide updated recommendations for others who may be planning to venture in this exciting mode of learning. The discussion could also assist current and future Web course instructors, since it may increase their willingness to take advantage of many features that might exist in their course management systems.

Examining Risk Perspectives and Its Implications for I.T. Security Risk Management

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In recent years, our dependence on information systems has grown dramatically. Along with that, the threats to these systems have also grown. It is therefore critical that we manage the risks to these systems. Many of these security risks are technical in nature, but some of them are not. Therefore technical solutions to these risks can only solve part of the problem and a more holistic approach is needed for the management of these risks. This paper examines the variety of risk management concepts from a wide selection of risk management literature and illustrates how they can be used to develop a comprehensive risk management scheme for I.T. security. This includes; the positivistic or technical approaches to risk, the economic perspectives of risk, the psychological perspectives of risk, the sociological approaches to risk, and the cultural approaches to risk. Each of these perspectives/approaches will be critically examined in terms of their applicability to I.T. security risks.

Input for the Development of Environmental Management and Monitoring Systems in the Indian Hospitality Industry

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Indian businesses are ignoring warnings arising out of the impact of unsustainable development which in the long run would not only shrink sales and profit margins but also manifest impact in critical areas affecting livelihoods and economies. Efficient Management of Resources relates to increasing the efficiency of how material inputs are converted into outputs with less impact to ecosystems and the environment. It reduces or eliminates wastes using various conservation techniques. One potential reason for the hospitality industry's muted support for environmental management strategies may be due to the manner in which hotel managers are monitored and appraised. Environmental accounting and achievement of environmental objectives are generally viewed as being unimportant monitoring criteria. The paper offers an input to the concern of fundamentals for the development of strategic environmental management, eco-labeling and monitoring systems with specific reference to the hospitality industry. It critically assesses the present environmental research relating to the key drivers of hospitality environmental strategy, concluding that there is an environmental monitoring gap. The environmental strategy, including environmental sensitive and sustainable measures, must foremost be an integral part of the industry's overall corporate strategy if it is to create value both organisationally and environmentally. Strategising hotel environmental change on this basis is herein proposed via an inclusive strategic management framework, which could be used as an innovative Environmental Working Model.

Distributed Cognition Supported by Information Technology Can Help Solve the Knowledge Management Bottleneck

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Information theory describes three types of information: syntactic, semantic, and pragmatic. We argue that knowledge is pragmatically tested information. Validating syntactic and semantic information is easy and inexpensive, but pragmatic testing is more complicated and expensive since it deals not only with information but with matter, energy, and often people. Information Technology (IT) can be used to generate and validate new syntactic and semantic information, but its usage has been very limited at the pragmatic level. This asymmetric usage of IT has given rise to a Knowledge Management (KM) bottleneck. This article looks into new ways to apply IT to minimize it. Pragmatic Minimization is achievable with the help of Virtual Reality (VR) and Internet based Distributed Cognition (IDC). VR simulates energy and matter in computers, making the pragmatic test fully informational, and IDC leverages the massive testing capacity of a huge social pool of Internet users.

B-Corporation: To B or Not To B

Vishakha Maskey, West Liberty University

B-Corporation or Benefit Corporation is a relatively new business concept that provides social benefits to the general public that can be observable and accredited by a third party. This research paper establishes a basic valuation technique to examine and evaluate the success of a B-Corporation. These forms of entities have been created in the previous few years, since the establishment of state level legislation provided the guidelines for these organizations. This study examines the historical background in which the B-Corporation was derived and the manner in which similar institutions are valued, including non-profit entities and green businesses. For example, the Great Recession of 2008 was caused by a variety of economic and financial determinants. Most notably, the downturn in economic activity was created by the unethical business practices in subprime mortgage industry and within the creation of mortgage insurance financial instruments, known as credit default swaps. On the other hand, for several decades industry and academic institutions have debated the value of ethical business practices known as Corporate Social Responsibility (CSR) and Green Initiatives, where the impact of business decisions are considered in the production and distribution of goods and services. The B-Corporation is a new organization that can have several social and financial goals; including maximizing profits, ensuring CSR practices providing benefits to the public. This research paper presents plausible techniques to evaluate the financial status and social impacts of a B-Corporation. The valuation technique presented in this analysis is a basic checklist that can be utilized by investors and managers of the B-corporation. A similar technique has also been utilized in analyzing investments in public common stock of private companies. The major dissimilarity for the valuation of a B-Corporation analysis is the inclusion of a triple bottom line.

Enhancing a Person – Job Fit Model Through Experiential Learning Theory

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Chatman (1989:333) argues that the two dimensions effective in the fit behavior of individuals involved in organizations are person-job fit and person-organization fit. Person-job fit means that the individuals' knowledge, skills and abilities are in accordance with the job's specifications. Kristof (1996) emphasizes the fact that there is not enough research on the process of how the learning mechanisms effects the level of person-job fit. Based on this conception, the paper aims to provide a person - job fit model through the use of Kolb's (1984) experiential learning theory. Kolb defines learning as "the process whereby knowledge is created through the transformation of experience. Knowledge results from the combination of grasping and transforming experience" (Kolb, 1984:41). He constructs the process of learning as a four-stage cycle of (1) concrete experience, followed by (2) observation and reflection, which leads to (3) the formation of abstract concepts and generalizations, which leads to (4) hypothesis to be tested in future action, which in turn leads to new experiences. The research presented in this paper aims to build a link between the business departments of the universities and the human resource managers of the companies where the organizations act as the customers of the university programs, receiving the new graduate students as their employees. If such a link would be built between these actors, the person – job fit of the new employees could be enhanced through the use of an experiential learning model in the curriculum development processes of the business programs. Learning Style Inventory (LSI, Kolb, 1984) and Learning Skills Profile (LSP, Boyatzis and Kolb 1991a, 1991b, 1995; Kolb and Kolb, 2005) were used in developing the research design and methodology for this purpose.

Government Intervention and Corporate Investment Comovement

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This study examines the impact of government intervention on corporate investment. We use a large sample of Chinese firms, as China provides an interesting setting for investigating this question due to variations in government intervention level across regions, and variations across firms in their degree of exposure to government interventions. We show that government intervention is positively and significantly associated with investment comovement on the regional level, after controlling for industry- and region-specific factors. We also test the comovement of the change in firm-level investment with respect to the change in industry-level investment, and show that the relationship varies across different firm types. The impact of government intervention on comovement is lower for foreign-owned, and private owned firms than for state-owned firms. Finally, we show that investment comovement deteriorates corporate performance.

Estimation Window and the Power of Event Study

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The mechanics for an event study have become relative standardized since two early papers by Brown and Warner in 1980 and 1985. Several researches have shown that the power of a test is associated with the length of test window, the characteristics of firms in the sample, the specification of models, and the statistic criteria. Our interests focus on how the length of estimation window would impact on the power of a test. Using the Monte Carlo simulation, we detect that the horizon of the estimation window can slightly increase the power when the induced level is small. Moreover, the estimation window over 60 months seems to be sufficient for an event study with a well specified model.

The Cross Linkages between Monetary Policy and Stock and Bond Markets

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In this empirical paper, we explore the cross linkage between the monetary policy and bond and stock markets. We use daily effective federal funds rate, one-month AA non-financial commercial paper rate and the Standard and Poor's 500 index from 1997 to 2009 as proxies for monetary policy and bond and stock markets respectively. We employ VAR and VEC model and the results show that there do have cross linkages between these three variables.

An Improved Econometric Model of Yield Curve Dynamics

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The yield curve is the graph of the relationship of the nominal yield to maturity (ytm) on bonds of a similar asset class but different maturities at some given point in time. Yield curves exist for every segment of the fixed income asset class, e.g. the municipal sector, emerging markets, high yield sector, etc. At any one moment, the yield curve can be up-sloping, down-sloping or humped, i.e. up-sloping along the shorter maturities and down-sloping along longer maturities. No consensus exists in the investment community as to reasons for these differing yield curve shapes.

Previous research by the authors advanced a model for yield curve levels and yield curve dynamics which modeled the yield to maturity (ytm) as a function of inflation expectations, growth in real gdp, and real money supply. The proxy for inflation expectations was percent change in year over year consumer prices index, and the proxy for demand for loanable funds was the per cent change in year over year real income. The year over year choice for inflation expectations and real gdp is arbitrary. This research investigates that possibility that the proxy for inflation expectations and demand for loanable funds is other than one year growth. Indeed, a longer horizon of per cent change in inflation and percent change in real gdp best model the term structure of interest rates. Graphical techniques, descriptive statistics, correlation and multiple regression are used to model each of seven ytms for along the US Government maturity spectrum as a function of inflation expectations, real money supply and per cent change in the real growth domestic product. The results offer robust conclusions as to why the yield curve can take on different shapes and predict up, inverted and humped yield curves.

Women Leaders in Higher Education

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Women in senior administrative positions in colleges and universities are an important goal in higher education institutions because they provide diversity, as well as role models for female students, faculty, and staff. The current percentage of women serving in presidential positions is 23 percent in the United States (American Council on Education, 2010). Women's development theory, leadership theories, and self-determination theory explains successful female leadership. This phenomenological study adds to the existing body of knowledge about women leaders. In-depth interviews with female senior administrators at higher education institutions capture and report the essence of current successful female leadership.

The Resort

Marsha Jance, Indiana University East

A case study based on the activities of a resort is presented. The case study focuses on descriptive statistics and provides an opportunity for one to create different types of tables and graphs for both qualitative and quantitative data, calculate numerical measures such as mean, median, range, variance, standard deviation, correlation, and make observations and recommendations regarding the case. The case can serve as a useful project to assess how well students have mastered descriptive statistics. An instructor's manual with recommendations for what to require students to include in their case report is provided. In addition, the instructor's manual also discusses tables, graphs, numerical measures, observations, and recommendations that can be included in the report.

A Comparison of Methods for Assessing Learning Outcomes in the Classroom and the Training Room

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Geraldine E. Hynes, Sam Houston State University

As business schools struggle to find methods that accurately assess learning outcomes, they might look to business models for ideas about how to measure learning. When organizations budget billions of dollars annually on employee training, spending those dollars must be justifiable to all stakeholders. Business models for assessing learning outcomes are well established, valid, and reliable. Yet the application of these models to the academic environment is rare. This paper compares and contrasts models used for assessment in academia with some of the assurance of learning strategies that are used in the corporate sector.

Digital Learners and Digital Teachers: Technology in Business Education

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As competition in the workforce continues to intensify, colleges and universities are developing innovation strategies to prepare their graduates for the workforce of the 21st century. Considering that business is the most popular undergraduate major (Institute of Education Sciences, 2012), this preparation is particularly significant for teaching undergraduate business courses. Online education and other technology based tools are being increasingly utilized to meet these objectives. As a result, some of the underlying premises of higher education and thoughts of how business students' needs should be met are fundamentally changing. At the core of these changes is the belief that because traditional college students of today are digital natives, they are necessarily digital learners. In other words, students are exposed to technology so early and in so many areas of their lives, they now expect to experience technology in their learning as well (Carlson, 2005).

Researchers also suggest that increased technology in the education experience enhances learning as it motivates students, encourages participation and interaction, and energizes the classroom (Bowden & D'Alessandro, 2011; Davis, 2011; Delgado-Almont, Bustos Andreu, & Pedraja-Rejas, 2010; Jamil & Shah, 2011; Meyer & McNeal, 2011). Most importantly, incorporating technology in their education helps business students prepare for their future roles as working professionals (Davis, 2011). In order to compete for scarce employment in the 21st century, entry-level employees must not only have advanced education, but they must also be able to demonstrate the ability to use and apply technology in innovative ways to solve problems and to interact in a global society.

Business faculty are, therefore, encouraged to incorporate technology in online as well as face-to-face instruction. Moreover, in some institutions, faculty are denigrated for failing to embrace or incorporate new media and technologies. The assumption is that these faculty are behind the times or resistant to change and innovation. This quantitative study investigated the use and acceptance of some of these technologies by surveying the faculty of a private, Catholic University. The significance of the paper is that business faculty are constantly bombarded with *new* and *unique* ways to incorporate technological tools into teaching, and on occasion may even be pressured into believing that the tool itself enables or encourages learning among students. Findings show that respondents incorporated technology with their instruction, and they believed this technology enhanced student learning. However, faculty did not believe the institution provided adequate support or training in the use of the technology. Implications of this research, recommendations for the effective use of advanced technologies for teaching business, and suggestions for additional research are discussed.

From Unlearning to Learning: A Critical Process in Transformative Change

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Unlearning to learning are critical variables and functions influencing organizational change; especially for organizations aspiring to become learning organizations characterized by effective knowledge management. This presentation articulates and examines structure of transformative change, anatomy of unlearning, conditions for psychological safety, strategies for establishing organizational conditions for new learning, and applying methods and tools enabling organizational culture transformative change. This presentation employs and interactive, experiential engagement format. Participants experiment and experience unlearning to learning processes in “real time” through guided scenarios. As a result, attendees will acquire a concrete and actionable understanding of unlearning and learning and definitive next steps for application in organization transformative change.

Standardization of the Introduction to Financial Accounting Course to Enhance Student Learning

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This study examines improving the students' mastery of financial accounting concepts through standardization of the delivery of the course content and examinations. We analyze the introduction to financial accounting course at a state university in the northeast corner of the United States. The university currently offers 20 sections spread among nine to thirteen instructors throughout the year. Assessment of students' ability to apply accounting concepts is accomplished through a common set of multiple choice questions included as part of the final examination. Historically, the results suggest a need for improvement in student learning. In this study, we review the variety of instructor taught content as well as the instructor's methods to evaluate students' performance and propose a standard model that will enhance student learning. Initial results have been promising.

Lehman Brothers: A Financial Business Model Combined with a Creative Accounting Concept – Leads to Legal Risks for Ernst & Young

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The claim by “The People of the State of New York by Andrew M. Cuomo, Attorney General for the State of New York, Plaintiff, against Ernst & Young LLP, Defendant is that E&Y substantially assisted Lehman Brothers Holdings Inc., now bankrupt, to engage in a massive accounting fraud, involving the surreptitious removal of tens of billions of securities from Lehman’s balance sheet in order to create a false impression of Lehman’s liquidity, thereby defrauding the investing public.” The principal vehicle for this undertaking is the repetitive use of ‘Repos 105s’ as a way to transfer debt from Lehman to European banks. The Attorney General is using the Executive Law §§ 63(1) and 63(12) and General Business Law §§ 352 *et seq.* (the “Martin Act”) as a way of holding E&Y liable for restitution, disgorgement and damages in the 50 to 60 billion range. This paper will explore the underlying accounting, financial, and legal issues surrounding this case including a review of the financial statements of Lehman Brothers in order to demonstrate that E&Y as well as the average investor should have known the financial numbers presented even with underestimated debt loads were not representative of a viable going business concern. Fraud should have been a concern for E&Y as well as for the millions of investors who looked at the numbers as typical of firm in the investment banking industry that Lehman called home for 150 years. Lehman’s bankruptcy filing petition should not have been a surprise to anyone savvy enough to know how to interpret just a few of the key drivers within the financial statements of Lehman Brothers. Moreover, with the Ex-Attorney General for NYS [current governor of NY] suing Ernst & Young for \$50 billion dollars as an accomplice to an accounting fraud – well - investors, management, and auditing firms should take notice that perhaps they might just be responsible for their own downfalls.

Integrated Reporting: Value Creation and Sustainability

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Integrated reporting is a new approach to reporting that designs to illustrate the connections between an organization's strategy, governance, performance, and future prospects and the social, environmental, and economic context within which it operates. By reinforcing these connections, integrated reporting can help an organization to take more sustainable decisions and enable its stakeholders to understand how the organization is really performing. The intent is to improve and consolidate existing reporting practices (such as financial reporting and social responsibility reporting) into a coherent and integrated report. The International Integrated Reporting Council comprises world leaders from the corporate, investment, accounting, securities, regulatory, standard-setting, civic society and academic sectors. Its goal is to develop an international integrated reporting framework that can be utilized to provide more comprehensive and comprehensible information about an organization so as to demonstrate in a clear and concise manner the organization's ability to create and sustain value in the short, medium and longer term. The Council published a discussion paper, "Towards Integrated Reporting – Communicating Value in the 21st Century" in September 2011 to explain its rationale and propose a framework for integrated reporting. Over 200 companies and organizations from around the globe had submitted comments to the discussion paper and an exposure draft is expected to be published in 2012. This paper provides an overview of integrated reporting.

Blogging in Tax Class: Accounting Students Participate in the National Tax and Budget Debate

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Blogs (weblogs) have begun to emerge as a useful tool for enhancing student engagement and providing an environment for collaboration and creation of knowledge. In the context of teaching and learning, blogs have the capacity to make student learning transparent and can become a space where a greater understanding of student meaning making can be gained. The goal of this study is to determine the level of student cognitive engagement with the subject matter in the context of a taxation course when blogs are used as an educational tool. Students are cognitively engaged when they reach sustained, engaged attention with a task or project which requires mental effort. The highest form of cognitive engagement is self-regulated learning (Corno & Mandinach, 1983), where learners plan and manage their own learning and have a high degree of personal control and autonomy. One measurement of such cognitive engagement is the level to which students find relevance of the learning to their future aspirations and to their own world views (Appleton, Christenson, Kim, Reschly, 2006). Results of the survey indicate that students found a high degree of relevance and value in this blogging activity which suggests a high level of cognitive engagement and a successful result to this study.

Taxation of Internet Transactions: Unfulfilled Promises after four Decades of Challenges

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When J. C. R. Licklider, a systems scientist at the U.S. Defense Advanced Research Projects Agency, laid the groundwork for today's Internet by visioning digital communications connectedness among computers, little did he realize the challenges such a network would create for the mundane world of expenditure taxation. The explosion of e-commerce activity, beginning in the mid-1990s, has created extraordinary difficulties in many dimensions as state and local governments have attempted to levy general sales taxes. Here's the problem, in a nutshell: How do we encourage e-commerce growth to fulfill the promise of a more efficient business model for transferring goods/services from sellers to buyers and not stymie state and local governments in their pursuit of consumption tax revenues?

