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ANALYSIS OF PERCEIVED BENEFITS FROM IFRS IMPLEMENTATION BY SMALL AND MEDIUM-SIZED ENTITIES (SMES) IN NIGERIA

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ABSTRACT

In 2010, Nigeria approved the adoption and implementation of International Financial Reporting Standards (IFRS) in three phases whereby (1) publicly listed entities began implementation January 1, 2012, (2) other public interest entities on January 1, 2013, and (3) the Small and Medium-sized Entities, also refers to as Small and Medium-sized Enterprises, (SMEs) were directed to start the implementation of IFRS for SMEs on January 1, 2014. We intend to analyze some of the perceived/expected benefits of IFRS for SMEs (the Standard) implementation in Nigeria. We expect that the performance analysis of SMEs' pre- and post- implementation will reveal interesting findings about perceived benefits of IFRS for SMEs. The study will provide valuable insights into the effectiveness of the Standard for the SMEs sector of the Nigerian economy, which may also have policy implications.

INTRODUCTION

The globalization of financial markets and business operations led to the establishment of a uniform set of accounting reporting standards for meeting the needs of the global markets and stakeholders for useful financial information in the investment decision-making process. Hence, the IFRS Foundation of the International Accounting Standards Board (IASB) established financial reporting pronouncements referred to as International Financial Accounting Standards (IFRS), a common financial reporting language, to facilitate a worldwide financial communication to "bring transparency, accountability and efficiency to financial markets around the world." (www.ifrs.org). Many countries have reportedly required the adoption and implementation of IFRS by all business segments including Small and Medium-sized companies (SMEs). In 2009, IASB released IFRS for SMEs, a simplified version of the full IFRS, tailored to meet the needs and capabilities of small and medium-sized entities which represent more than 95% of all companies around the world (IFRS.org, retrieved on March 17, 2018). IFRS for SMEs was established to provide an accounting framework for entities in countries that did not have national generally accepted accounting principles (GAAP), to offer an alternative accounting standards for entities in countries with national GAAP that do not have the capacity to adopt the full version of the IFRS, and to afford growing small and medium entities an easy transition to becoming public (publicly-traded) entities. (PriceWaterhouseCooper, 2009).

In most countries, SMEs are typically private entities. In establishing the IFRS for SMEs (also referred to in this paper as the Standard), the IASB characterized SMEs as: 1) entities that do not have “public accountability” meaning that SMEs do not issue securities on the stock exchange, and thereby do not fall under the jurisdiction of the securities commissions or regulators; and 2) entities that issue general-purpose financial statements for the benefit of limited external users encompassing owners, government, and regulators. The Nigerian definition of SMEs was established by the [Central Bank of Nigeria](#) as entities with asset levels between [N5](#) million to [N500](#) million (about \$14,000 to \$1,400,000)¹, and a staff/employee level between 11 and 100 employees, (https://en.wikipedia.org/wiki/Small_and_medium-sized_Entities). Nigeria required the SMEs in Nigeria to adopt and implement IFRS for SMEs starting January 1, 2014. As a result of the implementation experiences from the early adopters of IFRS for SMEs, the IASB revised the Standard mainly to clarify the issues that arose from its early implementation worldwide in 2015. The IASB listed several qualitative characteristics of the financial statements of entities implementing IFRS for SMEs to include understandability, relevance, materiality, substance over form, completeness, comparability, and balance between benefit and cost (BDO, 2015). Hence, this study endeavors to examine the benefits that have accrued to the Nigerian SMEs from the implementation of IFRS for SMEs.

The remainder of this paper consists of the following sections: literature review, research propositions, research methodology, research findings, and conclusion.

LITERATURE REVIEW

Small and Medium-sized Entities (SMEs) are reportedly the main engine responsible for the growth of a country's economy (Kilic & Uyar, 2017; Agwu & Emeti, 2014, Siam & Rahahleh, 2010; Albu & Klimczak, 2017). Administration, Brunus Enterprises Nigeria Limited) (2012) describes SMEs as the economic segment that contributes meaningfully to the economic development of a country, instrumental in output expansion, employment generation, income redistribution, promotion of indigenous entrepreneurship, and production of primary goods to strengthen industrial linkages. Vatek (2011) reports that 95% of business entities in the world are SMEs, and Chand, et al. (2015) report that 96% of all registered Australian businesses in 2012 were SMEs. Onugu (2005) indicates that Nigeria had about 1500 SMEs in 2005, and Adepetun (2017) reports that 27 of Nigeria SMEs engage in international trade as of 2017. The primary focus of the financial standard-setters, both national and international, is to establish standards based on the assumptions of issues that are mostly relevant to large public (listed) entities as well as large private entities. While the standards are applicable to small and medium-sized entities (SMEs), some of the issues that are relevant and peculiar to the SMEs are often not sufficiently addressed, particularly in the full version of IFRS implemented worldwide. As a result, the IASB endeavored to address the financial reporting needs of the SMEs by issuing a simplified version of the IFRS for SMEs in 2009, later revised in 2015. One of the goals of IFRS for SMEs was to reduce the burden of preparing SMEs' financial statements.

¹ The amount in US Dollar is subject to currency exchange rate.

Relevant literature outlined several potential benefits of full version of IFRS to include decrease in cost of capital (Daske Hail, Leuts & Verdi, 2008), increase in efficiency of capital allocation (Bushman & Piotroski, 2006), enhanced international capital mobilization (Young & Guenther, 2003), widespread market development, higher market liquidity and value (PriceWaterhouseCoopers, 2009), improved comparability of financial information (Okere, 2009), greater quality information for investors/stakeholders (Barth and Schipper, 2008), enhanced transparency of financial information (Madawaki, 2012), enabled cross-border movement of capital (Bhattacharjee & Hossain, 2010), and advanced reliability and comparability of information to facilitate informed decision-making by investors/stakeholders (Madawaki, 2012). Because SMEs typically do not have public accountability and their general-purpose financial statements benefit limited external users, not all these benefits are directly relevant to the SMEs. However, gleaned from the reported experiences of the early adopters of IFRS for SMEs in developing economies, we expect that the SMEs in Nigeria will exhibit similar experience in attaining some of the perceived benefits of IFRS for SMEs.

Extant studies report mixed results concerning the benefits of the full version of IFRS (Bruggemann, Hitz, and Sellhorn, 2013). However, not much has been reported about SMEs, in various developing economies, effectively realizing any measurable benefits from the IFRS for SMEs implementation. Consequently, the optimism for SMEs to attain the perceived benefits of IFRS for SMEs has been downgraded. Relevant literature is full of pessimistic conjectures and reports of the failure to experience the benefits (Chand, et al., 2015). Factors such as lack of IFRS for SMEs knowledge, absence of ongoing training and development, complexity of the standard relative to SMEs, technical issues, and unfavorable cost/benefit assessment of compliance have been cited as culprits (Kilic, Uyar, and Ataman, 2014; Mullerova, et al., 2010; Ocansey, 2014; Wyk and Rossouw, 2009; Maseko and Manyani, 2011; Maseko, et al., 2012). Kubickova and Jindrichova (2016) surmise that the use of IFRS by Czech companies (not mandated to adopt IFRS) is very low because of several reasons, one of which is the IFRS's lack of consideration for countries' specific historical and cultural peculiarities. Chand, et al. (2015) conclude that the inherent problems in IFRS for SMEs can be mitigated if the country-specific contextual factors are considered and accepted in adopting the Standard. One problem that has been identified about the usefulness of the IFRS for SMEs is its inadequacy to address the fact that the SMEs financial information needs vary significantly across countries (Chand, et. al., 2015). The government institutional and policies support to enhance the capacity of SMEs lags behind, leading to the failure to achieve the perceived expectations (Osotimehin, et al. (2012), Agwu and Emeti (2014). Another inherent problem in IFRS for SMEs implementation is that the Standard does not provide appropriate guidelines to ensure its consistent interpretation and application across jurisdictions. In light of the results of adoption and implementation of IFRS for SMEs in various jurisdictions around the world, we want to explore the status of IFRS for SMEs implementation in Nigeria, now in its fifth year of implementation. The focus of the study is on examining the effectiveness of the Standard in realizing the perceived benefits of IFRS for SMEs.

RESEARCH PROPOSITIONS

This study employs the implementation theory (IT), which is the study of relationship between institutional structure that allows interactions among individuals, and the outcome of the interaction (Jackson, 2001). Palfrey explains implementation theory as a subset of economic theory which “investigate the correspondence between normative goals and institutions designed to achieve those goals” (2002, p 2273). Literature on this theory describes how “complete information” and “incomplete information” may impact the implementation of concepts or ideas in an environment. The overall assumptions are that implementation is likely to be successful in an environment where interaction among individuals is facilitated with a well-designed institutional structure; in contrasts, unsuccessful implementation is certain to be the result of implementation in a poorly-designed institutional structure. Since there are certain peculiarities to SMEs in various jurisdictions, this study examines the impact of the characteristics of SMEs in Nigeria along with the historical and cultural concerns on the achievement of the IFRS for SMEs perceived benefits. This study conjectures that the implementation of IFRS for well-structured SMEs would yield most, if not all, the relevant perceived benefits of IFRS for SMEs. In light of the Implementation Theory, along with the point of view of “complete information” concept, meaning the conditions of SMEs in Nigeria are conducive to implementation, this study will examine the status of the benefits that accrue to Nigerian SMEs stakeholders. Hence, we propose the following hypotheses:

- H1 The size and infrastructure of the SMEs has a direct impact toward attaining perceived benefits;*
- H2 The level of knowledge and expertise of IFRS has a direct influence on attaining the perceived benefits by SMEs;*
- H3 The level of commitment and reinforcement from accounting professionals, standard-setters, regulatory bodies, auditors and academics to support the SMEs in the implementation process has a direct effect toward attaining perceived benefits;*
- H4 The cost/benefit assessment of IFRS implementation by the SMEs has a direct influence on attaining perceived benefits; and*
- H5 The incorporation of the historical and cultural issues in the implementation of IFRS for SMEs has a direct effect toward attaining perceived benefits.*

RESEARCH METHODOLOGY

The research will utilize a survey method to collect data. A questionnaire will be administered to a sample of each types of SMEs stakeholders (accounting professionals, investors, creditors, regulatory bodies, auditors, and international standard-setters) to obtain their perception about whether the implementation of IFRS for SMEs lead to perceived benefits. The data relating to size and infrastructure, level of knowledge and expertise, education and experience, commitment and support from various accounting academic, professional and regulatory bodies, cost and benefit, historical and cultural matters and descriptive data will be analyzed using the prevailing statistical techniques.

RESEARCH FINDINGS

The research finding section will be presented in the final research paper. Hence, this section is forthcoming

CONCLUSION

The conclusion section will be developed based on the research findings. However, we anticipate that the results of this study will have policy implications. We can conclude, in light of the relevant extant research results, discussions and reports, that the results of this study will provide useful information that can assist Nigeria to institute corrective directives and actions, where necessary, to ensure effective implementation that can lead Nigeria to reaping optimal benefits of the IFRS for SMEs. We also anticipate that the results of this study will provide crucial information to those countries that are yet to adopt the reporting standards to formulate effective approach to adopting and implementing IFRS. The results of this study will advance and enhance the IFRS and IFRS for SMEs adoption and implementation literature.

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MANUFACTURER TRUST AND THE INDEPENDENT REPRESENTATIVE: ANTECEDENTS & OUTCOMES

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ABSTRACT

Manufacturers fulfill the sales function by fully staffing a direct sales force, or by outsourcing the activity to firms of independent sales representatives. Commonly called Manufacturers' Representatives, their ability to obtain manufacturer trust is important; it is fundamental to successful relationships. Some representatives may not consider the perceptions of a manufacturer and assume that trust will develop from typical day-to-day interactions. Earning trust takes time and effort so it is best for an independent sales representative to focus on things that can truly make a difference in the manufacturer's perceptions. By knowing which perceptions have an influence on trust formation, the sales representative's actions and behaviors to increase trust are likely to be more purposeful. This study addressed where to focus by answering the research question: What are the perceptions of a manufacturer that are antecedents to the formation of trust? To confirm that making an effort to build manufacturer trust is a worthwhile endeavor, this study also answered a second research question: What are the outcomes from gaining manufacturer trust?

Regarding manufacturer perceptions, as antecedents associated with trust development, they were examined as three general perceptions, including satisfaction, performance of the representative, and overall effectiveness of the representative. More specific perceptions were also examined, including the representative's expertise, likeability, and quality of information provided to the manufacturer. Outcomes from gaining manufacturer trust were examined as the manufacturers' commitment to the sales representative and dependence on the representative. Commitment and dependence are characteristics found with long-term business relationships.

Manufacturers were contacted with the support of nine member associations of the Manufacturers' Representatives Educational Research Foundation (MRERF). Respondents to an online survey evaluated an independent sales representative using measures with acceptable reliability and modified from published scales. An ANOVA analysis supported aggregating responses from manufacturers in the different industries. Of 485 manufacturers contacted, 115 participated in the study (23.7% response rate). Analyses examined correlations with trust and mean differences of constructs at high/low levels of manufacturer trust. Regression analysis determined the significance and influence of characteristics on trust. The IGBR presentation shows findings with strong correlations between the three generalized perceptions and manufacturer trust. Manufacturer perceptions of the three specific characteristics included in this study are also significantly correlated with manufacturer trust. Findings for relationships between manufacturer trust, commitment, and dependence are also presented.

FEDERALLY FUNDED R&D FUELS REGIONAL ECONOMIES: A PANEL DATA ANALYSIS

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ABSTRACT

Sustained economic growth and innovation are only possible with adequate research and development (R&D). The Federal Government is the largest source of funds for academic R&D, although the amount contributed has declined in recent years. This article looks at the short-term and long-term impact of federally funded academic R&D on state economies using panel data that cover the period between 2005 and 2015. Spillover effects at the national level are incorporated in a total factor productivity model as suggested in the literature. It is shown that federal investment in academic R&D significantly increases state GDP in the long term, although the short-term economic impact is also not negligible. Most important, R&D activity from universities, businesses, states, and other entities collectively improves productivity and promotes job creation and innovation.

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MARKET EFFICIENCY: THE POWER OF INSIDER TRADING

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ABSTRACT

The purpose for this study is to test semi-strong form market efficiency against insider trading and the effect it has on risk adjusted rate of return on firm's stock prices. If insider trading affects stock prices on or around the date of purchase, then we can assume that the information is significant. However, if the stock prices react before or on the date of insider purchase, then insider's can not take advantage of the information and will not earn an above average return. If this is the case, the market does conform to semi-strong market efficiency and insider trading has no effect. Most would assume that insider trading does offer an advantage, and they will experience above average returns on the announcement date. Using the standard event study methodology in the finance literature, the study will test a random sample of insider trading purchases against the risk adjusted rate of return for the firms. These results should test market efficiency.

BACKGROUND

The market is considered to be efficient and can take on three forms; weak, semi-strong, and strong form efficiency. These forms demonstrate just how quickly the market adjusts to announcements and relevant information. In order to test for each form of efficiency, different areas are considered, such as; past information, earnings reports, and all public and private information,(Fama, 1970).

Insider trading can have some effect on how the market reacts, and it's basically what the name suggests. Employees who own stock in the company, or people with an inside advantage, can inquire information prior to public announcements or even non-public information. Once they have obtained this information, they can use it to try to earn an above average return. Essentially, people who take part in insider trading are trying to beat the market before it has a chance to adjust. However, some insider trading is highly illegal and is monitored by stock exchanges.

PROBLEM AND PURPOSE OF STUDY

The purpose of this study is to test semi-strong market efficiency against the effects of insider trading. Specifically, looking at it's affect on the risk adjusted rate of return on stock prices. The study will look at how fast stock prices react to insider purchases, demonstrating whether the market is weak, semi-strong, or strong form efficient.

Using standard event study methodology, in finance literature, this research will be testing a random sample of insider purchases on the risk adjusted rate of return of the firms' stock prices. If the market is indeed semi-strong efficient, an investor should not earn an above average return from acting on insider information on the announcement date.

LITERATURE REVIEW

There is a long-standing theory that the market is efficient and is reflected by stock prices. However, is the stock market taking into consideration insider trading, and the effects of above average rates of returns have on stock prices. Insider trading isn't something new and it does come with some guidelines, put in place by the Securities and Exchange Act. When trades result in abnormally high or when above average rates of returns occur, it goes against the efficient market theory. These returns are not accurately reflected in the stock's prices, (Rozeff and Zaman, 1988).

When insider trading occurs, it is normally because corporations or people within these firms have better information than the public. Many times resulting in an above average return in comparison to a normal return made off of public information. Research findings suggest that it is important to ensure market fairness and access to information in order to have market efficiency. Investors outside a company can also experience above average returns if the market is not efficient and reacts to public information in an effective manner, (Fishman and Hagerty, 1992).

According to Fama (1970) Weak form efficiency is when the market reacts fast to past information and canceling out the ability of investors to earn above average returns. Semi-strong form efficiency is when the market reacts fast to all public information and canceling out the ability of investors to earn above average returns. Strong form efficiency is when the market reacts fast to both public and private information and canceling out the ability for investors to earn above average returns.

METHODOLOGY

In order to test how efficient the market is using a sample of insider purchases, this study uses the standard event study methodology from the finance literature. A sample of companies that announced insider purchases was selected from <http://openinsider.com>. The sample includes 10 randomly chosen insider purchases on May 31, 2017. The sample was chosen from stocks traded on the NYSE or NASDAQ. Table 1 in Exhibit A displays the samples chosen.

To test semi-strong form market efficiency against insider purchases with public announcements and to examine the effect of insider purchases on average stock return around the purchase date, this study proposes the following null and alternate hypotheses:

H1₀: *The risk adjusted return of the stock price of the sample of firms announcing insider purchases is not significantly affected by this type of information on the purchase date.*

H1₁: *The risk adjusted return of the stock price of the sample of firms announcing insider purchases is significantly affected by this type of information on the purchase date.*

H2₀: *The risk adjusted return of the stock price of the sample of firms announcing insider purchases is not significantly affected by this type of information around the purchase date as defined by the event period.*

H2₁: *The risk adjusted return of the stock price of the sample of firms announcing insider purchases is significantly affected around the purchase date as defined by the event period.*

The announcement date (day 0), obtained from <http://openinsider.com>, is the date of the firm's announcement of the insider purchase. The historical data of the stock price and S&P 500 index during the event study period was obtained from <https://finance.yahoo.com/>. The historical stock prices of the sample companies, and S&P 500 index, for the event study duration of -180 to +30 days (with day -30 to day +30 defined as the event period and day 0 the announcement date) were obtained. Holding period returns of the companies (R) and the corresponding S&P 500 index (R_m) for each day in this study period were calculated using the following formula:

$$\text{Current daily return} = \frac{(\text{current day close price} - \text{previous day close price})}{\text{previous day close price}}$$

A regression analysis was performed using the actual daily return of each company (dependent variable) and the corresponding S&P 500 daily return (independent variable) over the pre-event period (day -180 to -30 or period prior to the event period of day -30 to day +30) to obtain the intercept alpha and the standardized coefficient beta. Table 2 in Exhibit A shows the alphas and betas for each firm. For this study, in order to get the normal expected returns, the risk-adjusted method (market model) was used. The expected return for each stock, for each day of the event period from day -30 to day +30, was calculated as: $E(R) = \alpha + \beta(R_m)$, where R_m is the return on the market, i.e. the S&P 500 index. The Excess return (ER) was calculated as: $ER = \text{the Actual Return (R)} - \text{Expected Return } E(R)$. Average Excess Returns (AER) were calculated (for each day from -30 to +30) by averaging the excess returns for all the firms for given day. $\text{Average Excess Return (AER)} = \text{Total Excess Return} / n$, where n = number of firms is sample, i.e. 25 in this case. Cumulative Average Excess Return (AER) for the event period (Day -30 to Day +30) was calculated by adding the AER for each day in the event period. Graphs of AER and Cumulative AER were plotted for the event period, i.e. day -30 to day +30. Chart 1 shows Average Excess Return (AER) and chart 2 shows Cumulative Average Excess Return (CAER) plotted against time, see Exhibit A.

QUANTITATIVE TESTS & RESULTS

Did the market react to the insider purchase announcements on the purchase date and if so, then was it significant enough to impact the stock's price. You would expect there to be a significant difference in the Actual Average Daily Returns (Day -30 to Day +30) and the Expected Average Daily Returns (Day -30 to Day +30). If this information on the event date was significant enough to affect risk adjusted rate of return on the firm's stock prices, then you would expect it to be reflected in the graph; AER vs TIME. The results support the null hypothesis **H1₀**: The risk adjusted return of the stock price of the sample of firms announcing insider purchases is not significantly affected by this type of information on the purchase date.

When considering market efficiency and what form it takes when reacting to the insider purchase announcement, we look at if the AER (Average Excess Return) and CAER (Cumulative Average Excess Return) are significantly different from zero or relationship in the graph between AER or CAER and time. By looking at the graph CAER vs TIME, results show that there is a significant change to the risk adjusted rate of returns in regards to the insider purchase announcements around the event period. The results support the alternative hypothesis

H2₁: The risk adjusted return of the stock price of the sample of firms announcing insider purchases is significantly affected around the purchase date as defined by the event period. An investor could earn an above average return when acting on public announcements of insider purchases. Once the public announcement was made, the stock's price had a delayed reaction until around day 15 after the event. Insider purchases did have an effect on the firm's stock price around 10 days prior to the announcement. These results show that the market is not semi-strong efficient, and does not reflect all publicly available information.

CONCLUSION

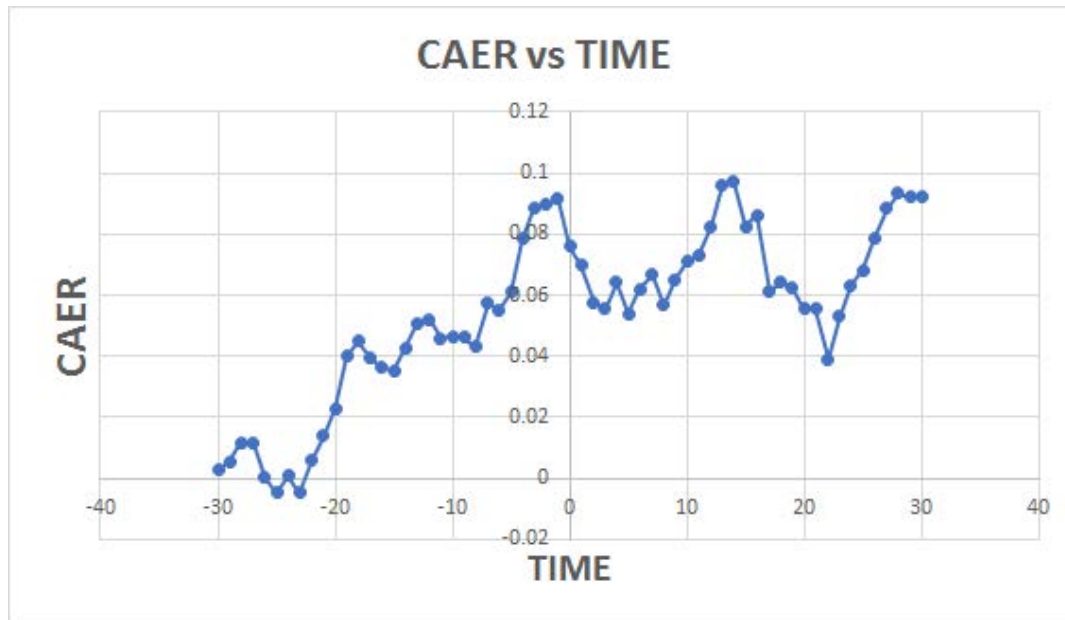
The study tested the effect of insider purchase announcements against the risk adjusted rate of return of stock prices from 10 randomly chosen firms on May 31, 2017. All stocks were traded on the NYSE or NASDAQ. The results proved that there was a significant reaction and insider trading prior to the announcement date and delayed reaction after the announcement date. Since the market did not adjust immediately to the announcement, the market is not semi-strong efficient. The stock prices reacted to the event, inside information, when it occurred prior to the public announcement and then slowly after the announcement date. Therefore, an investor could make an above average return by acting on insider purchase announcements.

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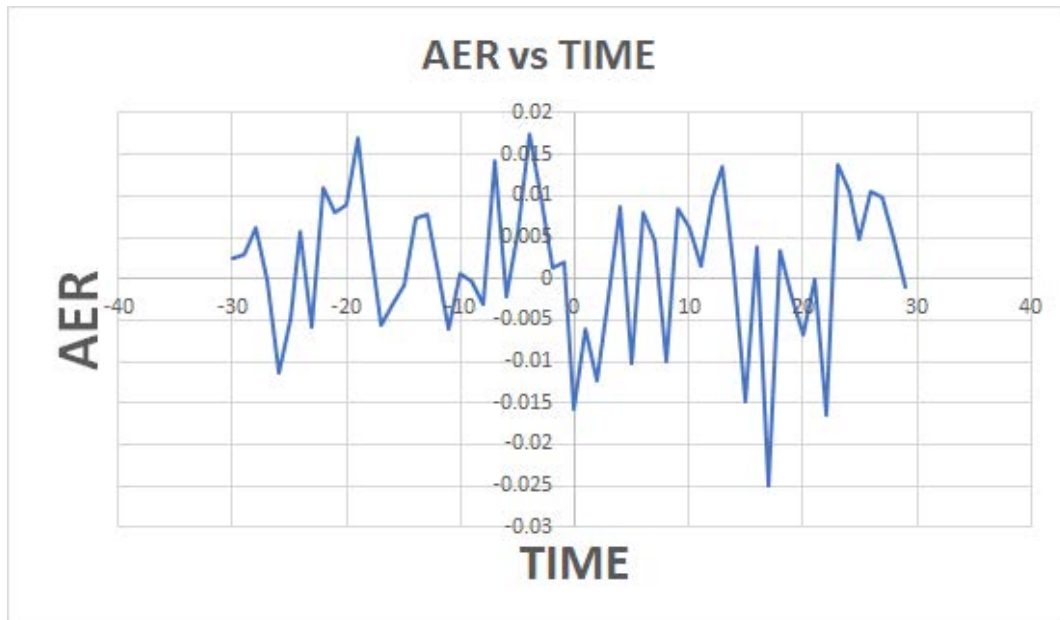
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EXHIBIT A

TICKER	FIRM	TRADE DATE	TRADED INDEX
DYNT	Dynatronics Corp	05/31/2017	NASDAQ
LUB	Luby's, Inc.	05/31/2017	NYSE
RYI	Ryerson Holding Corp	05/31/2017	NYSE
STRS	Stratus Properties	05/31/2017	NASDAQ
CRMT	Americas Carmart, Inc.	05/31/2017	NASDAQ
FCAP	First Capital, Inc.	05/31/2017	NASDAQ
TWNK	Hostess Brands, Inc.	05/31/2017	NASDAQ
PW	Power Reit	05/31/2017	NYSE
AAP	Advance Auto Parts, Inc.	05/31/2017	NYSE
MCHX	Marchex, Inc.	05/31/2017	NASDAQ



Firm	Alpha	Beta
DYNT	0.000796	0.503186
LUB	-0.0026	1.256357
RYI	-0.00095	3.892594
STRS	0.001923	0.466225
CRMT	-0.00069	1.276385
FCAP	0.00107065	0.147217
TWNK	0.002204	0.506376
PW	0.00086	0.157735
AAP	-0.00106	0.99946
MCHX	-0.00079	1.149971



THE REALITY OF THE ECONOMICS OF RETIREMENT SECURITIES FOR MODERATE- INCOME FAMILIES

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Indya Weaver, Hampton University
Cheyenne Trammell, Hampton University
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ABSTRACT

A significant portion of Americans does not feel prepared for retirement or that they will have enough savings to live a life that they consider a quality life. Retirement is a leading issue for individuals in the United States as studies show that almost half of the entire population is not on the right path to have an optimal retirement income. This combined with the fact that the average lifespan is increasing and the possibility that there will not be any social security when the millennial generation retires. There are numerous factors contributing to this dilemma: increased life span, poor financial planning, debt and as well as a variety of others. Potential steps individuals can take towards retirement planning include creating a budget, having contingency plans for emergencies, hiring financial professionals and starting early. While retirement planning has been an issue for all Americans, there have been studies that examine these issues in moderate-income families in how they save for retirement. Some of these differences can have a significant impact on the quality of living for many in a positive or non-positive direction.