Except for a handful of states that do not employ the levy, sales tax is a major revenue source that can range up to 35 percent of a jurisdiction's yearly revenue inflow. Most states share these revenues with inferior government units. Merchants are the tax collector of first instance, since they must determine taxability of the buyer and of the goods/services sold. In order for the tax to be levied at all, the seller has to be under the legal jurisdiction of the state. And, as with the Internet, when there is no physical presence ("nexus," in the legal jargon) sellers are under no compulsion to assess and collect a general sales tax. So, although Amazon.com—based in Seattle—will collect Washington sales tax and, with its distribution warehouse near Dallas, can be obligated to do the same in Texas, because the company has no physical presence at all in Florida, goods it sells for delivery there will go untaxed. There are more than 8,000 separate taxing authorities in the U.S. that deal in some way with sales taxation. The previously cited case of Amazon.com hardly does justice to the extraordinary complexity of the matter when consideration is given to the myriad rates, exemptions, and bases for tax. Complicating the matter further is the question of actual location of buyers and sellers in the e-commerce world. *Cyberspace is not a specific sales tax jurisdiction.*

Wrangling about sales tax collection by remote sellers has existed since the 1960s. Sellers operating across the U.S.—by phone, catalog, and on the Web—have been shielded by two Supreme Court decisions from any obligation to collect/remit sales taxes except on sales delivered where sellers have a physical presence. The U.S. Constitution empowers the federal government to regulate interstate commerce. Imposition of local mandates, like a sales tax, has been deemed to unduly burden vendors and impede cross-border commerce. Recently, some states (notable among them are California, Illinois, and New York) have tried to expand the physical presence definition to include everything from e-tailers' data warehouses to click-through marketing affiliates to coupon referral agents in an all-out effort to secure sales taxes from on-line transactions. The absence of taxation on e-commerce transactions is an artificiality that distorts the market. Retail consumption taxes are particularly disruptive to the market since the deputized collector, whether that is Macy's or the local tavern, has little interest in whether the recipient government gets its taxes or not. So,

in the case of the sales tax, bricks-and-mortar retailers are placed at a heavy disadvantage when the same goods/services, unburdened by sales tax, can be acquired on the Web for 5 to 10 percent less.

Is there a “way around” the problem and quarrelling that has gone on for decades? Federalization of the sales tax regime is unlikely, since that would require usurpation of taxing powers reserved to the states nearly 225 years ago. A substituted and shared national sales tax is politically unacceptable since it, too, would impose national requirements at the local level. But, adopting the European Union technique of an industry-uniform, location-of-consumer tax on value added for e-commerce transactions alone is the least politically distasteful and more appropriately market-distorting (a disincentive on consumption rather than on production) alternative. The enormous benefit of the tax on value added is its strong incentive for a seller to collect it from the buyer so that it can be deducted from any tax paid in acquiring the goods/services transacted. Unlike the sales tax, which cannot now be imposed, sellers actually care whether governments receive their levy. The end-user still pays the tax, but Internet sellers could be incentivized to make certain that taxes were assessed and collections occurred . . . rather a nice reversal from matters as they stand today.

Online Word-of-Mouth Communication in Social Networking Sites: An Empirical Study of Facebook Users

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Online social networking has become a global phenomenon and an integral part of daily lives of many consumers around the US and around the world. Along with traditional email communication, postings on blogs and bulletin boards, participation in the chat rooms, using social networking sites, and instant messaging have created online communities where people interact, communicate, follow trending issues, and express their opinions more freely and actively than ever before across the globe. Broadband access, mobile communication tools, and easy to use software technology have allowed consumers to get their voices heard instantly, exert greater influence on the issues that matter to them (issues that offer practical and emotional benefits), and provide crucial information by either volunteering (online product rating and reviews) or on demand when requested by others (direct response to requests of others). Studies show that more than a third of online participants review products, frequently post opinions, and involve 2.4 with content creation activities online (Riegner, 2007).

Today's typical consumers have at least 2 different social networking site accounts and they check/login to these accounts at least two times a day. Studies show that consumers have at least 150 online friends and interact with them by posting messages about very specific aspects of their personal lives to popular/unpopular trending issues and/or their opinions or experiences with products/companies. They usually spread information in the form of talking to their friends instantly in chat rooms or forums, listing or writing about them on their personal page/blog/ website, writing reviews, and/or posting user generated content. Previous research shows that this form of communication is the most important source of information for some consumers and in many situations plays a more important role than the mass media advertising in influencing certain purchase decisions. Considering the significant future growth trends in such activities, consumers have immense opportunities to actively engage in online word-of-mouth communication. Facebook, a popular social networking site, allows anybody around the world to sign up for free and easily communicate, follow, and/or participate in real time discussions with anybody else with a Facebook account. Facebook allows users to talk about their favorite interests and hobbies; not in front of strangers, but to people they consider as "friends" (Shih, 2009). It allows the addition of companies they like to the list of friends and closely follow the information coming from these companies. In order to be able to benefit from this highly dynamic environment, marketers need to channel the positive consumer energy towards their products by employing focused online word-of-mouth communication strategies.

Therefore, it is important for marketers and researcher alike to start understanding the online word-of-mouth communication process and examine the determinant factors for engaging in online word-of-mouth communication. The objective of this study is to empirically investigate the factors that contribute to consumers' participation in online

word-of-mouth activities. Using the salient factors cited in the literature, the present study conceptualizes a number of dimensions and antecedents of online word-of-mouth communication and hypothesizes the relationships among them using a structural model. Findings of this study are expected to contribute to our knowledge with regards to learning more about those consumers who are more likely to get actively engaged in online word-of-mouth and provide guidance to marketers to identify and target those “champions” to in promoting their products.

The Impact of Language and Distance on Decisions Regarding Tourism or Study Abroad Program Destinations

Rosane K. Gertner, College of Staten Island at City University of New York

Place marketing has become a very competitive arena. The segment of study abroad programs has to date received limited attention in the literature, although this has recently begun to change. In general, studies have given more attention to pull attributes than push attributes. The objective of this study is to investigate the impact of language and distance proximity on the choice of a place for study. In addition, this study investigates whether these pull attributes are similar to or different from those contemplated when a country is considered as a tourist destination. The results of this study will provide educators and university administrators with some direction for developing more-attractive study abroad program offers. In addition, place marketers and governments can benefit from these results as they seek to attract more visitors to their countries.

Brand Concept's Effect on Consumer Brand Perceptions: Does Country Image and Type of Line Extension Strategy Matter?

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Anton P. Fenik, University of Tennessee

Brands frequently extend vertically within the same product category, offering either price-upward or price-downward new line extensions of an existing product. This paper explores how country of manufacture image and type of vertical line extension strategy affect consumer evaluations of brands marketed under different brand concepts. The results indicate that (1) both prestige and functional brands are perceived by consumers more favorably if new vertical line extensions are manufactured in country associated with strong product category image, (2) consumers evaluate price-upward vertical line extension strategy more positively than price-downward strategy, and (3) country image impacts how prestige versus functional brands undertaking vertical line expansion strategy are evaluated by consumers.

Intuition Emotion and Affectivity: Exaggerating the Truth Effect

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Frank R. Kardes, University of Cincinnati

Companies spend a considerable amount of time and money to test the information presented on product websites, printed media and in advertising. A key component of advertising is to highlight product benefits when new products are introduced in market. The truth effect is an established persuasive tactic used in advertising. However it has the disadvantage of making a consumer believe in false claims. While there is considerable literature that studies this effect, no study has identified the role of individual traits on the truth effect. In a series of four studies, the moderating role of a consumer's faith in intuition, esteem, affectivity and need for affect are evaluated. Findings indicate that an individual's faith in intuition and affectivity exaggerates the truth effect leading individuals who are prone to placing trust in prior knowledge structures to believe in false claims. Further, when esteem is manipulated, we find that individuals in the high self esteem condition are more prone to believing repeated statements than alternate conditions. Finally, ease of generation of reasons to place faith in one's emotion causes them to trust intuition which further misleads the consumer. The findings of this series of experiments have important public administration and policy implications in TV, radio and internet advertising, advertising of health claims to individuals who are more prone to decision making vastly influenced by emotion, and health and wellness advertising claims in the food industry.

Effective Learning for Online Business Students

Courtney Kernek, TX A & M University – Commerce

Alma Mintu-Wimsatt, TX A & M University – Commerce

It is clear that instructional design can be developed to reduce cognitive load. For over a decade, researchers have investigated the learning process using the framework of cognitive theory of multimedia learning. Through the application of multimedia principles, instruction can promote meaningful learning whereby students attain and make use of a variety of cognitive processes to understand the instructional materials. In addition, the principles derived from multimedia learning have been used as guidelines for designing e-learning materials in high-tech learning environments (Moreno, 2006). In 2005, Moreno and Valdez sought to extend the research on multimedia learning by examining the role that dual coding and interactivity play in promoting scientific understanding. Moreno and Valdez (2005) cited evidence that multimedia environments have the potential of promoting meaningful learning by varying both the number of representations provided to students and the degree of student interactivity. They studied the dual code and interactivity principles derived from the cognitive theory of multimedia learning. According to the dual code hypothesis, teaching students about a causal system with both verbal and nonverbal materials will result in stronger encoding than instruction with verbal or nonverbal materials alone. For the dual code hypothesis to be applicable the information contained in both materials should not be redundant and the instructional design should incorporate the materials so that students are not made to split their attention between the two materials (Kalyuga, Chandler, & Sweller, 1999; van Merriënboer & Ayres, 2005). In addition, Moreno and Valdez (2005) were also interested in researching the active processing assumption of the cognitive theory of multimedia learning, in which meaningful learning requires considerable conscious processing in the verbal and visual channels. The interactivity hypothesis predicted that having students organize materials instead of study pre-organized materials would cognitively engage them and promote deeper learning. Meaningful learning increased when students were asked to generate their own framework for meaning by self-organizing materials (Bruning, Schraw, & Ronning, 1999).

There were two primary questions that guided this experiment:

Do students with prior business knowledge construct better models of causal systems when they are presented with two representation modes rather than one in an online learning environment?

Do students with prior business knowledge construct better models of causal systems when an online learning system prompts them to organize the causal chain themselves rather than when the materials are pre-organized?

For question #1, our findings showed that the group using words and pictures (Group WP) and groups using only words (Group W) had higher instructional efficiency for retention than the group using only pictures (Group P). The group using only pictures

(Group P) demonstrated moderately higher cognitive load on difficulty and lower performance on retention, a case of low instructional efficiency and meaningful e-learning. Therefore, the findings revealed that students learn equally well when the instructional materials offer two representation codes (i.e., word and pictures) or words only, a consequence of the relatively higher performance attained with relatively lower cognitive load. However, when instructional materials only present pictures cognitive load increases and instructional efficiency decreases.

For question #2, the findings of the experiment confirmed that the interactive group (Group I) had the highest instructional efficiency for retention. The non-interactive group (Group NI) demonstrated moderately lower performance on retention, a case of low-instructional efficiency and meaningful e-learning. Thus, the findings revealed that students learn best when the instructional materials present them the opportunity to make rather than take meaning (i.e., self-organization techniques) in the multimedia program, as a result of the relatively higher performance attained.

Customer Loyalty: An Integrative Approach

J. Barry Dickinson, Holy Family University

The proposed model is theoretically grounded in the multi-attribute attitude literature. It is proposed that the antecedents of customer loyalty are be partitioned into three categories. First, supply-side (firm-controllable) customer loyalty antecedents are those satisfaction drivers that comprise what we term the *total customer experience (TCE)*. We identify eight distinct TCE dimensions through preliminary personal interviews. Second, the TCE variables influence customer loyalty through a series of mediating variables (Evaluation Antecedents) including satisfaction, quality, perceived value and trust. We conceptualize customer loyalty as a dual-dimensional construct, comprised of cognitive and affective loyalty. The TCE and Evaluation antecedents work along two, independent paths---one calculative (cognitive) and one emotional (affective)---leading to customer loyalty. Third, we introduce the demand-side, antecedent variable, Loyalty Orientation (LO), to account for the effect of individual differences on customer loyalty. The LO variable is comprised of price fairness and competitor attractiveness (both of which have an inverse effect on cognitive loyalty); and loyalty proneness and product involvement (both of which have a positive effect on affective loyalty). Customer loyalty manifests itself in behavioral consequences including repurchase behavior, spreading positive word of mouth communication, resistance to counter persuasion and reduced product category search (only repurchase behavior is examined in the present study). A measure of Perceived Behavioral Control is integrated into the model to account for purchase occasions where the decision is not entirely volitional (exit costs, monetary restrictions, etc.). Managers in virtually any market can use this robust model as a template to optimize loyalty. The context of the study is business-to-business services.

Blackhole of Corruption Disclosure

Amod Choudhary, City University of NY, Lehman College

International corruption by US based corporations has been an important and growing enforcement area for United States' Department of Justice (DOJ) and Securities Enforcement Commission (SEC) in recent years. Cases and enforcement actions related to the Foreign Corrupt Practices Act (FCPA) peaked in 2007 with settlements coming in later years. Unfortunately, disclosure of corrupt practices and management's role in taking active steps to stop corrupt practices is formulaic and without any meaning. This study analyzed 74 FCPA cases brought by the SEC against various well known organizations, and finds that most of the organizations do not disclose corrupt practices in their 10-K filings during the corrupt periods, and only report the allegations of corruption when SEC brings charges of corrupt practices. Furthermore, organizations' responses are tepid and language used in reporting is vague and too general to determine whether the management of the organization is taking any new steps to prevent it in future.

Team Dynamics, Competency, Succession, and Sustainable Advantage: An Exploratory Study of a Student Organization Chapter

Jun Lin, SUNY at New Paltz

Maggie Yi Li, SUNY at New Paltz

Ted Clark, SUNY at New Paltz

Using a content analysis approach on open-end interview questions, this study aims to explore the key factors contributing to the sustainable advantage of the SUNY-New Paltz Chapter of American Marketing Association (AMA). Different from other organizations, the executive members of a student organization have to be replaced every year, which could be detrimental to its sustainable competitive advantage. However, our research target has managed to gain national recognition consistently over more than ten years. Factors such as leadership capability, communication effectiveness, conflict management style, personal relationship, training, mentorship, and succession process, emerged in the study. We explored the effects of these factors on both the student organization and executive members' personal career development. Theoretical implications are discussed on (1) team dynamics, (2) competency development, maintenance, and renewal, as well as (3) resource-based theory.

Bacardi Limited's Flexible Budgeting Efficiency Metrics to Report Sustainability Improvements

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Al Chen, North Carolina State University
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Family-owned Bacardi Limited is one of the world's largest spirits companies with revenues estimated to be in excess of \$4 billion annually. During the past decade, Bacardi began setting aggressive operating goals for quality, environmental impact, and health and safety. In 2009, Bacardi became the first spirits company to achieve "Triple Crown" certification with all of its production facilities achieving ISO 9001, ISO 14001 and OHSAS 18001 certifications. The "One Bacardi" program makes environmental, health and safety objectives integral to the operations of every site through the use of Key Performance Indicators (KPIs).

In 2008, Bacardi began applying an innovative measurement methodology to three environmental aspects: water consumption, energy consumption, and greenhouse gas emissions. The methodology advances the company's sustainability efforts through an application of the principles of activity based flexible budgeting to produce indices of improvement (efficiency metrics) for sustainability performance KPIs based on physical quantities. The new methodology is a response to concerns that conventional measures do not capture the actual rates of improvement. These metrics are aggregated across product lines to provide company-wide measures of efficiency improvement that are not distorted by shifts in product mix. Bacardi uses the efficiency metrics internally for decision support, planning and control and externally in their Corporate Responsibility Reports.

Bacardi's application of activity-based metrics to sustainability performance has transformed the way Bacardi measures progress in meeting its key sustainability objectives, and it represents an innovative best practice for management and for external reporting. In this presentation we describe the activity-based flexible budget methodology developed by Bacardi for measuring the improvement in sustainability aspects.

The Performance Implications of Firms' Innovative Capabilities During Economic Recession: The Case of U.S. Electronics Companies in the Great Recession (2008 to 2011)

Nobuaki Namiki, Rikkyo University, Japan

This study investigated the impact of firms' innovative capabilities on their sales and profit performance trajectories subsequent to the 2008 Great Recession. Firms' innovative capabilities were measured by their cumulative Research and Development (R&D) spending prior to the Great Recession. Most previous research on firms' innovative activities during recession focused on finding whether companies should increase or decrease their R&D spending during recession. Very few studies looked into the impact of firms' innovative capabilities on their performance during recession. This research, using a hierarchical linear model, attempted to determine whether firms' innovative capabilities affected their performance. Hierarchical linear modeling has been demonstrated to be an effective statistical tool for examining trends. This study found that firms which invested heavily in R&D during the time period preceding the recession were found to demonstrate a rapid rate of performance decline at the onset of recession, and thereafter a rapid rate of sales performance improvement. Therefore, firms with a high level of innovative capabilities may be able to recover quickly during recession. The findings of this study have implications for managers affected by deep recessions.

A Predictive Model of Healthcare Costs: Applying Financial Impact to Thrive Index

C J Rhoads, Kutztown University

The United States has reached a critical point in a growing healthcare crisis. Medicare's hospital insurance fund is projected to run out of money by 2024. Over forty million Americans are over 65%, and the percentage is growing each year as the baby boomers enter their senior years. By 2050 there will be over 600,000 centenarians in this country. The basic healthcare system developed to handle broken arms and traumatic accidents is not optimized for the chronic illnesses which are so common among older people. The resulting crisis is bankrupting the nation, lowering healthcare quality and increasing healthcare costs every year. Each year we spend 128 billion on patients with arthritis, 148 billion dollars on patients with Alzheimer's disease, 174 billion dollars on patients with preventable type II diabetes, and over 432 billion dollars on heart disease and stroke. The disconnected, bureaucratic, and for-profit competitive nature of our current healthcare system eats up more than 30% of the costs in unnecessary administration and procedures. There are many proposals for lowering the costs of healthcare, but there is little empirical data to suggest which of the many proposals would provide the most efficient and effective answer to the healthcare crisis dilemma while simultaneously improving both the quality and quantity of life. The purpose of this research project is to determine the those factors which are most influential in lowering costs, while not impacting quality and quantity of life. It is essential to take into account both quantity and quality of life. Healthcare technology and practice has reached the point where a person can be kept alive indefinitely regardless of age or infirmity, but the impact on the quality of life can be enormous. Clearly there is a balance between quality and quantity of life that is difficult to quantify. This research project conducts a meta-analysis of the current research on the factors that impact healthcare costs. Utilizing a binary logistical regression analysis, the factors identified by the meta-analysis will be assessed for a predictive model known as the Thrive index. The Thrive index model predicts the chances that a person will survive a treatment with a high quality of life. The Thrive index will be evaluated for a set of real-known cases. Subsequently, the Thrive index will be evaluated using a random sample of healthcare cases. A comparison will determine whether or not the Thrive index can accurately predict the chances of high quality of life after diagnosis and treatment. The empirical aspect of the paper will be outlined very clearly so that it can be easily followed by the common practitioner. The practical application of the results on the financial research will be discussed in detail. The final results will provide a foundation for further research on specific types of maladies and treatments, enabling researchers to estimate the cost impact while taking into consideration the quality and quantity of life as a result of that treatment.