BREXIT ANNOUNCEMENT: TESTING MARKET EFFICIENCY

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ABSTRACT

This study tests the market efficiency theory by examining the effect of Brexit announcement on several stock firms and the market as a whole. How did the market react to UK leaving the European Union? Brexit's announcement suggests that the firms stock prices would decrease from the news. I analyzed 10 firms' stock price risk adjusted rate of return before and after Brexit's announcement on June 24, 2016. The purpose of this study is to test market efficiency and the effects of Brexit's announcement on the market. As we analyze the semi-strong market theory; which believes that the stock price reacts so fast to all public information that no investor can earn an above normal return. This will prove that the market anticipated a negative decline on stock prices from the Brexit announcement. Results show stock prices dropping approximately 26 days prior to the announcement and continuing to drop for several weeks. This supports the semi-strong market theory; which suggest that the market reacted to the announcement of brexit.

INTRODUCTION

When the United Kingdom decided to leave the European Union On June 24, 2016, many countries were concerned that it would trigger similar thoughts for other countries in the EU to leave as well. This decision to leave caused huge loss in the financial market resulting in large share price losses, especially for financial institutions. Comparing Brexit to Lehman's bankruptcy, both resulted in large stock price losses for financial institutions as well as ranking the most significant economic event in recent years, which leads to uncertainty in politics and the economy. As we examine the market's reaction to Brexit's announcement we analyze the risk adjusted return of the chosen firm's stock prices around the event of June 24, 2016.

LITERATURE REVIEW

Finance Research Letters compare the Lehman Brothers bankruptcy on September 15, 2008, is very similar to the Brexit announcement. "The outcome was not anticipated by majority of capital market participants and had a 90% chance that the UK would remain in the EU" (Bloomberg, 2016). The financial market lost large share prices, Lehman Brothers had the largest bankruptcy, until the announcement of Brexit. The results of comparing the Lehman Brothers bankruptcy to the Brexit led to Brexit having a significantly more drop in share prices on the EU financial institutions.

Jamal Bouoiyour explains that soon after the results of Brexit, experts predicted that the UK stocks will crash given the uncertainty of how the UK will manage from this decision to leave the EU. The findings show that the British industries are strong with dealing with uncertainty.

Sectors that had more challenges from Brexit included; defense and airlines, real estate, technology, and financials.

Sabina Cazan explains the announcement of Brexit on the England banking system. They conducted an event study to show the values of the abnormal and cumulative abnormal returns have dropped and the market impact having a negative effect. The main objective is to determine the result of the event that impacts the eleven banks.

DATA & METHODOLOGY

We use 10 investment firms that are exposed to Britain and the European Union. In this study we are testing the market's reaction to the announcement along with the impact it had on these firms in the market. I analyzed the 10 firm's and the corresponding S&P 500 index from 180 days before the announcement date of June 24, 2016 and 30 days after the announcement. The following hypothesis is to test the effect of the announcement on the 10 firms stock prices and the semi-strong market efficiency theory.

***H1₁:** The adjusted stock price return of the sample of firms announcing Brexit is not significantly affected by information on the announcement date.*

***H1₂:** The adjusted stock price return of the sample of firms announcing Brexit is significantly positively affected by information on the announcement date.*

***H2₁:** The adjusted stock price return of the sample of firms announcing Brexit is not significantly affected by information around the announcement date as defined by the event period.*

***H2₂:** The adjusted stock price return of the sample of firms announcing Brexit is significantly positively affected by information around the announcement date as defined by the event period.*

Test uses the standard risk adjusted event study methodology to test the stock market's response to Brexit's announcement on June 24, 2016. Using Yahoo Finance, I gathered historical stock prices of the sample companies, and S&P 500 index, for the event study duration of 180 days before the announcement to 30 days after June 24, 2016. The event period is defined as the 30 days before and after the announcement with day 0 as June 24, 2016.

After finding these prices, I calculated the holding period returns for the companies and the corresponding S&P 500 index each day using the formula:

$$\text{Current daily return} = \frac{(\text{current day close price} - \text{previous day close price})}{\text{previous day close price}}$$

$$\text{Current daily index return} = \frac{(\text{S\&P current close} - \text{S\&P previous close})}{\text{S\&P previous close}}$$

A regression analysis is performed using the daily return of each company, which is the dependent variable, and the corresponding S&P 500 index daily return, which is the independent variable. This is then divided by the pre-event period day from 180 days before the announcement and 30 days after, period prior to the event period of day -30 to day +30. This will calculate the alpha, which is the intercept, and the beta which is the standardized coefficient.

Table 1: Alpha and Beta

Firm	Stock	Alpha	Beta
British Airways	ICAGY	1.000206	-0.00123
EasyJet	ESYJY	0.39582	-0.00161
Lloyds Bank	LLDTF	0.681491	-0.00074
Morgan Stanley	MS	1.805094	-0.00175
Citigroup	C	1.800806	-0.00142
Goldman Sachs	GS	1.466588	-0.0012
Invesco	IVZ	1.723927	-0.00091
JPMorgan	JPM	1.457535	-0.00041
BorgWarner	BWA	1.550373	-0.0018
Delphi Automotive	DLPH	1.383118	-0.00105

In order to get the normal expected returns, the risk- adjusted method was used. The expected return for each stock, for each day of the event period 30 days prior to June 24th and 30 days after, was calculated as:

$E(R) = \alpha + \beta \times (R_m)$, where R_m is the return on the market (S&P 500 index). The Excess Return (ER) was calculated as the Actual Return (R) minus the Expected Return $E(R)$. Average Excess Returns (AER) were calculated (for each day from -30 to +30) by averaging the excess returns for all the firms for given day: Average Excess Returns (AER) equals the sum of Excess Return $E(R)$ for given day divided by n , where n equals the number of firms in the sample (10 stock firms). Also, a daily cumulative average excess return was calculated by adding the AERs for each day from -30 to +30. The graph of CAER was plotted for the event period day -30 to day +30.

QUANITATIVE TEST AND RESULTS

Did the market respond to Brexit's announcement? Was the information surrounding the event significant? If the event information is significant then we expect the average excess daily returns as shown in (Exhibit 1) to be significantly different from zero and differ from the cumulative average excess daily returns. If a significant risk adjusted difference is observed, then this information did significantly impact the firm's stock price, as hypothesized. Statistically test for the difference in the risk adjusted daily average excess returns and the cumulative average excess daily returns, 30 days prior to announcement and 30 days after, a paired t-test was used. The result of these test supports the alternative hypothesis H_{12} and H_{22} and concludes that the risk adjusted return of the stock price of the sample firms is indeed significantly negatively affected around and on the event date.

Was the level of efficiency weak, semi-strong, or strong from the according efficient market theory? Did the market respond to the information and what are the implications of market

efficiency? In order to test the market efficiency, I used the cumulative average excess return (CAER) to see if it was significantly different from zero and analyzed the graph between time and CAER (in Exhibit 2). There is evidence that the adjusted rate of return on stock prices began to decline approximately 26 days before the June 24th. These results confirm the semi-strong market efficiency theory, which shows that the market anticipated the Brexit announcement with negative decline in stock prices.

Exhibit 1: Time vs. Average Expected Return

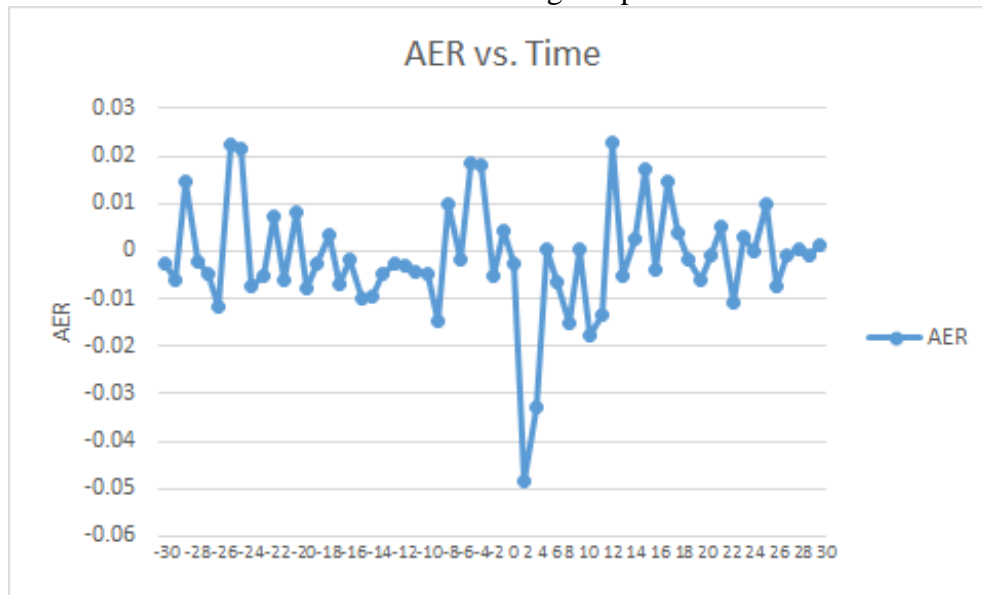
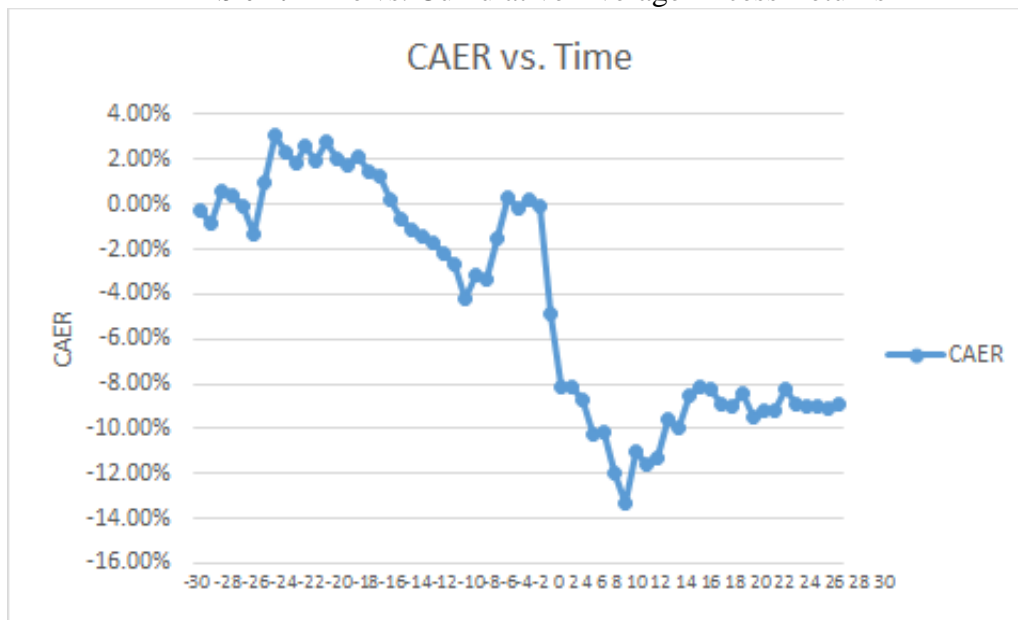


Exhibit 2: Time vs. Cumulative Average Excess Returns



CONCLUSION

This study examines the effect of the Brexit announcement on the stock prices' risk adjusted rate of return for 10 selected stock firms. These stocks had some type of exchange with the European Union. Results show from Exhibit 2 that stock returns drop around 26 days prior to the announcement. Statistical tests proved that the Brexit announcement definitely had a negative effect on the risk adjusted rate of return for the 10 firms. The stock prices falling around the announcement date supports the the semi-strong market efficiency theory. As shown in Exhibit 2, the stock prices continued to fall tremendously after the announcement date. This decision to leave caused huge loss in the financial market resulting in large share price losses, especially for financial institutions. The Brexit announcement had a huge impact on many after June 24, 2016.

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INVESTIGATING THE ROLE OF LANGUAGE WITHIN PROFESSIONAL ACCOUNTANCY CODES OF ETHICAL CONDUCT

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ABSTRACT

Codes of ethics are promoted by a variety of professional accounting organizations (Frankel, 1998). Their intent is to provide a framework of principles and rules that guide professional accountants in determining ethical behavior and conduct. While the precise language used within the provisions of a code may potentially influence the level of adherence and compliance with such a document, this area, at least in the accounting domain, is largely unexplored.

In 2012, work by George et al. (2012) concluded that the wording used within professional accounting codes of ethics may influence individual behavior. This study used a survey of Australian and UK students as a proxy for the views of accounting professionals, and found that the language used within a code of ethics appeared to influence an individual's perception of whether an ethical dilemma existed, and how they responded to such issues.

This present study extends the work of George, et al. (2012) by surveying United States (U.S.) accounting students studying in Colorado to investigate whether the language used within the Colorado Board of Accountancy Rules of Professional Conduct (2013) influences ethical behavior. To explore this issue, the researchers designed a survey that required respondents to evaluate an ethical dilemma after consulting each of four differently worded ethics provisions relating to professional integrity and objectivity. In total, 232 usable surveys were analyzed, and the results suggest that the precise language and wording used within a code of ethics provision significantly affects ethical attitudes and behavior. These findings have potential implications for the design of professional accountancy codes and the teaching of accountancy in the U.S., especially since most of the students surveyed had taken at least one course in business or accounting ethics.

A STUDY OF THE VOLATILITY OF NASDAQ COMPOSITE INDEX SINCE INCEPTION TO THE PRESENT

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ABSTRACT

This study explores the seasonality in the volatility of the Nasdaq Composite Index. It seeks to uncover the anomalies in the behavior of Nasdaq Composite Index in terms of volatility. We define volatility as the mean of absolute daily percentage changes in Nasdaq Composite Index over each month. The mean absolute percentage change is preferred over the standard deviation of daily percentage changes during the month as a measure of volatility. The study spans the Nasdaq Composite Index from its inception in February 1971 to December 2017. The study would identify the months when the volatility has been high and the months when Nasdaq Composite Index has been the least volatile. The period of study is further split into three parts: 1971-1992, 1993-2002 and 2003 to 2017 to study how the volatility has changed over those three seminal periods since the inception of Nasdaq Composite Index. Finally, the study would look at the relationship between the return during the month and the volatility during the month (risk-return relationship). The findings and conclusions of the study are expected to be of interest to those who invest in the stock market, to those who study the behavior of the stock market, and to economics and finance professionals in general.

AN OVERVIEW OF IFRS IMPLEMENTATION ISSUES IN INDIA

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ABSTRACT

Since May 2008 when the Ministry of Corporate Affairs (MCA), Government of India (GoI) confirmed the convergence of International Financial Reporting Standards (IFRS) adoption agenda for India, The Institute of Chartered Accountants of India (ICAI) has updated all the Indian Accounting Standards to ensure compliance with IFRS. Indian firms have been adopting IFRS in publishing their financial accounts. In this paper we examine the progress made in implementing IFRS and the issues faced by corporate accounting bodies in implementing IFRSs in their firms.

FEDERAL TAX REFORM: THE IMPACT ON HOUSING COSTS

Richard Powell, Pepperdine University
Steven Ferraro, Pepperdine University

ABSTRACT

The recent 2017 Federal tax reform legislation reduced the mortgage interest deduction and limited state and local tax deductions (SALT). These changes can have substantial impact on housing markets. This paper discusses the statutory changes and analyzes how the changes can alter housing markets. The changes can affect not only new purchasers of housing but also existing owners of housing. The changes can also influence the choice of whether to purchase or rent housing. A review of the statutory changes shows how participants in the housing market can analyze the statutory impacts and determine their optimal decisions.

FEDERAL TAX REFORM: THE LIMIT ON SALT DEDUCTIONS AND HOW SOME STATES HAVE RESPONDED

Richard Powell, Pepperdine University
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ABSTRACT

The recent 2017 Federal tax reform legislation placed a \$10,000 limit on the deduction for state and local taxes (SALT) related to property, income, and sales tax. In states with high state and local taxes, this limit can lead to an increase in Federal income tax for numerous individuals. In response, officials in some of these states have explored ways to obtain special relief for their taxpayers.

This paper explains the SALT limit and how it impacts taxpayers. The paper goes on to identify various proposals designed to nullify or diminish the tax impact. Finally, the paper discusses some issues raised by these proposals and how the proposals must overcome some obstacles before they can provide any promised relief.

WHY NOT CREATE MORE NETWORKING OPPORTUNITIES FOR ETHNIC MINORITIES IN NONTRADITIONAL WORK ENVIRONMENTS?

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ABSTRACT

Organizations have become a melting pot of diverse cultures with various ethnic and religious backgrounds. Companies are embracing the advantage of a diverse workforce and improving hiring practices to include talent across multicultural and ethnic backgrounds. Although these individuals bring an array of knowledge and experience to the workplace, they often feel isolated both socially and professionally from mainstream groups. While some minorities integrate well into mainstream, others fall victim to the Leader-Member Exchange Theory's "out-group" category and become estranged. As members of the outgroup, they may experience fewer opportunities to benefit from the exchange of a close relationship with the leaders and key members of their respective organizations. In non-traditional work arrangements, the challenge to assimilate with supervisors and peers becomes further complicated due to work related barriers including proximity to office, varying time zones, and lack of face-to-face contact with individuals. Therefore, these individuals often seek informal networking opportunities with members of an identifying group for support and information. We contend that peer to peer relationships among minority cultural groups is the strongest predictor of job satisfaction and performance in non-traditional work environments. Therefore, organizations should support increased networking opportunities for minorities in non-traditional work environments.

EXAMINING THE RELATIONSHIP BETWEEN SERVANT LEADERSHIP, HOPE, AND FUTURE ORIENTATION IN THE NIGERIA AGRICULTURAL INDUSTRIES

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ABSTRACT

In this study, we examined if there was a relationship between the GLOBE Future Orientation (FO) cultural dimension and Hope theory. In addition, we examined the ability for Servant Leadership (SL) to influence the HOPE construct at the organizational level in the Nigeria agricultural industry. The Future Orientation (FO) dimension has a strong theoretical relationship to the Hope Work construct; we asked if this international cultural dimension could measure hope (Motivation and Planning) at the organizational level? Servant Leadership theory should be able to influence the organization; so we asked, can it increase Hope in the organization? The participants in Nigeria were selected using a sample of above high school education level workers at two corporate farms with 61% being bilingual. This data collection resulted in 92 usable surveys out of 99 participants with demographic information about the participants' work experience and education levels. The modified Future Orientation Practices scale had a mean of 5.8 and modified Values scale had a mean of 5.7 out of a possible 7. The Hope Work scale had a mean of 6.7 with the Motivational subscale mean of 6.9 and Planning subscale mean of 6.6 out of a possible 8. There was a significant, yet, weak Pearson correlation of FO to the Hope scale. The FO Values scale used had a significant, weak correlation with the Hope Motivation subscale. This result was greater than the FO values scale to Hope Planning subscale correlation. The Servant Leadership instrument was a mean of 3.74 out of a possible 5. There was not a significant correlation between SL and the Hope scales. However, there was a significant, slight correlation between SL behaviors and the Hope Planning subscale. The detail of the correlation showed a significant, yet small correlation between the SL behaviors of trust and equality and the Hope Planning subscale. The FO measurements indicate that this group is satisfied with the current FO of their organization and do not believe improvements are needed. Both Hope subscales indicate a high ability to apply Hope theory within their organization if needed. This finding is consistent with the FO measurements in the GLOBE studies that indicate this result is similar to higher income groups that seem to enjoy the present. The connection between Hope and Servant Leadership behaviors indicate that SL has little ability to influence the Hope level in the organization. This finding is consistent with another study that indicated SL might not be able to influence the motivation of the organization. However, the empowerment emphasis of SL may be able to improve the Hope Planning part of Hope theory. SL might need to develop an additional communication behavior in its leaders to increase the motivation levels in

the organization. The combination of FO, Hope, and SL can develop the ability for an organization to increase the Hope needed to build a better future.

MAKING SENSE OF OUR SELFISH APPROACH TO NATURE

P. Michael McCullough, University of Tennessee – Martin

ABSTRACT

This paper looks at the sometimes fraught relationship between humans and nature using the sensemaking framework introduced by Karl Weick in his 1995 book, Sensemaking in Organizations and the Paradoxes of Organizational Effectiveness framework discussed in an article by McCullough and Faught, 2014.

Martin Heidegger's thoughts on technology contained the insight that technology is a way to reveal hidden truths. Nature, with its varied species and complex ecologies; is itself, a form of technology or unveiling of the truth. Everything nature produces (reveals or unveils) fits with what it has produced before and what it will later produce. Nature has no consciousness, but it may have something better – harmony. Every species has a productive role in the ecology into which it is born (Norton, 1986). Presumably, even we humans had a productive role to play at first, or nature would not have produced us. Of course, I say that tongue-in-cheek, since nature does not have a mind nor intentions. We evolved in nature as did all the other species, it's just that we evolved a mind and quite an impressive one at that.

As far as we know, earth's natural technology (nature we call it) has produced no other species that processes symbols (has a language), is aware of its own existence, and can unveil truths by devising its own technology. What a marvelous attainment for nature, right? However, this marvelous species nature wrought, has proven to be problematic, that is, the human species' brand of technology, sometimes disrupts the rest of nature; sometimes in a good way and sometimes not.

Did nature go astray when it produced a species with the capacity to destroy entire ecosystems and even upset the rhythms of the planet? In the short term, the answer appears to be yes, but in the long run, the problem will solve itself; for humans will either go extinct because of disharmony with the rest of nature or figure out how to live in harmony with nature. Nature did not make a mistake in producing humans, but it may take a while for that truth to be revealed – a truth that could result in great suffering for our species. The online satirical magazine, The Onion, lampooned the problem by saying that 2.3 billion people need to die and that perhaps after their deaths, the surviving humans will take the climate-change problem a little more seriously. (<https://www.theonion.com/scientists-look-one-third-of-the-human-race-has-to-di-1819573235>)

McCullough and Faught's (2014), Paradoxes of Effectiveness and Weick's insight into the seven properties of sensemaking, can both be useful in this discussion of the relationship between the human species and the ecosystem that produced it. The basic premise of the Paradox of Effectiveness is that selfish disregard for context – whether on the part of individual humans or their collective manifestation-organizations, is the fundamental enemy of effectiveness or adaptability. This principle is terribly different from the one espoused by Adam Smith in his

Wealth of Nations (1776). In capitalism, selfish pursuit of one's own interests works out okay as long as there is a diversity of interests among the people involved. However, in the context of nature, selfish species will not survive.

This paper will go more deeply into Weick's notion of sensemaking and how we humans turn to the social process of sensemaking in the face of cosmological events, that is, those events we have not experienced before.

The cosmological challenge we humans face, is our disharmony with nature. We can treat one another with disregard, commit acts of violence with seeming impunity, and generally act with diabolical selfishness; but this approach to living only works for a while and only within the ranks of our species. We cannot get away with such approaches in our relationship to other species, that is, to nature. Nature is the ultimate test of our sanity and so far, we are flunking that test.

The only way humans can survive long term, is to seek to understand and abide by the rules nature implicitly provides; that is, to stop living in disregard for our context. The only way we can understand and abide by nature's rules, is to collectively make sense of these rules.

The first property of sensemaking is that it is based in the identity of the person(s) attempting to understand the cosmological challenge. Increasingly, we humans have come to see ourselves as the species in charge of the planet's resource instead of just one of the many species that must live by the rules of nature.

The second property of sensemaking is that it is a retrospective process, which in this case means, we humans will need to look to our past successes at making sense of cosmological challenges. One example of that is how we stopped using aerosol sprays which put CFCs into the atmosphere and depleted the ozone layer. We solved that problem, beginning in the 1990s. see this link: http://www.epa.gov/ozone/science/sc_fact.html

Another example is frequently burning Cuyahoga river in Cleveland, Ohio; which first caught fire in 1868, then famously in 1952 and at least eleven other times. That river is now teeming with fish.

The third property of sensemaking is that anyone trying to make sense of a cosmological challenge, will need to figure out how their actions have helped cause the challenge and are hurting attempts to meet the challenge. In this case, our success at producing technologies that work for the purpose we created them, have blinded us to their side effects. Feedback about those side effects is available, but as was stated in McCullough and Faught (2014), the article on the paradoxes of organizational effectiveness, we humans and our organizations often pay much more attention to positive feedback – what we have done right; than to negative feedback – what we are doing wrong.

What have we done right? We have figured out how to grow animals rapidly into food by feeding them grain, instead of grass. We have figured out how to grow grain by using pesticides and fertilizers. A lot of the grain we raise figures prominently in the depletion of the largest North American aquifer – The Ogallala Aquifer beneath eight states in the heart of the United States. These mono-crops are hard on the soil and the chemicals and fertilizers we use are great contributors to dead zones in the Gulf of Mexico.

It takes an estimated 2400 gallons of water to process a pound of beef from the cattle raised feeding them the grain that is hard on other parts of the ecosystem. If we used this land and water

to raise food crops for humans, we could greatly reduce greenhouse emissions and water usage. So, yes, in the process of becoming adept at animal agriculture, we have become wasteful of resources that are in short supply. We pat ourselves on the back for becoming so good at animal agriculture, while ignoring how harmful these “successful” actions are to the environment.

The fourth property of sensemaking is that it is a social process. If we are to successfully make sense of this human-nature cosmological challenge (and use that knowledge to save ourselves), we will need to take advantage of one of the greatest skills our species has – our enormous capacity as social beings, to our advantage. Those who perform science that informs us of the problem, must be effective at communicating this knowledge to the rest of us and those who make policy decisions in public or private roles, must use this knowledge in the making of decisions.

Recent reconstructions of Northern Hemisphere temperatures and climate forcing over the past 1000 years allow the warming of the 20th century to be placed within a historical context and various mechanisms of climate change to be tested. Comparisons of observations with simulations from an energy balance climate model indicate that as much as 41 to 64% of preanthropogenic (pre-1850) decadal-scale temperature variations was due to changes in solar irradiance and volcanism. Removal of the forced response from reconstructed temperature time series yields residuals that show similar variability to those of control runs of coupled models, thereby lending support to the models' value as estimates of low-frequency variability in the climate system. Removal of all forcing except greenhouse gases from the ;1000-year time series results in a residual with a very large late-20th-century warming that closely agrees with the response predicted from greenhouse gas forcing. The combination of a unique level of temperature increase in the late 20th century and improved constraints on the role of natural variability provides further evidence that the greenhouse effect has already established itself above the level of natural variability in the climate system. A 21st-century global warming projection far exceeds the natural variability of the past 1000 years and is greater than the best estimate of global temperature change for the last interglacial. (Crowley, 2010)

Notice how carefully this article abstract conveys the science inside the article. What is perhaps most interesting is that the message is delivered in the language of science, but the public may not respond to this language as much as they might a more sensationalized account. Scientists will need to figure out how to be more compelling in their attempts to get people to take this issue seriously, without abandoning the inherently conservative language necessary in scientific reporting.

The fifth property of sensemaking is that it is ongoing, which is to say, any course correction will have to be done while we are still moving. We will not be able to shut down our elaborate machines of production - with all their beneficial products and detrimental by-products – to make fixes. We will have to do it with them still running. This means the changes will likely be gradual. We can only hope they are not so gradual they come too late. One of the paradoxes of effectiveness (from the paradox article) is that we can become more concerned with how well our current processes are working in our existing situation than with making them more adaptable to what we can predict will be our future situation. We must seek to nudge our processes in the direction of adaptability without undermining their current effectiveness.

The Union of Concerned Scientists: Science for a healthy planet and safer world (UCS), was founded by scientists and students at MIT in 1969. The Vietnam War was raging and the Cuyahoga River in Cleveland had caught fire, again. In their website “about” statement, it says:

Appalled at how the U.S. government was misusing science, the UCS founders drafted a statement calling for scientific research to be directed away from military technologies and toward solving pressing environmental and social problems.

It is this sort of commitment to a more activist role for scientists, that will help we as a species to stay abreast of the changes happening to our planet so that we may be able to make adjustments before it is too late.

The sixth property of sensemaking is that it relies on cues. As was stated in the paradox article, it is essential we look for signs of our disharmony with nature, no matter how painful it may be, and for ways of moving our species back to a position of harmony with nature. We can learn from trees, from rivers, from the air, from mountains, and from all the other species. There are cues everywhere in nature, but we will have to come to understand them as such, before we can begin to use their information to correct our actions.