Is Lack of Business Skills a Reason for Black Business Failure? An African Perspective

Michael Cant, University of South Africa

The need for small business development and in particular the growth and development of small and medium black entrepreneurs has become extremely important and relevant over the past few years. With a world economy sliding into recession and major woes for the Euro zone and many so called developed countries, the dependence of African business on the rest of the world need to be reduced. This can only be achieved by means of economic growth and sustainability in business development. In this study the focus falls on the need of training for small businesses in Africa and more specifically in Southern Africa, as a ways and means of alleviating poverty and creating jobs – and being sustainable over the long run. In order to achieve this the problems they face need to be identified and addressed. In this study the focus falls on the black entrepreneur in Southern Africa and highlights the business skills and training needs of these entrepreneurs. The composition of the south African market is such that more than 80% of the population is black, but just over than half the small businesses are managed by black entrepreneurs.

The main objective of this study is to analyze the relationship between problems experienced by African entrepreneurs and their business skills. A quantitative study was conducted in the form of personal interviews conducted with small businesses in South Africa. Findings confirm that there is a relationship between problems experienced by African entrepreneurs (dependent variables) and their business skills (independent variable).

The main recommendations based on the findings of the research is that training for these businesses should focus on , amongst others the financial components of the business, cash flow management, marketing strategy, target market selection, establishment, how to attract customers, how to identify customers' needs and setting prices of products. Training should be practical; less formal and classroom-based, and should include follow-up practical courses. African entrepreneurs would then be more equipped to make better-informed marketing decisions and to steer their business away from known pitfalls.

Interactive Business: Risk, Reward and Reality

Timothy Scales, Indiana University East

From 2005 to current, an innovative “Interactive Business” series of more than 200 interviews has been produced by IU East faculty member Tim Scales and the IU East Students in Free Enterprise (SIFE) chapter. Focused on a wide range of family and small business entrepreneurs in the USA and India, this series identifies the stories, opportunities, challenges and successes of entrepreneurs and small business leaders around the world. The series has been analyzed to identify themes which are common across national boundaries, and identify key value and skill sets for small to medium-sized company leaders. These businesses range from sky-diving to candy-making to retail furniture sales and beyond.

Through a qualitative analysis, this paper analyzes the following dimensions: planning, business development, risk-taking, family dynamics, succession planning, marketing, innovation and management. The experiences, as identified in more than two hundred interviews, are used to identify experiences common to successful and unsuccessful entrepreneurs. Finally, based on the data, the authors identify how educational, small business development and economic assistance organizations can assist in the succession of small business and entrepreneurship.

The paper also addresses the methodology and approach used to generate these interviews. The method in itself was a unique collaboration between faculty, students and local businesses. The interviews have been widely reviewed and identified as the source of new business for the parties involved, and have played a significant learning role for the students, educators, business leaders and our community. The possibility of utilizing this technique as an alternative to traditional business case development is discussed.

Bullying in the Workplace and Ethical Leadership

Mike Onorato, Old Westbury State University of New York

The purpose of this article is to explore educational school leaders, and the need for transformational leadership style within the educational sector. With society's focus on the present day school reform movement, there is significant emphasis on teacher and leadership performance. With the addition of charter school choice and new local laws, fueled by the federal government's race to the top incentive model, educational leaders are now faced with leadership mandates that will demand enhanced performance of their schools. In addition, recent focus on teacher and school leader evaluations have fueled the public's demand to transform educational school leadership from a status quo paradigm to a leadership framework similar to corporate leaders who must sustain performance while competing in a market driven industries. This discussion also assesses industry leaders and CEOs who practice transformational leadership and lead their respective companies to meet market and shareholder demands. A discussion of transformational leadership style to support the strategic changes within the educational sector is presented with a sample of principals who employ the transformational leadership style.

Workplace Qualities: Views of College of Business Deans

Donald E. English, Texas A&M University-Commerce
Edgar Manton, Texas A&M University-Commerce
Erica Yu Pan, Texas A&M University-Commerce
Stephania Schirru, Texas A&M University-Commerce
Devalina Bhowmik, Texas A&M University-Commerce

The literature has been abundant in recent years concerning qualities needed by college graduates for employment. What qualities are important for college of business graduates? Do business students know what qualities are important? Are we teaching these skills and competencies in our business programs that are required for employment? The problem of this study was to determine the views of college of business deans concerning needed skills and competencies for initial employment. A questionnaire was developed and mailed to college of business deans of AACSB accredited colleges of business. The questionnaire contained 26 different qualities that deans were asked to evaluate. Deans were asked to evaluate each of the qualities as “extremely essential,” “highly essential,” “essential,” “not essential,” or “undecided.”

Reengineering Business Education

Carlos Ferran, Governors State University

Business Higher Education is primarily taught by DBA/PhDs and a few professionally qualified individuals neither of which have formal course work in education. Business courses are primarily lectures or class discussions lead by these topic experts. Online education leverages advances in information technology and allows distant students similar benefits to face-to-face students. However, online students suffer from diminished social presence while having more flexibility and increased participation. The ideal that online education pursues is to be as good as face-to-face education. But the current status of face-to-face business education is poor and it is time to leave behind the incremental improvements and apply Hammer and Champy's principles to reengineer the entire process.

Reengineering the higher education process requires changes in the current business models. Currently, individual faculty develops and delivers the course. They are generally not paid to develop (much less to update) courses. That work is an individual investment that pays back when delivering the course multiple times. The reengineered educational process require those courses to be developed not just by the subject matter expert but by a team that includes the faculty member, an instructional design expert, and at least one programmer. The new courses will not push the knowledge by lecturing to students but by engaging them in enjoyable immersive simulations (or games) that provide context and real-life experience while teaching just-in-time knowledge and skills as pulled by the student when needed.

Developing this reengineered business education requires large investments from educational institutions and will encounter resistance from instructors who will find that as the technology changes the industry; their job will change or even disappear. These innovations are currently coming from corporations and for-profit institutions instead of traditional universities given the need for funding and fast change.

Motivating Students to Read the Textbook by Using an Active Learning-Based Test-Retest Process

Paul Solomon, Central Connecticut State University

Today, many college professors are painfully aware that a significant number of their students do not do the assigned textbook reading. In response, some professors have added reading quizzes to motivate their students to read the textbook and be prepared for class. Using reading quizzes, however, is no guarantee of success, especially when the quizzes don't include an active learning component and don't account for a sufficient percentage of the course grade. Most promising, however, are the significant learning gains recorded when the unique reading quiz process described in this paper has been used. This process involves administering a reading quiz to individual students (the test) followed by an often animated dialogue in four-member student teams about the correct answers (active learning) followed by the team's answers to the reading quiz questions (retest). The most important elements of this process are the development of a reading quiz that captures essential chapter concepts and terms, the attention devoted to balancing student abilities in each team, and the effect of peer pressure that nearly always results in a higher team score than the average score of the individual team members. The process described in this presentation is flexible, i.e., it can be used both by professors who expect their students to read the textbook before they discuss content and by professors who introduce the chapter material in class and then assign the related reading. The use of this active learning-based test-retest process should be of interest to those faculty who want to use more active learning in their classroom, motivate their students to read their textbook assignments, and foster greater student learning.

Analysis of Risk Premiums and Risk-Adjusted Excess Returns of the Best Companies to Work for in the United States

Vichet Sum, University of Maryland - Eastern Shore

The current study provides empirical evidence from the capital market that companies operating and competing in the knowledge-based and information-driven economy should be able to enjoy superior benefits and performance by making themselves as the best companies to work for. The problem of the study is to analyze stock risk premiums and risk adjusted returns on a portfolio of firms ranked consecutively as the best companies to work for in the United States from 1998 to 2011. The results show that an equal-weighted portfolio of the best companies to work for exhibits positive average risk premiums and average risk-adjusted excess returns majority of the times. The implication of this study is that it is important for firms to take care of their people by making their companies the best places to work for and it will pay off as evidenced from the capital market. And it is possible to construct a portfolio to earn positive risk premiums and risk-adjusted excess returns majority of the times.

An Empirical Examination of Idiosyncratic Risk in the Context of Real Estate Investment Trusts

Benjamin A. Abugri, Southern Connecticut State University
Sandip Dutta, Southern Connecticut State University

In this study we examine the idiosyncratic risk of Real Estate Investment Trusts (REITs). Using individual REIT returns, we estimate the idiosyncratic risk (or REIT firm specific risk) from a relatively new multifactor REIT returns model. We also examine the relationship between idiosyncratic risk and REIT returns. Finally, we also examine whether the idiosyncratic risk of REIT firms increased in recent times, particularly when the U.S. economy was deep in the middle of the credit crisis.

Interest Rate Risk and Banks' Stock Returns: A Case from Pakistan

Muhammad Nauman Khan, University of Southampton, UK
Fatima Nauman Khan, Allama Iqbal Open University, Pakistan
Imran Halim, Institute of Management Sciences, Pakistan

Banks' stock returns are mostly found to be affected by interest rate. Research has shown that income or profitability of commercial banks is dependent on interest rate. This is because most of the income comes from interest revenue. Thus commercial banks are exposed heavily to interest rate risk. This paper is about the relationship of Pakistani banks' stock returns and interest rate fluctuation. The paper finds the relationship between stock returns of Pakistan's banking sector and interest rate. The impact of short and long-term interest rate is found on Pakistan's commercial banks' stock returns.

The statistical tools used for the purpose are: two factor model, correlation and regression. Holding Period Return model is used to measure the return over the period for five big Pakistani banks selected for the study. Four interest rate indices are used for the purpose: short term Karachi Inter Bank Offer Rate (KIBOR), long term KIBOR rate, T-bill rate, and long term Pakistan Investment Bond (PIB) rate. Monthly data has been taken for two years i.e. the period from January 2006 to December 2007.

Results show that banks' common stock returns have positive relationship with Karachi Stock Exchange (KSE) index returns. As claimed by Stone (1974), incorporating an index for the returns explain the return of banks' stocks more. 12-months T-bill show significant negative relationship. The other two indices i.e. 6-months T-bill and 3-months T-bill show significant positive relationship. Thus banks' profitability increases when the interest rate has a short term period. The responsiveness between PIB rates and banks' stock returns decrease as the maturity level of PIB decreases. The variation in PIB rate explains a significant variation in banks' stock returns. The responsiveness of banks' stock returns are high to short term KIBOR rate as compared to that of short and long term actual interest rate. The variation in short term KIBOR rate explains a significant variation in banks' stock returns. For long term KIBOR, only 2-year KIBOR index showed significant negative relationship to banks' stock returns.

A Study of Technical and Allocative Efficiency of Indian Banks: A Deterministic, Non Parametric Frontier Based Approach

Piyush Kumar Singh, Indian Institute of Management Indore, India

Intense competition, varying sectoral reforms, instability in banking environment and the importance of banks in economic growth have made it an imperative to assess the efficiency of the banking sector in India. This study is an attempt to conduct a comparative analysis of the technical and allocative efficiency (cost and profit efficiencies) of Indian banks during 2007-2011. This period is characterized by far reaching experience of sub-prime crisis (2008-2009), which makes it an important context to study the after effect of the crisis on Indian banking sector. The impact of financial melt down, issues of the stability and limitation of financial institutions to deal with it emerged as challenging problems for the policy makers. The crisis was considered as a regulatory failure, as the banks lost a significant amount of their valuation. Given this scenario, a review of extant literature on banking efficiency reveals that the traditional ratio based performance system is not able to address different issues related to scope of activities of modern banking viz: resource allocation, optimal strategy selection, inefficiencies associated with cost and revenue side of banking operations (Sherman & Gold, 1985; Toevs & Zizka, 1994). There exists a lacuna on part of the conventional performance management system employed by banks as it is unable to measure and improve technical, allocative inefficiencies in their operations. This study uses Data Envelopment Analysis (DEA), a non parametric, mathematical programming technique to estimate technical, cost and profit efficiency of the Indian banks. This proposal suggests that DEA can be a suitable tool for operational efficiency measurement of Indian banks, as it investigates the contribution of various input and output variables to evaluate the operational efficiency. This study explains the technical, cost and profit efficiencies of Indian banks during the crisis period and recommends a conceptual framework for Indian banks to improve their technical cost and profit efficiencies.

Impact of Financial Development on Countries' Global Portfolio Weights

Ravagsida Dorcas Compaore, University of New Orleans

The recent trend of liberalization and opening of borders barriers have brought a change in the global portfolio weights. Investors from developing and developed countries can hold more diversified portfolio leading to a change in their portfolio weights. The United States securities are held by diverse countries due to their trade relation. However, difference between the weight of US security hold by a country and the weight of the US security hold in the global market exists and can be explained by the cost of investing in the US relative to investing elsewhere. Some countries tend to overweight or underweight US securities in their portfolio. Given that a country cost of investment is determined by its financial market development, this paper examines first, the causality between diverse countries' holding of the US securities and their financial development and second, whether financial development can explain the narrowing of the difference between the US weight in the global market capitalization and the US weight in developed and developing countries. My study contributes to research by putting in evidence the effect of financial market development on capital account flows to the US. This paper also reveals the importance level of the US on the different countries' economy.

Competencies and the Changing World of Work: The Need to Add Cultural Adaptability and Cultural Intelligence to the Mix

Romney Ruder, Pepperdine University

This paper is a literary review of the needed competencies in the workplace of today as well as in the workplace of tomorrow. Changes in technology and demographics have adjusted the way organizations view workplace competency. In order for any organization to be effective moving forward, workplaces are going to need to look at cultural adaptability and cultural intelligence as needed competencies within their workforce.

Second Chance Coaching: A Process of Talent Management to Resolve Unethical Conduct of First Entry Employees Identified As High-Potential Managers

Lee E. Meadows, Walsh College

This business research article is the result of qualitative interviews conducted to determine the impact of 'Second Chance' Coaching on a group of individuals who had committed an unethical act within their sales representative roles. The research group consisted of 30 individuals for whom the organization had identified as 'High – Potentials' for future manager roles. All of those interviewed had experienced the same 2 - day orientation program, been trained on the same Ethics program and placed in identical job titles of 'Sales Representative'. All those interviewed were confronted and disciplined for an ethics violation. A 'Second Chance' Coaching was developed as part of the disciplinary process and used as a process for reflection upon the act and focus for moving forward. As a result of the 'Second Chance' intervention, 19 retained their positions with the organization and 11 pursued other options.

The purpose of this paper is to provide an overview of the 'Second Chance' Coaching intervention, discuss the impact of the model, followed by conclusions and recommendations for future research.

Lean Management Principles in the Medical Office: An Efficiency Case Study of Patient Flow in Single-Specialty Medical Clinics

Emily N. Endres, Trinity University
Rita D. Kosnik, Trinity University

Amidst the intensifying debate over health care reform in the United States, quality and costs of medical care have become focal points in the health care industry. Many economists advance the premise that the growing health care costs place American companies at a competitive disadvantage in the global market. For decades, studies of efficiency and quality of health care have concentrated on medical care provided by hospitals or large multi-specialty medical groups. In contrast, single-specialty physician groups have emerged as the fastest growing segment of the health care market. Yet their management practices have remained less researched despite their prevalence; relatively little information is available on the costs and quality of care offered by single-specialty physician groups.

This paper reports the findings of an intensive case study of the workflow and patient flow in the clinics of a large single-specialty physician group based on principles of the Toyota Production System (TPS). The main premise of TPS is to improve the value of process delivery by eliminating inconsistencies (*mura*), overburden (*muri*), and waste (*muda*) both in resources, time and space. We developed an extensive database of qualitative and quantitative data on the flow of patients in the front and “back” offices of multiple medical clinics. Toyota’s lean management techniques of minimizing waste and value stream mapping were then used to create metrics and assess sources of inefficiencies at various stages in the process. Our conclusions and recommendations for improving the efficiency of patient flow and patient administration in the medical clinics of single-specialty physician groups integrate and contrast prevailing principles of efficiency management in health care administration and in operations management in general.

The Entrepreneur's Vision, Persistence, and Motivation in the Startup and Growth of New Ventures

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This paper examines the role of entrepreneurs' vision, persistence, and motivation in the startup and growth of new ventures. Specifically we examine entrepreneurs' vision, persistence, and motivation in starting and growing their business. The study is exploratory. Data was collected using semi-structured interviews as well as from secondary sources such as press reports and press releases. Entrepreneurs were selected for the study to create variety in age, gender, functional backgrounds, and other characteristics in the sample. Also considered were the business model, industry, and age of the entrepreneurs' business.

Establishing How Spaza Shop Owners Manage Information: An African Perspective

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Since about 2005, a growing class of micro-entrepreneur retailer has emerged into a major economic player within spaza markets. These entrepreneurs, characterised by „opportunity-motivated“ individuals (as described in Ligthelm 2005:2004). *Spaza* shops are some of the most popular forms of informal sector businesses in black townships, alongside *shebeens*, crèches, traditional medicine vendors, hairdressers, backyard mechanics, construction, crafts and apparel (Van Scheers, 2010; Bureau of Market Research- Unisa, 2004). They are defined as small retail enterprises, mainly operating from a residential stand or home (Ligthelm, 2002 & Van Scheers, 2010). *Spaza* is a popular township slang meaning dummy, copy, imitation, replica, quasi, makeshift or fake; referring to these trading outlets' very limited operational resemblance to grocery stores and supermarkets (TTO, 2002). The flow and interpretation of the relevant business information among and within *spaza* shops and the subsequent actions, viewed as determining factors of success and failure, will be the key analysis points. The research followed a quantitative analysis of the research question, and enabled to manage information to prevent business failure in the Soweto area.

The aim of this research is to establish how *spaza* shop owners manage information. The conducted research established that information management of spaza owners are below the normal business standards. The research also indicated that information management, managerial skills and access to finance are the biggest hindrances to growing and managing their businesses better. Unfortunately, the basic structural information that smaller entities like spaza shops struggle with together with lack of resources hinder their information management. The conducted research recommends that tailor made business management workshops on information management should be designed, and appoint appropriate and accountable organisations with specific outcome targets

The Tangled Web of Behavioral Targeting Legislation: Will It Help or Hurt Consumers?

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Susan O'Sullivan-Gavin, Rider University
Héctor R. Lozada, Seton Hall University

The internet has made distance and cultural differences disappear in a click. Deep Packet Inspection, (DPI), is a technology used by service providers and governments in a wide range of applications including behavioral targeting. Behavioral targeting is a strategy to effectively disseminate timely advertisements to the right person at the right time. DPI enables advanced security functions as well as internet data mining, eavesdropping, and censorship. This is also done with cookies, which are text files that are sent to the web browser from the web server that is hosting the web pages being queried. The fact that cookies can identify the user/web browser combination is critical to the discussion about behavioral targeting because the behavioral targeting process installs additional cookies specifically to track what web pages have been viewed. Behavioral marketers can use this information to make timely ads which are specific to the needs of individual consumers without the consumers ever knowing it.

What makes this problematic is that while it is a great tool to target market for companies and businesses, it also raises the questions of privacy. The personal details that are gathered are very accurate as it provides name, address, websites visited and purchases made. This information can be used for identity theft. But it is a very inexpensive way for marketers to target market effectively and know that their ads are appropriate and are being seen/processed by the target markets that they seek.

What's even worse is now that companies can provide marketers information on website visitations simply based on entering a common login ID name. Most people use the same login ID name so they will not have to remember so many different login names and different passwords for different sites they visit. Marketers can now get the site visitations of consumers simply by tracing their common login ID name and target market that way by developing ads that tie the commonalities of those site characteristics to the consumers.

Who is protecting the consumer from these surreptitious invasions of privacy? What are the legislatures doing statewide? Is there going to be a Federal law against this kind of invasion of privacy? Will it be enforceable state by state? Will any legislation be enforceable by or compliant with foreign countries' company rules? These are serious issues that can affect marketers' strategies. But more important is the effect on public policy for consumers. Right now, there are several pieces of legislation going through Congress to stop this kind of behavioral targeting without consumers' knowledge. This paper will attempt to weed through the privacy issues and in particular, look at what any piece of legislation could mean for online marketers and consumers' protection rights of privacy when it comes to the issue of behavioral targeting.

Corporate Board Composition and Corporate Social Responsibility in the Post Sarbanes-Oxley Act Era

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Umesh Kumar, State University of New York at Canton

This research examines the impact of corporate board composition on socially responsible behaviors of Fortune 500 firms in the pre- and post- Sarbanes Oxley (SOX) Act era. We use Lexis-Nexus to identify Fortune 500 firms previously convicted of illegal corporate behavior through the years 1991-2002. Our research suggests that a firm's socially responsible behavior is negatively affected by board size. However, the composition of board membership does not appear to be significantly related to a firm's corporate socially responsible behavior. Convicted firms with large boards were found to have lower levels of socially responsible behavior. Further, we analyze the relationship between board size and sustainability and find no significant relationship between them. However, in the post-SOX period boards are more active in pursuing sustainable activities for the firms.

The Regulation of Foreign Corrupt Practices Act and Investors Response

Brian K. Harte, State University of New York at Canton

Umesh Kumar, State University of New York at Canton

Foreign Corrupt Practices Act 1977 (FCPA) has clearly become a top enforcement priority for U.S. regulators recently. The anti-bribery provisions of the FCPA make it unlawful for a U.S. person to make a corrupt payment to a foreign official for the purpose of obtaining or retaining business for or with, or directing business to, any person. The FCPA also requires issuers of securities to meet its accounting standards. These accounting standards, which were designed to operate in tandem with the anti-bribery provisions of the FCPA, require corporations covered by the provisions to maintain books and records that accurately and fairly reflect the transactions of the corporation and to design an adequate system of internal accounting controls. This research examines corporate behavior of convicted firms during 2006-2011 and the investors' response. Moreover, it analyzes the impact of firm conviction under the FCPA Act on corporate behavior and investors' response. That is, to determine its ability to find a relationship between institutional holdings, economic value added, and price sales ratios to CSR in firms convicted during years 2006 - 2011. This relationship will also analyze aggregate firm data at the industry level. It is hypothesized that firms with high penalties will show a higher degree of negative investor response. Further, it is expected that a negative relationship will exist between seriousness of firm violation committed and institutional investors. It is also hypothesized that high level institutional holdings will moderate the relationship between seriousness of firm violation committed and investor response. Thus, the results should support the premise that firms with higher institutional holdings will garner more investor confidence. Initial findings suggest a link between corporate behavior and investor response. The results indicate that there is a difference in industry behavior with respect to seriousness of penalty imposed and investor response. With respect to institutional holdings, the initial results indicate a negative relationship between high levels of institutional holdings and penalties.

Society's Need for the Capitalism with Conscience

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The capitalist economic system has existed for over 200 years and has produced some of the highest standard of living in the world. To stay effective, the initial model of the pure capitalistic system has been modified through the years to match the changes in the environment and to serve the need of the business and society. Recent economic crisis, however, has resulted in a decline of consumers' and investors' confidence and a slowdown in the global market. The main focus on the profit maximizations of the businesses has been blamed for most of the misconducts in the market. Therefore, an alternative version of the pure capitalistic system has emerged to utilize the positive aspects of the capitalistic system with emphasis on 'value maximization' of stakeholders, rather than only emphasizing 'profit maximization' for stockholders. This paper argues that the capitalistic system has to be modified to become suitable with the environment of the 21st century. The alternative approach of 'conscious capitalism' and stakeholders' approach are discussed. While this paper believes on effectiveness of the capitalistic system, much of the paper discusses the rationale for improvement of the existing market system and need for capitalism with conscience. A central goal of this paper is to give an overall understanding of the culture of capitalism in today's market system and the need for alternatives to the existing profit maximization approach.

Mutual Fund Economies of Scale: A Longitudinal Study, 1993-2011

David Latzko, Penn State York

Since some mutual fund expenses are fixed costs, asset growth may reduce the ratio of fund expenses to average net assets. I utilize a panel data set containing 33,404 observations on 2,610 funds to evaluate the existence and extent of economies of scale in mutual fund administration. The mean elasticity of fund costs with respect to assets is less than one, implying the existence of economies of scale. Average costs diminish over the full range of fund assets; however, the really rapid decrease in average costs is exhausted by about \$1 billion in fund assets.

The Response of the Philippines' Gross National Income to the Economic Shocks Associated with the Global Financial Crisis: A Vector Auto-Regression Analysis

Cynthia P. Cudia, De La Salle University-Manila
John David C. Castillo, De La Salle University-Manila

The Philippines has been positioning itself as a country that is heavily dependent on the global economy by acquiring remittances from overseas Filipino workers and expanding its market for export products especially to developed countries such as the United States, which made the Philippine economy vulnerable to changes in global trends. With the 2008 Global Financial Crisis (GFC), the economic turmoil of the United States translated into an economic slowdown for most countries, including the Philippines. Employing vector auto-regression analysis, the study empirically assesses the effect on the Philippines' Gross National Income (GNI) with respect to the changes on Philippine exports, Philippine currency movement in terms of exchange rate from Philippine Peso (PHP) to US Dollar (USD), US Gross Domestic Product (GDP), and US imports. Moreover, the study analyzes the economic condition of the Philippines given the shocks associated with the financial crisis. Thus, policy implications are derived to improve the overall economic performance of the Philippines and to ensure its economic stability in the long run.

Off the Hook: Does the Supreme Court's Scheme Liability Ruling Benefit Firms in Litigation Prone Industries?

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Menghistu Sallehu, Eastern Illinois University

The US Supreme Court ruled in 2008 that third parties cannot be held liable for participating in corporate fraud unless investors can prove that they specifically relied on those third parties when making investment decisions. While targets (or potential targets) of such liabilities welcome the ruling, critics express concern that it may protect fraudulent business activities and leave investors without recourse. We examine the stock price and bid-ask spread effects of the ruling on litigation prone industries (biotech, computer, electronics, and retail) taking into account firms' propensity to commit fraud (F_Score). Based on a sample of 1,057 firms in those industries, we find that the ruling is associated with significant increase in stock price, suggesting that investors viewed the ruling as beneficial. However, we also find that the ruling is viewed generally *less beneficial* for firms likely to misstate their financial statements (higher F_Scores). Our analyses of change in bid-ask spread show that firms in litigious industries experienced significant increase in bid-ask spread after the ruling. These increases are concentrated in firms with higher F_Score. Firms with lower F_Scores show no significant increase in bid-ask spread. Collectively, our evidence implies that shareholders generally view the ruling as beneficial, although they are apprehensive in instances where the likelihood of misstatement by the firm (F_Score) is higher. The evidence also implies that the ruling lead to increase in information asymmetry particularly for firms with higher F_Scores.

An Accounting Soothsayer from the Early 1950s: ‘Could He Accurately Predict the Future of Accounting?’

Jeff Ritter, Rowan University
George Romeo, Rowan University
Larissa Kyj, Rowan University

This paper focuses upon the academic article “Accountancy: Circa 2000 A.D.” by C. Aubrey Smith, published in 1953 by the *Accounting Review*. This article articulated the author’s predications for the accounting profession in the year 2000 and detailed several advancements that he believed would occur between the period of 1950 and 2000. His predictions for accounting focused on three main aspects of the profession: professional accounting certifications, auditing standards, and professional education. This paper analyzes the accuracy of his predictions.

First, Smith envisioned an evolution of accounting certifications that ultimately would define individuals within the profession, a prediction that has definitely come to pass. He also foresaw the establishment of the “Certified Management Accountant” certification, although he thought it would be called “Chartered” rather than “Certified.” Second, he believed that in the year 2000 auditing standards would be strictly enforced, and any deviation would result in “prompt discipline of the defender” through stern action. In the 1950s, deviation was countered usually by “mild reprimand.” The Sarbanes Oxley Act of 2002 changed the business environment by strictly enforcing a variety of auditing standards whose breach would result in stern action just as Smith predicted. Finally, in terms of accounting education, Smith predicted that universities would begin establishing separate schools of accountancy to improve the quality of accounting education. Even though years ago there was a big push for separate schools of accountancy, they did not become as widespread as Smith had predicted; however, the establishment of schools of accountancy did occur on a small scale. Ultimately, then, many of Smith’s predictions were fairly accurate when we view the year 2000 from an accounting perspective.

Is There a Relationship Between Sustainability Initiatives and a Company's Value?

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Sustainability and other environmental issues have resulted in an increased emphasis on the need to protect the environment and the consequent demands for environmentally friendly products and services. These forces have driven corporations to change their product designs, re-brand their image and institute other changes. Many of these changes have been done by corporations under the guise of achieving higher ethical standards when in reality these initiatives may have been undertaken primarily for financial gain. We examine how public awareness of sustainability and human rights issues has modified corporate behavior. Furthermore, we identify the impact that this changed behavior has had on financial results as well as on reporting and strategic practices of corporations. We highlight positive and negative incentives for sustainability initiatives and demonstrate their impact on the behavior modification of corporations. We also examine reporting models used by corporations and analyze their impact on consumers and other users. Throughout the paper, several real-life case studies are used for illustrative purposes.

Uses and Misuses of the Statement of Cash Flows

Marilyn E. Vito, Richard Stockton College of NJ

As confidence in earnings reports waned in the aftermath of Enron and other accounting travesties, investors focused greater reliance on the statement of cash flows. This paper examines the statement of cash flows and its relationship to non-financial information reported by public issuers. It further investigates public issuers with IPOs or restated financial statements in the past five years to examine anomalies indicative of earnings manipulations. The cash flows are examined for tell tale signs that accrual and cash basis reporting differ in their results for the years following IPOs or in years with restated financial statements.

Bunts Lead to Scoring Runs When Localizing the Rural Economy

Peter Hackbert, Berea College

The purpose of this paper is to examine one Appalachian communities approach to developing a rural economic development strategy for creating jobs through new and expanded businesses in the context of the current recessionary times. The community economic development actions taken by small towns in Appalachia to provide economic opportunities initiating local solutions to local problems and thus improve social, civic and environmental conditions is a sustainable and self-resilient way with a focus on entrepreneurial development is reviewed. This paper highlights a shifting economic development paradigm in rural America, the potential of one homegrown approach to revitalization by providing the framework for entrepreneurial development. Methods for executing a community visioning process that lead to the identification of thirteen strategies for strengthening local rural businesses and a final six strategies that would be particularly relevant to grassroots actions is presented.

Rural communities have been hard hit by the 2008 economic recession and communities that have approached economic development by looking inward to community strengths and existing resources are often faring better. Rural communities that attempt to incentivize companies to relocate by promising low wages, enterprise zone credits, tax abatements and incentives can no longer compete in a global economy. Scholars (Lambe, 2008; Drabenstott & Moore, 2009; Morgan, Lambe, & Freyer, 2011;) and rural local economic development writers (Shuman, 2012, Cortese, 2011, Moltz & McCray, 2012) advance strategies for homegrown prosperity. These sustainable and self-resilient strategies include 1) Place-based development incorporates strategies that capitalize on the distinctive and special characteristics of a particular place and its assets, such as its natural resources, cultural heritage, or other amenities, 2) Creativity and talent cultivation involves fostering an environment that supports individuals and firms who use art or design in their products and service and 3) Economic gardening relies on “growing your own” by cultivating local entrepreneurs and small firms and creating an environment that supports their growth.

The research is a case-based model to community economic development employing mixed methods approach using both quantitative and qualitative analysis. Quantitative indicators measure leakages in the local economy and opportunities for substituting through new or expanded local businesses that meet local demand. A qualitative review included the identification of local strengths, weaknesses, opportunities and threats. Key people in the community, including policymakers, businesspeople, economics developers, business support agents and undergraduate college students in an entrepreneurial leadership program are instrumental in executing the community visioning process.

An Analysis of Sales Representative Use of Smart Phones in Today's Sales Environment

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Smart phone technology has changed the way most Americans now conduct even the simplest of day to day tasks. Activities ranging from checking the weather, to making a reservation at a restaurant, to communicating with friends have all changed drastically over the last decade due to the emergence of smart phones and smart phone technology. These changes that we see in day to day life have, in many ways, begun to change the way that salespeople communicate with the clients and cold call potential new clients. In many ways, the decades long traditional view of “sales” and “selling” has now begun a paradigm shift. Sales force and the use of technology has been investigated thoroughly over the past decade of academic marketing and sales research. Academicians have looked at technology in sales in a wide variety of topics to include impact on new products (Hultink and Atuahene-Gima 2003), consequences from adopting technology (Rapp, Agriwali and Forbes 2008) and sales force software tools (Erffmeyer and Johson 2001). The purpose of this research is to continue the analysis of technology and the sales representative by looking at specific ways in which smart phone technology has changed the way a sales person sells. Using a sample of qualitative responses taken from a series of interviews with sales representatives, this research identifies five growing trends within the sales field with regard to the use of smart phone technology and its impact on customer-sales representative interaction. This research will present trends found within our qualitative research, avenues for future quantitative empirical research, and potential future research directions.

Myopic Cost Control

Scott A. Jeffrey, Monmouth University
Michaeline Skiba, Monmouth University

When economic downturns come corporate executives often begin belt-tightening behaviors, using behaviors such as layoffs and cost-cutting campaigns. Some of the first items on the chopping block tend to be training and incentive plans. This paper outlines why this behavior is myopic and will lead to bad organizational outcomes once the economy inevitably improves. Training and development along with reward and recognition programs are ways that firms communicate to employees that they are valued. This in turn leads to affective organizational commitment in employees. This type of commitment has long term returns such as reduced turnover, lower levels of absenteeism, less deviant behavior, and more organizational citizenship behaviors.

U.S. Multinational Corporations in Countries with Low Corruption Perception Index

Andrew I. Nwanne, Indiana Institute of Technology

Multinational corporations (MNCs), also referred to as multinational enterprises (MNEs) manage production or deliver services in many countries. A significant number of major U.S. corporations are multinational corporations. These corporations are required to comply with applicable U.S. laws and those of their host countries; however, the business environments differ from country to country as well as standards, practices, laws, ethics, culture and system of government. As a result, U.S. multinationals face various dilemmas and challenges in the global business environment as they strive to increase productivity, revenues, and profitability.

The purpose of this study is to analyze the operations of selected U.S. MNCs in countries with low corruption perception index (CPI). The corruption perception index is a ranking of countries by Transparency International according to their perceived levels of public sector corruption. Countries with low CPI have a high level of public sector corruption and those with high CPI have a low level of public sector corruption. On a scale of 1-10 (with 1 representing the lowest and 10 the highest CPI index), the 2011 ranking of 183 countries placed New Zealand #1 with the score of 9.5; Denmark , #2 (9.4); U.S.A, #24 (7.1); and North Korea and Somalia ranked #182 (1.0).

The study will also examine the impact of the Foreign Corrupt Practices Act (FCPA) on the conduct of U.S. MNCs in their host countries. The findings from this study will serve as the basis for developing effective strategies and best practices for MNCs in operating in countries with low CPI.

A Resource Dependence Perspective of Emerging Market Multinationals

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Ben Kedia, University of Memphis

Jack Clampit, University of Memphis

Using Resource Dependence Theory as a lens, we explore current explanations of how and why Emerging Market Multinationals seek to compete internationally through Foreign Direct Investment. We find that all three dominant explanations and much of the ongoing literature either explicitly or implicitly highlight the importance of a firm's ability to acquire and maintain resources to its own survival and ability to compete as latecomers on a global stage. Through our conceptual model we show that whether EMNEs seek to exploit existing resources, seek to augment their resource base, or pursue a combination of both is reflected by their generic internationalization strategy. This generic strategy is also reflective of the firm's strategic focus, as well as predictive of its entry mode and resulting resource dependence.