Janine Benyus has authored books on how humans can learn from nature to create technologies informed by nature. A website she co-created: <https://asknature.org/>, allows visitors to insert keywords to search for information on how a particular problem might be solved through nature-inspired solutions. For example, I typed in carbon sequestering and it yielded a link to an explanation of what a tech company is doing to create carbon sequestering concrete, which might actually allow future buildings made of this concrete to mimic trees by removing CO₂ from the atmosphere. The concrete does not act like a tree after it is set, but it does while it is being made. Perhaps someday, someone could create a type of living concrete, that actually sucks carbon out of the atmosphere, the way plants do. For more on Benyus's (2002) work, her most important book is entitled *Biomimicry: Innovation Inspired by Nature*, 2002. Her work continues through the Biomimicry Institute, which she founded. Another, more recent publication on this topic is that of Jay Harmon, entitled: *The Shark's Paintbrush: Biomimicry and How Nature Is Inspiring Innovation*, published in 2013 (Harmon, 2013).

Finally, the seventh property of sensemaking is that it will require plausible solutions. Our course correction will not be easy, nor will it be painless. However, there must surely be ways of getting ourselves back in harmony with nature without destroying the quality of the lives we have created by being out of harmony for this long stretch of our history.

Referring back to the paradoxes article: when our organizations (corporations, government agencies, non-governmental organizations) act in selfish manners, those values tend to cascade down upon all other institutions and even to we individual members of our species. The result is selfishness at the top of our social structures and selfishness at the bottom. One would only need to look at civilizations that have collapsed due to their disregard for feedback from nature, such as Easter Island, to see that such an approach is doomed.

Jarred Diamond explains in his book, *Collapse*, explains why some civilizations fail, identifying five factors: climate change, hostile neighbors, failed relationships with trading partners, environmental problems and failure to adapt to environmental issues. As you can see, three of these have to do with the natural environment and the other two to do with the failure of relationships with other entities that might have helped the society adapt to the environmental problems.

But this organizational course correction is certainly doable, after all, organizations are ultimately under the direction of individuals. So it is to these individuals we must look for our salvation - in the form of astute decisions.

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SEMANTIC WEB ARCHITECTURE TO REPRESENT DATA OF SEMANTIC WEB

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ABSTRACT

The future of web can be visualized as structured semantic web instead of unstructured information available on the web today. To display information limited rather than a vast collection of information, we require showing information based on meaning. As machines don't 'understand' what data 'means, they just execute the set of instructions written in a program. To make the content machine understandable there is need to design a standard model which explain the meaning of terms and properties of entities and their relationship with other entities of a particular domain. This paper presents the semantic web and information retrieval with semantic web architecture to represent data. This paper also describes the web ontology language model to create the ontology and standard way to represent data.

INTRODUCTION

Nowadays, amount of web documents are increasing dramatically, and so much of information is available on the web, that to collaborate, analyze and process it manually is very challenging and not price efficient. Our web is comprised in such a way that it displays the information based on keywords we enter in the search box. It is highly sensitive to vocabulary even if we enter a synonym of a word the output is different because it displays the results without understanding the meaning of our question.

A significant part of World Wide Web's content is drafted in such a manner that it is readable and understandable by the human mind, but not by machines and computer programs. Although to display information web documents are parsed by machines, but the machine is not authentic to handle appropriate semantic of web pages. Now we have realized that device is not able to analyze the information as the human mind. To display information limited rather than a vast collection of information we require to post information based on meaning. As machines are unable to understand the meaning of data, they just display the content by executing the set of instructions written in a program. To make the content machine understandable there is need to design a standard model which explain the details about entities along with their properties and their relationship with other entities of a particular domain. This standard semantic model has a semantic layer of metadata entities where terms along with relationship are formalized so that human mind, as well as a machine, can process and interpret data semantically. This idea of Semantic Web (Berners-Lee, Hendler, and Lassila, 2001) is helping in extracting knowledge from the massive amount of data.

Data has been available in a different format and collected from a wide variety of source, so there is need of semantic structures, domain-specific semantic models to filter the desired information from the large ocean of the internet. It helps in understanding data by relating data of real world, providing meaning and context to the data. Semantic technology can be used to perform pre-trade analysis, decision support function in the financial service sector and to perform the smarter industrial operation.

SEMANTIC WEB AND INFORMATION RETRIEVAL

This standard semantic model has a semantic layer of metadata entities where terms along with relationship are formalized so that human mind, as well as machine, can process and interpret data semantically. The adequate progression of web advancements has kick-begun the idea of a "Semantic Web". This marvel is getting a handle on HR and the capacity of information administration with mechanization. Among the few strategies and measures that are being discharged as a feature of the semantic web are the Resource Description Framework (RDF), connected information, ontologies, metadata models, vocabularies and semantic reasoners. More up to date strategies are being found for this reason, and other research endeavors are in progress, which has more spotlight on coordinating advantages and highlights accessible in existing techniques with the points of interest offered by the fresher web advances.

The Semantic Web (Berners-Lee, Hendler, & Lassila, 2001) gives relevant information to the user with the help of many Information Retrieval (IR) techniques. Information Retrieval (Baeza-yates and Ribeiro-Neto, 1999) is the technique to identify and extract specific and relevant information from unstructured documents. Information is laying in the form of web pages which can be understood by human only, to retrieve exact answer of a query from an extensive collection of documents is a very time-consuming process. Users have to spend their precious time while searching information. To reduce this time and overhead while finding required information relevant to a given request is the overall goal of an information retrieval process (Jatwani and Tomar, 2016).

SEMANTIC WEB ARCHITECTURE

The Semantic web has been an active research area in today's time. Semantic Web is the expansion of present web that the semantic web has been an active research area in today's time. Semantic Web is the expansion of existing web that permits people to share content by defining a web of data in a common format that is machine-understandable. Semantic Web technology created the metadata to integrate and combine data extracted from diverse sources and relates it to real-world objects. The Semantic Web came into view as the standard infrastructure to encapsulate information which was available in the different format in the form of the concept. Semantic web architecture also referred to as semantic layer cake by W3C. Semantic web architecture is based on URI & XML. RDF, RDFS, OWL (web ontology language) are W3C recommended knowledge representation languages for representing data and metadata of semantic web (Semantic Web, 2007). Content Publisher is tagging metadata as RDF which has been linked to other tagged entity by using annotation to bring machine automation. This massive linking of data is restructuring the

planetary info sphere, permitting new applications to accumulate information as it develops, and giving a better opportunity to the organization to publish data in a structured form so that it can be automatically discovered and understood. Ontology (Chandrasekaran, Josephson, & Benjamins, 1999) is a collection of the concepts and relationships among them. The ontology describes individuals (instances), classes (concepts), properties (attributes) and relationships. Ontology provides a clear understanding of terms and relationships of a particular domain to represent knowledge by defining vocabulary and taxonomy. Conceptual knowledge module will help the user in formulating their request.

XML: XML stands for extensible markup language. XML specifies set of rules to exchange data over the web. It provides syntax to insert markup tags into text. It helps to add metadata to a document.

XML Schema: It is a language for defining structure and content of XML documents.

RDF (The Resource Description Framework): RDF is an emergent data model, framework which explain the conceptual description of web resources. RDF store information in the form of triples so that information is machine-understandable. RDF gives the option to mention resources by declaring statements. The subject indicates the entity, and predicate indicates attributes or features of the resource and indicates a relationship between the subject and the object (Jevisikova et al., 2016). An object can be expressed as Unicode string literal. There are also situations where Subjects and objects are empty. RDF allows to state anything about anything. RDF brings modeling of real entities in a self-describing way which is easy to share. The language used to create metadata in the Semantic web is RDF and RDF unique identifier is web compatible, and web scalable. RDF helps to express RDFa, RDF Schema, SKOS, Linked Data, and Turtle.

- **RDFa:** It is an extension of RDF which adds attribute level extensions to XHTML for embedding machine-readable metadata within web documents. RDFa is emerging as the fabric of the Semantic Web. By adding semantics to large data, we can integrate data across the web so that anyone can use it.
- **RDF Schema:** It is an extension of RDF and subset of the OWL. It explains how to use RDF while developing vocabularies. It gives the facility to create class along with their domain and range properties.
- **SKOS:** It helps in the creation of vocabularies to encapsulate knowledge.
- **Linked Data:** The objective of Semantic Web is not only to put data on the web but to make linked data, so that machine can explore the web and help to find other related data.
- **Turtle:** Turtle is sometimes used as a substitute for RDF/XML.

RDF Links: There are three essential types of RDF links which are explained below:

- **Relationship Links:** Relationship link as the name indicate try to associate related things like other people, areas or genes. For example, such types of links integrate background information of people with the places where they are living.

- **Identity Links:** Focus on URI false names utilized by other information sources to recognize a similar certifiable protest or unique idea. The character joins to give the office to recover and assist depictions around an element from other information sources. These connections play vital social capacity as they exhibit distinctive perspectives of the world to be communicated on the Web of Data.
- **Vocabulary Links:** Focus vocabulary terms definitions to represent data as well as meta-data, so that definitions of other related terms can also be retrieved.

Advantages of RDF

- **Common exchange syntax:** RDF supports common syntax to store data in a uniform format and gives graph representation of resources.
- **A semantic framework:** RDF is a framework of common building blocks which help to discover new knowledge from existing data and provides standard tools for inference.
- **Handling partial information:** RDF gathers information from multiple sources incrementally, so it considers partial information valid.

THE WEB ONTOLOGY LANGUAGE (OWL)

Depending on the degree of expressive power several language models have been designed out of which OWL (Fensel et al., 2001) is accepted as the standard way to represent and create ontologies. It is based on RDF Schema. The objective of OWL and RDF Schema is same, so both can be used to define classes, properties, and relationship, but OWL has the more significant capability to express relationship than RDF Schema. OWL is interpreted by computers easily due to its reasoning ability and characterized by its formal semantics. OWL constitute a family of knowledge representation languages like OWL Lite, OWL DL, and OWL Full.

Query Languages:

Query language (Mostafa, 2011) is a language that allows a user to retrieve information from text files, XML files, etc. A query language for semantic web ontology is classified into two categories.

- **RDF Based QLs:** RDF Based QLs: RDF query language is a computer language for databases, to retrieve and manipulate data stored in RDF format. These languages support RDF data, RDF semantics, and inference which allow reasoning about the meaning of RDF graph. These queries are based on the notion of RDF triple pattern and semantic is determined by matching triples with RDF graphs. Several RDF based query languages like RDQL3, SeRQL4, SPARQL are available which are too powerful.
- **Description Logic (DL) based QLs:** Such type of queries are based on DL model theory, and they have well-defined semantics. DL based query languages like DIG, nRQL are not very powerful. These queries can be reduced to standard reasoning tasks such as knowledge base satisfiability, e.g. ASK queries of DIG protocol, nRQL queries of Racer Pro System.

DIG queries support TBox, RBox, ABox while nRQL supports only conjunctive ABox queries (The Semantic Web, 2008).

SPARQL: SPARQL helps to extract values from structured and unstructured data (Fensel et al., 2001) by querying unknown relationship. SPARQL is used to query RDF graph patterns and ontologies and gives results in the form of the selected subgraph.

RULES

Various types of rules (MacGregor and Ko, 2003) are expressed at different levels of the semantic stack. These rules help in taking decisions in complex conditions as well as for interoperability and integration. Different rules are used depending on requirements like to maintain privacy or for making policy, so various rules are there implicitly in ontology but externally work together. Some tools:

- **RuleML** - Rule markup language, is a markup language for publishing and sharing rule bases on web. It focuses is on rule interoperation (Tu, 2005). It builds a hierarchy of rule sub- languages upon XML, RDF and OWL (Janjua, 2014).
- **Semantic Web Rule Language (SWRL)** - helps to define rules and logic regarding OWL concept. It encapsulates the features of OWL DL and OWL Lite both.
- **RIF** - the Rule Interchange Format is used to exchange rules among various web rule engines.
- **SVBR** - Semantics of Business Vocabulary and Business Rules is a collection of Business vocabulary and rules for documenting the semantics of business (Casanovas, 2015).
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CONCLUSION

In this paper, various techniques, framework, and methodologies are discussed. These topics are used by the researcher to make the dream of the semantic web. The investigation recommends that present data recovery systems can't misuse semantic information inside reports and give exact outcomes. There is need to incorporate additional semantic information, ontological information among classes and their objects along with conceptualization in a cohesive manner. There is need to reduce the overhead while searching relevant content by integrating and collecting data from a wide variety of source in a different format. Researchers are trying to produce metadata from unique information by interpreting them into educated portrayal archives with the goal that client will have the capacity to disengage and find learning from organized information. Ontologies, RDF, and metadata provide the building block for efficient information retrieval. In future improving useful details obtaining mechanism will be developed so that better Precision and Recall could be achieved.

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(A complete list of references is available upon request)

BUSINESS OF ARTIFICIAL INTELLIGENCE

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ABSTRACT

Artificial Intelligence (AI) is the development of computer based systems that are able to perform tasks that are normally associated with human intelligence. We already use AI and robotics for many business purposes such Amazon Alexa assistants, weather forecasts, email spam filtering, and Google's search predictions. All of these use "machine learning" algorithms that enable them to learn and respond to situations in real time.

AI provides great advantages when it comes to generating insights, engaging customers, and accelerating business processes. Information such as shopping habits and physical location, which can be derived from mobile devices and online activities, can be used to increase consumer engagement and enhance sales. In addition to gaining insight from data, AI can also accelerate business processes. For instance, most robots could complete a task faster and more precisely than humans. Some of the latest the latest trends in Artificial Intelligence include deep learning, big data analytics, and human emotion detection. As AI continues to develop, it has the potential to make businesses more efficient and convenient.

The purpose of this research is to discuss the fundamentals of AI, discuss the advantages and disadvantages for business and society, and to identify major trends in AI applications for improving business management and operations. This paper will be prove beneficial to business managers as it will introduce them to the various ways in which they can use AI to improve their business. Academic researchers in IT will gain a understanding of the immense potential of AI, and will be able to prepare their students to be more marketable.

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QUALITY MANAGEMENT SYSTEM CERTIFICATION IN THE RUSSIAN SOFTWARE DEVELOPMENT INDUSTRY

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ABSTRACT

ISO 9001 is the most widely recognized quality assurance standard with more than 200 countries and over 1 million organizations ISO 9001 certified. ISO 9001 sets out requirements for quality management systems (QMS) and is suitable for all types of organizations. QMS can bring significant benefits for organizations' competitiveness and success. The motivation for implementation mainly deals with changes and improvement, but not just with marketing visibility.

Software development is one of the leading industries of the world economy. Businesses of the high-tech economy sectors depend on software systems. The renovation of the Russian economy has not been possible without advances in information technology. The proportion of foreign software sales in the total Russian export in the last 15 years has been on the rise, but the share of software exports lag far behind such indicators of developed countries. Though many Russian software companies are planning to increase exports, they do not associate this to improvement of management. Meanwhile, a number of researchers have found that ISO 9001 certification contributes to growing of sales, increasing of exports and reducing barriers to international trade, due to improvements in product quality, differentiation, and a better image of the enterprise. This paper is devoted to the analysis of these issues respectively to the Russian software development industry.

INTRODUCTION - ISO 9001'S EFFECT ON ORGANIZATION PERFORMANCE

The globally interconnected and vibrant market economy of the 21st century has become a challenge and the norm for organizations striving for value creation and profit maximization. Global political, economic, social, technological, legal, and environmental challenges cannot be easily foreseen in the strategy of each organization and are considered primary factors contributing to the sustainable development of organization (Grant, 2010). More than 1.1 million organizations have adopted ISO 9001 Quality management systems worldwide, across all industry sectors. We can notice it in different parts of the world, and the number of the countries involved in the process is roughly equal to the number of the countries in the world. The popularity of QMS stems from an idea that it helps companies operate more efficiently and respond to customer and key stakeholder requirements. Pressure from stakeholders to introduce QMS is associated with the evidence that it can be useful in international trade and investment facilitation (Neumayer, 2005), and in decreasing transaction costs and information asymmetry. Terlaak and King (2006) have pointed out that even if there is little external pressure to introduce certification, the voluntary act

of doing it can help the company to communicate its quality and help it to garner an advantage among competitors.

ISO 9001 IN THE RUSSIAN FEDERATION

The processes of ISO9001 certification development in Russia lag behind global trends. According to an ISO Survey, 5,083 certificates were issued in Russia in 2016 (ISO Survey, 1996-2016). Certification took off in 2009 and 2010. For the first time in its history, Russia headed the top10 countries for ISO9001 growth in 2009. This significant growth can be attributed to ISO standards 9001 and ISO 27001 updates in 2008 and 2005 respectively as well as a proactive approach of Russian professionals in promoting these methodologies, especially noticeable in 2008-2009. Thus, in 2009 and 2010 Russia joined top 10 countries for ISO 9001 certification (2009 – 5th place, 2010 – 3rd place). China has been leading the top 10 since 2002, and also typically present in the list are the United Kingdom, Germany, Italy, USA, France, and Spain (in 2000s). Several obstacles are a factor for ISO9001 certification development in Russia:

- introduced and certified quality management systems often are formal, aren't used by the management for the solution of real problems, don't bring to the enterprise the desired effect;
- there is no appropriate mechanism to assess QMS economic efficiency which causes difficulties in determining ROI
- mistrust in Russian certification agencies based on the suspicion that they issue certificates regardless whether their clients have actually introduced QMS
- top managers see the benefits from certification, but don't see advantages which are born in the system of quality management per se. Often they want to receive the certificate, but do not support and develop QMS at the enterprise;
- lack of appropriate training of personnel engaged in QMS and responsible for its efficiency, including CEO and all top management;
- resource constraints, since expenses for consulting services on QMS in Russia can be very high (consulting expenses can be 10, and even 100 times higher as compared to certification costs).

RUSSIAN IT INDUSTRY DEVELOPMENT

Unfortunately, there are minimal relevant state statistics about the IT market in Russia. According to Rosstat³, it is almost as if the IT sector doesn't exist at all. It may be presented in statistical information by high-tech companies' development which appears with a long-time lag and includes a very limited number of indicators. According to International Data Corporation (IDC), the estimated volume of the Russian IT market should be no less than \$17 billion (Russia IT Services Market Forecast, 2016). RUSSOFT Association⁴ suggests that the market of products

³ Rosstat – Federal State Statistic Service

⁴ Nationwide association of the most technically competent software developing companies (100+) from Russia.

of software developers (including sales of licensed software, sales of development, installation and support services) in Russia is much higher than the indicator mentioned in IDC reports. Its own data on software markets leads to RUSSOFT assuming that the volume of the Russian IT market hovers roughly between \$17 and \$20 billion (Annual Survey-Russian Software Export Industry, 2017). While RUSSOFT and IDC don't necessarily contradict each other, a difference appears due to the dual perspectives – that is, the IT market estimated from the standpoint of Russian companies/Russian IT users and alternatively, by foreign vendors.

MAIN INDICATORS OF SOFTWARE INDUSTRY IN RUSSIA

There are about 3200 software companies in Russia. In 2016, six of them were present in the rating of 500 world's best software companies in terms of business volume: EPAM Systems with turnover of \$905 mln, Luxoft \$521mln, CFT Group \$218mln, Diasoft \$30 mln, Artezio \$16 mln, and Simbirsoft \$4 mln (Russia IT Services Market Forecast, 2016). Although a reduction of growth in western markets in 2016 was expected given sanctions and increased difficulties of work, but the reduced activity did not materialize. Due to a decline of the Russian ruble in Russia, wages (given the stronger USD) in the industry dropped by half which increased the competitiveness of Russian companies. There was also entry into new markets such as Africa, South and Central America, Southeast Asia and Middle East.

CERTIFICATION IN THE RUSSIAN SOFTWARE DEVELOPMENT INDUSTRY

Certification is a priority for about 6% of Russian software companies. According to the experts (Russia IT Services Market Forecast, 2016), the issue of QMS establishing in the software development industry in Russia decreased in importance in the mid-2000s. For those service companies, which participate in the international tenders with formal requirements for CMMI certification, this problem is resolved by regulatory certification. All product companies and small service providers implement their own quality management systems based on ISO and CMMI, but not necessarily requiring procedures of certification and its confirmation. Noteworthy is the 2016 launching of a program to compensate some expenses for production certification in foreign markets (Govt Decree 1388, 2016), budgeting 760 million rubles towards this 2017. While these programs are increasingly in the works in the high-tech industry, the implementation is still pending and preliminary results of its impact on the Russian software industry may be evaluated at the end of 2018. The results of this study aim to analyze the presence and usage of QMS in the Russian software development sector as well as issues surrounding the progress and medium-term future of the management of change in the increasing adoption of ISO quality standards.

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ASK ME WHY: DIFFERENCES BETWEEN HIGH AND LOW SELF-MONITORS IN NEGOTIATIONS

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ABSTRACT

In this session, we examine preliminary results from a negotiation exercise to explore potential differences between high and low self-monitors. In a negotiation scenario designed to rationally conclude with no deal, we examine potential differences between low and high self-monitors in terms of their tendency to ask probing questions of counter-parties, their tendency to persist in a difficult negotiation, and their tendency to make creative concessions and proposals. We posit that given the nature of high self-monitors to seek social cues and adapt their behavior, high self-monitors are more likely to seek information during a negotiation about the counter-party to better adapt. Given this propensity, we expect high self-monitors to persist in difficult negotiations longer and offer more creative proposals. We further explore the impact birth order may have on these relationships.

NUTELLA® AND THE USE OF PALM OIL: A CASE STUDY

Raymond J Elson, Valdosta State University

Zulal Denaux, Valdosta State University

CASE SYNOPSIS

Ferrero SpA faced a business and ethical dilemma when its flagship product Nutella®, was linked to potential health issues. Specifically, the European Food Safety Authority or EFSA warned that contaminants in palm oil, Nutella®'s main ingredient, could cause cancer if processed at high temperatures. While some food manufacturers and supermarket chains elected to eliminate palm oil from products, Ferrero SpA selected a different course of action. The case discusses the steps used by the company to assure consumers that its product was safe for human consumer. The case also highlights the challenges faced by multinational organizations that produce and sells a single brand across multiple countries and cultures. Students are asked to evaluate the company's action plan from a marketing, ethical, and risk perspective.

MEASURING THE EFFECTIVENESS OF A REQUIRED FINANCIAL LITERACY PROGRAM OUTCOMES FOR COLLEGE GRADUATES

Bradford R. Frazier, Belmont Abbey College

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ABSTRACT

Financial literacy is not often a requirement for high school students in the United States. As these students transition into college, this knowledge gap is compounded by the lack of formal education in topics including debt management, budgeting, personal financial planning, and saving for retirement. A small, private, four-year liberal arts college examines implementing a requirement of demonstrated competency in financial literacy as a requirement for graduation. A pilot program that measures competency pre- and post-training will guide the development of the program with implementation to follow. Detailed student learning outcomes will be evaluated to measure the effectiveness of the program.

MILLENNIALS DRIVE THE USE OF THE VIRTUAL OFFICE AND MINI LEASED SPACES INCREASE OPTIONS: THE CASE OF A MARKETING FIRM

Robert D. Hatfield, Western Kentucky University

M. Shane Spiller, Western Kentucky University

ABSTRACT

This case examines the real instance of a marketing firm moving from brick and mortar to a virtual office model but leasing a “micro office” to maintain a “local” look in the city. In a recent poll, 43% of working adults said they spend at least some time during the week working remotely from the office (NYTimes, Chokshi, 2017). More people than ever base their job preferences on opportunities such as flexible scheduling and working from home. The rising population of millennials in the workforce is fueling part of this change. Baby boomers, on the other hand, are often characterized as workaholics due the long hours they devote to the office (Chron., Benjamin, 2017). This is not the same case for millennials. Seventy-four percent of the millennials wants a flexible work schedule and 88% are looking for “work-life integration” (Forbes, Asghar, 2014). The desired amount of time spent in the office varies drastically compared to their baby boomer co-workers. More companies are taking strides to accommodate employees that want to spend more time working from home. While there is concern that this will cause their workers to become lazy, the transition seems to be having a positive effect on the employees taking advantage of these benefits: polls show they are less stressed and more engaged and productive in their work (Forbes, Scott, 2017). While one adaptive approach has been to maintain a physical presence around which the virtual space is orchestrated. Now a proliferation of mini-spaces for lease make this even more attractive, with offers of a “dedicated desk,” “micro office,” and “conference room by the hour” available.

STUDENT DECISION MAKING CONCERNING ACADEMIC HONESTY IN THE COLLEGE OF BUSINESS

Peggy Johnson, Lander University

Jerry Bilbrey, Lander University

ABSTRACT

Academic integrity has been a recurrent issue in higher education. Certainly, the advent of the Internet, online courses, and advances in user-friendly technological devices have provoked both concern on the part of faculty and research interest in the academic community regarding inappropriate and unethical behavior on the part of students. The study presented here is designed to (a) gauge the attitudes of business students toward various issues and behaviors when taking an examination and completing assignments (b) obtain an estimate of the extent of cheating in both traditional and online coursework from the perspective of college students. The results, based on a survey of 400 undergraduate business students from a Lander University will provide information of the views of students and their behaviors concerning academic integrity. The study investigates factors that may impact academic honesty and the decision to cheat. The study also examines the potential differences between males and females in their cheating behaviors and attitudes, as well as any differences between sophomores, junior and senior level students and a comparison of results based on the student's declared major. The study also will try to establish a correlation between cheating in online classes versus face-to-face classes. The researchers believe that, based on prior research, the current results will be applicable to general student populations in other academic disciplines. The findings are discussed in light of prior research on academic integrity issues and the results of this study.

Key Words: Academic integrity; 'online' vs face-to-face academic integrity, decision-making processes for academic dishonesty.

INTRODUCING BLOCKCHAIN AND CRYPTOCURRENCY IN THE BUSINESS CURRICULUM

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ABSTRACT

Bitcoin was suggested in a 2008 white paper from the anonymous creator(s) Satoshi Nakamoto. The first bitcoin was mined in 2009 and continued in relative obscurity for years. In December 2017, the price for bitcoin peaked at \$19,000 dollars causing worldwide media attention. Bitcoin and other cryptocurrency became mainstream. The underlying technology for bitcoin is called blockchain. Blockchain may be more important to business than cryptocurrencies. It has the ability to change the way transactions occur and are authenticated online. It has many implications for supply chain and e-commerce transactions.

This paper recommends including blockchain and cryptocurrency topics in the business classroom.

LAURENS STREET CAFÉ

Robert Leach, University of South Carolina Aiken

Paul Newsom, University of South Carolina Aiken

ABSTRACT

This case illustrates the challenges and uncertainty of two new entrepreneurs who are trying to decide if they should invest in a start-up business. Paul Newsom and Robert Leach are two finance professors who are going through the process of determining if they should start a coffee café. Currently, they have hired Matson Consulting, a business consultation firm, to perform a feasibility study. The job of analyzing the data and compiling the feasibility study has been assigned to Joan Walker, a junior analyst at Matson Consulting. The study should be based on traditional capital budgeting methods and techniques. This case shows that: (1) starting a simple coffee café isn't so simple, (2) determining project value is subjective and sensitive to assumptions and input estimates, and (3) starting a business requires a lot of work.

INTRODUCTION

Finance professors Paul Newsom and Robert Leach are avid coffee drinkers who currently teach at a local university. They are going through the process of determining if they should become entrepreneurs and open-up a coffee shop in their home town of Aiken, SC. They plan on naming their shop Laurens Street Café. Currently, they get their daily coffee fix from The New Moon Café (www.newmoondowntown.com), a local coffee shop. They enjoy the friendly employees and patrons at The New Moon; however, Paul and Robert feel that they will provide a better product at a comparable price. They have both collected data and believe that the information they have gathered, coupled with their teaching experiences, will aid to help them make an informed decision. Because of their teaching schedules, neither Paul nor Robert has the time to perform the necessary analysis instead; they have come to Matson Consulting for professional assistance. They became familiar with Matson Consulting because one of their former students, Joan Walker, is an analyst for the firm. Joan has been assigned the task of analyzing Paul and Robert's coffee shop proposal. In return for Joan's assistance, Paul and Robert decide to offer her a one-third ownership share in the business. After a preliminary conversation with Paul and Robert, Joan accepts the offer. Finally, Joan is aware that if the business is not feasible, and it is thus recommend that Paul and Robert do not go forward with their business idea, then the consultation will be pro-bono.

Paul and Robert tell Joan they are continuing to gather data for the venture. They provide Joan with what they have gathered so far and set a meeting date for two weeks at which time they will provide Joan with this new information. Right away it is apparent that Paul and Robert will need a significant amount of assistance. Joan plans on using the next two weeks to analyze the data that they have provided and develop a plan of action for the feasibility study.

SPIRITUALITY IN THE WORKPLACE: SOURCE OF A CALLING, LEVELS OF LIVING A CALLING, JOB SATISFACTION, AND LIFE SATISFACTION AMONG INDIAN AND UGANDAN LEADERS

Wantaate Fred, Regent University, Virginia

ABSTRACT

*This paper represents an exploration into the difference in the perceived source of calling and the related work outcomes (i.e. living out a call, job satisfaction, and life satisfaction) between Indian and Ugandan leaders. The preliminary test results, except for living out a calling by the source of calling among Indian leaders, are consistent with earlier findings. There are no major differences among the three principal sources of calling on levels of living a calling, job satisfaction, or life satisfaction. The Indian nationality with a higher score on the individualism dimension than the Ugandan nationality exhibits significant differences among the three key sources of calling on levels of living a calling. Among the three hypothesized sources of calling, perfect fit had the highest frequency of endorsement, adding credence to previous findings by Duffy, Allan, Bott, and Dik (2014). The interpretations offered need further empirical exploration and investigation. Future research could test different levels of attentiveness with hypothesized sources of calling. **Keywords:** calling, job satisfaction, life satisfaction, Ugandan, Indian*

SOCIAL ENTREPRENEURSHIP: A CONTEMPORARY APPROACH TO SOLVING SOCIAL PROBLEMS

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ABSTRACT

Social entrepreneurship is an emerging alternative to governmental and non-profit approaches to social problems. Social entrepreneurs look at the 'triple bottom line' of people, planet and profit. They aim to achieve both a return on investment and a return to society, and address social problems effectively where others have not. In this paper we review the current literature on social entrepreneurship and attempt to clarify the key concepts and dynamics. We propose a model of social entrepreneurship, provide suggestions for practice and present a research agenda for scholars.

Key terms: Social Entrepreneurship, Social Enterprise, Entrepreneurship, Social Problems

INTRODUCTION

Social entrepreneurship is a contemporary approach to solving social problems that are traditionally addressed by governmental and non-profit organizations. Social entrepreneurs look for both a return on investment and a return to society. This emerging perspective is becoming very popular. The nascent literature has not yet settled on a definition of social entrepreneurship, however it does agree that social entrepreneurs have been effective when others were not. In this paper we will review the current state of social entrepreneurship. We propose a very general model that can be adapted to different settings.

WHAT IS SOCIAL ENTREPRENEURSHIP?

Social entrepreneurs look for both a return on investment and a return to society. This emerging perspective is becoming very popular worldwide. Social entrepreneurs have been effective when others were not. In many ways social entrepreneurship has been a driving force in the expansion of the social sector (Noruzi, Westover & Rahimi, 2010). Some have argued that social entrepreneurship is hundreds of years old (Svetunkov & Ponomarev, 2016), because there have always been those who make money while augmenting the efforts of governments and charities. However we are looking at the relatively new phenomenon where modern entrepreneurs seek to combine a desire for profit with altruism (Svetunkov & Ponomarev, 2016). A general example is the newly emerged field of microfinance, which serves those needing relatively low sums of money and were unable to find funding from traditional sources. A more specific example

is 'Tom's Shoes' – a company that provides one pair of shoes to those in need for every one pair that they sell.

The nascent literature has not yet settled on a definition of social entrepreneurship. It is in a pre-paradigmatic state, and as the field is maturing, theory is developing (Granados, Hlupic, Coakes & Mohamed, 2011). However it is still difficult to formulate an exact definition of social entrepreneurship (Abu-Saifan, 2012). Some people have used the terms 'civic entrepreneurship' (Korosec & Berman, 2006) or 'social business' (Barki, Comini, Cunliffe, Hart & Rai, 2015) to describe the same phenomena. Other terms associated with social entrepreneurship such as "philanthocapitalism", B corporations, impact investing and microfinance are among the Chronicle of Philanthropy's 2011 "10 Favorite Buzzwords of the Decade" (Jones & Donmoyer, 2015). In an attempt to clarify what constitutes social entrepreneurship, Zahra, Gedajlovic, Neubaum & Shulman (2009) identified ~20 definitions of social entrepreneurship. This definition has not developed over time (Conway Dato-on & Kalakay, 2016). Part of the difficulty is in determining the difference between social entrepreneurship and traditional entrepreneurship (Massetti, 2008).

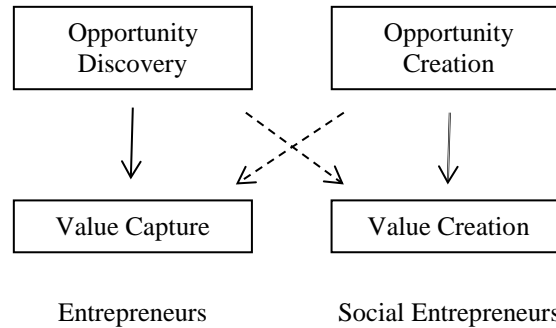
We present a working definition: "Social Entrepreneurship: A contemporary approach to solving social, environmental and other problems that were/are traditionally addressed by governmental and non-profit organizations." This definition covers a wide area of activity. One typology of social entrepreneurs (Zahra, Gedajlovic, Neubaum & Shulman, 2009) divides them into three types (see Table 1).

Table 1 – Types of Social Entrepreneurs*		
TYPE	DESCRIPTION	EXAMPLE
Social Bricoleur	use innovation and the resources available to solve local problems	Fifteen - chef Jamie Oliver
Social Constructionists	Introduce societal change and reform in way wealth is created and distributed	Amul - milk cooperative
Social Engineers	Introduce revolutionary change and disrupt the equilibrium	Grameen Bank - microfinance

* From Zahra, Gedajlovic, Neubaum & Shulman, 2009

It is necessary to differentiate between the entrepreneur and the 'social' entrepreneur. Figure 1 shows two of the major differences. Both entrepreneurs and social entrepreneurs use both discovery and creation strategies for getting opportunities (Gawell, 2013), however the social entrepreneur is more likely to create and the traditional entrepreneur is more likely to try to discover opportunities (Korsgaard, 2011; Shaw & Carter, 2007). The more important difference is that social entrepreneurs are more interested in creating value than in capturing value, and the opposite is true for traditional entrepreneurs (Agafonow, 2014; Crisan & Borza, 2012; Santos, 2012).

Figure 1 – Opportunity, Value and Entrepreneurship



WHY DO WE HAVE OR NEED SOCIAL ENTREPRENEURSHIP?

Octavia Hill, Jane Addams and Mary Parker Follett questioned the self-serving view of 'capitalism' and advocated a consideration of others influences. This paved the way for SE. (Prieto & Phipps, 2014). The idea is that it is possible to “do well by doing good”. (Demirdjian, 2007). Social entrepreneurship has been identified as a response to market imperfections characterized by simultaneous government and market failure (Griffiths, Gundry & Kickul, 2013; Lajovic, 2012; Santos, 2012). Government and philanthropic funding of non-profits is increasingly unsustainable (Stecker, 2014). Social entrepreneurship serves to fill the gap between the haves and have nots and societies failure to provide social services (Demirdjian, 2007). Social entrepreneurs serve as change agents (Day & Jean-Denis, 2016). It occurs in many places, but is more likely to be found in communities in decline that need both economic and social regeneration (Thompson, Alvy & Lees, 2000).

Social entrepreneurship is serving the 'Bottom of the Pyramid' that Prahalad (2004) wrote about (Goyal, Sergi & Jaiswal, 2016; Pervez, Maritz & De Waal, 2013).

It can be considered “‘midwifering’ of essentials needed by the have-nots of society” (Demirdjian, 2007). The motivation of social entrepreneurs is “the persistency of problems in society related to poverty and persons living in marginalized communities” (Day & Jean-Denis, 2016). In this regard, perhaps all enterprises that provide social service can be categorized as social entrepreneurship (Williams & K'nife, 2012). One difference is that social entrepreneurs create sustainable public wealth (El Ebrashi, 2013). Social entrepreneurs and others can create a social entrepreneurship culture allowing for many initiatives and a great positive impact (Dal Forno & Merlone, 2009). Social entrepreneurship can have its greatest impact by making itself obsolete (Trexler, 2008).

Social entrepreneurship might be a part of the life cycle of an entrepreneur (Svetunkov & Ponomarev, 2016). Entrepreneurs logic changes over time (Williams & Nadin, 2011). Corporate social responsibility isn't just driven by economics, for example it could be established and sustained by a moral drive of a champion (Hemingway, 2005). When entrepreneurs are so driven they become social entrepreneurs. Advocates of social entrepreneurship believe that "social entrepreneurship is a natural expression of visionary leadership, the spiritually and ethically-based mission to seek the common good, and the virtual necessity to create sustainability for both people

and planet" (Muscat & Whitty, 2009). Academic researchers, consultants and foundations are adding to and helping establish the legitimacy of social entrepreneurship (Hervieux, Gedajlovic & Turcotte, 2010). However it is important to note that the literature has been criticized as being dominated by those who praise social entrepreneurs without critiquing them (Chell, Spence, Perrini & Harris, 2016). The few critics advocate against a 'messianic script' and call for a "non-heroic practice of entrepreneurship", or. 'messianism without a messiah" (Dey & Steyaert, 2010).

INTERESTING FINDINGS AND MISCONCEPTIONS

Social entrepreneurship has been portrayed as a universally good thing, however it does have a dark side (Williams & K'nife, 2012). Social entrepreneurship has its limits and cannot solve social problems on a large scale (Sud, Vansandt & Baugous, 2009). It is not as scalable as government (Dees, 2007). Furthermore social entrepreneurship can undermine state sponsored development and reforms (Nega & Schneider, 2014). It is also important who is giving the aid and why. Mission drift and power differences can be a problem, with the social entrepreneur having power over those that are being helped and losing focus as to the original intent of the endeavor. In its extreme, establishing and maintaining power differential can be the motive for helping. For example, gang leaders provide social services as a means of control (Williams & K'nife, 2012). The local community is then indebted to the gang and tolerates or even helps them out of fear, gratitude or both.

Gender is an important controversial issue in the literature. Some have found that Social entrepreneurship supports training, local networks and women's businesses (Griffiths, Gundry & Kickul, 2013). Others criticize that social entrepreneurship does not recognize the role of gender in society and entrepreneurship, and that it should have an aim of economic and social equality for women (Clark Muntean & Ozkazanc-Pan, 2016). Whereas others separate out 'emancipatory social entrepreneurship' and maintain that empowerment of women is a mediator to changing society (Haugh & Talwar, 2016). We do know that the single greatest determinant of social entrepreneurship is female participation in the workforce (Griffiths, Gundry & Kickul, 2013).

There is a lack of empirical research on social entrepreneurship (Granados, Hlupic, Coakes & Mohamed, 2011) and very little empirical evidence (Cukier, Trenholm, Carl & Gekas, 2011). The literature has 'protectionists' who claim effectiveness without proof and 'opponents' who require proof (Pärenson, 2011). However social entrepreneurship effectiveness and rates of activity have been hard to measure (Lepoutre, Justo, Terjesen & Bosma, 2013). Others emphasize the impact of social entrepreneurship, but social impact has also been difficult to measure (Pärenson, 2011; Dees, 2007). It also is important to consider and measure regulatory policies that can impede or encourage social entrepreneurship (Arasti, Zarei & Didehvar, 2015)

We do know some things from the existing studies. For example, places with higher rates of entrepreneurship in general have higher rates of social entrepreneurship (Lepoutre, Justo, Terjesen & Bosma, 2013). The label of social entrepreneurship alters people's perceptions and judgements as to how effective the organization is (Andersson & Self, 2015). Three quarters of cities with a population of 50,000 or more give active or moderate support to programs and whether it is supported by a city is related to perceived effectiveness (Korosec & Berman, 2006). However cities are not always where the need is greatest, and entrepreneurs that are in deprived populations

and rural populations are more socially-oriented than those in relatively affluent and urban populations. (Williams & Nadin, 2011). Besides the urban/rural and affluent/deprived differences, success factors and focus of entrepreneurship depends on country or region. For example - in the US social entrepreneurs focus on social injustice problems, whereas in Africa they address rural poverty (Bewayo & Portes, 2016). An interesting finding is that although the rhetoric and image of social entrepreneurship is associated with innovation, novel approaches are less likely to be successful (Renko, 2013) and although there is a perceived urgency to solve social problems, longer development time increases the likelihood of success (Renko 2013).

Perhaps it is a mistake to make a distinction between social entrepreneurs and entrepreneurs. Most in either category display both social and commercial goals. There are indications that we should consider not a dichotomy but a "continuum from purely commercial to purely social entrepreneurship" (Williams & Nadin, 2011). Research has shown the rhetoric of both types of entrepreneurs is equally economically oriented (Chandra, 2016). However there have been differences shown. Chandra (2016) also found that "the rhetoric of social entrepreneurs is more other, stakeholder engagement and justification-oriented and less self-oriented than the rhetoric of business entrepreneurs." Differences can also be found in the area of disposition. For example, agreeableness is positively related to all dimensions of social entrepreneurship, whereas openness is related to social vision, innovation and financial returns" (Koe Hwee Nga & Shamuganathan, 2010). However social entrepreneurs prosocial motivation decreases likelihood of success (Renko, 2013).

HOW CAN GOVERNMENT AND UNIVERSITIES HELP?

What can government and universities do to help? The government has insight and data to help identify and provide access to the problems that can be helped by social entrepreneurs. They can use existing organizations. For example in New Jersey, every county has a Small Business Development Center (SBDC) to facilitate entrepreneurial efforts. The SBDC work closely with the Service Corp of Retired Executives (SCORE) and the federal and local Small Business Associations (SBA). Grants and other funding can be set aside for addressing social problems. Finally legislation and policies can encourage and facilitate the efforts of social entrepreneurs.

Universities can use service learning to support social entrepreneurs. Some universities already require a 'civic engagement' or 'social engagement' component in their curriculum. Others have capstone experiences where students are required to solve a business problem. These courses and activities can be targeted towards social concerns. Internships at social enterprises can be beneficial to both the student and the business. Universities can put together groups of students with the appropriate skill sets to help in solving business-related or technical problems. Faculty can also be used as consultants or by using the enterprise as part of their research.

FURTHER RESEARCH

We plan to continue to develop the model (Figure 1). We would like to explore the empirical support, hypothesize the reasons for the dynamics and propose empirical testing. We also would like to focus on specific issues. One issue of particular interest to us is clean water. It

seems that, although clean water is a pervasive world-wide problem with many facets, social entrepreneurship has the potential to have a sizable positive impact.

We would also like to identify and develop ways the government and university can help. Some current efforts are to work local SBDCs. Currently we are having teams of graduate students helping small businesses. We would like to turn some of these projects into case studies.

Finally we would like to identify or possibly create data sets that capture social entrepreneurship. As identified earlier, in addition to a lack of conceptual clarity, there is very little empirical research in the area. We look forward to testing ideas and letting our empirical findings inform theory development and practice.

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(available on request)

THE USE OF CHAMBER SERVICES BY FAMILY-OWNED BUSINESS CHAMBER MEMBERS TO PROMOTE THEIR BUSINESS

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ABSTRACT

Chambers of commerce are a valuable resource to owners of small business. This study examines how 23 family-owned businesses use the services of a chamber of commerce to promote their businesses. Networking at chamber meetings such as breakfasts, luncheons, and After Hours was the most preferred avenue of promotion used. The attendance at luncheons was influenced by the desire to hear featured speakers, such as politicians, e.g., the Governor of Louisiana. Hot topics such as healthcare and speeches by major business leaders were draws as well.

Except for paper or on-line listings in the membership directories, the respondents made little use of other means of chamber assistance. Special events and advertisements on the chamber website were used very little by this group. Neither were sponsorships as they are the province of larger chamber members, e.g., banks, utilities, law, and CPA firms. One exception is the use of the chamber logo in the firm's advertising. A chamber plaque in the store window is an example of this means of promotion.

Given the small sample size of this study, there are many opportunities for research. One area of further study is the family business chamber member's usage by the age of the owner and/or the business, geographical area (rural vs. urban). Race and culture are factors to study as well. Technology, especially means of communication and changing demographics will impact the chamber as well as the family business. The millennials are here and organizations will have to deal with them, especially the chamber.

INTRODUCTION

Family-owned businesses are an economic backbone of the U.S. economy. They account for 70 percent of all incorporated businesses in the United States. Some 17 million family firms, including sole proprietorships, operate in the U.S. (Poza & Daugherty, 2014). Family businesses generate 62 percent of U.S. employment and account for 78 percent of new job creation (Astrachan, J. H. & Shanker, M. C., 2003).

The management of family-owned businesses is not an easy task. Top management has to contend with the same everyday external and internal issues faced by non-family businesses. The family businesses have to deal with another layer of management issues related to family relationships and conflicts.

Business and family issues may be difficult to overcome. This is reflected by the fact that some 30 percent of family businesses survive into the second generation and 12 percent are still viable in the third generation (Lambing, P. A. & Kuehl, C. R., 2007). Planning for succession is a

major problem. According to one source, 47 percent of those owners retiring have not selected a successor. Some 31 percent have no estate plan beyond a will (Conway Center for Family Business, n.d.).

One management practice that has not been reported in the literature is family business membership in chambers of commerce and the use of the services of a local chamber of commerce to promote the family business. Lacho and Brockman (2011) provide a framework for the use of local chamber services to help one promote one's small business. The purpose of this paper is to examine how chamber member family business firms use the services of a chamber of commerce to promote the family business.

RESEARCH METHODOLOGY

This study of chambers of commerce and family business was part of a larger study concerned with management practices of family business. Personal interviews were conducted with a convenience sample of 141 family-owned businesses located in the New Orleans, Louisiana Metropolitan Area. The responding firms had to have fewer than 100 employees.

Secondary sources were used such as chamber websites, chamber printed materials, and chamber staff members. In addition, the author drew upon his experience of 30 plus years of chamber membership and serving on chamber committees such as Small Business and Government Affairs.

FINDINGS

Twenty-three of the 141 firms (16 percent) interviewed were chamber members. Several belonged to two chambers. The average size of chamber members in terms of full-time employees was 22 employees. The size of firms ranged from 1 to 100 employees. Some 65 percent of the firms had 1-19 employees. Twenty-two percent of the firms had 30-39 full-time employees. Non-chamber firms averaged 7 full time employees with a range of 1 to 85. Sixty-nine percent of the firms had 1-19 employees; 22 percent had 30-39 employees. Chamber firms had an average age of 24 years with a range of one to 92 years of age. Non-chamber firms averaged 18 years of age with a range of one to 97 years.

The chamber businesses were classified according to industrial classification. Fourteen or 61 percent of chamber members were in the service industry. Construction and finance accounted for 13 percent each. As for non-chamber businesses, 69 (58 percent) were in the service industry. Retailing accounted for 21 percent and construction 10 percent.

The model proposed by Lacho and Brockmann (2011) was used as a framework to examine the use of chamber services to help the small business owner promote his/her business. The use of these services is shown in Table 1.

Ten (43 percent) of the respondents indicated they used the listing in the chamber membership directory, six used the on-line directory. What is interesting is that all respondents did not seem to realize that their firm is automatically listed in both directories by alphabet and industry category.

Networking at chamber functions was the most popular form of promotion. Fifty-seven percent of the respondents ranked attending chamber luncheons first. Attendance at evening events (commonly called After-Hours) ranked second, followed by breakfast events.

There are a number of other promotional methods offered by a chamber for use by a member. A display table may be set up at events such as a luncheon (in the lobby). Four respondents indicated they used this method.

Businesses have the opportunity to use the chamber logo on firm advertising copy and/or sales promotional items such as pens, calendars, and business cards. Twenty-two percent (5) of the respondents used this method.

DISCUSSION

Since the origin of commerce, traders and merchants have worked together to provide protection against enemies, promote their businesses and develop rules to govern the conduct of trade (Morro Bay, n.d.). Guilds formed an important part of the medieval city and town life (Guilds in the Middle Ages, n.d.). Over the centuries these guilds evolved into modern day chambers of commerce and trade associations.

Unique to the United States, as Alexis de Tocqueville observed in his landmark work *Democracy in America*, is that the U.S. is a land of abundant groups. Immigrants found new ways to interact with one another as the U.S. became the land of groups, be it trade associations, Rotary and Kiwanis Clubs, and the Chamber of Commerce (Mead, C., 2014).

Initial chamber activities were concerned solely with business-related activities. However, over time the role of the chamber has expanded to include economic development, public education, community services, workforce development and flood protection (where applicable). More recently, chambers have become active in advocacy or legislative affairs at the federal, state and local levels of government (Morro Bay, n.d.).

Chambers of commerce offer many benefits to chamber members. For some chambers these include a FedEx U.S. chamber discount, access to the ID Shield network, an identity protection service, special discounts to fellow chamber members, the Office Depot National Chamber Program, and use of the chamber conference room (Jefferson Review, 2018). Perhaps the most important benefit is the promotion of one's business through the chamber. Person-to-person networking is a most common promotional method. Networking fosters the developing of new relationships and updating old ones. Potential or new customers may be obtained. Networking also assists in getting help in solving business problems, sources of information, or a referral to a business provider (Lacho, K. J. & Brockmann, E. N., 2011).

The Jefferson Chamber of Commerce, Jefferson Parish, Louisiana offers over 100 events each year, the New Orleans Chamber offers over 300. The networking events are categorized into three types of events as shown in Table 2. Meeting opportunities are breakfasts, luncheons, and After-Hours. There are special events which generally draw large crowds. For example, the Jefferson Chamber Crawfish Boil attracts some 600 persons each year.

Networking can occur in committee work. There are eight Jefferson Chamber committees as shown in Table 2. Committee work offers opportunities to network with other chamber

members., Committees usually meet once a month, so an ongoing relationship can develop. From a college professor's view, committee work allows one to develop relationships which may develop into guest speakers at class and/or judges in business plan competitions.

An examination of the networking opportunities used by the respondents, shows that the luncheon meetings followed by After-Hours Social Events dominated the type of networking activity used. The popularity of the luncheon meeting may be due to the draw of the luncheon speakers at the time. Celebrity status may be a factor. For example, a presentation by former Governor Edwards of Louisiana drew a sold-out crowd at a northshore chamber. A hot topic such as healthcare may result in a large luncheon crowd.

Other methods of chamber promotional help are shown in Table 1. Listing in print or on-line directories were the most recognized. However, as noted above, chamber membership results in an automatic directly listing. The only other chamber use of note was the use of a display table or booth at a chamber event or the use of the chamber logo in a firm's advertising. Low cost is a factor here. All others were used sparingly, perhaps due to higher costs.

SUGGESTIONS FOR FUTURE RESEARCH

The academic research concerning chambers of commerce is sparse. One possible area of research is to expand the study of how chamber members use different chamber services to promote their businesses. How do activities vary by chamber size, location (urban versus rural), and the degree of area diversity by race, culture, and age? Who uses what chamber promotion services, by the size, and industry type of firm? What factors influence the attendance or non-attendance of chamber networking events?

CONCLUSION

This study examines how 23 family-owned businesses which are members of a chamber of commerce use the services of that chamber in promoting their business.

Networking at chamber functions, primarily luncheons, After-Hours, and breakfast events were the most preferred avenue of promotion used. There are many other opportunities to network such as special events and committee work. These were little used. Except for paper or on-line directories, this group made little use of special events, sponsorships, and advertisements in chamber print or website media. One exception was the use of the Chamber logo in the firm's advertising.

This is a small sample size of family business chamber members, consequently, there are many opportunities for academic research in this topic area. One area of research concerns family business chamber members and how they differ in chamber usage by geographical area, race, culture, and the age of the owner. One last suggestion is to study how chambers can best use social media to meet the needs of future members, especially businesses owned by millennials. Also, what is the future impact of technology and the change in population demographics on chamber operations? What are the ways to help owners of small business promote their business? In spite of social media means of communication, person-to-person networking is not dead. It is here to stay.

Table 1
Methods of Chamber of Commerce Promotion Used By Small Business Members (N=23)

Networking	
Breakfast Meetings	5
Luncheon Meetings	13
After-Hours Social Events	9
Special Social Events, e.g. Crawfish Boil	1
Gala, community activities	1
Work on Chamber Committee	2
Speed Dating Activity	1
Other Promotion	
Name in Paper Directory	10
Name in Online Directory	6
Ad on Chamber Web Site	2
Ad in Paper Directory	1
Sponsor at Chamber Event	1
Display Table or Booth at Chamber Event	4
Use Chamber Logo in Advertising	5
None	3

Table 2
Networking Opportunities
Jefferson Chamber of Commerce
Jefferson Parish, Louisiana

Meetings	Committees	Social Events
Luncheon	Government	Annual Meetings
Breakfast	Ambassadors	Gala
After-Hours	Health & Wellness	Grand Prix
	Awards	Golf Classic
	Communication	Bike Tour of Parish
	Education	Family Gras
	Special Events	Crawfish Boil
	Young Professionals	

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INNOVATIONS TO COME COULD HELP ADDRESS THE SMALL BUSINESS HEALTH CARE ACCESS AND AFFORDABILITY PROBLEM

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ABSTRACT

Scholars have identified the role entrepreneurial actors and their impact on innovation (and opportunities) in relation to the health care industry. Meanwhile, when one studies innovation of any kind, it becomes immediately apparent that developments as well as impediments in seemingly disparate areas can sometimes (and often will) intersect. For instance, 3D printing of body parts is currently being reviewed by the U.S. Food and Drug Administration (FDA), which historically has not concerned itself with customized (i.e., individualized) therapeutic interventions. As another example of intersecting developments, Artificial Intelligence (AI) is associated with increasing CPU capacity and processing speed, advances in robotics may be associated with sensors and materials (stronger, lighter, more durable or pliable), and software programming. Yet, questions have arisen pertaining to liability and responsibility in the event something might go wrong in individual treatment scenarios. The authors of this exploratory paper posit that supporting the development of current and future innovations in the delivery health care could impact insurance costs in ways that the ACA failed to address, and this matters to small businesses, which continue to face health care access and affordability problems.

INTRODUCTION

The Patient Protection and Affordable Care Act⁵ (PPACA, or ACA, or its popular nickname, Obamacare) as amended⁶ is effectively a tax law. This interpretation is especially supported by Supreme Court rulings. Further, the ACA primarily attempts to expand the number of persons who can purchase health insurance by eliminating barriers such as the pre-existing conditions clause that have heretofore blocked individuals from obtaining health insurance. The effect of ACA on health care delivery and “affordability” (“Patient Protection and Affordable Care Act,” 2010) has been dramatic from the vantage point of insurers, insured persons, and the health care delivery system. To date ACA is “a work in progress” with the need for many changes, deletions, additions, and legal proceedings to meet its goal of providing affordable health care to the nation. With the exception of those who may receive subsidies (“Unsubsidized shun exchanges,” 2015), the Affordable Care Act has not produced affordability for small businesses and individuals (Lahm, 2014).

It leaves huge gaps from the point of view of the provider-side (e.g., physicians, clinical and administrative support staff). In addition, the attempts by Congress and the President to eliminate ACA has left the health insurance industry to try to offer its services of “selling and administering” health care to the nation. The national conversation about health care in media

⁵ Patient Protection and Affordable Care Act, Public Law 111 - 148 (H.R. 3590) C.F.R. (2010).

⁶ Health Care and Education Reconciliation Act, Public Law 111 - 152 (H.R. 4872) C.F.R. (2010).

outlets and in Congressional dialog has focused almost entirely on health insurance coverage (or the lack thereof). This dialogue continues notwithstanding the fact that insurance companies are merely intermediaries relative to the entirety of the health care system in the United States. In other words, the health insurance industry, under the Affordable Care Act (ACA) and the regulatory environment with which it is associated, tends to suppress innovation and merely focuses on the payment system for health care. An indicator of such suppression (via the costs of regulatory compliance) can be found in the fact that “administrative costs in U.S. healthcare are the highest in the developed world” (Terhune, 2017).

LITERATURE OVERVIEW

A variety of searches and terms have been utilized toward the development of multiple databases that informed this present research, using well known library resources such as Proquest/ABI Inform and Ebsco. Software for bibliography management subsequently was employed to create local databases. For instance, one such local database contains 412 artifacts that are related to the ACA (Obamacare) and its impact on small businesses and the economy. Another local database was comprised of 402 artifacts that are associated with health care innovation as well as barriers to the diffusion of such. A qualitative research framework has guided the development of the conceptual work in this research effort.