Others' Awareness in Supervisor Perceptions of LMX: An Examination of the Degree of Congruence Between Supervisors' Perceptions of Subordinate LMX and Subordinates' Perceptions of LMX

Mark Kunze, Virginia State University
James Phillips, Virginia State University

A number of studies have investigated the lack of congruence between supervisor-rated LMX and subordinate-rated LMX, but none have examined the possibility that supervisors are actually aware of the way that their subordinates perceive the relationship. In this study, the LMX-MDM was administered to supervisor-subordinate dyads with wording modifications for the supervisory instrument. Additionally a variant of the subordinate LMX-MDM was administered to supervisors who were instructed to complete the scale as their subordinate would with them in mind. A confirmatory factor analysis indicated that all scales preserved the assessment of the four dimensions for which the scale was created. Results of structural equation modeling demonstrated that "affect" is the dimension of LMX of which supervisors are able to somewhat accurately rate in their subordinates. Furthermore, the supervisors' perceptions of employee affect influences their ratings of the other LMX dimensions from the employees' perspectives. Thus, it does not appear that supervisors are truly aware of the manner in which employees perceive their relationship.

Consumer Financial Protection Bureau: How Does This New Financial Services' Regulator Differ from the Other Regulators?

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Established by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 ("Dodd-Frank" Act), the Consumer Financial Protection Bureau began its life in earnest as a financial services' regulator in January 2012, when President Obama appointed Rich Cordray to be the first Director of the CFPB. Prior to the creation of the CFPB in 2010, no new national financial services' regulator had been created since 1989, when the Office of Thrift Supervision was established.

This study ultimately ask: *Is there a need for another financial services regulator?* To address this primary question, we explore if and how the mandate; powers; and, organizational structure of the Consumer Financial Protection Bureau differ from that of previously existing financial services' regulators (e.g. the Federal Reserve; the FDIC, OCC, etc.).

Our study clearly reveals that while the CFPB does not differ dramatically from other financial services' regulators in its powers, it does differ in both its mandate and organizational structure.

How Macroeconomic Variables Affect the Puerto Rico's Stock Index

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The effects of macroeconomic variables of Puerto Rico and the United States in the Puerto Rico Stock Index (PRSI) were investigated using a Vector Error Correction model for the period between January 1996 and June 2010. The research was also conducted to determine if there was a long-run equilibrium relationship among the variables under study and whether the PRSI would react to shocks received from macroeconomic variables. The analysis led to the finding that there is a positive and significant relationship between Puerto Rico's Economic Activity Index and the PRSI, while crude oil prices showed a negative and significant relation with the Index.

The relationship between the crude oil prices and a market indicator was similar to Büyüşalvarci (2010). The VEC model also showed that variables like inflation rate (measured by the Consumer Price Index) and T-bills rates did not present a direct relationship with the PRSI; this finding was similar to Jefferis and Okeohalam (2000). In contrast to Alameda's findings (1999), the model used for this research did not present any relationship between the PRSI and S&P500.

The impulse response analysis was employed to determine the type of relationship between all variables and the PRSI. Based on this analysis, we concluded that increases in the Economic Activity Index, the amount of private construction permits, and exports increased the Puerto Rico Stock Index, while increases in levels of inflation (both in Puerto Rico and the United States), the amount of bankruptcies, and crude oil prices decreased the PRSI. This investigation aims to present to future foreign and local investors a tool to evaluate and forecast what impact, if any, economic changes have in the value of the PRSI and the price of its stocks. This study may also serve as forerunner of future research on Puerto Rico as a viable investment market—a basis for persuading local companies to publicly trade their stock in an open market. It would give companies an opportunity to increase capital, which could potentially be invested in new lines of business; in addition, it would help counteract the effect of the economic crisis that started in 2008.

Herding Behavior in the DJIA 2004-2009: An Application of the Bass Model

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Herding behavior in the stock market reveals a phenomenon quite similar to that described by the well known Bass Model which is used in the field of marketing to explain the diffusion of demand. This paper explores whether the Bass Model, which has accurately predicted the diffusion of new technology into the consumer product market, will be as accurate in predicting herding behavior in the financial market. The methodology employed in the Bass Model is used to measure the rate of “imitation” in the stock market or the degree to which investors follow the decisions of others. Our sample includes data for all companies listed in the Dow Jones index in the U.S. stock market. We analyze daily data for the period 2004 to 2009, which encompasses both a period of growth and decline. The results indicate that herding behavior has grown significantly during this time period and has important implications with respect to investment strategies.

The Impact of Human Capital on Executive Compensation and Firm Performance

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More emphasis is put on human capital nowadays and firms are no longer defined only through their physical assets. As the human capital becomes more important, the employees require to be compensated more and firms need to adopt their compensation contracts to this change in order to survive. The findings suggest that compensation contracts in human capital intensive firms differ significantly from those in asset intensive firms. Executives and managers at every level receive higher levels of compensation and they get more of their pay in the form of incentive based compensation in human capital intensive firms. Such difference remains significant at all levels of management, including CEOs, other chiefs, divisional managers, and other managers. However, the largest change belongs to CEO compensation contracts. Further evaluation reveals that the pay performance sensitivity weakens in human capital intensive firms.

Spin-Off Performance: Entrepreneurial Capabilities and Social Networks of the Founders in Creation Period

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This study examines spin-off performance from the perspective of resource-based view and social networks of the founders. This explores the roles of pre-established factors in the financial and operational performance of new ventures. Such factors comprise entrepreneurial capabilities and social networks of the entrepreneurs before the spin-offs were established. These capabilities are constituted by technology, organizational capability, human resource, strategy, and commercial capability. The social networks are analyzed in structure, governance, and content dimensions. Based on the data from 181 university spin-offs in Spain, the paper empirically demonstrates that the entrepreneurial capabilities positively influence the performance of the spin-offs. The social networks of the founders indirectly affect the spin-off performance through enhancing the entrepreneurial capabilities.

Portfolio Distortions among Institutional Investors - Evidence from China

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The behavior of institutional investors often deviates from established personal or social norms, which may reflect either an informational advantage or psychological bias. In this paper, we investigate the incentives of Chinese mutual funds holding lottery-type stocks, which are characterized by low average returns and high risk. We find that funds at the aggregate level do not exhibit a propensity to gamble, but when they do, they earn abnormal returns on lottery-type investments. Gambling-related outperformance is greater among held firms with characteristics which enable fund managers to obtain more informational advantages. Our results suggest that portfolio distortion is driven by the ability of managers to capitalize private information rather than by behavioral bias.

Are Personality Characteristics Behind the Link Between Procrastination and Academic Performance in Accounting?

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Harry Z. Davis, Yeshiva University
Ronald Neath, Yeshiva University

Many studies have found that procrastination is positively associated with lower academic performance, implying that reducing student procrastination can improve academic performance. However, procrastination has been linked to personality characteristics. Thus it is possible that certain personality types both procrastinate and perform poorly academically. The implication is that measures taken to reduce student procrastination may have no effect on academic performance. To test these two competing hypotheses, we test for the association between procrastination and academic performance in accounting while holding personality characteristics constant. We accomplish this by measuring each student individually. For each of 721 students in an MBA accounting course, we measure performance on nearly identical tasks, and then compare performance on procrastinated assignments with performance on assignments that were submitted early. Since all measurements are done for each student individually, personality characteristics are constant. Even after controlling for all personality measures, we find that task procrastination is associated with lower task performance. The implication for accounting educators is that measures taken to reduce student procrastination should lead to improved academic performance.

Value Relevance of Comprehensive Income Reporting: An Analysis of U.S. Public Companies Financial Statements for 2005 – 2010

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In June 2011 the Financial Accounting Standards Board (FASB) issued an accounting standards update which required all U.S. public companies to report comprehensive income, starting from December 15, 2011, in either a separate statement or a combined net and comprehensive income statement. The third alternative method of reporting, as part of the stockholders' equity section, was eliminated. The reason given by FASB for the change was that the users of financial statements wanted comprehensive income information reported more prominently in financial statements, implying that comprehensive income items provided value relevant information for the users. The purpose of this paper is to analyze the comprehensive income items reported by U.S. public companies for the periods from 2005 to 2010 to examine the reaction in the market, especially for those companies that have a wide divergence in the reporting of net income and comprehensive income for the same period. The results of our study will be useful to regulators to examine if more changes are necessary in the reporting of comprehensive income.

Is there a Favorable Cultural Profile for IFRS? An Analysis and Expansion of Gray's Hypotheses

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In 1988, S.J. Gray proposed a link between Geert Hofstede's popular national culture dimensions used in comparative management analysis and his own comparative concepts for accounting. (Hofstede, 1980) (Gray, 1988) In the past twenty-four years, Gray's article has been cited by over 650 scholars. His article constructed a hypothetical set of complex correspondences between Hofstede's original four dimensions of Power-distance, Individualism, Masculinity, and Uncertainty Avoidance and Gray's accounting values of Professionalism versus Statutory control, Uniformity versus Flexibility, Conservatism versus Optimism, and Secrecy versus Transparency. Gray's accounting dimensions were intended to capture underlying cultural values that would tend, in the absence of external influences or other factors, to incline a culture toward the development of certain types of accounting systems. The purpose of the present article is to identify which Gray values and which corresponding Hofstede cultural dimensions would be most conducive to the establishment of accounting standards like the International Financial Reporting Standards (IFRS) currently being adopted or converged with by nations throughout the world. A specific set or profile of Gray values most conducive to IFRS is identified and termed the *IFRS favorable profile*. In arriving at this profile, the paper also addresses two newer Hofstede cultural dimensions (Long-term orientation and Restraint versus Indulgence) and extends Gray's model by proposing how these two new Hofstede dimensions correspond with Gray's four accounting dimensions. At the end of the paper, the *IFRS favorable profile* as well as the expansion of Gray's link to Hofstede are discussed as practical applications to facilitating successful IFRS implementation for individual countries.

A Comparison of Executive Perceptions with Gen X and Gen Y Values in the Workplace

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Today's professionals, managers and executives are usually expected to make quick decisions based on their personal values or the core principles and values of their organization. When these values are clearly defined, properly understood and effectively communicated, they will be more likely to make quick and decisive decisions. This study provides a look at their values based on generational and gender differences. This research looked at 1,120 responses from working adults and found no significant differences in the value perceptions of executives and those who fall in the Generation X and Generation Y age groups. However, significant differences were found based on gender. In addition, similarities in values of the two generations were much higher than in previous studies. The traditional Gen X values of Accountability, Closure, Integrity, and being Courageous along with the Gen Y values of Respect and being Quality Minded were the highest ranked. The lowest ratings were given to Likeability, Assertiveness, Green Orientation, Spirituality and being Results-orientated. Analysis, discussions, limitations and implications are presented

Small Businesses Ignore Strategic Planning at their Peril

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Most aspects of strategic planning are well known and widely documented. Virtually all large organizations use a strategic planning process. The strategic planning processes are considered an essential element to the organization's success.

While the benefits from effective strategic planning are evident to most businesses, small business owners/managers often plan poorly. Many contend that the daily demand of running their businesses reduces their time available for effective strategic planning. The irony is that, since strategic planning drives the allocation of resources (time and personnel) by executives, it is practiced in every organization – big and small. All executives allocate resources for their organizations. These strategic planning decisions (allocations) may be well thought-out based on a detailed plan or they may be haphazard. But without exception, strategic decisions are made and implemented by all organizations. This paper has four sections: First, it very briefly summarizes strategic planning principles; second, it describes the theoretical benefits of strategic planning for all organizations; third, it reports on two cases that describe strategic planning practices in small businesses – one success and one failure; and, finally, it provides recommendations for the practical application of strategic planning principles for small businesses.

The Potential Use of Palisade RISK Optimizer to Increase the Effectiveness of Yield-Management: The Case of the Airline Industry

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This paper presents the use of Palisade RISKOptimizer to optimally manage inventory in situations where the unused unit instantly loses its value. The application of RISKOptimizer will help different industries maximize the mean profit for their perishable asset. This paper will discuss a technique to allocate limited resources to the right kind of customers at the right time for the right price in order to maximize total revenue or “yield” on the investments. Yield management comprises of both a business philosophy and a methodology that can be implemented in a variety of ways. RISKOptimizer combines the advanced genetic algorithm of Evolver with the power of Palisade @RISK’s Monte Carlo simulation engine to solve optimization problems that involve uncertainty. A simulation spreadsheet model from the airline industry will be presented to demonstrate the utilization of RISKOptimizer in the area of yield management.

A Risk Based Material Planning Model for Enhancing Effectiveness of Humanitarian Supply Chains

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The field of Humanitarian Logistics that deals with the management of logistics operations related to disasters is evincing substantial interest from practitioners and academicians ever since the disastrous tsunamis struck the Indian Ocean coast in 2004. Even though the supply chain efforts accounts for about 70% of relief work (Trunick, 2005), the literature on the same is scanty (Beamon and Kotelb, 2006) and is generally limited to trade literature. From several studies of natural disasters, it is evident that the loss of lives and property lost in post-disaster stage due to poor rescue and support operations is many times more than the loss happened due to the direct impact of the disaster. This establishes the need for serious academic research in the area to answer several unanswered questions in the design of supply chains which should meet the conflicting objectives of efficiency and responsiveness. In this paper we propose a new risk based framework for developing a Supply Chain which will minimise the demand-supply mismatch evident in many relief situations. We develop a risk based sourcing strategy for this Just-in-case supply chain, which will ensure proper market mediation in the event of disaster while taking into account numerous practical constraints that shape its design. The model is validated using the primary data collected from the tsunami relief camps in the South-west coast of India.

The Value of National Certification in Audiology

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A survey of ASHA, ABA and CCC-A/ABA certified audiologists was conducted to measure the value of the professional membership organizations and respective certifications. The findings indicate ABA certified audiologists were significantly more satisfied with AAA than CCC-A audiologists were with ASHA. Similar satisfaction findings were indicated with the ratings of ABA certification compared with CCC-A certification. Dual certificate holders were significantly more satisfied with AAA and the ABA certificate over the past 6-9 years when compared with ASHA and the CCC-A. It is suggested that the ABA and CCC-A/ABA cohorts' mutual affinity for AAA and ABA certification can be attributed to the respondents' perceived satisfaction with an organization they consider to be highly supportive of audiology and a certificate that they perceive to be prestigious.

Business Applications of Crowdsourcing

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Crowdsourcing has applicability in several business situations. One of the first places it was used was in developing of open source software such as Linux. Currently, through the Open Government Initiative, there is widespread experimental use by government entities to progress government business through public electronic forums and distributed expert groups tools. Businesses are also experimenting in order to promote collaboration with customers and to gain expertise from partners and outside sources. Some applications include user-generated ideas and design which can lead to innovation, distribution of tasks best suited to humans and expert level collaboration. A survey of current business crowdsourcing initiatives is presented. Some examples include Dell's product idea solicitation, Amazon's tool for support of distributed work, various customized design initiatives, distributed forecasting, advertising/marketing competitions, electronic suggestion boxes, product testing and reviewing. They are organized by their characteristics (e.g., timeframe, level of participation, type of participation) and required features as well as by the types of tools best able to support the specific application requirements.

Although crowdsourcing is supported by technology, it is essentially a human endeavor. Most critical to crowdsourcing success is the feeling by participants that their efforts were considered and that results came from the initiatives. This requires moderators who are knowledge workers adept at working in a social network environment, crowdsourcing tools that make linking and feedback easy to provide, as well as a change in business processes. One of the key issues associated with effectively promoting a crowdsourcing initiative is discovering some way to motivate useful participation. When you consider the example of Linux development, motivation for most was not altruism. According to a study done by professor Josh Lerner and Mark Schnakerman, much of the crowdsourcing work on open source software is done by interested parties employed at software development corporations. They are motivated by an interest in influencing the direction of the open systems so that they the open source software will interoperate well with the software they develop. In a more general application, awards might be given to the most effective participants. Although monetary awards might be enticing, even more effective might be inclusion and collaboration in the idea implementation.

Crowdsourcing can support the completion of large amounts of work in a cost effective manner. Amazon showed this can be done in a global setting by developing Mechanical Turk, a platform that allows work to be posted that requires human intelligence for people to bid on and complete. In the US government, the US Patent Office has successfully piloted for three years a peer discovery and review process to facilitate the approval of patents. One of the most time consuming aspects of deciding whether a patent should be issued, is the research into related ideas also known as prior art. By making this work available for the public to help perform, quality is improved and the process has been somewhat accelerated.

Exploring the Effects of Mood on End-User Experiences During a Virtual Product Trial

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Research on virtual product experiences (VPE) has received increased scholarly attention in the area of information systems, however, efforts toward understanding these socio-technical experiences, specifically the complex interrelationship between technology, individual, and embodied content in the context of VPE, are in their infancy. Central to VPE is the concept of presence. Presence is defined as a cognitive state where individuals perceive computer-mediated, or digitally embodied, objects as being real, natural, immediate, and direct. Within this growing body of literature, scholars have conjectured as to the possible antecedents to and consequences of presence, however, until recently, few of these assertions, beyond technology characteristics, have ever been systematically or empirically investigated. Presence is first and foremost an individual experience and, as such, is expected to vary across individuals for the same content and technology. Moreover, presence has also been found to vary for the same person across time for the same content and medium. Therefore, in order to increase our understanding of VPE, it is crucial that we examine the influence of individual characteristics on presence.

While there are many individual characteristics that may influence a user's sense of presence, such as computer self-efficacy or computer playfulness, the purpose of the current study is to investigate the influence of an individual's mood on presence. Recently scholars have recognized the importance of affective states (e.g., moods and emotions) in investigating human behavior in general and, more specifically, computer adoption and use. As such, the current research hypothesized that individuals with happy or positive moods would be more likely to experience presence in the context of VPE. The findings regarding affect, specifically mood, is telling. Individuals with less positive moods were less inclined to engage in the virtual experience in any meaningful way; however, subjects with more positive moods were far more likely to dive into the experience. This suggests that mood elevating techniques emerge as a critical consideration in virtual experiences. This has important implications for practice, i.e., mood, if effectively altered by some interface design or atmospheric (e.g., some hedonic aspect is made more salient), may actually alter overt behavior toward both the website and its contents.

Tabu Search Application: An Approach to Mine Market Basket Data

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Market basket analysis is one of the most well-known data mining techniques that is used to discover the customer purchase patterns to facilitate marketing promotions and pricing certain products. The process of market basket analysis and the interpretation of the results are fairly easy. However, as the number of products in a market basket increases, the mining process becomes increasingly cumbersome and time consuming. In this paper, we propose an approach to convert market basket data into a graph based network, then use a Tabu Search (TS) algorithm to cluster most related items from the dataset. The dataset used in this paper is provided by an anonymous retail supermarket. This dataset contains a total of 470 items and 340,200 transactions; the average size of a transaction is 34 items. The experiment results show that the proposed TS algorithm produces highly accurate solutions in reduced computational times with large datasets comparing to the traditional algorithm.

How to Develop Innovative Concepts for Supply Chain Management?

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The suitability of existing supply chain management concepts to resolve present problems as well as to meet upcoming challenges toward supply chain management are analyzed based on their degree of target achievement and degree of innovativeness. Subsequently, the question of how new concepts can be developed independently in specific supply chains is discussed. The developed stage model serves as a reference model for companies and supply chains that intend to focus on future-oriented aspects of supply chain management.

Technology Management across Borders: Challenges of Engineering Export

Mohammad Reza Faraj Tabrizi, Universiti Teknologi Malaysia

Although, exporting engineering services to the overseas market is important to achieve economy enhancement, GDP growth, job creation, warmer political relations, etc., there are many challenging issues such as cultural differences, various fiscal and taxation regimes, different time zones, customs clearance process, etc. Among all of the existed obstacles in global projects, the issue of culture is really sensitive, and it is necessary to consider it carefully. The purpose of this study is to discuss about cross-cultural challenges of engineering export projects as well as to suggest some practical solutions to reduce the negative impacts of cultural conflicts in overseas projects. The secondary data has been collected from international project managers via a set of online questionnaire. According to the findings, the respondents stated different level of agreement about the cross-cultural influences on each of the engineering, procurement and construction phases of the global projects. Also, several practical solutions were suggested by the respondents to meet the objectives of research.

Testing the Invariance of Portfolio Optimization Combined with Alpha Investigation over Time

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Portfolio diversification aims to create a minimum variance portfolio with the goal of neutralizing firm specific risk to create more stable and reliable returns for the portfolio as a whole. Conceptually, a clearly defined investment objective underlies selection of portfolio strategies - be it active, passive or any combination in between. Implementation of a portfolio strategy starts with selection of securities to build an efficient portfolio - via Harry Markowitz luminary works on efficient portfolio - that can provide the highest possible returns given a level of risk or the lowest risk for a given level of return. Although estimating expected return using historical data can be questioned as to its accuracy, portfolio optimization is based upon historical data, and thus implies expectation with no guarantee of future performance. In general, all investors desire to get the highest risk-adjusted return on their investments and portfolio optimization should aim to fulfill this desire. To address the viability of portfolio optimization a scenario analysis is used to compare the performance of three optimization goals and an organically constructed portfolio all composed of the same number of equity securities. The three scenarios that the portfolio is optimized for are minimum variance, maximum return, and maximum return holding variance constant, from the original organically constructed portfolio. To perform the optimization process, historical monthly prices for each security that make up the original portfolio were collected from Yahoo finance and a log of the monthly return calculated for the period running from April 2006 to April 2012. From this data an average monthly return and standard deviation were computed and then annualized to arrive at yearly standard deviation and return values. These values were then used to create a correlation matrix so that the portfolio variance and standard deviation could be computed. The study applied the empirical method of portfolio optimization using solver and @Risk Optimizer. Therefore, this paper proposes to investigate the invariance of portfolio optimization when enhanced with alpha input over a segmented period of time. It will examine the consistency of the effect of individual securities alpha significance in the portfolio optimization process.

Is the Equity Premium Puzzle Enigmatic for Investors?

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In a seminal paper, Mehra and Prescott (1985; followed by two subsequent papers 1988, 2003 and Mehra 2003) showed that the empirical risk premium on equities and the implied risk-free rate are irreconcilable with those resulting from their formulation involving standard investor preferences. This poser, dubbed “the equity premium puzzle,” has baffled researchers and has spawned a plethora of research efforts to explain it away. Apparently, none of these studies have been able to produce a satisfactory resolution of the equity premium puzzle. In the words of Mehra “the equity premium puzzle is a *quantitative puzzle*” (Mehra, 2003). The puzzle arises from the observation that the quantitative predictions of the theory are in order of magnitude different from what has been historically documented.

In our opinion, the puzzle may be easily resolved if we were to assume that investors derive their utility from the *perceived consumption* implicit in corporate earnings, rather than the observed consumption. This conjecture is in line with the notion that investors feel earnings-wealthy and consume more or, alternatively, they feel earnings-poor and consume less. Thus, their consumption and their utility of consumption is a function of their perception of the growth in corporate earnings¹. The substitution of consumer consumption with corporate earnings apparently resolves the equity premium puzzle and provides a useful insight into the long-run equilibrium growth rate in corporate earnings.

We applied the Discounted Cash Flow method (shown in the Appendix) to the stocks in the Dow Jones Industrial Average index (excluding financials) and solved for the Implied Growth Rate (IGR) given prices, cash flows and cost of equity capital over several periods beginning in 2006. As shown in Table 1, the historical growth rate in corporate earnings of 4.1% appears to be a reasonable benchmark for stock market valuation and appropriate substitute for consumption growth. Considering the implied growth rates and TVM shown in Table 1, it is clear that stock prices run ahead of themselves during 2007. On the other hand, stocks became extremely undervalued during the Spring 2009 period.

¹ The assumption of correlated consumption and earnings is similar to that made by Breeden (1979) concerning the correlation between asset returns and consumption rate in the development of the Consumption-based Capital Asset Pricing Model.

Investors Need the Quiet Period to Talk

Patrick Lach, Eastern Illinois University

William Elliott from the University of Texas at El Paso

Stephen Treanor from California State University, Chico

This study examines the volatility of newly public firms following the IPO quiet period to determine whether or not the extension of the quiet period from 25 days to 40 days was successful in minimizing volatility. This study builds upon previous research by controlling for industry, market capitalization, and the market-to-book ratio when examining firm volatility.

Instructor-Created Video Supplements: A Closer Look

Patrick Lach, Eastern Illinois University
Evan Danner from Eastern Illinois University

This study is the first to examine the demographics of students who utilize instructor-created video supplements. Using a core-level finance course, we find that students who utilize these recordings tend to be students with lower ACT Math scores and lower ACT Composite scores. A student's ACT Math score is a stronger predictor of recording utilization than the ACT Composite score. This suggests instructor-created video supplements can be especially valuable in quantitative courses. We also show that students prefer to have such supplements used in quantitative courses, as evidenced by their responses on surveys given at the end of the semester.

The Relative Contribution of Micro and Macro Drivers of Stock Returns in the U.S. Market

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The literature on the determinants of stock returns has offered various insights on the firm-specific factors and country level factors that influence stock's returns. This paper aims at incorporating both macro and micro factors, measuring the relative contribution of each set of variables independently and collectively on the stock returns in the US market. The authors use the companies of the two main indexes in the US market, DJIA and NASDAQ.

The sample data is divided into three classes: low, medium and high stock returns. A group of micro (firm-level) and macro (country-level) variables are used to determine the relative contribution (discriminatory power) of each variable that discriminates between each two classes of stock returns. The objective is to examine the extent to which low, medium and high stock returns are derived by micro versus macro factors. The data cover the years 1990-2011 on quarterly basis. The ultimate results of the paper are to develop three Z-scores that can be used for monitoring and explaining the differences among the three classes of stock returns. The final and general results show full domination of the macro factors over the micro factors in determining stock returns in the US market.

The S&L Debacle Relived in the form of Fannie and Freddie

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On February 10, 2012 the Obama Administration outlined plans to change the way home loans are financed. The move can lead to the ultimate demise of the entities widely known as "Fannie" and "Freddie." The Federal National Mortgage Association (known as Fannie Mae) was established in 1938 as part of President Franklin Delano Roosevelt's New Deal legislation. Just like the recent financial crisis, the Great Depression saw a spike in mortgage defaults. Roosevelt's belief was that if he could help increase liquidity in the mortgage market by buying loans from banks, the economy would pick up. Similarly, the Federal Home Loan Mortgage Corporation (known as Freddie Mac) was created in 1968 as a government-sponsored entity. Like Fannie Mae, Freddie Mac was created to increase liquidity in the mortgage market. Freddie Mac was created primarily to keep Fannie Mae from functioning as a monopoly. Fannie Mae and Freddie Mac do not lend directly to home-purchasers. Instead, they primarily engage in loan securitization. They buy loans from banks, bundle them and resell the loans to investors. Fannie Mae and Freddie Mac act as guarantors for the securities -- that is, if the loans underlying the newly created securities go bad, both Fannie and Freddie will step in to make sure the investors are "made whole". The 2008 financial crisis and subsequent recession involved a complex interplay among a wide cast of characters. On the private side were prospective homeowners, mortgage brokers, credit rating agencies, banks and investment institutions. On the public sector side were government housing entities such as Fannie Mae and Freddie Mac, the Federal Housing Finance Agency, the Department of Housing and Urban Development, the Federal Reserve Bank, the Securities and Exchange Commission, the Treasury, and finally, Congress. There exists some level of agreement on how the crisis was started, namely that a push to raise levels of home ownership led to a bubble in the housing market, and when that bubble burst, those who had banked on the continual rise of home prices were left in a troublesome situation. What role did financial innovations such as mortgage-backed securities, credit default swaps and the credit rating agencies assessing the risk of these innovations play? It cost U.S. taxpayers \$200+ billion to bail out the savings and loan industry from its crisis of the 1980s (Bradsher, 1994). In a report delivered to the House Budget Committee on June 2, 2011 the Congressional Budget Office said that in addition to the \$130 billion in bailout payments the government has already made, the total cost of a bailout of Fannie and Freddie rises to \$317 billion, which is far above the \$130 billion usually cited by the Office of Management and Budget. We examine the relationship between the role played by Fannie and Freddie in the recent financial crisis to that of the Savings and Loan debacle of the 1980s. What are the lessons learned? What could have been done differently? What should be done with Fannie and Freddie in the future?

Transformational Leadership And Organizational Commitment Among Active Duty Women Serving In The United States Air Force Medical Service

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Josephine Sosa-Fey, Texas A&M University at San Antonio

This research examined the relationship between leadership and organizational commitment among active duty Air Force women in the largest Air Force trauma center. The respondents provided continuous deployment in support of overseas contingency operations including Operation Iraqi Freedom and Operating Enduring Freedom (operations in Afghanistan). Prior research in the military environment has focused, almost exclusively, on men. This study is the first to target a female population in the United States utilizing the Multifactor Leadership Questionnaire (MLQ 5X Short) developed by Bernard M. Bass and Bruce J. Avolio with Meyer and Allen's (1991) three dimensional measures of affective, continuance and normative commitment. Three hypotheses examined the relationships between perceived leadership styles and the three commitment outcomes.

Surveys were administered using SurveyMonkey.com thus allowing on line access 24/7 with worldwide access. Of 171 respondents who returned a completed survey 82 (48%) were enlisted and 89 were (52%) officers. The Nurse Corp represented the largest group with 57 (64%) respondents followed by the Medical/Dental Corp with 21 (24%) respondents among the Officers. Of the 82 enlisted respondents the 4N Aerospace Medicine Service represented the largest job group at 35.3% (29 respondents). For officers affective commitment was highest of the three, while for enlisted continuance commitment was highest. This is of interest as affective commitment is typically associated with wanting to stay, and continuance is frequently associated with intention to stay. One might conclude that officers are emotionally attached to, and identify with, the Air Force and AF Medical Service's vision and goals; enlisted females feel they have to stay in the Air Force because the costs associated with leaving the Air Force were too high at the time of the greatest global recessions since the Great Depression.

Regression results indicate that there was a positive relationship between transformational leadership and both affective organizational commitment and normative commitment but no relationship to continuance commitment. This finding is inconsistent with much previous research, and it may be unique to this group of women serving in the medical corps at this point in time. The research concludes with recommendations for future research.

Challenges of Talent Management and Recruiting in a Changing and Uncertain Global Employment Landscape—2012

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Today's economic, financial, and geopolitical climate mandates organizations to make difficult talent and recruitment decisions while addressing strategic human capital challenges and coping with the emerging trends of 2012. Most organizations today fully realize that their human assets are their most precious intangible assets. Since companies cannot own employees the way they own factories or product, their failure hinges on the quality, competence and skills set, high levels of energy and drive, and duration of employment relationships with their talented human resource work force.

In 2012, many research findings including pivotal findings of the IBM Human Capital Institute reported that the companies are looking to their employees as the critical source of differentiation in the market. A common definition of talent is someone who demonstrates both high performance and high potential. Professor Peter Capelli of the Wharton School, University of Pennsylvania, wrote: "Talent management is not an end in itself. It is not about developing employees or creating succession plans, nor is it about achieving specific turnover rates or any other tactical outcome. It exists to support the organization's overall objectives, which in business amount to making money." (Harvard Business Review, March 2008, pp.74-81)

The specific goals of this paper include: 2012 emerging trends in talent management, opportunities and specific strategies as to how to capitalize on the looming skills shortage; Need for integrated management thinking and getting savvy about your workforce "Analytics" by mobilizing minds to deliver global talent in a high-velocity world, and to create wealth from talent in the 21st century organization. (Bryan and Joyce, 2007; Capelli, 2012) The paper concludes with the presentation of the case for talent management and provides the measures of evaluation of your Integrated Talent Management Program specifying the actions needed to meet the talent gaps.

Clinical Information Portals: Classification of Terminology and Design Implications

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Clinical information portals play a critical role in the delivery of patient-centric and quality healthcare services. However, most of the contemporary patient portals are static in design and typically represent only a single health organization. When a patient gets served in more than one organization (which is very typical), providers have to log on to each organization's portal to access and operate on the information. This results in a very local, fragmented view of individual patient data and thus is a limiting factor not only to the functionality and usability, but also to the overall cost and quality of the healthcare system. In addition, there have been seldom studies conducted to evaluate the implications of security, and patient privacy issues and rights in such distributed patient portals.

To address the above concerns, our research focusses on the identification of the capabilities of various contemporary patient portals. We infer that there is also an absence of standard terminology to describe the design and functionality of information portals in the current literature. The absence of a consistent vocabulary limits the ability of healthcare practitioners to provide coordinated care, leading to cost and quality issues in today's healthcare systems. The focus of this paper is to conduct a literature review to identify and categorize the classes of terms used for patient portals and their design and functionalities, thereby providing a standardized framework and expectations for their use in healthcare systems. By utilizing the proposed standard design framework, the features of patient portals can evolve from a static to a more dynamic design, which is inclusive of a user-centric, secure and proactive approach for patient care. Standardized features also provide flexibility to include a distributed mechanism to collect and store healthcare information over the Internet/Cloud, and set the expectations of an effective patient portal, leading to improved cost and quality of patient care in healthcare systems.

The Automatic Activation of Sexually Harassing Beliefs: Past Experiences and Traits of Power

Sean C. Walker, University of Tennessee at Martin

Social psychologists have shown that power is able to prime individuals to sexually harass. In an extension of this work, the current studies utilized two different priming techniques: mindful priming (study 1) and subliminal (study 2) to provide a clearer picture of how power influences sexually harassing behavior. Study 1 found that recalling a past experience of positive power discrepancy increased one's Likelihood to Sexually Harass (LSH). Study 2 found that priming traits of being powerful led to a higher LSH than when primed with being powerless. Implications and future directions are discussed.

Priming Power to Influence Perceptions of Ethics

Sean C. Walker, University of Tennessee at Martin

The antecedents for ethical perceptions have been broadly studied. Most of these studies have focused on the characteristics and conscious causes for ethical perceptions. A smaller body of research has focused on the contrast effect of nonconscious influences of ethical perceptions. The current experimental works extend this knowledge base by assessing the extent that being exposed to power leads to differing perceptions. Consistent with expectations, traits of power and power relationship discrepancy significantly influenced ethical perceptions, although in the oppositely predicted direction. Implications and future directions are discussed.

The Systematic Structure of Financial Law in the Czech Republic

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The main intention of the contribution is to describe and analyze the structure of the Financial Law in the Czech legal system and to draw main potential evolutionary trends. The construction of the financial law represents the core of many disputes among legal expert. From the very first point of view the question of financial law division might seem to be strictly theoretical but the practical impact of the issue could be observed mainly in the Tax Law. The authors would like to induce discussion about the regulation of the Financial Law through its primary subject – finance. Their target is to introduce the distraction from the Financial Law segmentation on its object regulation basis and to put more emphasis to the degree of priority in financial legal relations. The considerable part of the contribution will be sacrificed to the attached practical aspects, mainly from the Tax Law, but also the Insolvency and Financial Markets Law.

Behavioral Finance in Egypt: Analytical Study of News Impact on Conditional Volatility of EGX 30 (1998-2012)

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Since the early 1980s, there has been a movement toward incorporating more behavioral science into finance in US and UK academic research. However, this area is in its embryonic stage in the Middle East. Financial markets in the Middle East have not been sufficiently addressed in behavioral finance research. This is the reason behind the originality of this research. It is applied on the Egyptian stock market, and the sample examined consists of EGX 30 daily log-returns for fourteen years, where full sample is divided into four subsamples. The subsamples are chosen based on volatility level determined by the deviation of three-months moving variance from mean variance. Investors' behavior is modelled based on Shiller-Sentana-Wadhwani theoretical model and TGARCH and EGARCH econometric models. It has been founded that volatility persistence is almost high in all samples. However, news impact differs between high volatility samples and low volatility samples. As volatility persistence is high, news has great impact on it, while as volatility persistence is relatively low, news impact dies away by time.

Concerning returns error autocorrelation, high volatility samples exhibit a statistically significant positive autocorrelation, which refers to the greater tendency of negative feedback trading to affect the market. While for low volatility samples, returns error autocorrelation is not statistically significant. This indicates weak presence of feedback trading effect. Investors can't be assumed to act and behave as machines, always making logical calculations and being uninfluenced by psychological factors. Hence, this research is important in making a better understanding of investors' behavior in the Egyptian Stock Market. Although the Egyptian stock exchange is still shaking from the January 25 revolution, it is expected it will recover soon to gain the confidence of investors based on improvement in political and economic contexts in the area.

A Simplified Use of Financial Ratios to Evaluate Stock Performance

David T. Cadden, Quinnipiac University

Mark Thompson, Quinnipiac University

Vincent Driscoll, Quinnipiac University

The financial community and individual investors are always looking for indicators that might signal those securities or portfolios that yield above average returns. There is a large literature that examines how various financial variables might be used to predict stock price performance. O'Hara, Lazdowski, Moldovean, and Samuelson (2000) examined three variable – dividends per share, earnings per share, and cash flow per share – for 1,700 stocks from *Value Line Investment Survey* over a 17 year period 1983-2000. They found that those stocks with 17 years of consistent growth on those three variables consistently outperformed the S&P 500 market measure in both up and down markets. These authors saw that it may contain a “survivor bias” (namely, that firms that survive for seventeen years may already be demonstrating some unique characteristics) and they suggest a reduction of this time line.