DISCUSSION

The inability of the federal government to oversee a coordinated health care delivery system has left many in America frustrated. It is common knowledge that America’s health care system was developed by employers as a benefit to attract and keep employees. According to the Henry J. Kaiser Family Foundation, nearly half (49 percent in 2016; latest data reported) of all Americans participate in employer provided health insurance (“Health insurance coverage of the total population,” 2018). One reaction to the health care conundrum is the joint effort underway by the partnership of Amazon, JPMorgan Chase, and Berkshire-Hathaway to address the delivery of health care for their employees (Scott, 2018). According to their joint statement made on January 30, 2018 in Seattle, Washington, the alliance intends to create its own health care company with the goal of reducing costs and improving the quality of care by unraveling the inefficient network of pharmacies, insurers, and health care providers (Wingfield, Thomas, & Abelson, 2018). The core of the matter, how to reduce health care costs while improving the quality of health care itself, is awaiting resolution. Can innovation in health care distribution systems be the cure?

Well-known consulting firms as well as other organizations have released studies which suggest important advancements in connection with innovation in health care delivery (“Cleveland clinic unveils top 10 medical innovations most likely to be game changers,” 2016; Copeland, Raynor, & Shah, 2016; “Top health industry issues of 2017: A year of uncertainty and opportunity,” 2016). Revolutionary innovations in health care delivery are already here and more are underway (“Cleveland clinic unveils top 10 medical innovations most likely to be game changers,” 2016; Daemmrigh, 2017). These innovations include developments involving the diagnosis, treatment, and prevention of commonplace (i.e., mundane) to serious diseases. Nevertheless barriers to diffusion exist. It would be daunting to exhaustively cover all of these (as well as others that may have been missed by these firms and entities) within the confines of this present paper. As such, the discussion below is based upon a sampling of inventions and

innovations. These examples suggest the potential to deliver better health care results while also reducing costs exists. Further, despite advances, barriers exist including issues of regulation, liability, e.g., engineers, clinicians, hospitals, 3D printer manufacturers (Mathers, 2014), and acceptance on the part of providers as well as health care recipients.

Precision Medicine

Precision medicine is “an emerging approach for disease prevention and treatment that takes into account people’s individual variations in genes, environment, and lifestyle” (“The precision medicine initiative,” 2015). The diagnosis and treatment of diseases that is in effect custom fitted to an individual case using precision treatments allows for vastly improved outcomes as compared to one-size-fits-all approaches. While genomics (McManus & Gough, 2016; Olson, 2017) can be regarded as a cornerstone to precision medicine and its further development, future advances are associated with several disciplines. For instance, software developments and tools for mining of extremely large databases of genetic data as well as other variables (e.g., environmental, diet, exercise, and lifestyle information) (“The precision medicine initiative,” 2015), could lead to more precise diagnostic and treatment approaches with improved outcomes. It is expected that the ability to discern patterns in genomic biomarker profiles in connection with clinical trials and treatments (Hudson, Lifton, & Patrick-Lake, 2015) will transform the delivery of healthcare in the years to come.

Immunotherapy

Immunotherapy, also known as biotherapy, utilizes substances that are derived from either living organisms and/or are synthesized in the laboratory. Immunotherapy refers to “a treatment to stimulate or restore the ability of the immune system to fight infection and disease” (“Medical definition of immunotherapy,” 2016). As an example (pertaining to cancer), a primary objective of cellular immunotherapy (CI) is to enable the development of patient-specific drugs that will interact with the recipient’s body to destroy tumor cells (“Cleveland clinic unveils top 10 medical innovations most likely to be game changers,” 2016). This could mean that patients would not be subjected to chemotherapy treatments (which are non-targeted, yet expensive). Other benefits would be the avoidance of some of the negative side effects of chemotherapy (Copeland et al., 2016), which can “have a profoundly harsh systemic impact on the body, particularly chemotherapies that blast all growing cells indiscriminately” (Carroll, 2013).

Telehealth

Telehealth entails any aspect of health care delivery that is provided using telecommunications devices. These may involve both clinical and non-clinical services. Telehealth also includes telemedicine. For instance, telemedicine could be associated with monitoring a patient’s vital signs from the comfort of that patient’s own home (and without the very high cost of delivering the same service in a hospital or other health care setting). Health care providers might also exchange patient medical records with one another (e.g., lab and pathology

results among two or more specialists). One impediment to the widespread adoption of telehealth is a need for infrastructure development to support increased access (Li & Wilson, 2013).

3D Bioprinting

3D bioprinting is, in many ways, conceptually similar to 3D printing generally. Both entail a process whereby the addition of successive layers of material, one on top of the other as a print-head moves back and forth, results in an output scenario. Both are based on a digital model of the part to be reproduced. Building three-dimension body parts entails the usage of different materials, however, and these may include a person's own stem cells. Already, some medical applications allow for the creation of "customized prosthetics, implants, and anatomical models, tissue and organ fabrication" (Dodziuk, 2016, p. 285). On the horizon, we may see the ability to create fully functioning organs.

CONCLUSION

The national conversation on the part of lawmakers, the media, and constituencies at large regarding the Affordable Care Act (ACA), has primarily focused on health care insurance as compared to the health care delivery, which is the driver of insurance cost. However, insurance premiums merely reflect the cost of claims that are paid. It follows that if the cost of health care delivery was reduced via better diagnostic and treatment options, the cost of health care insurance could come down. Health care insurance costs will certainly not come down as long as health care delivery remains high or climbs to even greater levels. The debate about health care delivery in the U.S. has failed to adequately address considerations on the provider-side, including the potential for inspiring, or at least not impeding, innovation.

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THE PERCEIVED SKILLS FOR COLLEGE STUDENTS TO BECOME AN ENTREPRENEUR: A DIRECTION TO CURRICULUM DEVELOPMENT FOR FASHION ENTREPRENEURSHIP EDUCATION

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ABSTRACT

Small businesses have been identified as a major contributor to economic growth, so entrepreneurship has gained greater attention among most universities. Research in the entrepreneurship education has been studied extensively, but fashion domain-based entrepreneurship does not have nearly the same amount of extensive literature. The purpose of this study is to identify the motivations and skills expected to start and operate fashion businesses, as well as assistances college students prefer to receive from the college education. This study employed a qualitative research method by collecting data through an online open-ended questionnaire. Seventy-six participants were recruited from college students in fashion majors at a large university in the Southeastern United States who are interested in being fashion entrepreneurs after graduation. Based on the analysis of participants' perception, this study identifies the motivations and perceived skills expected to start and operate fashion businesses and points out necessary training and assistances college fashion students prefer to receive. This paper contributes to the current literature by pointing out the direction for the development of fashion entrepreneurship curriculum based on the point view of college students from fashion major. In addition, suggestions for better business incubation services and supports were also discussed.

INTRODUCTION

The unemployment rate among college graduates has been increasing exponentially since the downturn of the economy in 2008. A study conducted by the John J. Heldrich Center for Workforce Development found that only 53% of the recent college graduates studied were employed full time (Godofsky, Zukin, & Van Horn, 2011). Especially, with traditional retailing and fashion industries facing more challenges, it is even harder for fashion majors to locate a satisfied employment position. Although there has been a noted increase in the population of fashion entrepreneurs, many emerging entrepreneurs are still struggling in every stage of starting and growing their businesses. Still, many newly graduated college students may not be able to pursue this endeavor because of the challenges and obstacles inherent in such an entrepreneurship journey. Therefore, there is a critical need to identify the motivations, skills, and assistance expected to start and operate fashion businesses so that better business incubation services and supports can be provided effectively.

The identified gaps in the extant literature limit our understanding of entrepreneurs' beliefs and confidence in their capabilities to become successful. Given the importance of entrepreneurship as a source of employment and for economic development, the purpose of this study is to try to fill identified gaps. We specifically focus on exploring the motivations, internal and external factors for graduated college students to start an entrepreneurship journey, and identify what supports or resources are needed to facilitate success for fashion entrepreneurs.

FASHION ENTREPRENEURSHIP EDUCATION

Small businesses have been identified as a major contributor to economic growth (van Stel, Carree, & Thurik, 2005), so entrepreneurship has gained greater attention among most universities. Higher education plays a crucial role in developing students' entrepreneurial capacity in order to meet the demand (Shi et al., 2012). Garavan and O'Kinneide (1994a, 1994b) agree that there is a critical role for training and incubation of entrepreneurship. Entrepreneurship education not only allows students to better assess whether they should pursue an entrepreneurial career (von Graevenitz, Harhoff, & Weber, 2010), but also can be used to equip students with innovative abilities, specific entrepreneurial skills, and practical business knowledge to become entrepreneurs (Chen et al., 2015; Matlay, 2008). Despite the availability of quality entrepreneurship education, there are negative effects of entrepreneurship education on the intention to startup activity (Oosterbeek, Praag, & Ijsselstein, 2010).

Fashion is one of the world's most important industries, driving a significant part of the global economy. This situation is especially true in the United States. Retailing in apparel and footwear sectors generated nearly \$370 billion in the United States in 2014 (Joint Economic Committee, 2015). More than 1.8 million people in the United States are employed in fashion- and apparel-related industries (Fashion United, 2017). More than 200 postsecondary schools across the country offer fashion-related programs and prepare students for jobs in the fashion industry (Joint Economic Committee, 2015). Within the industry, entrepreneurial fashion students are viewed as the valuable assets to a firm's growth, but they currently lack business skills (Shi et al., 2012), which makes the fashion entrepreneurship education more important. Many people launch new fashion lines simply because they are creative or in a design major, but these individuals who do not fully understand how businesses operate, or lack business skills and knowledge, generally are not considered as real entrepreneurs. Therefore, it becomes crucial for universities to provide courses training to cultivate those emerging fashion entrepreneurs.

However, compared to other university subjects, fashion entrepreneurship curriculum is still a new concept in education (Shi et al., 2012). There seems to be no common framework or agreed best practice for how to educate fashion entrepreneurs. A variety of challenges still exist in fashion entrepreneurship education, including determining the optimum mix of skills and knowledge required to become an entrepreneur (Matlay, 2006), and the best way to impart that knowledge and develop those skills. In addition, the curriculum for fashion entrepreneurship is mainly developed based on general entrepreneurship curriculum from business schools. But the voices of fashion students who have preferences to start a fashion business should be considered in the curriculum development as well. Therefore, the purpose of this study is to identify the

motivations and skills expected to start and operate fashion businesses and assistance that college students prefer to receive from university, so that more appropriate curriculum can be developed from the point view of college students in fashion majors, and so better business incubation services and supports can be provided effectively.

RESEARCH METHOD

As fashion entrepreneurship education is in its early stage, an exploratory study is appropriate. An online open-ended questionnaire was designed for collecting empirical data. College students with fashion majors, including both majors of fashion merchandising and design in a large university, were recruited with extra course credit as incentives. Participants were first asked whether or not they have considered being a fashion entrepreneur in the future. Next, respondents were asked to respond to whether and why they want to be a fashion entrepreneur and what are the internal and external drives influencing their decisions. Finally, respondents were asked to identify the skills they think are needed for them to pursue fashion entrepreneurship and the supports they may need to start and run a fashion enterprise. The survey link was sent to 134 students enrolled in three fashion merchandising classes, among whom 76 students expressed being interested in starting their fashion entrepreneurial ventures in the future. Thus their responses were included in the final empirical analysis. The majority of respondents were female juniors or seniors (96.1%), and most of them were Caucasian/white (78.9%). Data were sorted and put into the NVivo 11 qualitative data analysis software for further coding. The codes were aggregated into overarching themes within four categories, including positive motivations, negative motivations, perceived skills needed and supports needed.

FINDINGS AND DISCUSSION

The motivations for fashion students to pursue entrepreneurship were first explored. The chance to implement their own fashion ideas and be more independent was the most salient motivators for many students, which is consistent with a previous research conducted by Shinnar, Pruett, and Toney (2009) with 317 college students mainly from business majors. The sense of achievement and the opportunity to be financially independent were the other two motivators for many fashion students to start their own fashion businesses. These findings are consistent with the previous research conducted by Shane et al. (2003). As opposed to students of business majors, another motivator for fashion students is being interested in fashion. A fashion entrepreneur needs not only a basic knowledge of fashion, but also passion and interest in this industry.

In this study, five perceived barriers were discussed, including potential risk, lack of capital, lack of competence, lack of location advantages, and lack of related fashion and marketing knowledge. With a business failure rate of 50% within the first five years (The United States Small Business Administration, 2012), graduates must be equipped with both fashion and business skills in the fashion industry. Therefore, to succeed in the highly competitive market, students need to develop confidence in their ability to obtain the necessary skills to start and run a business in the fashion industry. Perceived skills discussed by fashion students in this study include time management skills, financial knowledge, creativity skills, having an effective marketing strategy,

finding a source of merchandise and product assortment. The fashion industry could be considered a mix of creativity and business. The skill of being able to forecast and see what's happening in the industry is crucial for an emerging fashion entrepreneur (Vogt, 2007).

The findings of this study provide a direction for educational and marketing initiatives to offer better support and incubation services for fashion entrepreneurship cultivation. Fashion entrepreneurship education needs to be well planned and structured. Fashion is a specialized sector requiring the aspiring entrepreneurs to have the skills to develop a style that is distinctive and unique from competitors; the skills to manage strategic and marketing management and the skills to communicate with customers regarding fashion styles. The fashion business is essentially a forward-thinking sector and one of the core characteristics of fashion brands is an innovation, which has been an essential aspect of fashion business for centuries (Unay & Zehir, 2012). Fashion is not all about style and continuous style change; it is also about technology management and design intelligence, which use technology as an important element for customer benefit. Academic education in fashion majors should offer students a chance to see the latest developments of business strategies, thus giving a clear view to implementing them in future businesses (Rao, 2017).

Without enough funding, it is hard for a business to develop and to upgrade the quality of clothing designed or procured and to satisfy the identified market. Financial skill is crucial in the business operation, which includes the ability to acquire funds, to forecast funding needs, to prepare budgets, and to manage cash flow, and so on. For some fashion products, seasonal factors also need to be considered in the funding forecast. Curriculum in fashion entrepreneurship education should also include funding application and financial management, to improve students' financial management skills. Creativity is essential in order to continuously progress and it can, in fact, be taught (Roelofs & Nieuwenhuis, 2016). More hands-on experiences will help to improve people's creativity and financial management skills. For example, a university can cooperate with local fashion retailers to provide more practical know-how with the design of an outfit or mix and match different outfits in visual merchandising.

Effective marketing strategy is necessary to create consumer awareness of the business and fashion entrepreneurship education also needs to include this into the curriculum. Compared to other business sectors, the marketing strategy and publicity that fashion business could select may vary. For example, a designer could hold fashion shows to introduce the new collections. Fashion magazines and participating in fashion design competitions also create publicity. In the fashion entrepreneurship curriculum, the options of different marketing strategies and publicity should be introduced in a practical way, such as a case study, or service learning.

Another aspect that should be included in the curriculum for fashion entrepreneurship education is finding sources of merchandise and product assortment. As opposed to other products, fashion products are usually launched as groups or collections, which require products in each collection to be coordinated and to complement one another. In addition, fashion buying courses should provide college students with an opportunity to learn how to sort merchandise, identify good fashion vendors, and to obtain negotiation skills, and so on. Field trips to different trade shows or fashion markets could be included in the curriculum.

The study also indicates the specific supports and assistances preferred by college students who have a desire to start fashion businesses. Providing effective training in developing business plans, practical financial management advisement and offering platforms with the opportunities of building networks and business contacts would prepare entrepreneurs for starting their businesses. In addition, offering assistance in identifying merchandise sourcing tools and fashion marketing strategies would also benefit future fashion entrepreneurs. Setting up an entrepreneur's incubator is a supportive strategy for college students for learning how to start up a business, which has been employed in several universities. The incubator can provide an entrepreneurial platform for those who are interested in being an entrepreneur. For example, the incubator can rent offices to start-up entrepreneurs with low prices; provide training in searching for available funding; provide information in regards to the latest governmental policies; arrange social networking for potential entrepreneurs to learn from counterparts; and so on.

CONCLUSIONS AND LIMITATIONS

This study employed a qualitative research by collecting data through an online open-ended questionnaire. Based on the analysis of the perception of seventy-six students in fashion major, this study identifies the motivations and skills expected to start and operate fashion businesses and points out necessary training and essential assistance college fashion students prefer to receive during their entrepreneurial ventures. This paper contributes to the current literature by pointing out the direction for the development of fashion entrepreneurship curriculum based on the point view of college students from fashion major. Suggestions for better business incubation services and supports were also discussed.

Limitations exist in this study, which allow for additional future research. For example, only college students who are interested in starting up a fashion business participated in the study; their views were based on imagination at the conceptual stage, which could not reflect the opinions of those who have started putting effort into a fashion business. Future studies targeted on real fashion entrepreneurs would complement the findings of this study. In addition, a qualitative study was applied and only 76 participants were involved in this research, which would limit the generalizability of the findings. Future research can extend the sample size.

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ENGAGING AND ENTREPRENEURIAL UNIVERSITIES: WHAT DOES THAT MEAN?

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ABSTRACT

We often hear our business faculty colleagues say that we would like our university and its programs to be more ‘engaging’ and ‘entrepreneurial’. Although an intuitively appealing idea, the problem is in interpretation. Both ‘engagement’ and being ‘entrepreneurial’ have multiple meanings in the field. In this paper we will adopt the descriptions of engaged and entrepreneurial universities proposed by the Accreditation Council for Engaged and Entrepreneurial Universities (ACEEU). To these conceptual descriptions we will add functional clarity by identifying various types of engagement and entrepreneurial activities, logically grouping them and exploring the order in which they can be introduced. The resulting typology and developmental model will help administrators and policy makers link specific types of engaging and entrepreneurial activities to the mission and vision of their programs, meet accreditation standards, and provide necessary resources and direction to implement them.

Key terms: Entrepreneurship, Entrepreneurial Universities, Engagement, Engaging Universities

THE ENGAGING UNIVERSITY

The Accreditation Council for Engaged and Entrepreneurial Universities (ACEEU) has provided a description of ‘The Engaging University’ in its accreditation guidelines. The description is as follows:

“An engaged university is oriented towards and strategically positioned to deliver a range of societal contributions, benefits and impacts. The institution undertakes education and research aligned with society and business needs. Education integrates external stakeholders and promotes a wide range of career opportunities, including the private, public and not-for-profit sector. Research and projects are collaborative and mutually beneficial. The priority in third mission activities is engagement and the institution accordingly develops its people, organisational capacity, support structures and external collaborations. An engaged university is an influential organisation within the wider ecosystem and is dedicated to continuous improvement and the generation of greater social and cultural impacts for the city and region.”

THE ENTREPRENEURIAL UNIVERSITY

The ACEEU) has also provided a description of ‘The Entrepreneurial University’ in its accreditation guidelines. The description is as follows:

“An entrepreneurial university is oriented towards and strategically positioned to deliver a range of societal contributions, with a focus on economic impacts. The institution undertakes education that is focused on the development of entrepreneurial mind-sets and skills, and promotes a wide range of career opportunities, including intrapreneurship, self-employment, and

entrepreneurship. Research leads to income and intellectual contributions with a high potential for commercialisation. The priority in third mission activities is entrepreneurship and the university accordingly develops its organisational capacity and support structures to enable people to take risks and to act intrapreneurially and entrepreneurially. An entrepreneurial university is an influential stakeholder within the entrepreneurial ecosystem and is dedicated to continuous improvement and generation of greater economic impacts in the region.”

AN INTEGRATIVE FRAMEWORK

Activities and relationships are the key to the success of both the engaged and the entrepreneurial universities. The ACEEU has established standards for accreditation that address some of these activities and relationships. The dimensions that the standards are based on are in Appendix 1. However the specific activities and relationships that support or result from engagement and entrepreneurial efforts are different. In Table 1 we list examples of activities and relationships separated by engaged vs entrepreneurial and internal vs external. In the subsequent sections we briefly explore them. It is important to note that although each type of relationship or activity is placed in one quadrant, many of them can cross into other quadrants.

Table 1 – Engaging & Entrepreneurial Activities and Relationships		
	Engaging	Entrepreneurial
Internal	Inside class Experiential exercises Independent studies Laboratories Outside of class Research assistance Special programs	Inside class Entrepreneurship courses Entrepreneurship programs Outside of class Special Activities Competitions
External	With Industry or Community Internships Practicums Club activities Community Service Conferences	With Industry or Community Incubator Competitions Collaborative projects Exploitation of ideas

ENGAGEMENT

Internal Engagement Taking Place Inside Class

Experiential exercises – Experiential activities such as role plays, in-box exercises, games and scenario analyses allow students to put concepts into action and see the results. Engagement in this way moves students from thinking to doing and brings the learning to a higher level on Bloom’s taxonomy.

Independent studies – Independent studies allow the student greater engagement with the materials. They can expose the student to current issues in the field in much greater depth and give the opportunity to work closely with an expert.

Laboratories – Laboratories allow students hands on experience with the subject of study. It is also possible to design laboratory work that reflects, illustrates and supports current local problems.

Internal Engagement Taking Place Outside of Class

Research assistance – Student engagement with researchers allows for more in depth learning and exploration. It also develops expertise and may lead to further engagement in the field.

Special programs – Professional enrichment activities such as seminars and guest speakers can help the student engage with the materials learned in class. They can also be used to fill in the gaps that fall between courses, such as career planning and specialized training.

External Engagement Taking Place in Industry or the Community

Internships – Hands on experience in the ‘real world’ is invaluable in teaching students what the field is like. They get to engage with professionals and potentially make connections that will enhance their career.

Practicums – Small groups of students solving real problems help students and those outside of the school. In addition to helping build skills, allowing students to ‘consult’ with industry empowers them and work directly with real companies. Because many projects require a variety of skills it also gives students experience working in cross-functional teams.

Club activities – Clubs help students establish their professional identity. Besides building leadership and teamwork skills, clubs often provide opportunities to interact with professionals in their chosen field. Club activities can also overlap with others listed such as guest speakers and working in the community.

Community service – Some schools require ‘civic engagement’ in their curriculum. Most schools provide some opportunities for students to participate in their communities. Such engagement gives students a look at the ‘real world’ and allows them to do something meaningful.

Conferences – Students going to professional or research conferences get to meet others in their field, both students and professionals. It is a chance to share experiences, learn from those who have more knowledge and experience, be inspired and make connections.

ENTREPRENEURSHIP

Internal Entrepreneurship Taking Place Inside of Class

Entrepreneurship courses – Many schools offer entrepreneurship courses. They teach the critical differences between entrepreneurial enterprises and other forms of business. They also address the individual traits and behaviors of successful entrepreneurs.

Entrepreneurship programs – Programs allow for greater emersion into the entrepreneurial world. Individual courses can have a narrower focus and can go into greater depth. The program can be associated with outside activities such as incubators and small business development centers.

Internal Entrepreneurship Taking Place Outside of Class

Special activities – Guest speakers, special skills seminars and trips to visit entrepreneurs are a few things that can be done to support and augment entrepreneurship education.

Competitions – Many schools have internal competitions where students can pitch ideas to a panel of experts. This allows students to work on a real project and get professional feedback. It also can be a way to identify and support exploitable ideas.

External Entrepreneurship

Incubator – The unique resources of a university can be leveraged to help entrepreneurial start-ups. Incubators can provide expertise and analyses in technical and business areas. They also can be a source of connections by attracting business partners.

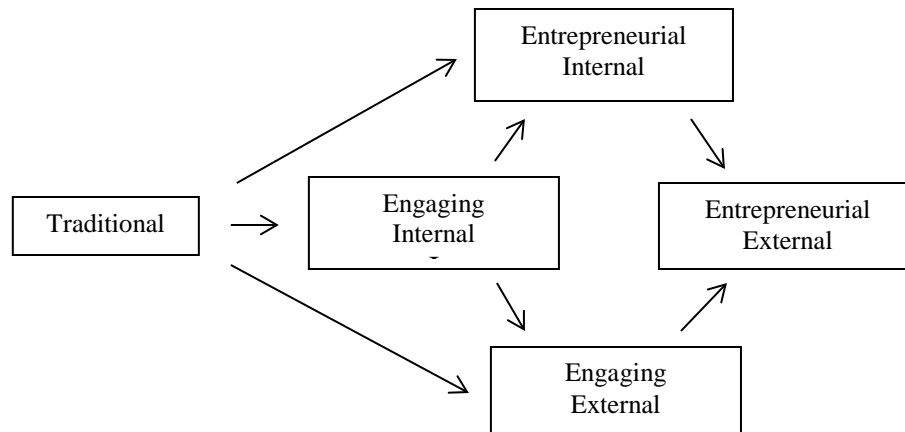
Competitions – Regional entrepreneurial business plan competitions that attract area schools are becoming more and more popular. The quality and degree of development of ideas is greater than individual school competitions. The individual school competitions serve as a preliminary round from which each school sends the winners. Regional competitions quantitatively differ from local feeder competitions – the prizes are higher, the potential for support is greater, the connections with potential business partners is greater and there is greater publicity and media coverage.

Collaborative projects – Students and faculty can leverage their expertise and the university's resources to work with entrepreneurs. The range of collaboration is wide – from preparing or reviewing business plans to developing and testing critical technical processes. It also helps students and faculty build their networks and student find jobs.

Exploitation of ideas – There is a range of possibilities for universities to exploit ideas. They can directly own and run businesses that are started and developed in their school. They can have full or partial ownership in businesses. They can license or sell ideas. University faculty, staff and students can continue to support the business and this support can become a source of revenue.

DEVELOPMENT MODEL OF ENGAGED AND ENTREPRENEURIAL UNIVERSITIES

A mature engaged and entrepreneurial university might employ the full range of activities and relationships explored in the previous sections. However it is not possible to initiate all of these ideas simultaneously. We propose a developmental model (Figure 1) to facilitate the movement from traditional to engaged and entrepreneurial university.

Figure 1 – Developmental Model of Engagement and Entrepreneurial Activities

The traditional university can begin its journey towards becoming engaged and entrepreneurial in any of three ways. In fact it is likely that one or more of these paths has already been followed. Engagement in the classroom has long been a general prescription for moving students up Bloom's taxonomy of educational objectives. It is a natural place to start. Engaging internally can be a mediator before engaging externally or establishing entrepreneurial activities internally, but either of these alternatives can also be attempted directly. Entrepreneurial actions would initially be internal. Once an entrepreneurial spirit and a supporting infrastructure are established, external entrepreneurial actions and relationships can be considered. An alternative route to external entrepreneurial activities and relationships is through expanding or leveraging established external relationships. Either internal entrepreneurial or external engagement efforts can serve as a mediator to external entrepreneurial activities and relationships. A mature engaging and entrepreneurial university will have all four types of activities and relationships, and will leverage them to help each other.

Further development of the model will involve quantifying the activities and relationships, and determining the antecedent conditions and methods that lead to establishing them, and specifying the outcome variables that indicate success for each area. This can be followed by refining the model and theorizing about the relationships between antecedents, actions and relationships, and outcomes, and testing the resulting propositions.

APPENDIX 1 – ACEEU ACCREDITATION STANDARD DIMENSIONS

Dimension 1 - ORIENTATION & STRATEGY

- Institutional Commitment
- Shared Goals
- Financial Planning

Dimension 2 -PEOPLE AND ORGANISATIONAL CAPACITY

- Leadership
- Staff Profile
- Incentives and Rewards

Dimension 3 -DRIVERS AND ENABLERS

- Culture
- Internal Support Structures
- Service Alignment

Dimension 4 -EDUCATION, RESEARCH AND THIRD-MISSION ACTIVITIES

- Education
- Research
- Third Mission Activities

Dimension 5 -INNOVATION AND IMPACT

- Continuous Improvement
- Influence Within the Ecosystem
- Impact

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(available on request)

GIVING FOR A WORTHIER CAUSE? FACTORS INFLUENCING CHANGES TO CHARITABLE GIVING ALLOCATIONS

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ABSTRACT

Research have found that consumers can be heavily influenced by their social network when making a purchasing decision (Schmitt, Skiera, & Van den Bulte; 2011). Can this influence also change our mental accounting? To study this question more closely, we must examine this new media effect on mental accounting. It is not only important to expand the theoretical framework first proposed by Thaler (1985), but this question has real world implications, individuals have limited charitable budgets, and charities in desperate need of donations, it is important to understand which factors can contribute to changing a charitable givers mind.

INTRODUCTION

The purpose of this study is to understand under what conditions donors would change their mental accounting 'charitable giving account' from one charity to another. The charitable giving literature (Burnett & Wood; 1988, Guy & Patton; 1989, Bendapudi et al. 1996 and Fine; 2008) suggests that donors contribute to causes which they have a close personal relationship with. While several researchers in mental accounting have concluded that people separate their money into various mental accounts predicated on where the money came from and the reasons for that account; several mental accounting researchers have determined that individual mental accounts have separate purposes and are understood to be mutually exclusive (Thaler; 1985, 1991, 1999, Kahneman & Tversky; (1984), Heath & Soll; 1996 and Cheema & Soman; 2006).

Researchers have long proven that individual charitable donors give to causes they have a relationship with, and have a wish to solve that specific problem, e.g. a donor might give to a charity seeking a cure for an illness that affected a love one. Dietz & Keller (2016) Donor Loyalty Study also supported this proposition that donors give because they are "passionate about the cause". Margolis (1984) suggests that "a better understanding of how donations interact with mental budgets might prove particularly useful, since most people have limited funds and must consider their budgets when deciding how much to spend on charitable gifts".

Researchers have found that consumers' social networks can have a profound influence on their decision making when making a purchase (Schmitt, Skiera, & Van den Bulte; 2011). Marketers have tried to use this information to have customers share information with their friends via their social networks (Leskovec, Adamic & Huberman; 2007). By extension, it is reasonable to question how social media, and specifically WOM may also affect the individual's mental

accounting for charitable giving. One open question concerns the impact and influence of WOM on mental accounting.

It is not only important to expand the theoretical framework first proposed by Thaler (1985), but this question has real world implications, with limited charitable budgets it is important to understand which factors can contribute to changing a donor's mind. Although contributions from any source are important to philanthropic causes, presently 70% of all contributions come from individuals. American donors gave an estimated \$373.3 billion to approximately 1.2 million charities in 2015 (www.givingusa.org).

The purpose of this research is to address the gap in the literature which does not explain how and why donors change their mental accounting from their original choice which they believe strongly in, to donate to a cause which they know little about, or, have not contributed to in the past.

Why would donors give to charities that seems to be contrary with their interests? For example, as we have seen from the Ice Bucket Challenge, social media can have a significant impact on charitable giving? Were these donations given to support the Amyotrophic Lateral Sclerosis (ALS) charity or were they given because of social pressure, or, because a celebrity supported a specific charity? There are only 6,000 people diagnosed with ALS each year in the United States (www.als.org) or less than 0.00001% of the USA population, yet there were more than 17 million people posted their ALS Ice Bucket Challenge videos to Facebook, these videos were seen by 440 million people a total 10 billion times (als-ny.org). In contrast, approximately 39.6% of the USA population will be diagnosed with cancer during their lifetime (www.cancer.gov). So, it's reasonable to assume that charitable donors would be more likely to have a connection with a person diagnosed with cancer, opposed to someone suffering with ALS.

Consequently, this support is contradictory to the prevailing idea, which several researchers (Burnett & Wood; 1988, Guy & Patton; 1989, Bendapudi et al. 1996 and Fine; 2008) have concluded that donors support charitable causes because they have a personal relationship with that specific cause. In the case of the Ice Bucket Challenge it appears that other factors influenced these donations.

CIRQUE DU SOLEIL – KA IN LAS VEGAS: SUSTAINABILITY OF A BLUE OCEAN

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ABSTRACT

Cirque du Soleil is one of the most imaginative shows every created. The brainchild of Guy Laliberte, Cirque has gone from an idea on the busking streets of Montreal, Canada to an International phenomenon with more than 30 shows worldwide, and since 1984 has been viewed by more than 180 million spectators and generating in excess of \$1B in sales annually. Of these shows, One of the most innovative has been KA, the Asian themed martial arts offering staged as a permanent show in Las Vegas, United States.

Cirque du Soleil has been a cornerstone example of the classic Blue Ocean Strategy combining two red oceans to create a new Blue Ocean. The current paper will examine KA within the Cirque du Soleil family, from the perspective of Blue Ocean Strategy perspective to determine if it was in fact is a Blue Ocean itself within the larger Cirque du Soleil family and evaluate the sustainability of KA in Las Vegas.

INTEGRATING POSITIVE PSYCHOLOGY INTO ORGANIZATION STUDIES: THE DEVELOPING FIELD OF POSITIVE ORGANIZATIONAL BEHAVIOR

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ABSTRACT

The positive psychology movement has had a great impact on psychology in the last two decades. Over this time, organization researchers have adopted the framework and the result is the nascent field of Positive Organizational Behavior(POB). The literature has yet to agree on a clear definition of POB, partially because there is no unifying theory or model to build upon. In this paper we will review the contribution positive of the psychology movement to organization studies and the subsequent development of POB. We will examine various descriptions and definitions and formulate a basic model of POB. Our objective is to make sense of the current state of POB and propose a path for future research.

TECHNOLOGY-BASED MARKETING STRATEGIES THROUGH THE CONSUMER LENS: HOW INTERRELATED ARE PERCEPTIONS OF ETHICALITY AND EFFECTIVENESS?

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ABSTRACT

Today, digital technologies are being routinely incorporated within most companies' marketing strategies, and ongoing advancements mean that marketers are increasingly spoilt for choice as to which ones to employ. Yet little research has sought to investigate the use of these technologies from a consumer perspective. To address this deficiency, a sample of 967 adult residents of the United States provided their perspectives in relation to 18 technology-based initiatives along two separate constructs: their ethicality according to society's moral norms, and their effectiveness as a mainstream marketing tool. This study focusses on examining the interrelationships between these two constructs.

Findings indicate a wide spectrum of opinion as to what constitutes both an ethical as well as an effective initiative. In general, the two constructs are positively correlated in that the more an initiative is perceived to be ethical the more it is seen to be effective. However, these perceptions are not equal in measure on each scale. Whereas toward the top end of each scale, those initiatives perceived to be highly ethical are also seen to be highly effective, toward the bottom end of each scale those that are perceived to be highly unethical are almost invariably still viewed to be somewhat effective. Principal Components Analysis suggests the potential existence of three sub-dimensions of the ethicality-effectiveness correlation dyad, provisionally labelled here according to similarities in the characteristics of member initiatives: Message Dissemination", "Consumer Benefits" and "Company Stealth".

Overall, findings indicate that marketers would be well advised to complete their due diligence so as to determine which technology-based marketing strategy under consideration is likely to be viewed most favorably by consumers in relation to both constructs, prior to a decision to operationalize it.

Keywords: *technology-based marketing strategies, ethicality, effectiveness, consumer perspectives.*

WHAT'S DIFFERENT: A ETIC APPROACH TO MARKETING TO INTERNATIONAL MBA STUDENTS

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ABSTRACT

International students remain a viable consumer segments for Master of Business Administration (MBA) programs in the United States (US). Seventy percent (70%) of full-time, two-year MBA programs recruit international students, with China, India, and the US among the leaders (GMAC, 2016). However, the US now faces significant competition as consumers move toward programs in Europe, Canada, and Asia (Ethier, 2017; GMAC, 2017). The current paper develops a conceptual model for marketing MBA programs based on the differences in underlining concepts between international and US educational systems. Contrary to traditional research that focus on consumer variables (e.g., Dutta, 2015; Ladd & Ruby, 1999; Lyubovnikova, Napiersky, & Vlachopoulos, 2015; Terry, 2007), the current study argues that bridging differences is key in developing effective marketing program that reaches, attracts, and connects with international consumers. The current study makes two significant contributions to the marketing discipline: 1) a new scientific method of grounded theory, collaborative data collection, in which subjects become contributing members of the research, and 2) development of a new conceptual model that offers US universities a competitive advantage.

Research of marketing to international students varies among disciplines, conceptual focus (e.g., consumer behavior, case studies), and sample (e.g., gender). The scope of the current study is limited to full-time, two-year MBA programs in US. Considerable research focuses on both external variables that impact success (e.g., Hatfield & Spiller, 2017; Terry, 2007) and internal variables such as task reflexivity and intercultural sensitivity (Lyubovnikova, et al., 2015), learning style (Ladd & Ruby, 1999), motivation, locus of control, and life satisfaction (Karaman, & Watson 2017). The existing research takes an *emic* approach (focus on US culture) to marketing MBA programs. The current research suggest an *etic* approach, which focus on multiple cultural perspectives, an approach not yet introduced in the marketing literature.

The current study examines the differences between educational systems (e.g., US and home country) and how those differences might be used to obtain a competitive advantage.

Qualitative data (focus group interviews) and collaborative grounded theory are employed in the development of the conceptual model. Twelve MBA students, ten international and two US students, participated in the process. Foreign countries represented in this study are developing and emerging economies; Bangladesh, Nepal, Nigeria, South Africa, and Vietnam. Common systematic differences among the five countries of study include: 1) destiny, the absence of choice and variety; 2) student independence, absence of collaborative engagement, support, and encouragement; 3) dichotomy, the absence of granulation in the concept of success, 4) placement, role and status, and 5) diversity, composition of students and faculty.

The findings of the current research suggest that MBA programs in the US have the opportunity to achieve a competitive advantage by developing promotional campaigns that align American programs with common educational structural differences between the US and a foreign markets. Alignment reduces risk in decision-making and adds to perceived consumer-value. Typically, US universities follow an *emic* approach in promotional efforts; a focus on how the student must fit into the established US educational structure. The current study suggest an *etic* approach that bridges the gap between differences and effectively reaches, attracts, and connects with potential international consumers.

The current study is a preliminary endeavor, and as such is limited. The number of countries studies, lack of the generalizability of findings, and sample size are limitations of this study that warrant additional research. It is recommended that additional exploratory research is needed to fully develop the conceptual model presented in this study.

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VOICE OF THE CUSTOMER: DRIVE SATISFACTION, INCREASE RETENTION, IMPROVE SERVICE LEVELS AND INCREASE PROFITABILITY FOR ACCOUNTING FIRMS

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ABSTRACT

Client Satisfaction and retention books line the shelves of library business sections and are frequently the subjects at conferences and online. The correlation between client satisfaction and profitability is often assumed, yet not prioritized or measured. Instead, industries and companies are continuously developing new clients by selling their goods and services. The ability to compete simply on product or service no longer exists, and with the evolution of technology, customers are continuously inundated with noise. However, one could argue the greatest voice to take cues from is that of the client – meeting their needs and solving their problems. The purpose of this research is to determine how Voice of the Client (VoC) benefits retention and satisfaction levels of an accounting firm.

FACEBOOK VS. TWITTER: A COMPARISON OF SPONSOR CHARACTERISTICS AND PRODUCT CATEGORIES

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ABSTRACT

This research compares sponsor characteristics and product categories of sponsored posts on Facebook and promoted tweets on Twitter. A content analysis of 65 screenshots of Facebook and Twitter feeds of undergraduate students yielded 180 sponsored messages for analysis. Results from the product analysis showed that the largest categories of paid messages in the Facebook sample were apparel and leisure while the largest categories in the Twitter sample were financial, technology, and health and beauty products. In total, four of the product categories differed significantly between social media platforms and four showed no significant differences with respect to frequency. An examination of the sponsors revealed that, in both samples, over half were from companies established after the year 2000 and less than 10% were leading US advertisers. Additional findings, along with implications for advertisers and consumer advocates, and directions for future research, are provided.

AN EXPLORATORY STUDY ON E- CIGARETTE CONSUMPTION: A COMPARISON BETWEEN E-CIGARETTES AND TOBACCO CIGARETTES

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ABSTRACT

This conceptual paper looks to examine what factors contribute a consumer choosing to smoke an E-Cigarette or vaping device over a traditional tobacco cigarette. E-Cigarettes are often touted as a way to help someone quit smoking conventional cigarettes due to being able to satiate addictive habits, provide nicotine to the smoker, while being less dangerous to the smoker than a conventional cigarette due to the absence of tar. Social acceptance of E-Cigarettes in areas where the use of conventional combustible cigarettes will also be examined. Marketing strategies of E-Cigarettes often contain ads that could be viewed as catering to younger smokers, such as use of pleasant tobacco flavors that are mild, use of celebrities to endorse the product and comparing the E-Cigarette as healthier, and more socially acceptable among peers and non-smokers than a tobacco cigarette. This research will examine the factors that contribute to someone choosing to smoke an E-cigarette/vaping device. Next, a list of antecedents will be given with each antecedent having a corresponding proposition. This conceptual paper will end with a section that discusses the ideas expressed in this research as well as a section on directions that possible future research can take.

INCIVILITY: IS IT ALL JUST PERCEPTION? IDENTIFYING THE DIFFERENCES IN INTENSITY AND FREQUENCY OF PERCEIVED INCIVIL BEHAVIOR.

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ABSTRACT

Literature agrees that workplace incivility is damaging to organizations in many ways. This can take the form of decreased motivation, increased turnover intention, and decreased performance, for example. Many studies have considered the antecedents and consequences for incivil behavior, but few have looked that the creation of perceptions by the individual. Our paper examines frequency of perceived incivility, intensity of perceived incivility, and the differences found between different groups of individuals. Data collected from 362 individuals shows that in several cases individuals in differing groups perceive both the frequency and intensity of types of incivil behavior.

Workplace incivility, intensity, race, gender

UNDERSTANDING SIMILAR CULTURES THROUGH THE UNITED STATES, BULGARIA, CROATIA, BELGIUM, THE UNITED KINGDOM, CANADA, AND BANGLADESH

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ABSTRACT

In accordance to the Hofstede's six dimensions it can be seen that individuals in societies are not equal comparing to the United States. Bulgarians accept a hierarchical order in which every person has a place. In other words, individuals in Bulgaria are not equal. In the business world, they expect to be told what to do by the boss. As a result of their passive behavior, their extroversion is low. On the other side, people in the United States established hierarchy only for convenience. For example, in business world, managers and employees mutually cooperate for the future benefits of the company. Comparing to the people in the United States who are individualist, people in Bulgaria are collectivists. Strong connection between the individuals make their relationship like a family bond no matter if they are cooperating in business or private world. Therefore, their openness to experience is very low because of their pessimism and dependence from others. They have the perception that their actions are restrained by social norms and feel that spoiling themselves is somewhat wrong. As a feminine society, Bulgarians are more focused on "working in order to live", instead "living to work" like people from the United States. Their conscientious is low since they favor free time and flexibility. American, on the other side, keep themselves busy and work hard. Stress tolerance of Bulgarians is very high. Conflicts are resolved by compromise and negotiation. Bulgarians are not agreeable comparing to the people in the United States. They are more self – focused and family – focused. Croatia is a south eastern European country that is culturally very similar to Bulgaria but individually very different. Croatians are talkative, energetic, and self-confident nation. First impression of Croatians is that they are direct and straightforward but also diplomatic. Also, the level of the relationship will define how direct someone is or can be. Like people in the United States, extroversion of people in Croatia is high. They like to meet new people and find it easy to make a new friends. Even though Croatians are open – minded, they still accept hierarchy. Since the power is unequally distributed in Croatia, their openness is low which means that they often resist the change and new ideas. On the other side, Americans are mobile and like to explore different cultures and countries. Such mobility and independence makes it hard for Americans to build deep friendship. Croatians, however, are collectivistic society where loyalty is very important and goes above most rules and regulations. Close long-term commitment to the family or friends made Croatians highly agreeable individuals. Croatians care about their family and friends, and have great contributions in their happiness. Close family connection, on the one side, shows agreeableness of Croatians. On the

other side, it shows their low stress tolerance. People in Croatia experience a lot of stress and anxiety that are usually caused by inadequate family relationships. That affects their professional life and cooperation with coworkers. They have a hard time to complete tasks on a timely manner. Also, they procrastinate the important job – related duties. Therefore, conscientiousness of Croatians is low, while of Americans is going in the opposite direction.

Comparing Belgium and the United Kingdom using Hofstede's 6 dimensional model to observe the differences in customer service, the first to look at is power distance. Belgium scores high on this scale (65) whereas the UK scores comparatively low (35). In Belgium, inequalities are accepted as hierarchy is a given and superiors have privilege above others. However, in the UK (though there is an obviously established class system), the people residing there try harder to minimize inequalities among each other. The next dimension is individualism, on which both countries score high (75 in Belgium, 89 in the UK). Both countries are home to highly individualistic and private people. They focus on the task at hand above all else and autonomy is considered favorable. Under masculinity, Belgium scores at an intermediate level (54). Belgians generally try to reach a compromise and consider all point-of-views before making decisions in business settings. On the other hand, the UK scores higher (66) and its people are very success-driven. For the fourth dimension, Belgium scores among the highest on the uncertainty avoidance scale at a 94. Rules, planning, and discipline are considered to be very important, whereas spontaneity and change are frowned upon. In contrast, the UK (at a score of 35) ranks much lower and its people are much more open to dealing with things as they come instead of thinking every action or decision through. Plans are not detail-oriented and this is why creative industries would do better in this country. For the next dimension, Belgium also goes on to score highly under long term orientation at an 82, as its citizens are prone to thinking things through logically and investing in the future. The UK is a bit more neutral on this front, as it scores at an intermediate 51; there is no dominance between long term and short term orientation. Finally, under indulgence, Belgium scores a 57 and the UK scores a higher 69. People in both these countries tend to act on their impulses and "live life to the fullest". They have a more positive and optimistic approach to life and highly prioritize leisure time and doing what they will with their time and money. Customer service quality in both countries is generally reported unfavorably. Given the cultural norms in each country, it's understandable why this might be the case. Looking at the class system, specifically in Belgium (though the same could be said for the UK despite its lower score in this category), it doesn't appear that the "the customer is always right" mentality would apply – the people in charge do what they have to do and then go about their lives. In both countries, the citizens' individualistic nature makes them more prone to just help customers with whatever they need and be done with it rather than patiently take them through it. However, the UK's lack of uncertainty avoidance makes people more open to finding creative ways to helping customers deal with their issues or servicing them. In addition, Belgium's intermediate masculinity score and high uncertainty avoidance score can mean that those working in customer service listen carefully to what customers request or need of them so they can provide exactly that and do their jobs right. Finally, as both countries are classified as indulgent, the citizens of each country would most likely be prone to doing things as they please – and abiding to their customers' every wish falls far from that.

Bangladesh has a power distance of 80 and Canada has a power distance of 39. Bangladesh has a higher power distant dimension than Canada. Hence, the hierarchy in Canada is set in a manner where the managers and subordinates have an accessible relationship and communicate freely. However, in Bangladesh; autocratic leadership is preferred and has a higher

degree of unequal power distribution. Since, the managers make all the decisions and the employees do not have much of a say, it can be quite difficult, because of a lack of communication could lead to problems in the hierarchy. The dimension of individualism has completely opposite scores for the two countries. It is important for people to build trust and long lasting relationships with each other before engaging in successful business (Carland and Carraher).

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CULTURAL SIMILARITIES & DIFFERENCES BETWEEN THE UNITED STATES & AUSTRALIA

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ABSTRACT

When looking at the information provided by Hofstede's Six-Dimensional Model we can see that the countries of United States and Australia have a lot of similarities. We will now dive in to what exactly makes these two countries so similar when it comes to culture. We will also be taking a look in to how these different, yet similar, cultures affect the customer service of businesses in each country. The six different dimensions that will be discussed in this paper are (1) Power Distance, (2) Individualism, (3) Masculinity, (4) Uncertainty Avoidance, (5) Long-term Orientation, and (6) Indulgence. The way people are treated and expect to be treated in a country can be better understood using these lenses to look at them because they give us a deeper view into what is viewed as important in that country. First, if we compare Australia and the United States on power distance then we can see that Australia scores low on this dimension which is similar to the United States. In Australia, hierarchy is established for convenience, furthermore higher ranked individuals are always accessible. The United States scored a 40 on this dimension which is only 4 points higher than Australia, so it is safe to assume these countries view power distance similarly in that they both expect there to be information shared frequently between managers and employees. The way to interpret this from a customer service perspective is that if customers have questions or concerns they believe in speedy honest answers (information shared). Based on cultural views they likely will be appreciative of a manager's response to problems rather than intimidated. Now, looking at individualism as well as masculinity in Australia vs the United States. Individualism in Australia is rather important with a score of 90 which is extremely comparable to the United States with a score of 91. Both cultures highly value individualist culture. This can mean a number of things but namely that they both are loosely-knit societies that most people are expected to take care of themselves. Furthermore, in the business world employees should be self-reliant and take initiative. Translated, this can mean there often is not a lot of loyalty between groups of people. This can be directly related to their score in masculinity which was a 61, (the United States scored 62). These high scores in masculinity mean that the culture is be the best that you can be. The goal in both countries is to win. Translating that into what this means for customer service is that customers are likely to want the best and want it quickly. Example, New York and Sydney are quick paced places to live. People here typically expect to be treated with respect regardless of their social standing and if they have an issue there is expectation for it to be resolved quickly. Dare to say these are no nonsense types of societies when it comes to how they expect customer service. Uncertainty avoidance is not very defined in Australia with a score of 51, which is very intermediate. The United States scored a 46 which can be interpreted to mean that each person is different in the way they think about the future and strict direction. Long term

orientation is bit more defined seeing as Australia scored a 21 and the United States scored a 26. These low scores mean both countries have normative cultures. A normative culture can mean that there is a strong concern with establishing the absolute truth. Furthermore, these societies have great respect for traditions and the focus is on achieving quick results. This can explain why the traditional in person customer service department still exists rather than all online or over the phone. There is a need for things to get taken care of in speedy manner so that people can focus on achieving their goals. Companies strive to make customer service representatives well trained, friendly, and considerate so that their customer can have a positive experience and come back to spend more money. Finally looking at indulgence, Australia scored a 71 and the United States scored a 68. This means these countries are indulgent, aka they like to have fun and enjoy life. There is a high degree of importance placed on acting as one pleases and spending money as they wish. This can be why the retail industry is booming. Namely online shopping. People want the convenience of not having to deal with loads of others but still want to spend money on whatever they please. Amazon has done an amazing job of servicing their customers in this regard. They have created a standard that all other companies are expected to match. Consumers want what they want when they want it in both Australia and the United States, it is the companies responsibility to give it to them. It is important for people to build trust and long lasting relationships with each other before engaging in successful business (Carland and Carraher).

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CULTURAL DIFFERENCES AMONG CANADA, JAPAN, THAILAND & BANGLADESH BASED ON HOFSTEDE'S SIX CULTURAL DIMENSIONS

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ABSTRACT

Canada vs Thailand Customer Service Power distance is described as how accepting is the culture, within a certain country, of unequal power distribution. Canada scored a 39, therefore we can conclude that unequal distribution of power is frowned upon. Therefore, customer service here will be pleasant and kind. The people here will treat you as equal. It also implies that even in the work place CEOs are open to meeting with employees and tend to open about business decisions. In theory, you can meet with the CEO and they'll be happy to meet with you. However, in Thailand the power distance is the opposite. With a score of 64, which is slightly lower than the average score of 71 of Asian countries, unequal power distribution is completely acceptable. Customer service in this region will be drastically different than in Canada. A customer can walk into a store and be treated drastically differently depending on who they are and where they fall on the social scale. Individuals show loyalty to their bosses and tend to listen to their superiors even when an explanation isn't given. Here in the United states we have an individualistic culture. We tend to think selfishly and only look after ourselves and immediate family. By scoring an 80 in this subject, this way of thinking also describes Canadian culture. This also translates into the business world by requiring employees to think for themselves. Therefore, a person will try to solve the problem by themselves before looking for assistance. Furthermore, this makes employees work harder to get a promotion in the work place. So, they do things to stand out. However, Thailand only scored a 20 making it a highly collectivist country. Their values and goals are highly guided toward the betterment of the group. Customers in this region will seek out the help of the group. Furthermore, if you can't figure out the problem and you have to go to the company and they can't help you out you have no choice but to accept defeat. Masculinity drives competition in a country. Canada scored a moderate 52 on this subject. Competition does drive the work force, however not in an extreme way. If you need help with a certain product anyone would be willing to help you. Furthermore, their work will be done correctly and with a high level of performance. In Thailand, scoring a 34 on masculinity, the culture is highly feministic. Meaning that customer service here won't be the best. The employees aren't set on standing out so they will take their time on a project and if they can't figure out a problem they won't go above and beyond to try and fix it. Canada is generally accepting of new ideas and risk. Meaning that the employees and companies are open to trying new things to try and make things easier for the customers. They aren't set on any particular way of doing a task. However, in Thailand things are done the same way they have been done in the past. So, if a new problem

comes up employees would be reluctant to try new ways to try and fix it so the customer faces the repercussions.

In the modern day, the workplace is made of people that come from many different cultures and backgrounds. As global business becomes more intertwined and globalized, managers must increasingly become aware of how these differing cultures can potentially cause conflict and reduced work efficiency. Using both Hofstede's "6D Model" and Strategic Customer Service traits, one can predict the likelihood of potential conflicts between certain cultures' values or traditions. Consider the case of Canada and Bangladesh. Canada is a developed country in North America with a population of around 33 million people, in comparison with Bangladesh, which is a developing country in South Asia with a population of around 164 million people. Both differ in not only demographics, but also in religion, Bangladesh's population is made of mostly Islamic Bengalis, while Canada has a more diverse demographic spread, with a slight majority of the country considered White Canadian Christians. With these differences, one can then use Hofstede's "6D Model" to predict that there would be several customer service differences due to differing cultures between Bangladeshis and Canadians. Considering Uncertainty Avoidance, Bangladesh demonstrates a higher score than Canada, this shows that in Bangladesh, there is a stricter adherence to rules and regulations. This could lead to a potential conflict in services, due to the risk that the Bangladeshi's higher score also indicates that they may be less tolerant of new ideas or risks, this may lead to a conflict of ideas and resolution with Canadians. Considering the Power distance relationship one can derive from the Hofstede Model scores, there is a very large difference between Canada and Bangladesh. Canada has a much lower score than Bangladesh in Power Distance, this indicates that there is a much less importance placed on upper level power and responsibility. With Bangladesh, there is a very high indication of Power Distance, this would mean that the notion of Power and ranking is held to a much higher regard. This difference in culture could lead to significant problems in customer services as the notion of a leader and ranking is inherently crucial to a Bangladeshi operational structure, but to a Canadian, these may not matter to such an extent which would result in conflict. Considering Individualism, there is an even larger difference in Hofstede Model scores, this would indicate a very large risk for customer service difficulties, due to cultural differences. Canada's score of 80 demonstrates a very large emphasis on Individuality, which holds a large importance on self-sufficiency and merit based evidence of achievement. This is in direct comparison with Bangladesh, in which the group collective is most important, in many cases, this will lead to a very large emphasis on loyalty to a group regardless of regulations or social rules. Considering this difference, it is quite likely that there will be a conflict in culture, and may lead to conflict over perceived lack of agreeableness or loyalty. Considering Indulgence, there is also a large difference in Hofstede Model scores which could predict a high risk of conflict in customer service. Bangladesh's very low score indicates that it places very little importance on leisure or consumption of free time, this is an example of a difference in one's mindset regarding fulfilling desires. Bangladesh demonstrates the restrained mindset for society, while Canada has a more human impulse friendly society. This difference cultures could lead to conflict regarding a perceived lack of conscientiousness which could strain employee and customer relations. Considering Long Term Orientation, there is not a very large difference regarding the Hofstede scores, this would show that there is a relatively low risk for customer service difficulties. Bangladesh's neutral score in relation a Canada's relatively low score shows that there is a small difference in emphasis placed on preservation of traditions, as well as preparations for the future. Due to the small difference in score, it is possible that there could be a conflict in decisions relating to long term planning in comparison to sort term decisions.

Regarding Masculinity, both countries show a relatively neutral score, this indicates that there is a relatively equal emphasis of importance placed on both men and women, as well as a healthy balance of importance regarding quality of life and achievement. These similar scores indicate that there is not a high likelihood of customer service conflict due to differing cultures regarding masculinity. With all the previous Hofstede trait scores, there can be a conclusion that it is likely that there will be customer service difficulties, due to differences in culture and tradition. It is important for people to build trust and long lasting relationships with each other before engaging in successful business (Carland and Carraher).