This paper pursues that argument by examining a number of shorter time periods such as 4 years (of consistent growth), 8 years (of consistent growth), 12 years (of consistent growth) and 16 years (of consistent growth). {Ideally, this research should include intervening time periods – 5 years, 6 years, etc., but time constraints forced us to begin with these equal time increments.} Nearly 5,000 stocks found in the CRSP U.S. stock database were evaluated for the period 1993-2009. The criteria are based on the three individual financial variables and the possible combination of these variables. The possible combinations of variables produce seven categories based on the three variables. For each of the seven categories we compute the percentage of firms that had N years of consistent growth in each of the seven categories, the annual average return for the securities that did and did not meet the criteria of the seven categories and the compound annual return for each year. This compound annual return is determined by applying a logarithmic formula to the stock's closing price for each time period. Finally, we compare each categories return to the S&P 500's return and the Wilshire 5000's return for the period 1993-2009.

The Impact of Student Attitudes in Learning Accounting Principles

Ali Kooti, Georgia Gwinnett College

Introductory Accounting courses can be difficult to the average college student than most other introductory business courses. Although, there are many factors contributing to student understanding introductory accounting principles, one important factor could be the inability of students to relate the accounting concepts and theories to practice and life experiences. Thus, the objective of this paper is to find best practices in the instructional delivery of course materials that would enhance students understanding and retention of accounting concepts in the introductory courses.

Elements of the Financial Statements: A Comparative Analysis Between Various Conceptual Frameworks of Financial Accounting and Reporting

Wafeek Abdelsayed, Southern Connecticut State University

The objective of this research is to conduct a comprehensive comparative analysis of the definitions of the elements of the financial statements according to the conceptual frameworks of the following seven accounting boards: the Financial Accounting Standards Board (FASB), the Australian Accounting Standards Board (AASB), the Canadian Accounting Standards Board (AcSB), the Accounting Standards Board of Japan (ASBJ), the New Zealand Financial Reporting Standards Board (FRSB), and the United Kingdom's Accounting Standards Board (ASB)], and the International Accounting Standards Board (IASB). The analysis will identify both similarities and differences between these frameworks, and suggest ways such differences may be converged.

Best Practices in Experiential Education and Marketing: Engaging Students in Learning

Diane Holtzman, Richard Stockton College
Jennifer Barr, Richard Stockton College

Blending experiential education with marketing delivers a course experience that is relevant, interesting and unique. Undergraduate and graduate level marketing students have the opportunity to apply fundamental theories and techniques to real-world projects that are significant and timely while simultaneously building their portfolios. Anecdotal and empirical evidence indicates that student engagement is heightened because course content is crystallized through application. Moreover, the organizations that benefit from their work have conveyed the value they place on students' marketing savvy, technology skills and creativity.

A plethora of marketing projects have been completed at the undergraduate and graduate levels for both for-profit and non-profit organizations. The authors present frameworks for integrating experiential education into their coursework, and reflect on the design and evolution of both courses. The pedagogical trials and tribulations experienced in each course will also be addressed.

A Regional Study of Workplace Skills: Comparison with a State Study

Diane M. Holtzman, The Richard Stockton College of New Jersey

Ellen M. Kraft, The Richard Stockton College of New Jersey

The purpose of this research was to determine what skills alumni from Richard Stockton College of New Jersey (RSC) and regional employers in southern New Jersey believe are important for the workplace. The results of the RSC study were compared to statewide results from Cleary and Fichtner (2007), of the John J. Heldrich Center for Workforce Development in the Bloustein School of Planning and Public Policy at Rutgers University. Agreement between the responses of employers and alumni in this study to responses of employers and alumni in Cleary and Fichtner's (2007) study occurred in the following areas: (a) gathering, prioritizing, and analyzing data and information; (b) locating, organizing, and evaluating relevant information; (c) respecting and valuing diversity and being aware of multicultural issues; (d) speaking and oral communication; (e) written communication; (f) teamwork; (g) a basic knowledge of marketing principles; (h) a basic knowledge of management principles; (i) a basic knowledge of financial theories and analysis; (j) thinking critically and analytically to evaluate information; and (k) flexibility and adaptability. Employers and alumni in this study did not agree with the respondents in Cleary and Fichtner's study regarding the importance of (a) networking, (b) knowing a foreign language, (c) project and product management, (d) lifelong learning, and (e) career management skills. The results will be used to guide assessments and course revisions in the RSC School of Business to meet the Association to Advance Collegiate Schools of Business (AACSB) Assurances of Learning and to provide students with skills that meet workplace needs.

Perceived Corporate Social Responsibility and Low Pricing in Discount Retailing

Samuel M. Bradley

The purpose of study was to determine the relative importance low pricing and the perception of Corporate Social Responsibility in the selection of a discount department store among college students of the age range of 18 to 24. The research study focused on “The Big Three” discount retailers: K-Mart, Wal-Mart and Target. The research study surveyed the undergraduate students regarding their consumer behavior relative to perceived corporate social responsibility as compared to perceived low pricing. The results of the study indicate that (a) low price is an important factor, (b) Corporate Social Responsibility is a significantly less important consideration than price, (c) there appeared to be minimal interaction between price and Corporate Social Responsibility and (d) the degree to which price and Corporate Social Responsibility affected consumer behavior varied based on store selection. The final conclusion is that factors other than price and Corporate Social Responsibility also play an important part in the selection of a discount department store.

Faded Ethics of Scholars: Why Classroom Behaviors Are Not Reflective in the Society

Remi Adedokun, Capella University

Virtually all form of unethical behaviors have been displayed by the professionals and educated citizens who have clear understanding of what ethics and social responsibility means. Does the wealth of knowledge acquired by these individuals in the classroom have any positive impacts on their lifestyle or it was just merely to pass and obtain the needed certificates? This article examines the causes of instant gratification and psychosomatic forces that overshadow learnt ethical behaviors and how everyone can be part of the solution. The article emphasizes the importance of cumulative efforts without taking for granted the restless efforts of employers and business leaders in upholding the decency and integrity of their followers. Numerous solutions that can be adopted in both individual's lifestyle and business places with genuine intentions will be elucidated. The solutions suggested herein, if observed, will not only lead to the fulfillment of individual's fundamental desires, but will also result in an improved credibility of how both individuals and organizations conduct their businesses in the society. This in a long-run will make the community worth living with minimum insecurity of lives, wealth and prosperities.

Women Don't Ask - But Would They Be Willing to Learn How? Understanding What Inhibits Women From a Willingness To Improve Their Negotiation Skills

Jared Simmer, Duquesne University Graduate School of Education

Negotiation competency is not only an essential managerial skill, but women's inability or unwillingness to advocate for themselves may contribute to the gender wage gap and glass ceiling*. Negotiation skill deficits have both individual and organizational impact, including higher turnover, stalled career progression, diminished mentoring effectiveness, and a compromised ability of companies to compete in the global marketplace.

To answer the question, "If women don't ask (negotiate) what factors would inhibit them from wanting to learn how?", a proposed Negotiation Opportunity Reluctance Model (NORM) model was tested. Analysis of responses from over 1000 graduate students enrolled in 22 domestic schools of public policy support the notion that lack of confidence, perceived power imbalances and fear of pushback serve as primary demotivators. The NORM model can be used to help inform the design of recruitment, retention, mentoring, career development, and performance improvement strategies to provide guidance to organizations interested in maximizing the human capital potential of their female employees at all levels.

Exploring the Role of Distributor's Opportunism on Exporter's Market Orientation and Likelihood of Distributor Switching

Ayşe N. Balas, Longwood University

One of the easy ways for exporters to enter foreign markets is working with foreign-based distributors. However, in interfirm relationships opportunism is a threat to the stability of relationships. The threat of distributor's opportunism escalates when the interfirm relationships take place across borders. Most empirical work on opportunism in interfirm relationships has centered on drivers of opportunism but neglected the role of opportunism in promoting export market orientation. Drawing from the resource dependence, transaction cost economics, relational contracting theory and market orientation literature, market turbulence, foreign-based distributor's opportunism, exporter's market orientation and satisfaction with export venture are included as key factors to study how opportunism impacts exporter's decision to switch distributors. A conceptual model is developed and empirically tested on a sample of 105 U.S. exporting firms that have relationships with foreign-based distributors using PLS-based SEM analysis. Preliminary analysis provides support for four out of six of the hypothesized relationships between the constructs studied. The results indicate that (1) market turbulence is a predictor of distributor's opportunism, (2) distributor's opportunism increases exporter's market orientation, (3) exporter's market orientation influences its satisfaction with export venture performance, and (4) satisfaction with export venture performance impacts exporter's likelihood of switching its distributor.

The Competitive Advantage of the United States versus China in Africa: The Case of Merchandise Exports

Falih M. Alsaaty, Bowie State University
Granville Sawyer, Bowie State University

The speed at which China is achieving its economic goals has in recent years attracted the attention of scholars and policy makers in the United States, European Union, and elsewhere around the globe. The attention is largely attributed to the belief that China is steadily becoming a formidable and potentially dominant player in the global economy, as evidenced by its trade, investment, and foreign aid policies in Africa. China is undoubtedly a feared rival from an economic standpoint. What makes the country so challenging is its relentless drive for global superiority. This is apparently taking place at the expense of business firms of other nations. China's competitive advantage is mainly nurtured by its large population, abundance of natural resources, influx of foreign direct investment, and undervalued national currency.

China's rapid ascendance to an influential global economic position in recent years puts it inevitably in direct competition with many countries including the United States. This is particularly true with respect to China's inroads into Africa. This paper explores the competitive advantage of the United States relative to China in Africa. Merchandise exports are used as a proxy for competitive advantage. A sample of thirteen largest countries –in terms of population –is selected for analysis for 1999 and 2009. The countries include Egypt, Nigeria, and South Africa. Initial findings indicate that U.S. market share in Africa is gradually declining while that of China is rapidly expanding. The paper offers recommendations to enhance U.S exports position in the continent in question.

Direct and Indirect Effects of Venture Capital and NIH Funding on Regional Employment

David N. Ku, Georgia Institute of Technology
Daniel H. Kang, Georgia Institute of Technology

The emphasis on venture capital and governmental (NIH) funding as essential financial resources for enhancing regional employment continues to expand, yet little research into entrepreneurship and /innovation has focused on the distinct roles of these two types of financial capital. This study provides a theoretical framework that suggests that divergent sources of financial capital can cause a direct and indirect dual-impact on regional employment levels in various manners. Using the dataset of the Institute for Strategy and Competitiveness (ISC) on 2,976 observations for 248 medical device clusters between 1990 and 2001, we find empirical evidence that supports our theoretical arguments. More specifically, we find that, if venture capital and governmental funding are treated as a homogeneous financial capital, the effect of financial capital tends to be seriously underestimated. We also find that a substantial portion of regional employment is created by the indirect effects of venture capital and governmental funding along with the direct effects. These indirect effects suggest that venture capital and governmental funding can generate intellectual capital, which in turn enhance regional employment. Interestingly, the indirect effect of governmental funding is initially smaller than that of venture capital funding for about first three years, but then increases at a greater rate, dominating the indirect effect of venture capital funding eventually. These findings provide important implications that future research and policy decisions should account for the appropriate typology of financial capital and its direct and indirect effects in various manners. Moreover, our findings highlight the role of governmental funding as a source of generating intellectual capital by helping basic research.

Strategic Planning, Organizational Context, and Corporate Performance: An Empirical Study in The Indonesian Banking Industry

Mohammad Sihab Ridwan, University of Southampton, UK

Strategic planning has been used extensively both in the private as well as in the public sector to improve organizations' performance. Almost fifty years strategic planning has become a standard part of management thinking and practice in the business world and more than twenty five years it has become the standard practice of large numbers of public and non profit organization (Bryson, 2006). The first and perhaps most obvious benefit of strategic planning is the promotion of strategic thinking, acting, and learning (Van der Heijden, 1996).

Although the importance of strategic planning and organizational context has been acknowledged in academic and practitioner literature, only limited studies examine the strategic planning practices and their interrelationship to organizational context. Even to date, for Indonesian context no studies in the area of strategic planning practices and corporate performance have been conducted for both the private sector as well as public and non profit organization. To the best of the researcher's knowledge, this is the first study trying to analyze the issue under the Indonesian case.

This research used a qualitative research approach (Merriam, 2002) as the framework for this study. This study will explore and document the strategic planning practices at the high-performing banking industry to understand the relationship between variables intrinsic to strategic planning process and the organizational context, as well as about the connection between strategic planning practices and corporate performance. Exploring the relationship between the variables of strategic planning dimensions, decision approach and organizational culture (organizational context), and corporate performance such as growth in sales and profits will improve the understanding of the fundamental characteristics of successful strategic planning practices.

The Shadow Economy and Entrepreneurial Single Mothers

Debra Pearl Hockenberry

Through narrative/story analysis, this article reveals qualitative socio-economic research. The number of single mothers has risen in the United States. With flexible work schedules and a growing number of single mothers who take on entrepreneurial endeavors, this paper looks at how the flexible work schedule is passed down to the child and their views on entrepreneurship. The contribution of this article is in further revealing this socio-economic interconnectivity between the single mother and entrepreneurship within U.S. society. Has this increased the supply of certain products and services? Has this driven the market toward a different demand? Has this been a shadow economy that has not yet been revealed? Does this pass down an entrepreneurial knowledge base to the children?

Do I Belong to Myself? A Conceptual Review of Depersonalization in the Organizational Context

Dennis Huzey, Felician College

Stephen C. Betts, William Paterson University

Vincent Vicari, Bergen County Small Business Development Center

Crisis Management is a critical concern for organizations of any size. Small businesses and entrepreneurial concerns frequently do not have the resources or expertise to adequately mitigate the negative consequences of a significant crisis. This puts a premium on effective pre-crisis planning. In this paper we will examine how small businesses can approach the planning phase of crisis management. Various general planning strategies and specific tactics that facilitate quickly marshaling the resources and expertise to manage during and recover from crisis will be explored. The paper concludes with a set of guidelines and prescriptions for small business crisis planning.

Mary Parker Follett and Participative Management: An Examination of Managers' Willingness To Delegate Power

Dennis Huzey, Felician College

Stephen C. Betts, William Paterson University

Vincent Vicari, Bergen County Small Business Development Center

Recent interest in the pioneering work of Mary Parker Follett attest to the insight that she had into the internal dynamics of organizations. Among her greatest contributions is her examination of power sharing. Follett's vision of power sharing, written over 80 years ago, is reflected in contemporary participative management programs. Although more accepted now that in her own day, power sharing is not universally accepted by managers. In this paper, we use Follett's insights as a starting point to explore and identify factors associated with managers being receptive to delegating power among their subordinates.

R² and the Accrual Anomaly: Domestic and International Evidence

Alex Chung, Brad College
Ronnie Qi, St. John's University
Thom Thurston, City University of New York

We find the accounting information uncertainty which is measured by the absolute value of accruals can predicate the R² of the market model regression. Firms with higher value of absolute value of accruals are associated with higher idiosyncratic volatility and hence, lowering R² from the regressions of firm return against market index return. This evidence is very strong using domestic sample. Internationally, we find nine (including US) out of thirty-one countries have similar evidence. Moreover, the evidence is clustered largely in developed countries with lower R², casting doubt on that the more efficient the capital market is, the lower R² it is. In terms of market efficiency, the actual R² of developed countries should be higher. Further analysis reveals that the occurrence of accrual anomaly significantly lowering future R² is more frequently found in countries with common law tradition, low level of government corruption, low quality of accounting standards, and where shareholder ownership is widely dispersed. And the analysis of ADRs helps to explain the changes of institutional and governmental structures on the relation of future R² and the accrual anomaly.

Deterring Future Fraudsters: A Pedagogy Using the Fraud Triangle, Case Studies, and Experiential Learning

Douglas M. Boyle, University of Scranton
James F. Boyle, University of Scranton
Daniel Mahoney, University of Scranton
Ronald J. Grambo, University of Scranton

Financial statement fraud (FSF) has been an ongoing concern for investors in the United States (U.S.) since the 1950s with high profile cases surfacing every decade resulting in outcries from the public for action (Boyle et al. 2012). The negative financial impact of FSF on investors is substantial with 28 percent of such firms not surviving the Securities and Exchange Commission's (SEC) enforcement process (Beasley et al. 2010). The market value of firms that survive FSF is on average reduced by the misreported amount plus an additional 383% of that amount (Karpoff et al. 2012). In response, legislators, the SEC, the Public Company Accounting Oversight Board, and the American Institute of Certified Public Accountants (AICPA) have created laws, regulations, and standards costing U.S. companies billions of dollars annually in an attempt to thwart FSF. Despite all of these efforts, cases still continue to surface at an alarming rate. Recent research finds that the vast majority (89%) of FSF involves the CEO and/or the CFO (Beasley et al. 2010), and often the CEO is the one exerting pressure over the CFO to commit the fraud (Feng et al. 2011). Since this type of fraud seems to be predominately derived by a few individuals, it is important to understand the psychology, pressures and rationalizations of those individuals. At the same time, the occurrence of academic dishonesty (cheating) at business schools has been steady increasing over the past few decades and has reached critical levels. Studies indicate that between 70 – 80 percent of business school students participant in some form of cheating (Simkin et al. 2010). Today's business students are tomorrow's executives. The vast majority of these students have developed the capacity to be dishonest and the ability to rationalize away such behavior. These factors point toward continued occurrences of FSF. The foundation of fraud prevention and detection within the accounting literature and practice (AICPA, 2002) is the fraud triangle which includes the three elements of opportunity, pressure, and rationalization (Cressey, 1953). This study applies the fraud triangle to investigate the fraudulent behavior of CEOs and CFOs to create a course curriculum specifically designed to instruct business students on how to avoid the pitfalls of becoming future fraudsters though awareness and behavior modification. This curriculum will be centered on case studies and experiential learning techniques to humanize the fraud perpetrator and provide practical tools to future executives.