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HOFSTEDE 6- DIMENSIONAL DATA: JAPAN V. CANADA

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ABSTRACT

Japan and Canada are very different when looked at from the Hofstede dimensional data. This could raise concerns when eating out, in stores, or even in travel. These industries are based on customer service and a difference in this area means those of certain status or gender are held to different standards. Based on the Japanese score of 54 in Power Distance with Canada's score of 39 it would be difficult for a Canadian in the customer service industry to interact with the Japanese. The Japanese border on hierological society while Canada values each member of the team regardless of status. This could be problematic when eating out. In Japan, the server would know not to be over friendly with guests while in Canada small talk and playful banter is the norm and expected. This attitude could put of visiting Japanese and vice versa were a Canadian in Japan. The visitor might be expecting friendly service with lots of conversation and think the server rude for not engaging in talk. Another major difference is the level of Individualism in each culture. Canada has a very high score of 80 while Japan scored 46 meaning they take care of one another. In Japan family and culture is revered while Canadians rely on themselves. While it is not to the level that they abandon those in need or ignore family, but rather that initiative and self-reliance is expected. The level of masculinity in each culture is also strikingly different. Japan is incredibly masculine with Canada showing more respect and accepting of new ideas. The Japanese are motivated by competition. Children are taught at a young age they must be winners. In an atmosphere where customer service is the goal they would do very well. Any competition or goal aimed at improving customer service would help them be successful. In Canada, this is not as visual so customer service goals might not be taken as seriously. Where Canadians would shine would be their tolerance of opinions and ideas of others. This freedom of expression allows them to truly think about the impact of new ideas and consider the whole picture without dismissing an idea because of status or gender with a low score in uncertainty avoidance. In Japan, everything is ritualized and with a score of 92 it is no wonder. Their uncertainty avoidance is believed to be because of the constant threat to their environment from natural disasters. With these threats hanging over their heads the Japanese have learned to prepare themselves for any situation. This would be helpful in the customer service industry because they would not be surprised at many situations. They would have contingency plans for most things that could go wrong. Canada and Japan are no more similar when it comes to indulgence. Japan is a very restrained society while Canada enjoy themselves and give in to desires. Meaning Canadians are more likely to impulse buy or enjoy more expensive dinners which could affect the amount and price of Japanese businesses in the customer service industry. However, this dimension is not as important to customer service as long-term orientation. Japan is almost fatalistic in their approach to the long

term. With a score of 88 they strive to serve the people for generations to come. They would search out the best investments or markets to grow the industry for many generations. A score of 36 for Canada means they are focused on quick results. This could bring about quick sales to drive business. This could be happy hours or flash sales in stores, but it would not be about long-term customers or clients. These two countries share no similar characteristics so business between the two would be difficult. They would benefit from sensitivity training and remembering that differences in culture can bring out the best in each business. On Culture and Customer Service The most important tenets of customer service will vary greatly as you move from one culture to the next. As shared values change, so do expectations of customers and the behavior of those providing the service. In a general sense, Western and Eastern cultures approach customer service from different angles. Because of that, two countries, Canada and Japan, will be compared and contrasted relating to their respective customer service approaches. The Japanese teach that everyone is born equal which helps balance out the more rigid hierarchy. It is not uncommon to see a CEO eating in the cafeteria along with workers who are in entry-level position. Japan is pretty balanced when it comes to power distance. In Canada, there is a lower power distance where less importance is given to the position of a person. Status, class, and title are not important factors in Canadian society, overall. In fact, it is common for managers to consult with their team before making a decision. Subordinates are more likely to speak freely as straightforward communication is valued. Next, individualism will be discussed. Basically, individualism refers to how depended a countries' citizens are on each other. In Japan, the group is valued over the individual and the country would be classified as more of a collectivist culture, although the Japanese are more individualistic for an Asian country. Overall though, harmony and group are more important than the person in Japanese culture. Canada, on the other hand, is very individualistic. The importance of a person's freedom is valued more than the group. Canadians might have a tight knit nuclear family, but the individual is still valued at that level. Lastly, long term orientation will be discussed. Long Term orientation covers whether a society is more traditional or forward-looking. Japanese culture is one with a very high long term orientation, meaning that they are more worried about future generations and steady growth and change. This is evident in businesses where the goal is years of growth instead of quarterly profits. Canada has a low score in long term orientations. It is considered a normative culture. Normative cultures are more into past traditions and are concerned with establishing the truth. In addition, these societies are more concerned with quick results. It is well known that societies have different standards and norms? The Japanese are noted for having excellent customer service. Their high long term orientation is evident when they will explain things in great detail, more concerned with relationship building. In a business sense this is important because they are concerned with future implications. This slower business approach might frustrate some Westerners who are used to getting straight to business and do not care as much for rapport building. Also, looking into the eyes of a superior is sometimes considered disrespectful. As mentioned, their culture balances itself out with a somewhat contrarian established hierarchy working with egalitarian beliefs. Canadians, also considered friendly, go about their customer service in a different way. Canadians are normative, concerned about short term results. This could lead to a pushy business approach, looking to solve the current problem with little regard to what consequences might come next. Low power distance in Canadian culture might mean that, while respectful to the customer, Canadians might not treat the customer as if they are the only one in the world; a more "hands-off" approach would be an appropriate term. In business and customer service, they will probably get to the point quicker. Individualism is valued in Canada which means that people are generally

more reliant on self. With customer service and business, this would mean that people are expected figure things out on their own. A mantra might be that one can either figure it out and keep up with the group or be left behind. In conclusion, customer service is valued in both Canada and Japan, although the respective countries definitely take a different approach, both effective in their own way. It is important to consider these factors when doing business in other countries. Cross-cultural competence is key to understand the why behind actions of people from different cultures. It is important for people to build trust and long lasting relationships with each other before engaging in successful business (Carland and Carraher).

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CANADA, JAPAN, AND THE UNITED KINGDOM'S CUSTOMER SERVICE COMPARISON

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ABSTRACT

Customers in the United Kingdom place a much higher emphasis on indulgence than do their Japanese counterparts. Going along with this, those in the UK also are much less oriented towards the long term. This pairing of high indulgence with low long-term orientation is what I would expect. From a customer perspective, this means that you are more likely to convince a UK customer to purchase your product or service by emphasizing the instant gratification that they will receive. Whereas a Japanese customer on the other hand, is more likely to be won over to a product or service due to its practicality and long-term value or return on investment. Both Japan and the United Kingdom demonstrate a low to medium scoring on the power distance scale. Business culture is greatly influenced by the different levels of power distance. The variation in formality and level of familiarity within levels of management affects the jobs of everyone. I find these scorings interesting when viewed in light of the countries' masculinity indexes. Japan has a 95% scoring on their masculinity. This means that although they don't perceive an extreme power distance between men in varying levels of management, the power distance between men and women is one of the largest gender gaps in the world. Similarly, in the UK, masculinity is much higher than the general power distance. This surprises me as I would consider the level of masculinity to follow similar trends as the level of power distance, but that is not the case.

Concerning individualism, Japan has a medium-low score, which is not surprising to me. They would be considered a collectivist culture which places a large emphasis on the family, work, and national units more than on their own distinctions. Conversely, the United Kingdom has an 89% score on the individualism scale. I was not surprised at all to see this difference; however, it would create a large disparity regarding customer service in the two countries. In a collectivist culture such as Japan, you would target the children of the elderly in marketing campaigns about medical and health aids for the aging. This is because the responsibility of senior citizens in the country falls completely on their family. On the contrary, in the United Kingdom, consumers are more likely to focus on their own needs and wants and so the marketing should focus on the individual and his or her own desires. This, again, goes along with their high indulgence scoring in Hofstede's Six Dimensions. The final dimension to analyze is the widely different scores that the two countries received on uncertainty avoidance. These scores were not surprising to me in light of the indulgence and long-term orientation scores for the two countries. Japan has a score of 92% on the uncertainty avoidance scale while the United Kingdom has a score of only 35%. Japan's scores line up in the fact that they want things to be practical and provide a high return on investment. The United Kingdom on the other hand, appears to be much more focused on fulfilling their short-term desires. Analyzing these scores shows me how different customer service

and marketing in these two countries would be. A customer in the United Kingdom would probably want much more personal attention while shopping than a Japanese customer would. A Japanese customer, on the other hand, is likely to want statistics and reviews to back up the reliability and efficiency of their intended purchases.

Japan is more of a high context control compared to Canada and this plays a huge role in customer service. To start off, Canada's rank with a score of 39 on Hofstede's power distance which may possibly mean that customer service can come at all levels of hierarchy in an organization. Teams are established and the flow of information is very straightforward between groups. This may result in higher quality of customer service because unsolved issues may go directly to managers and "in-charges" thus resulting in better customer service. Japan ranks with a 54 in power distance, so it is slightly hierarchical. However, the only problem that may come from this is slight slowing of complex customer problems, as employees may need to consult their higher ups before moving forward with decisions. Next looking at Hofstede's rating for masculinity in Canada they have a rating of 52 which is borderline "masculine" society. Customer service may be provided with ulterior motives such as worker incentives and rewards for "highest quality service" or "best service provided in the third quarter" compared to genuine service to benefit the customer. Japan on the other hand has a super high score of 95 on masculinity meaning they are fueled by a Charles Darwin approach, survival of the fittest and competition. Customer service could be affected by masculinity because problems may never be solved, as teams are constantly fighting against one another to "solve" customer problems. Furthermore, men tend to be more aggressive in manner (non-sexist) than their female counterparts resulting in a different style of customer service. Taking a look at uncertainty avoidance on Hofstede's model we see that Canada ranks at 48. Canada is more open to new techniques in technological and professional realms. That means new styles and approaches to customer resolution and customer service. In unknown situations for customer service, it's a double-edged sword. Either they'll step outside their comfort zones and effectively solve the problem using new resources, or they trip and fall because they tried something different. Japan on the other hand ranks at an extremely high score of 92 for uncertainty avoidance. This typically means that the Japanese are always prepared; rules and potential situations in the corporate world may already be spelled out and forecasted. Japanese wouldn't like approaching a customer service situation without already knowing how to resolve the issue. Potential problems may already have solutions figured out, however what would happen if someone didn't know how to solve the problem? Moving onto long term orientation I'll start off with Japan because they have an extremely high score of 88, according to Hofstede's model. This means Japanese really focus on living good/meaningful lives and preparation for the long term. Customer service, in my eyes, would be focused on really trying to resolve the issue and with utmost respect towards the customer because if they are treated fairly and with kindness, this could potentially mean they have created a long-term relationship between business/corporate and the customers. Next Canada ranks at a score of 36 which is pretty low. Canadians really focus on the now and quick results. Canadians could potentially take complex customer issues and solve them incorrectly or without second thought because they don't want to deal with the issue, or fix the situation as quick as possible, so they no longer have to hear about it. Next, I'll be talking about individualism. Canada ranks at a score of 80 when it comes to individualism. That means there's a low amount of interdependence between people. In relation to customer service, this means that employees may be resolving issues just to get by. However, because the business world promotes on merit, individuals may have the initiative to provide better service. Japan on the other hand has a score of 46, which means it's a collectivist society. If you are a customer to a company

and loyal to that group, then customer service may be excellent from the company because they wouldn't want you to leave. Lastly for indulgence Japan ranks at 42 and Canada ranks at 68. Japan is more restraining while Canada is more indulgent. Customer service may be looser in Canada compared to Japan because it's more relaxed and not serious. In conclusion, culture plays a huge role on your perception and personality, but it's always about your core values that determine how you will serve people. It is important for people to build trust and long lasting relationships with each other before engaging in successful business (Carland and Carraher).

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WILL YONG CONSUMERS BUYS FAST FASHION WITH THE LUXURY INGREDIENT OF AMERICAN ALLIGATOR LEATHER: A STUDY OF LIFESTYLE CHARACTERISTICS AND MOTIVATING FACTORS

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ABSTRACT

Fashion clothing life cycle is associated with major environmental and social issues. (Ozdamar Ertekin and Atik 2015). Over the last thirty years, awareness of the impact of fashion production and consumption on both human being and the environment has grown significantly (Beard 2008). It has been realized that if fashion consumption keeps increasing at the current rate with accelerating product life cycles, the quality of life of current and future generations will be jeopardized (Cataldi, Dickson, and Grover 2010; Clark 2008; Fletcher 2007). Consequently, current fashion system has been questioned along with calls to re-design the unsustainability fashion system and practices. Slow Fashion concept, which is based on sustainability within the fashion industry and design incorporating high quality, small lines, regional productions, and fair labor conditions (Slow Fashion Award, 2010) is slowly gaining momentum.

Slow fashion system has been praised as a facilitator to promote sustainability through creating an aware group of designers, retailers, and consumers who will consider impacts of products on workers, communities, and ecosystems. The apparel industry is gradually morphing with some new retailers such as Zady, encouraging their consumers to build smaller, simpler and longer-lasting wardrobes. However, the ultimate diffusion of the sustainable slow fashion system and practices depends on consumer acceptance. This current study identifies slow fashion consumers and profiled them by lifestyle characteristics and motivating factors. We focus on young consumer segment since it is critical to lead young consumers who are currently in the development stage of their lifelong beliefs and attitude to develop environmentally sustainable consumption styles.



Figure 1: H&M Conscious Collection Featuring American Wild Alligator Leather

Drawing on the extant literature on slow fashion and sustainable fashion (e.g., Barnes et al. 2013, Ozdamar Ertekin and Atik 2015), sustainability consciousness, and need for uniqueness were identified as the external and internal motivating factors for slow fashion acceptance respectively. A review of literature related to fashion sociopsychology and consumption (e.g., Huddleston, Ford, and Bickle 1993, Li, Li, and Kambele 2012, Kucukemiroglu 1999, Goldsmith, Moore, and Beaudoin 1999, Tian, Bearden, and Hunter 2001) identified a group of lifestyle characteristics which have been frequently used for profiling fashion consumers. These characteristics included self-expression, style confidence, brand orientation, price-quality orientation, and social media involvement. An online survey was designed and administered in a fall season. Participants were introduced the concept of slow fashion, then were requested to provide general beliefs about slow fashion. A hypothetical slow fashion line was developed as an instrument to examine slow fashion acceptance.

Participants were informed, “Recently, fast fashion brand, H&M launched an upgraded product line labeled as Conscious Collection using Eco-friendly, or locally produced prestigious materials, such as organic cotton, American wild alligator skin to produce high- quality fashion clothing and sell at a premium price.” After viewing the images of the slow fashion line (see Image 1), participants provided responses about their attitudes and purchase intentions. The second part of the survey includes questions to assess individual motivating factors and lifestyle characters. Data was collected via an email invitation at two universities resulting in a sample size of 218. The students were appropriate for the purpose this study as the focus of the study were the millennial consumers. Data was analyzed using descriptive, factor analysis and Multivariate analysis of variance (MANOVA).

Table 1. Univariate Tests across Slow Fashion Adopter and Non-Adopters

Dependent Variable		Sum of Squares	df	Mean Square	F	Sig.
Sustainability Consciousness	Contrast	1.289	1	1.289	.925	.239
	Error	199.888	216			
Need for Uniqueness	Contrast	22.888	1	22.888	13.655	.000
	Error	362.047	216	1.676		
Self-expression	Contrast	3.740	1	3.740	2.869	.092
	Error	281.575	216	1.304		
Style Confidence	Contrast	.001	1	.001	.001	.981
	Error	419.385	216	1.942		
Brand Orientation	Contrast	10.753	1	10.753	5.509	.020
	Error	421.622	216	1.952		
Quality-Price Orientation	Contrast	15.328	1	15.328	11.440	.001
	Error	289.414	216	1.340		
Social Media Involvement	Contrast	13.018	1	13.018	7.469	.007
	Error	376.500	216	1.743		

Forty three items assessing research constructs were subjected to exploratory factor analyses and a ten-dimension factor structure emerged as expected with explained variance of 76.98%. Item factor loading ranged from .652 to .864. All cronbach's alphas are higher than .80. Index variables were created by calculating scale means for all the constructs. Three index variables of general beliefs about slow fashion, attitudes toward the slow fashion and, and purchase intention were subjected to a k-mean cluster analysis and two clusters emerged with one ($n_1 = 132$) identified as slow fashion adopters and the other cluster ($n_2 = 86$) as non-adopters. MANOVA was conducted to compare motivating factors, and lifestyle characteristics across the two groups and found difference exists. Univariate tests showed differences are in need for uniqueness, brand orientation, quality price orientation, and social media involvement, but not in sustainability consciousness, self-expression, or style confidence.

These findings indicate that young slow fashion adopters have a higher need for uniqueness, prefer well-known fashion brands, and are willing to pay premium prices for the quality. Interestingly, slow fashion adopters tend to be highly involved with social media. Research findings indicate slow fashion adopters care about individual needs, instead of being affected by external driving forces. Their care of sustainability may be reflected from caring quality more than price. They also value brands' socially responsible market actions which relevant to individual consumers' lives. Findings of this study support the current trends that are gradually shaping textile, apparel, and retailing industries in that consumers care about sustainability, but accept *sustainable products* not to show their environmental consciousness, instead, to meet their individual needs and to pursue maximum value. This is an important finding since it reinforces the importance of shifting from examining sustainability as a holistic concept, to examining "*inherent sustainability*" of the product (like products that directly help consumers live sustainable lives). Also, we found slow fashion adopters have higher degree of social media involvement indicating the web and mobile channels may be good platforms to promote slow fashion and sustainable consumption.

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CAN AMERICAN ALLIGATOR LEATHER BE INGREDIENT BRANDED? AN EXPLORATORY STUDY

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ABSTRACT

Ingredient branding (InBranding) is a popular co-branding strategy involving host brands and ingredient brands (InBrands) to develop an ingredient branding offering (IBO). However, most of the successful InBranding cases focus on the functional features. This exploratory study intends to explore the role that non-functional features of an InBrand component can play in creating added symbolic value to the final consumer goods. The American produced wild alligator leather and fashion brand J.Crew were selected as InBrand component and host brand for empirical testing. An online 2x2 experiment survey was designed and implemented. Findings provided information to answer research questions. Implications were provided.

The American alligator is indigenous to the wetlands in the southeastern part of the United States. Alligator skins are unique products that are steadily increasing in value. Over a century, American alligator leather has been used to make exotic products. Farm-raised alligators with more operational control produce consistently higher-grade skins for luxury brands. These skins must be sacrificed at an earlier age in order to control the population resulting in an average overall length of 3 to 4 feet. Annually, alligators in the wild are sacrificed under strict regulations to maintain the ecological balance of the wetlands. Although the meat from these alligators sacrificed in the wild has been sold consistently, the majority of the alligator skins have not sold due to the natural imperfections acquired through their uncontrolled lives. The inventory of slightly flawed wild alligator skins has accumulated to a degree that has significantly affected the model of the sustainable use of wildlife and the ecologically balanced alligator economy (Xu, Summers, & Belleau, 2004). The immediate promotion of wild alligator skins is a vital step in supporting the preservation of the natural habitat of the American alligator. This study seeks to explore a new approach towards maximizing the branding of wild alligator skins.

Co-branding is one of the most commonly used strategies to promote new brands and maximize the market potential of established brands (Rooney, 1995). Ingredient branding (InBranding) is a popular co-branding strategy involving host brands and ingredient brands (InBrands) to develop an ingredient branding offering (IBO). Such co-branding is a win-win strategy for both host and ingredient brands working together to expand markets (Norris, 1992). Inbrands create added value for host brands' customers and consequently helps host brands differentiate themselves (Desai & Keller, 2002). InBranding makes the branded ingredient become the trigger for the buying decision in favor of the final consumer goods (Kotler & Pfoertsch, 2010), and creating a loyal and profitable customer relationship for both the InBrand and host brand (Swaminathan, Reddy, & Dommer, 2012).

However, most of the successful InBranding cases focus on the functional features from either ingredients or the final products offered by host brands. To our knowledge, there is no

research that has explored the role of non-functional features of an InBrand component can play to create added symbolic/experiential value to the final consumer goods through co-branding, and consequently to facilitate host brands to compete a share of consumer identity in the global market.

Fashion clothing has been considered as a means of non-verbal communication to deliver a message about a consumer's identity, social status, and lifestyle. This very competitive billion-dollar industry is full of self-expressive brands in all segments, providing great opportunities for locally produced premier fashion and accessory components to establish its own brand identity through co-branding with different types of brands. To this end, the current study is to explore the potential win-win strategy for promoting American wild alligator leather as an InBrand through co-branding with a mass-market fashion brand. This study tried to answer the following questions: How do consumers respond to an IBO of fashion clothing with some alligator leather components? Does an alligator leather InBrand component and host brand name affect consumers' attitudes toward and acceptance of such an IBO differently? Will consumers be willing to pay a premier price for such an IBO of fashion clothing?

An online survey experiment was conducted to answer research questions. Pilot study was conducted using a convenient sample of 45 participants recruited from apparel design, and merchandising majors in a large public university. Through the pilot study, the mass-market brand of J. Crew was identified as the host brand for further examination. Regarding product category, little black dress was selected to develop a hypothetical IBO and create experimental stimuli for further testing and comparison (see Figure 1: image of stimulus a, and c; and Figure 2: image of stimulus b, and d). The specific research objectives are to examine the influence of host brand name, and Inbrand component on consumers' (a) attitudes toward the IBO; (b) acceptance of the IBO; and (c) price premium to be paid respectively.

An online survey with a two by two (national brand vs local brand; alligator leather component vs no alligator leather component) experiment embedded was developed using qualtrics.com. Participants were randomly shown one of the four versions of experimental stimuli: (a) a local brand plain black dress; (b) a local brand of black dress with alligator leather component; (c) a J.Crew black dress; and (d) a J.Crew black dress with alligator component. Participants then were requested to provide responses to multi-item scales assessing their utilitarian and self-expressive attitudes toward the viewed dress, perceived image of viewed dress, and price premium willing to pay. The survey link was sent to 120 college students. A total of 92 responses were collected with group 1, 2, 3, and 4 viewing stimulus of a, b, c, and d respectively ($n_1=25$; $n_2=29$; $n_3=24$; and $n_4=14$).

The thirteen scale items (five items of attitudes, four items of perceived image; and four items of acceptance) were subjected to an exploratory factor analysis and a three-dimension factor structure emerged as expected. After one of items assessing attitudes with communality of 41% (lower than 50%) removed (Hair, Jr., Tatham, & Black, 1998), the final factor analysis results had explained variance of 76.74%. Item factor loading ranged from .650 to .853. All cronbatch's alphas are higher than .80. Summit index variable was created for each construct for further analyses and comparison (see Table 1). Confirmatory Factory Analysis (CFA) with maximum likelihood was



Figure 1

Figure 2

conducted on the three constructs with 12 items. The results showed a good fit ($\chi^2 = 57.584$, $df = 61$; $\chi^2/df = 1.129$; GFI = 0.914; CFI = 0.992; RMSEA = 0.038). Structural Equation Modeling (SEM) was performed to test the relationships between perceived product image, attitudes, and acceptance of the viewed IBO product. The results showed a good fit ($\chi^2 = 57.584$, $df = 51$; $\chi^2/df = 1.129$; GFI = 0.914; CFI = 0.992; RMSEA = 0.052) (Jr et al., 2009). Perceived product image ($\beta = .261$, $p < .001$), and attitudes ($\beta = .551$, $p < .001$) significantly predict acceptance of the IBO product.

Table 1: Construct Assessment Results

Dimensions	Items	Construct reliability coefficient α	FA item loadings	FA item loadings	Scale/item mean	S
Perceived IBO image	The extent to which the dress is a symbol of wealth?	.899	.853	.871	.66	4
	The extent to which the dress is a symbol of prestige?		.853	.884	.72	4
	The extent to which the dress can indicate a person's social status?		.820	.785	.08	5
	The extent to which the dress is a symbol of achievement?		.784	.801	.52	4
Attitudes toward the IBO	Do you like the above-shown dress?	.875	.807	.975	.72	4
	Do you think the above-shown dress is appealing?		.803	.924	.77	4
	In your opinion, is the dress favorable?		.792	.850	.87	4
	Does the dress shown above look budget or luxury?		.650	.487	.87	4
Acceptance of the IBO	Buy the dress as a gift if it is affordable	.893	.817	.636	.40	3
	Buy the dress for yourself it is affordable		.812	.933	.77	3
	Recommend to my friends to buy the dress		.768	.817	.01	4
	Try the dress		.751	.909	.28	4

MANOVA was conducted across four groups exposed to different experiment stimuli. Results showed that group 2 had higher acceptance rate than group 1, indicating that it might be the alligator leather component, not the host brand that affects individuals' acceptance of the IBO. Group 3 showed more favorable attitudes than group 4 did, indicating that the alligator leather component may negatively affect individual's attitudes toward the host brand. This may be due to low perceived conceptual fit between the host brand and Inbrand component. Group 2, and 4 were willing to pay significantly higher prices than group 1, and 3, but no difference between group 2 and 4, nor group 1 and 3 was found, indicating that the alligator component is the price premier driver. Future studies need to identify host brands and product categories having a better fit with

American wild alligator leather and test with consumer groups having different fashion involvement, purchasing power.

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LOVE IN THE WORKPLACE AND THE #METOO MOVEMENT: A LEGAL QUAGMIRE

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ABSTRACT

The workplace is often cited as one of the most common places to meet a romantic partner. However, with the flurry of sexual harassment allegations and scandals coming to light in recent months, increased scrutiny has been placed on workplace romance policies. With the increased media coverage and the emergence of the #MeToo movement, employers are reviewing their policies on workplace romances with an eye on their own potential liability. Concurrently, the increased scrutiny and reporting of sexual harassment incidents dictates that employers take proactive legal measure or risk potential costly and public fallout, if or when, their organization is implicated in a sexual harassment allegation. The legal and managerial implications of office romances are growing. Traditional disclosure statements are no longer providing the legal protections employers once assumed. Further, as the occurrence of these romances show no signs of abating, business need to update HR procedures and educate employees on the current legal landscape. While the managerial and legal consequences are continuing to develop businesses should not hesitate to directly address these issues. Businesses need to be aware of the potential pitfalls of office related romances, especially when they fail. Organizations need to be pre-emptive in their policies and training to avoid potential costly lawsuits and the loss of key employees.

CONTROL DIABETES, SAVE MEDICARE

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ABSTRACT

The combination of enrollment growth and the poor health of beneficiaries presents serious implications for the costs and ultimate solvency of Medicare. In fact, the Medicare Board of Trustees has projected that the health insurance trust fund will become insolvent by the year 2029. The literature clearly identifies the major cause of cost escalation for the Medicare program to be the chronic disease epidemic, especially the occurrence of type-2 diabetes, which accounts for over 40 percent of annual Medicare costs. The current system of healthcare delivery and financing in the United States is not effective in diagnosing, preventing and treating diabetes, focusing on the management of the disease, with little incentive to prevent the occurrence of the disease. Therefore, the way that diabetes is approached in this country must change. It is going to take disruption, through collaboration and communication to successfully address the high-risk health behaviors of our population. This paper provides a discussion on the economic burden of type-2 diabetes, the challenges faced to address this epidemic and the development and implementation of new strategies to meet the challenge of improving population health to save Medicare.

Keywords: *Medicare solvency, type-2 diabetes, chronic disease management, disruptive innovation, population health*

INTRODUCTION

The Medicare program began operations in 1965 as part of title XVIII of the Social Security Act. The primary focus of the program is the provision of health insurance to cover the healthcare costs for Americans sixty-five years of age and older. The program was later expanded to further cover individuals with disabilities and those with end stage renal disease. As of 2016, Medicare provides more than 47.8 million Americans aged 65 and older health coverage and with nearly 10,000 baby boomers reaching the Medicare eligibility age daily enrollment is projected to increase by 64 percent over the next 35 years (The Medicare Trustees Report, 2017). Many people on Medicare live on modest incomes, have multiple chronic conditions and cognitive impairments, and have limitations in their ability to perform daily living activities (Kaiser Family Foundation, 2017). The combination of enrollment growth and poor beneficiary health represents serious implications for costs and the ultimate solvency of the health insurance trust fund, in fact it is estimated that by 2029 the fund will be depleted (The Medicare Trustees Report, 2017).

The root cause of this looming insolvency lies with the costs associated with the growing chronic disease epidemic, specifically the alarming increase in the rate of preventable diabetes mellitus, or type-2 diabetes. The Centers for Disease Control and Prevention (CDC, 2017) recently reported that 30.3 million Americans have diabetes (approximately 9.5% of the United States population and 40% of the Medicare population), and a staggering three times more than that number are already in a pre-diabetic state, with nine out of ten individuals unaware they are living with a pre-diabetic condition. If current trends continue, as many as one in three adults in the

United States could be diabetic by 2050 (American Diabetes Association [ADA], 2012). Furthermore, improperly managed diabetes dramatically increases an individual's risk for heart diseases, stroke, kidney disease, blindness, nerve damage, limb amputations, and death.

The incidence and prevalence of chronic diseases, and specifically type-2 diabetes, in the United States provide clear evidence that tremendous change is necessary to maintain our health and the solvency of Medicare. Fortunately, there is an enormous amount of scholarly research available clearly documenting that type-2 diabetes and its complications are readily preventable through improving lifestyle and dietary patterns (Asif, 2014). The major public health efforts to fight the chronic disease epidemic include health education programs and management programs designed to prevent the disease and/or the complications that may arise as the affected individual grows older. However, the onset of chronic disease is rather slow, with a very long incubation period, complicating the prevention and disease management program development process and making evaluation of program success or failure extremely difficult. These programs are also very expensive to develop and sustain with limited evidence to support that the large investment in programming will return significant improvements in the future health of the population.