Manager's Perspective on Products Liability

Richard J. Hunter, Jr., Seton Hall University

Henry J. Amoroso, Seton Hall University

John H. Shannon, Seton Hall University

This article provides an overview or primer on the law of products liability in the United States for use in the managerial decision-making process. It focuses on the development of case law under the common law in determining a product defect, types of defects, theories of recovery, and the move to the adoption of the theory of strict liability in products cases. The article is written within the context of the Restatement of the Law of Torts. The article provides useful information to the product manager who is responsible for production decisions in a business organization.

Expand Our Managerial Accounting Courses Beyond Manufacturing

L. Jane Park, California State University
Paul H. Rosenthal, California State University
Jan I. Weissman, California State University

Managerial Accounting texts state that they are concerned with both the planning and control of manufacturing type operations as well as with the development of “reports that analyze a developing business situation or opportunity” e.g., a project (Garrison, 2004). However, ignoring this attempt at generality, this and other management accounting textbooks almost exclusively cover accounting for repetitive production-oriented manufacturing operations. They thereby short change the expanding number of project- and service-oriented businesses and organizations in the United States.

This paper presents several project/service oriented tools used by the authors during their analysis and assessment projects. These tools include a Life cycle ROI Analysis as well as comparisons of Probability and Prudent Fiduciary decision approaches and Fiduciary and ‘Intuitive’ Executive decision approaches. A Business Continuity Management (BCM) case is used for the decision analysis examples.

Modern technology-oriented businesses are facing a dynamic product and service environment. This is increasing the ratio of project-service oriented work to traditional operations-oriented work. Therefore, managerial accounting education and the day-to-day work of accounting professionals will involve a complex array of projects and systems. Hopefully, this paper will help stimulate the modernization of our management accounting introductory courses and texts beyond manufacturing to reflect today’s current diverse analysis, information processing, and industrial environments.

Antecedents and Outcomes of IS Multitasking

Lakshmi Goel, University of North Florida

Multitasking is an important phenomenon, particularly today, given the growing ubiquity of devices. Specifically, multitasking using information systems (IS) that comprise of hardware, software, and networks is growing such that there is a blurring between personal and work lives. Consequently, it is important to study the antecedents and effects of IS multitasking (Spink et al., 2008). There exists an overwhelming body of literature that points to overall negative effects of traditional multitasking. Surprisingly, research on IS multitasking is relatively scarce (Benbunan-Fich et al., 2009; Spink and Waller, 2008).

To address this gap in research, we hypothesized and tested a research model that identifies antecedents and outcomes of IS multitasking. Subjects were drawn from a population to which this study wishes to contribute – ‘millennials’ that have grown up using multiple IS devices, and are ready to enter the workforce. Our results are somewhat surprising given the preponderance of negative outcomes in past research. We find that IS multitasking leads to significant positive effects on ‘cognitive absorption’, ‘change in mental models’ (or learning), and ‘IS usage’. In turn, IS multitasking was significantly predicted by ‘personal innovativeness with technology’ and ‘computer polychronity’; both personality traits. We chose these factors given their importance to IS researchers and practitioners. It is possible that multitasking in today’s world with information devices is a unique phenomenon that differs from traditional multitasking. Our study has implications for our attitude towards IS multitasking, designing training activities and multitasking systems.

The Role of Information Systems in Facilitating Knowledge Entrepreneurship

Lakshmi Goel, University of North Florida

Traditional economic entrepreneurship is characterized by the goal of monetary profit by undertaking innovations in conjunction with finance and business acumen. While there has been considerable focus on economic entrepreneurship, relatively less attention has been paid in research to other forms of entrepreneurship. Knowledge entrepreneurship in particular is one such important area today. Knowledge entrepreneurship can be described as an individual's ability to recognize or create an opportunity with the goal of realizing an innovative knowledge practice or product. Knowledge entrepreneurship differs from economic entrepreneurship in that it does not aim for monetary profit, but focuses on opportunities with the goal to create and exploit explicit and tacit knowledge. Since these activities are essential in the business environment, it is important to understand knowledge entrepreneurship, and factors that facilitate it. Recent literature has suggested the importance of knowledge entrepreneurship in the business landscape (Cooke & Swartz, 2007; Skrzyszewski, 2006).

While there is a plethora of research that addresses knowledge management through information systems, relatively less attention has been paid to the role of information systems in facilitating knowledge entrepreneurship. The role of information systems in general has not received much attention in the context of entrepreneurship. While factors such as individual traits (e.g. leadership, self-confidence, social networking skills, etc.) and situational factors have been identified as predictors of entrepreneurship behaviors, it is possible that information systems factors, such as those identified by DeLone and McLean (2003) play a role in facilitating knowledge entrepreneurship. The aim of this research study is twofold: One, to conceptualize the notion of knowledge entrepreneurship by developing a construct demonstrating validity, reliability, and testability; and two, to develop a model identifying antecedents and outcomes of knowledge entrepreneurship, including the role of information systems' factors, to better understand its role in organizational innovation.

Rubric Assessment of Learning Outcomes for Computer Information Systems Program

Xue Bai, Virginia State University

Ade Ola, Virginia State University

Assurance of learning outcomes is integral to fulfilling the teaching and learning mission of higher education. The effective assessment provides a vehicle to ascertain how well a program is achieving its stated learning outcomes, to detect any shortfalls in the program and to formulate and implement corrective actions to improve the learning outcomes. This paper describes the assessment practice in the Computer Information Systems Department at a medium-sized university to evaluate the effectiveness of the program in achieving its learning goals.

In an effort to promote the quality of academic programs in higher education institution, external accrediting organizations have shifted focus from a teacher-centered “instruction paradigm” to a student centered “learning paradigm”(Barr and Tagg 1995, Butnard 1999, Taylor 2000,). The assessments have moved towards evaluating of learning outcomes against objectives, identifying possible improvement, and closing the loop. According to Rogers (Rogers 2003), the primary outcome assessment question is “Can students demonstrate the ability to perform at an acceptable level?” and program assessment is a means through which evidence is provided that students are able to demonstrate “knowledge or skill directly linked to specific program outcomes”. The American Association for Higher Education identified nine principles of good assessment, “True assessment begins with educational values driving what we choose to assess and how we choose to perform assessment and it is through assessment that we meet our responsibilities to our students and the public”(Education 1991). Some of the external accrediting organizations have established standards for assessments. For example, The Association to Advance Collegiate Schools of Business (AACSB) has set requirements for the assessment of learning, which is labeled as “assurance of learning,” that cover all business-oriented courses within collegiate business schools(AACSB 2005). The Accrediting Board of Engineering Technologies (ABET) is another accrediting organizations that became the recognized agency for evaluating and accrediting information systems programs in 2001. Their review process includes an examination of eight standards. The first standard focuses on a program’s objectives and assessments (Rogers 2003). The divergence between two accrediting bodies is that the AACSB standards contain relatively more prescription of management process, while the ABET standards contain relatively more prescription of course content (Hilton and Lo 2007).

This paper describes program assessment initiatives using rubric assessment methodology undertaken for the four semesters in 2007, 2008 and 2009 at the Computer Information Systems Department for the ABET accreditation. To meet the requirements of the ABET accreditation, learning outcomes have been developed to map the learning goals of the department, and then rubrics measuring the learning outcomes have been developed for each course. The following table gives an example of the rubrics for the Web Application Design and Implementation course.

Matching Supply Chain Risk Sources and Impacts to Risk Mitigation and Contingency Strategies

Renu Ramnarayanan, Montclair State University

Supply chain risk management is becoming increasingly important in this environment where companies operate in a global theater. More recently, the International Organization for Standardization (ISO) developed a new set of standards for supply chain management, the ISO, 28000-2007 series. This series specifies the requirements for a security management system to ensure safety in the supply chain. Over the past decade, literature on managing risks has been fairly extensive. Recently several articles have addressed sources of risks. To achieve practical usefulness, we need to be able to match these risk sources (and their impacts) to risk mitigation (and/or contingency) strategies. We develop a framework to attempt to bridge this gap, prioritizing using the Pareto principle. We report on the state of the art in this area and provide suggestions for future research.

Creative Problem-Solving for Management via Dreamstorming

Fredrick Davidson, Concord University

We can “Google” thanks to a dream! The April 9, 2012 issue of **Fortune** reported that according to co-founder Larry Page, a dream about downloading the entire web onto computers stimulated his invention: “I grabbed a pen and started writing . . . I spent the middle of that night scribbling out the details and convincing myself it would work.” This paper reviews historical intuitive insights such as this that manifest in nocturnal dreams, speculates on the mechanism by which this occurs, and builds on contemporary dream research to develop a model for incubating dreams specifically aimed at group problem-solving for complex management decisions. Three examples of dream-incubated solutions are presented along with a protocol for extending this research into the realm of executive decision-making.

The Effect of Investor Sentiment on Chinese Closed-End Funds

Sinan Yildirim, Texas Wesleyan University
Shengxiong Wu, Texas Wesleyan University
Bing Yu, Meredith College

This study examines the effect of investor sentiment on Chinese closed-end funds (CEF). Baker and Wurgler (2007) define investor sentiment as “a belief about future cash flows and investment risks that is not justified by the facts at hand”. Most research on CEFs focus on funds traded in mature capital markets. The purpose of this paper is to provide more insights through investigating a well-known puzzle in the financial economics in China.

The Chinese CEF market provides an ideal and unique setting in terms of institutional structure and investors' profile. Besides the significant differences in the tax system in China, insurance companies and pension funds were allowed to invest in CEFs after February 25, 2000 and since then the majority of the investors in CEFs are institutional investors. Another distinct feature of China is that all CEFs are invested in publicly traded securities. All these factors necessitate the examination of investor sentiment in Chinese CEFs.

The investor sentiment hypothesis states that CEFs are mostly traded by small investors and the fluctuation in the sentiment of these small (noise) traders can lead to variation in demand for and share price of CEFs (Lee, Shleifer and Thaler, 1991). Since rational investors may not be able to resale CEF shares at the fundamental value if noise traders are pessimistic at the resale time and sentiments are correlated among noise traders, the discount compensates the CEF investors for bearing the investor sentiment risk.

Bodurtha, Kim and Lee (1995) reported that changes in the average discount on country CEFs are negatively related to returns on the U.S. stock market, controlling for the returns on the foreign market and exchange rate fluctuations.

We test the hypothesis that investor sentiment is not present in Chinese CEF markets. If institutional investors are more sophisticated than noise traders, then investor sentiment should not matter. We test investor sentiment risk by using a proxy, PDISC. Following Lee, Shleifer and Thaler (1991), we construct the value-weighted average discount of all available out-of-sample CEFs computes by fund type and week. We expect to find a positive correlation between PDISC and Chinese CEF discounts.

Mary Parker Follett and Participative Management: An Examination of Managers' Willingness To Delegate Power

Antonia Ofmani, William Paterson University
Derek Thoelen, William Paterson University
Stephen C. Betts, William Paterson University

Recent interest in the pioneering work of Mary Parker Follett attest to the insight that she had into the internal dynamics of organizations. Among her greatest contributions is her examination of power sharing. Follett's vision of power sharing, written over 80 years ago, is reflected in contemporary participative management programs. Although more accepted now than in her own day, power sharing is not universally accepted by managers. In this paper, we use Follett's insights as a starting point to explore and identify factors associated with managers being receptive to delegating power among their subordinates.

The Impact of Social Networks and Online Research Portals on Academic Research Collaboration and Productivity

Bay Arinze, Drexel University

Academic Research has been significantly affected by the advent of online Web 2.0 research portals. Hundreds of thousands of researchers have joined online social and specialized networks in efforts to improve their research productivity and create new collaborations. Generalized social networks like Facebook, with its 900 million members, have enabled interactions and contacts between researchers globally, but specialized networks such as MyNetResearch and ResearchGate go on to provide additional tools that are tailored specifically to the research task.

This study discusses how researchers collaborate using both social networks and the more specialized online research portals. It examines the differences in the user experience and describes various use cases by researchers on these networks. It goes on to identify the perceived benefits of both types of networks to academic researchers and seeks to predict how these new technologies will affect academic research in the coming years.

Is there excellence in the Quality Matters' on-line instructional design?

Mary Martin, Fort Hays State University

Theresa Billiot, Cameron University

Michael Martin, Fort Hays State University

Online-instructional design has emerged as an increasingly important issue for universities and colleges to improve student learning and student satisfaction. To assist institutions of higher learning, Quality Matters (QM), a subscription-based service, created a course design with a purpose to implement and measure quality in online courses for academics. With a wide-range of academic institutions subscribing to QM's standards, the researchers conducted an experimental study to evaluate the effectiveness of the QM course design on student learning and student satisfaction. This experiment examined two online marketing principles courses: one course designed to satisfy QM requirements (n = 25) and one course designed to not satisfy QM requirements (n = 23). One-way ANOVAs shed light on how the QM designed course does not significantly enhance student learning and student satisfaction when compared to the non-QM course. While this study reveals non-significant statistical results, this data does provide significant practical results on how QM fails to differentiate its course design from a non-QM course for student learning and student satisfaction, leading to financial and teaching implications for current and prospective subscribers for QM.

To pay or not to pay?—An Unique Examination of Unpaid Boards

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Bingsheng Yi, California State University-Dominguez Hills

J. Barry Lin, Simmons College

While numerous researchers have examined the linkage between board compensation and firm performance, previous literature to our knowledge did not look at firms which do not pay their directors. With a unique sample of listed firms with unpaid boards in Taiwan during the period from 2006 to 2010, our empirical findings indicate that pay does matter. Using return on asset as a measure of firm performance, regression models have highly significant negative coefficients for the non-pay dummy variable. Furthermore, firms change from paying their board directors to non-pay status exhibit a statistically and economically significant drop in their return on assets. We also provide a preliminary analysis on the characteristics of the kind of firms who do not pay their board directors.

Dorothy Davis, University of Louisiana at Monroe

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Of all Accounting topics, the financial statements represent one of the greatest challenges for students to master. There is a real need to present the financials more clearly, depicting their intricate inter-relationships with a seamless and logical methodology. The authors have developed a model exhibit, with detailed explanatory narrative, that highlights the distinct nature of each statement, as well as the cohesive portrait that they provide of the overall health of the company presented. The need for such a tool is broad, but a few examples are 1) as a visual aid for initial principles of financial accounting classes, 2) as a refresher tool for continuing accounting classes, and 3) as an overview to deliver intensive accounting training in prerequisite business classes, required as precursor to master's level business classes.

Socio-economic Determinants of AIDS: A Panel Data Analysis

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In the current project, we want to study the impact of HIV prevalence rate on economic growth in 40 developing countries from Africa over the period 2005 to 2009. We want to create a panel data set and use fixed effect / random effect model to test the impact of HIV prevalence.

Most of the studies that exist in this field are case study type studies. They deal with one country at a time. Or they are survey types that do not go into regression and estimation techniques. Other authors have used computer simulation based production function models also to examine the question.

We want to cover this gap in existing literature in our paper with a new method, that is the fixed-effect and random effect model. So, our study will supplement the existing literature on the topic by providing empirical evidence / support for such an adverse impact of HIV prevalence on economic growth rate. The conventional literature on macroeconomic impact of HIV states that “AIDS Has Little Net Macroeconomic Impact” (using per capital GDP as a metric). But we prove that HIV prevalence (% of population with HIV) has significant negative impact on per capital GDP.

Initial findings show that HIV prevalence has a negative impact on economic growth. This is true of all levels of HIV prevalence countries included in the study. On the other hand, the countries with highest level of income per capita show such an inverse association. Countries that have lower and medium per capital income do not show such an association.

Is Success Harder for GLBT Hospitality Managers? – Studying GLBT Hospitality Managers' Perception of Success

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Openly Gay, Lesbian, Bisexual and Transgender (GLBT) employees still face considerable social and legal challenges in the United States. These challenges may be either perceived or the result of employer related policies in place. This study examines the perceptions of GLBT employees in managerial positions within the hospitality industry in New York City and elicits their views on what success means for them. Further, it identifies issues or impediments affecting GLBT managers in their workplaces. The qualitative study also hopes to facilitate hospitality human resource managers plan policies with respect to GLBT employees and educate their respective employers about perceived challenges faced by GLBT managers. Lastly, the study will also add significantly to the understanding of GLBT managers in New York City's hospitality industry, their current status in the hierarchy and their view on professional success for GLBT employees.

Optimization of Assortment and Estimation of Demand Parameters in a Retail Chain

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In a fast changing global market, customer demands and preferences are changing continuously. The life cycle of products has also decreased. The competition among retailers as well as among brands has posed a serious problem retail industry. Under these circumstances, assortment planning has become an important issue for the retailers.

The assortment planning problem identifies the product mix that will maximize the profit and various constraints. The problem identifies the number of class/ categories of the products, sub-categories selected and the number of SKU's to be carried in the given sub-category. The objective of the retailer, at the same time is to maintain a customer base as large as possible. Hence, the retailer has to carry products in such a manner that it may not lead to lost sales and also satisfies the unique demand of all of its customers. Poor assortment planning in a retail chain leads to lost sales, decreases the customer base and increases the inventory cost.

In retail chain, it is important to estimate demand accurately for the optimum assortment. In literature, there are mainly two types of demand estimation function viz. space elastic demand estimation and substitution based demand estimation. The later method is further divided in multinomial logit model for demand estimation and exogenous demand model. In the current paper, we will first try to estimate the parameters which are useful in demand estimation in various demand function. Subsequently we will try to optimize the assortment under constraints like limited shelf space.

Employee Rights and Dividend Policy around the World

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This paper explores the relationship between employee rights and dividend policy across countries. Using labor right index as a proxy for agency costs of employees, we test the association between labor rights and dividend policies across countries. The empirical results reveal that labor rights are negatively related to firms' decision to pay dividends and dividend payment amounts. This relationship is reinforced to be more salient in civil countries where shareholder rights are weak. The empirical results are robust by controlling for sample selection bias, test model specification, and a series of country-level control variables.

Distinguish Financial Statement Frauds and Errors Using Machine Learning Techniques

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This study compares the performance of several machine learning methods in distinguishing between frauds and errors in financial statements. Frauds are intentional misstatements in financial statement data, while errors are unintentional misstatements in financial data. This paper uses the financial restatements samples caused by frauds or errors. The experiment includes predictors of financial data, auditor information, executive and director information and analysts forecast. These predictors are fed into several classifiers including artificial neural network, logistic regression, Adaboost and support vector machine, to distinguish frauds and errors. The results show that machine learning methods in general generate promising accuracies and support vector machine performs the best in average. These findings contribute to financial statement fraud research and can provide immediate benefits to the auditing profession and regulators.

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