Just because these health education efforts pose challenges is no excuse for not addressing the need for a more aggressive attempt to improve the overall health of the population. There appears to be an overriding agreement among health policy experts and those working in public health that the prevention of chronic diseases and their complications should be a priority for our healthcare delivery system. Despite agreement that something needs to be done, there is unfortunately no agreement on what (specifically) should be done. McGinnis, Williams-Russo, and Knickman (2002) highlight that one of the most important reasons why our country has been reluctant to invest in health education programs to address the chronic disease epidemic is because there is no consensus regarding the development, implementation, and evaluation of these initiatives in the prevention of high-risk health behaviors.

The following provides a discussion on the economic burden of type-2 diabetes, the challenges faced to address this epidemic and the development and implementation of new, innovative strategies to meet the challenge of improving population health to save Medicare.

THE ECONOMIC BURDEN OF DIABETES

Diagnosed diabetes accounts for more than 20% of our nation's health care spending, with the estimated total cost figured at \$245 billion, of which \$176 billion relates to direct medical costs and \$69 billion relates to lost productivity (ADA, 2012). The average individual medical expenditures for people with diagnosed diabetes hovers around \$13,700 per year, which is approximately 2.3 times higher than those without diabetes (ADA, 2012). With over 85% of the total healthcare costs focused on chronic disease management, the existing literature clearly agrees that the largest cost escalation driver in our healthcare system relates to the treatment of chronic diseases and their subsequent complications (Brantes & Conte, 2013; CDC, 2017). Furthermore, these health expenditures are expected to increase 5.6 percent annually, reaching just under 20 percent of the United States' gross domestic product by 2025 (Keehan et al., 2017). Over this same period Medicare spending is expected to increase 7.1 percent, alarmingly, this figure does not account for the projected rapid increase of chronic diseases in this segment of the population.

Specific to type-2 diabetes, a recent longitudinal study showed a distressing upward trend in the overall economic burden (Rowley, Bezold, Arikan, Byrne, & Krohe, 2017). Between 2015 and 2030, it is forecasted that the total number of people with diabetes will increase 54 percent

and the cost of diabetes will increase 53 percent to \$622.3 billion (Rowley et al., 2017). Halvorson (2013) points out that over 40 percent of Medicare costs are related to the treatment of one disease, type-2 diabetes. To examine this cost on an individual basis, take for example a 50-year-old individual who develops diabetes. The projected cost for treatment over that individual's lifetime (undiscounted) is \$135,000. If that individual were diagnosed ten years sooner, the overall cost of treatment over the lifetime increases by 150% (Subramanian, Midha, & Chellapilla, 2017).

Beyond the staggering costs of treating the disease, reported quality of life for the diabetic patient does not necessarily improve over time (Subramanian et al., 2017). Research by Dall et al. (2016) found serious gaps in diabetes education and care quality among those with diagnosed type-2 diabetes, and corresponding poorly controlled diabetes. Of those who were prescribed diabetes medication, 43 percent had medical claims that indicated poorly controlled diabetes, which positively correlates with an increased prevalence of neurological complications, renal complications, and peripheral vascular disease. Beyond those unfortunate complications, patients with poor diabetes control had annual healthcare expenditures that were \$4,860 higher than those with controlled diabetes.

This epidemic call for the development and implementation of new strategies to meet the challenge of improving population health. One way to modify behavior and successfully combat the ramifications and challenges faced by the chronic disease epidemic is through disruption, collaboration and communication among community partners to provide health education to the population. These partnerships require public health and community officials, providers of healthcare, and philanthropists to work together to produce a healthy community.

CONTROLLING DIABETES

The most important goal of a high performing healthcare system is to deliver care that improves the overall health of the population (Schneider & Squires, 2017). Schneider et al. (2017) believe that the improvement of primary care delivery represents a major challenge that must be met to improve the health of our population. While we know poor diet and physical inactivity are major contributors to the development of chronic diseases and related complications, the problem has always been how to properly educate and motivate the population to prevent a chronic disease from developing in the first place and, for those with chronic diseases, how to properly manage their condition to prevent complications. Changing two vital behaviors, diet and physical activity, are the keys to the improvement of the health of the population and involve the implementation of behavioral health, which is difficult to address.

With over half of the United States population living with at least one chronic disease and nine out of ten individuals unaware that they are living with a pre-diabetic condition, timely screening to identify those at risk is critical so steps can be taken to control these preventable diseases from escalating (CDC, 2017). This is where the healthcare delivery system needs to make certain that the healthcare providers have time available to talk with and share valuable information with their patients. This challenge leaves health policy makers with the task of designing incentives to make health education initiatives a major part of healthcare delivery in our country.

Another challenge is the current fee-for-service system of healthcare reimbursement that incentivizes treatment over prevention. For type-2 diabetes this equates to focusing on the management of the disease, with little incentive to prevent the occurrence of the disease. Recognizing this ineffectiveness, one of the key priorities of the Affordable Care Act (ACA) stipulates that nonprofit hospitals must contribute to preventive care and population health by

conducting a periodic community health needs assessment and subsequently developing an implementation strategy to address the identified health needs of the population they serve. Although the ACA marked the beginning of a new era in the provision of healthcare in the United States, the concern is that it has not gone far enough to minimize the occurrence of and complications from chronic diseases as a means of improving our country's health and thereby reducing our healthcare costs and ultimately saving Medicare.

There is also a need to break down silos that have developed that virtually eliminate public health departments and other stakeholders from working closely with healthcare providers in the battle against the epidemic of chronic diseases in our country. Through a review of the existing literature, it became evident that a call for an increase in communication is necessary. One of the most important components towards the achievement of organizational objectives is communication across organizational boundaries (Ellis & Brown, 2017). This does not happen in siloed organizations, especially healthcare organizations. In fact, the extreme competition that is noted between healthcare providers blocks the potential for cooperation or collaboration because of their individual profit motives, despite the result of poor population health.

Public health problems are complex, requiring attention at multiple levels and involving many disciplines for a successful solution (Brownson, Baker, Deshpande, & Gillespie, 2017). Complex public health problems, such as the epidemic of chronic diseases, require bringing together diverse groups of stakeholders that can develop new and creative ways to solve these complex issues and communicate the information to all involved for the betterment of society. The communication problem must be solved if our nation is serious about improving the health of our population and keeping the Medicare program solvent into the distant future.

This is an opportunity that cannot be ignored in our national attempt to save Medicare because it is achievable and can be accomplished with limited resources. One such example is the Fresh Food "Farmacy" initiative at Geisinger, a physician-led integrated healthcare system serving more than 3 million residents throughout 45 counties in central, south-central and northeastern Pennsylvania and southern New Jersey. Recognizing the aforementioned challenges, Geisinger began addressing the need to empower diabetics to manage their medical condition thorough food-related behavior and life style changes. Geisinger's Fresh Food "Farmacy" provides a low-cost, collaborative, holistic approach to patient care, addressing not only the medical needs of enrollees but also their social determinants of health, offering participants and their families free, nutritious food along with medical, dietetic, social and environmental services (Feinberg, Slotkin, Hess, & Erskine, 2017). Geisinger is breaking down the silos by taking a multidisciplinary team approach to diabetes management. This care team includes a program coordinator, nurse, primary care physician, registered dietitian, pharmacist, health coach, community health assistant, and nonclinical administrative-support personnel (Feinberg et al., 2017). The program also requires a collaboration among patients and their families, providers, payers, and external stakeholders.

Since the inception of the program in 2016 the results have been striking. Within 12 months of dietary changes and increased physical activity participants saw a more than two-point drop in their HbA1c levels (each one-point drop corresponds to a more than 20% decrease in the potential for disease complications and chance of death) and improvements in cholesterol, blood sugars, and triglyceride levels (Feinberg et al., 2017). Some participants were even able to reduce or eliminate their diabetes medications (Feinberg et al., 2017). Program costs are \$2,200 per year per patient and Geisinger estimates cost savings on the payer-side to be around \$5,000 to \$8,000, a definitive financial benefit (Feinberg et al., 2017). If this program can be scaled nationally, the health of

millions of Americans with diabetes would be improved, medical costs would be reduced, quality of life would increase and Medicare could remain solvent.

These results certainly support the value of increasing the amount of resources allocated to health promotion activities designed to address food-related behavior and life style changes, along with timely screening of high risk individuals. We must show more concern for our aging population, the increased prevalence of diabetes, and the subsequently expected increase in the economic burden of diagnostic and treatment costs. This calls for an improvement in patient data collection, better screening for and management for diabetes, as well as disruption and policy improvements to address the problem.

CONCLUSION

The cost and availability of healthcare services have emerged as very important economic issues and top priorities, allowing change in our way of delivering healthcare to become not only possible but desirable, producing a unique opportunity to fix our broken healthcare system. Our currently expensive and poorly functioning system of healthcare delivery in the United States is ready for disruption. In fact, the chronic disease epidemic, especially the significant diabetes problem being faced by Medicare recipients, may offer an opportunity to improve the American healthcare delivery system for everyone.

Poor diet and physical inactivity are responsible for the development and complications of type-2 diabetes and the keys to the improvement of the health of the population lies in addressing these forces. Unfortunately, changing these two vital behaviors involves the implementation of behavioral health and patient education, which have been historically difficult to modify. Efforts to encourage providers to increase patients' awareness of clinical indicators such as glycemic levels and control thereof are clearly needed. It is going to take increased collaboration between our healthcare system and public health departments to be successful in addressing high risk health behaviors for our population. The Geisinger "Fresh Food Farmacy" model holds promise.

This disruption will require much better use of health education programs designed to prevent chronic diseases and their complications in our population. Health education has never maintained a very important place in medicine because it has never been a profitable activity. This will require providing incentives to encourage healthcare providers to offer directed health education to their patients at every touch point. Incentives matter, and the way we pay for healthcare can very well cause a much greater emphasis to be placed on the prevention of disease and the complication from disease as the future predominant model of healthcare. By bringing together experts from many disciplines, our country will be able to take full advantage of the creativity and innovations that can come forth from such collaborations.

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A COMPARISON OF CHRONOLOGICAL AGE AND COGNITIVE AGE USING AGE DIFFERENCES

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ABSTRACT

Age is a commonly used demographic variable for both in market research and academic marketing research. Studies show that, as people age, many basic human characteristics also change. It is accepted that human biological attributes, cognitive abilities and processing, and emotional developments, and other activities differ over time as we age (e.g., Phillips and Sternthal, 1977; John and Cole, 1986; Tepper, 1994). Specifically, age is relevant to consumer lifestyles and other behaviors, with consumer desires, attitudes, abilities, and lifestyles evolving as we grow older. However, the chronological age perspective does not completely account for many differences in consumer behaviors. For example, we oftentimes witness young people acting as adults and vice versa. To account for this incongruence, the cognitive age perspective has developed to suggest that consumer behaviors are oftentimes a reflection of the mental perceptions of age, rather than our chronological age (e.g., Tuckman and Lorge, 1954). This perspective has merit as perceived age has been shown to affect many items, such as consumers' self-image, lifestyle, and ultimately behaviors related to consumption (Gonzales et al., 2009; Lin and Xia 2012; Chang 2008).

The purpose of this study is to test whether consumers use their chronological age or their cognitive age as the basis for consumption-related activities and outcomes. Coffee shop users are placed into groups based on their differences between chronological age and cognitive age. This results in three groups: (1) no age differences, (2) positive differences where people think they are younger than they are, and (3) negative differences where people think they are older than they are. The no-difference group is then compared to each of the other two groups separately on fourteen items. The results of the t-tests reveal that chronological age is more relevant to eleven of the variables, cognitive age is more relevant for two of the variables, and both are relevant for one variable. The authors conclude chronological age is more relevant than cognitive age as pertaining to coffee shop consumption. However, it does appear that chronological age is relevant also, but in a much more limited way.

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MASTERY-AVOIDANCE AND SALESPERSON COMPETENCE MOTIVATION: AN EXPLANATION OF PLATEAUIING

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ABSTRACT

This study revisits the concepts of achievement motivation and goal orientation in light of recent substantive changes including the use of the concept competence motivation in lieu of achievement motivation and the addition of a mastery-avoidance construct to the mastery and performance goal orientation model. The addition of the mastery-avoidance construct may explain some competence and performance outcomes that have not previously been understood. Guided by formative studies in achievement motivation theory and goal orientation, this paper highlights a gap in current research and examines the re-conceptualization of the sales literature by addressing competence rather than achievement and proposes a model of salesperson competence that attempts to explain salesperson plateauing. The conclusions suggest that competence motivation can be defined more precisely than achievement motivation, allowing for a clearer set of parameters that move toward better theoretical models and operation of constructs.

Keywords: achievement motivation, competence motivation, goal orientation, mastery-approach, mastery-avoidance

INTRODUCTION

Achievement motivation theory has been an important element in attempting to predict performance in a variety of competence settings, including various aspects of business such as sales (Brown, Cron & Slocum, 1997; Kohli, Shervani & Challagalla, 1998; Novell, Machleit & Sojka, 2016; Silver, Dwyer & Alford, 2006; Sujan, Weitz & Kumar, 1994; VandeWalle, Brown, Cron & Slocum 1999). Achievement motivation theory posits that the goal orientation a person adopts prior to engaging in an achievement task determines the mental framework of how that person will interpret, evaluate, and act in pursuing the achievement goal. Thus, the goal orientation the person adopts motivates behavior in that particular achievement setting (Dweck & Leggett, 1988). An achievement setting may be defined as any setting that requires a demonstration of competence (Dweck & Bempechat, 1983; Nicholls, 1984).

Much of the above referenced research focused on two distinct goal orientations – mastery (learning goal) orientation and performance goal orientation. Particularly in the area of sales, the focus has been on two aspects of goal orientation (e.g., Novell, Machleit & Sojka, 2017); one study bifurcated the performance goal orientation into a performance approach orientation and a performance avoid orientation (Silver, et al., 2006). This study found that both mastery and performance goal orientations were positively associated with salesperson performance while a performance-avoid goal orientation was negatively associated with performance. Novell, et al.

(2016) treated goal orientation (learning and performance only) as a mid-level construct between implicit personality or lay theories and salesperson behavior patterns.

As valuable as these studies are, the concept of achievement motivation has undergone substantive changes in the past few years including the use of the concept *competence* motivation in lieu of *achievement* motivation (Elliot & Dweck, 2005) and the addition of a mastery-avoidance construct to the mastery and performance goal orientation model (Elliot, 2005; Elliot & McGregor 2001). The addition of the mastery-avoidance construct may explain some competence and performance outcomes that have not previously been understood.

Addressing these issues, this paper highlights a gap in current research and examines the re-conceptualization of the sales literature by addressing competence rather than achievement and proposes a model of salesperson competence that attempts to explain salesperson plateauing.

Goal Orientation

The achievement goal construct was developed in the late 1970s by a group of researchers working both independently and together at the University of Illinois (Elliot, 2005). One of the seminal works to emerge from this research was the social-cognitive model of motivation proposed by Carol Dweck and Ellen Leggett (Dweck & Leggett, 1988). Over a decade of work with school-age children had shown that children of equal ability responded differently to failure in an achievement setting. The research indicated that children adopted different goals in an achievement setting, and these different goals lead to different behavior patterns. Dweck and Leggett (1988) further concluded that goal orientation was a mid-level construct and was positioned between a student's implicit theory of ability (a/k/a mindset) and the resultant behavior pattern. Thus, goal orientation, as the proximal construct, motivates behavior even if, in part, it is determined by the more distal construct of mindset (Dweck & Leggett, 1988; Sujana, Weitz & Kumar, 1994).

Using the example of salespeople, a salesperson with a learning goal orientation is intrinsically motivated to complete difficult sales, is generally unconcerned about normative standards of performance or comparison with other salespeople. This salesperson is characterized by enjoying the acquisition of new skills, taking on challenging tasks, and demonstrating persistence and enhanced effort in the face of failure (Kohli, Shervani, & Challgalla, 1998; Silver, et al., 2006). On the other hand, a salesperson with a performance goal orientation is more interested in demonstrating competence in relation to other salespeople and lacks intrinsic motivation to complete a task. This salesperson believes that if one has ability, one does not need to exert effort to achieve success (Ames & Archer, 1988; Nichols, 1984). Thus, failure equals a lack of ability and the performance-goal oriented salesperson will avoid challenging tasks.

Several studies looked at the relationship between these two goal orientations and salesperson performance. Sujana, et al. (1994) found an indirect effect of mastery and performance goal orientation on salesperson performance while Vandewalle et al., (1999) found no direct or indirect effect of goal orientation on salesperson performance. Kohli, et al. (1998) found a direct effect of a performance goal orientation on salesperson performance, but failed to find any effect for a mastery goal orientation.

Bifurcation of the Performance Goal and Mastery Goal Orientation Constructs

The concept of approach and avoidance in achievement motivation was first introduced by Lewin, Dembo, Festinger, and Sears (1944). Later, work by Elliot and Harackiewicz (1996) and Elliot and Church (1997) established that there was a clear distinction between a performance-approach goal orientation and a performance-avoidance goal orientation. Elliot and Church (1997) found that, as expected, a mastery goal orientation was predictive of intrinsic motivation.

Silver, et al. (2006) tested this trichotomous achievement goal framework in a national survey of life insurance salespeople. The findings of that study supported the approach and avoidance constructs and found a positive relationship between a mastery goal orientation and salesperson performance; a performance-approach goal orientation and salesperson performance; and a negative relationship between a performance-avoidance goal orientation and salesperson performance.

Continuing his work on goal orientation, Elliot (1999) proposed a 2 X 2 model of achievement motivation: mastery-approach, mastery-avoidance, performance-approach, and performance-avoidance. Mastery-approach goals were the same as mastery goals. That is, someone who holds a mastery-approach goal is intrinsically motivated to develop skills and abilities and master a task. In contrast, mastery-avoidance is characterized by striving to avoid any appearance of losing one's skills, forgetting what they have learned and mastered, or demonstrating task- or self-referential incompetence. To date, no studies of salesperson performance have used the 2 X 2 framework.

From Achievement to Competence

Despite numerous studies of achievement motivation across a broad array of disciplines, some weaknesses in the achievement motivation literature have been identified by two of the pioneer researchers in the field, Carol Dweck and Andrew Elliot (Elliot & Dweck, 2005). The first weakness is a lack of a clear set of structural parameters in the concept of "achievement" (Elliot & Dweck, 2005). The authors note that if there is not a clear set of parameters for achievement, it is difficult to know what should and should not be included in achievement motivation. The next weakness identified by Elliot and Dweck (2005) is that the concept of "achievement" is too narrow in terms of focus and scope. They state that the concept of achievement is assumed by many researchers to be a form of individualistic, self-defining accomplishment. Elliot and Dweck (2005) note that other achievement conceptualizations include interdependent achievement striving, cooperative achievement striving, and striving for learning and task mastery. With these thoughts in mind, Elliot and Dweck (2005) offer the concept of competence in lieu of achievement.

Elliot (2005) further notes that competence can be defined by the standard used to evaluate it. There are three standards to evaluate competence. One is the absolute standard, which relates to the requirements of the task itself. A second standard is intrapersonal and relates to what the salesperson's thinks of his or her past attainments and potential. Finally, there is the normative standard or the comparison with others.

Competence also has valence (Elliot, 2005). One can construe competence in positive terms such as success or in negative terms like incompetence or failure. Additionally, one can focus on approaching the positive outcome or avoiding the negative outcome. This 2 X 2 framework is depicted in Figure 1.

		Absolute Intrapersonal (mastery)	Normative (performance)
Valence	Positive (approaching success)	Mastery-approach goal	Performance-approach goal
	Negative (avoiding failure)	Master-avoidance goal	Performance-avoidance goal

Figure 1. Adapted from Elliot & McGregor, 2001

Advantages of Competence Motivation over Achievement Motivation

There are several advantages relative to the concept of competence over achievement. One is that competence is part of daily life. A second advantage is the measureable psychological effect of competence-oriented actions. A positive demonstration of competence (approach-oriented) results in joy and pride. Avoiding a negative demonstration of competence (avoidance-oriented) produces relief while demonstration of incompetence (also avoidance-oriented) produces disappointment and stress (Carver & Scheier, 1998; Elliot & Dweck, 2005).

A third advantage is that competence motivation exists across an entire lifespan and manifests itself in different ways at different ages. The premise of the research proposition portion of this paper is that as a salesperson gets older and more established, their motivation moves from demonstrating sales competence to a competence-relevant motivation of avoiding incompetence (Elliot & McGregor, 2001). Finally, a competence motivation approach is not culturally bound. That is, it applies to cultures beyond Canada, the United States, and Western Europe.

Mastery-Avoidance and Sales Plateau

Elliot and McGregor (2001) tested the 2 X 2 model on a group of undergraduate psychology students. Results of the study showed that fear of failure and classroom engagement were positive predictors of a mastery-avoidance goal orientation and self-determination was a negative predictor of mastery-avoidance. In other words, students who had a fear of failure but were engaged in the course were more likely to have a mastery-avoidance goal orientation than students who thought they determined their own destiny.

The above description is similar to one that may be applied to plateaued employees or salespeople. One problem in pursuing this line of research is the lack of research on plateaued salespeople and the resulting lack of an acceptable definition of what it means to plateau. The problem with prevailing definitions is that they do not address the professional salesperson who never wanted to be promoted or take on more responsibility – he or she just wants to sell. Thus, the best definition that relates to salespeople is the one offered by *Management Review*. It states

simply that a plateaued sales representative is one who has a level of sales that stays steady, but does not increase (*Management Review*, 1995). This is the definition adopted for this paper. The definition fits well with the following quote from Elliot (2005) on the mastery-avoidance goal construct:

Athletes, students, or employees who have sought to maximize their skills and abilities may at some point feel that they have fully exploited their potential ("reached their peak") and shift to a focus on "not doing worse than I have done in the past." (p.61)

RESEARCH PROPOSALS

With the above explanation of achievement goals as competence goals and the introduction of the 2 X 2 goal orientation construct, the following research propositions are offered in terms of the goal's definition and valence.

The mastery-approach goal orientation is one where a person evaluates his or her competence against some absolute standard and/or his or her past experience and perceived potential. The valence is positive and approaches success. Therefore,

P₁: A mastery-approach goal orientation is positively associated with a striving to increase sales performance.

P_{1a}: A mastery-approach goal orientation will result in an absolute and interpersonal evaluation of competence.

The person with a mastery-avoidance goal orientation also evaluates their competence based on an absolute standard and past performance and potential. However, the valence is negative and the primary motive is to avoid the appearance of incompetence and/or the fear of failure. This goal orientation is proposed to be positively associated with sales performance because it is likely a high achiever who has plateaued – that is, kept sales steady but not increasing.

P₂: A mastery-avoidance goal orientation is negatively associated with a striving to increase sales performance.

P_{2a}: A mastery-approach goal orientation will result in an absolute and interpersonal evaluation of competence.

Performance-approach goal orientation results in a normative evaluation of competence. That is, the salesperson evaluates his or her performance in terms of how well they compare with other salespeople in the firm or in the same industry. While this may lead to good sales performance, it often also leads to a lack of willingness to take on challenges that might risk failure. Thus, for salespeople

P₃: A performance-approach goal orientation is positively associated with striving to increase sales performance.

P_{3a}: A performance-approach goal orientation will result in a normative evaluation of competence.

Finally, the performance-avoidance goal orientation involves a lack of sales performance and a focus on not looking foolish and avoiding failure, often by not trying. This is the salesperson who is going to start making calls as soon as they understand the product better than anyone else, get their desk organized, and fill out their calendar.

P₄: A performance-avoidance goal orientation is negatively associated with a striving to increase sales performance.

P_{4a}: A performance-avoidance goal orientation will result in a normative evaluation of competence.

CONCLUSIONS

This paper contributes to the salesperson motivation literature in both theoretical and practical ways. Theoretically, the arguments made in this paper move the concept of achievement to one of competence. Because competence motivation can be defined more precisely than achievement motivation, the advantages of this shift include a clearer set of parameters that allow for better theoretical models and operation of constructs. Another advantage of the competence concept is that it broadens the scope of the research to include such constructs as social competence, emotional competence, health competence, cultural competence, and moral competence (Elliot & Dweck, 2005). Finally, the shift to competence motivation allows for an analysis of behavior across cultures and lifespan.

Practically, the 2 X 2 model attempts to better explain salesperson motivation by examining both the definition and the valence of competence motivation. The addition of the mastery-avoidance construct in particular may explain the behavior of the plateaued salesperson.

In summation, numerous areas for further research are possible from the perspective taken in this paper. While there has been work on mastery, performance-approach, and performance-avoid achievement goal orientation (e.g., Silver et al., 2006), the development of a scale for salespeople that more accurately reflects competence is needed to test these propositions. Scale items from Elliot and McGregor (2001) are a starting point for this and the mastery-avoidance construct. The concepts presented in this paper address a broad, new perspective with which to study the motivation of salespeople and other employees.

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STOCK SPLIT ANNOUNCEMENTS: A TEST OF MARKET EFFICIENCY

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ABSTRACT

The purpose of this study is to analyze the effects of a stock split announcement on company's stock price. Specifically testing the semi-strong form efficient market hypothesis and if it is possible to earn above normal return when acting on the announcement. Previous studies have shown that the announcement of a stock split displays a positive outlook on a company's future, thereby increasing interest in the company and the stock price along with it. According to the semi-strong form efficient market hypothesis, it should not be possible to consistently outperform the market (appropriately adjusted for risk) when acting on public announcements such as stock splits, as the market reacts sufficiently fast enough to deny investors from earning risk adjusted above normal returns. This study finds evidence in the semi-strong form of market efficiency. This study also finds that stock price is significantly positively affected by the stock split announcement event.

INTRODUCTION

Stock splits are a common occurrence across all exchanges in the financial world. Many do not fully understand the reasoning for this event, whether it to be to increase the volume at which the now lower-priced stock is traded, or if it is for investors to gain a chance at an above normal return. Stock Split announcements usually generate interest in an organization as it indicates that the business is healthy. These splits are carried out when a company exchanges there existing shares outstanding for a set ratio. A common stock split ratio is a 2:1 split for example; a company has \$100 shares trading for \$50 each and issues a 2:1 split, this would result in 200 shares with an expected valuation of \$25 each. Stock splits are usually viewed by investors as a good sign with potential for growth and in turn earnings. This increased interest around cause's stock prices to usually increase around the date of the split/announcement.

Can an investor act upon new information to earn an above normal return? According to Fama (1970) there are three forms of market efficiency: weak form, semi-strong form, and strong form efficiency. Fama states that in an efficient market "prices "fully reflect" all available information" (1970). This means that the market will react instantly to new information making it impossible for an investor to make an above normal return when acting upon public information. This study investigates the efficient market theory and whether an investor can achieve an above normal return when acting on stock split announcements.

LITERATURE REVIEW

Clarke explains how investors try to identify securities that are undervalued, with potential for growth, and will beat the market. These investors including fund managers believe they can use foreshadowing and valuation techniques to identify strong investment decisions that will beat out others. According to Clarke the efficient market hypothesis asserts that none of these strategies are effective, “the advantage gained does not exceed the transaction and research costs incurred”. The market is said to be efficient “if prices adjust quickly and, on average, without bias, to new information” which results in prices changing before an investor truly has time to act on information (Clarke et al. 2001). Fama was the first to describe the three forms of market efficiency, but the definitions from Clarke keep the same principles.

Weak form efficiency is the hypothesis stating that current prices are a reflection of information from past historical prices only. This hypothesis concludes that the past prices are public knowledge and since everyone knows this historical data, one should not be able to gain an upper hand over competing investors. Though according to Clarke many financial analysts attempt to predict future profits by analyzing this data that the hypothesis “asserts is of no value” (Clarke et al. 2001). The semi-strong form hypothesis asserts that prices reflect all available public information. This information includes past data as well as information from announcements, financial statements, and even information “not strictly of financial nature” (Clarke et al. 2001).

The Strong form hypothesis asserts that prices are indicative of public and private information. This means that prices react too fast from all sources of information for an investor to achieve above normal returns. Insider information would be an opportunity for an investor to obtain abnormal returns if the information is known to them, however insider trading is illegal. In a strong form market, even insider trading would not be able to result in above normal returns.

Now the question is, is the market “efficient” in the event of a stock split announcement? Strong-form relays that prices are a result of all information public and private, while weak form suggests prices are based on historical data. Both of these hypotheses have strong evidence with plenty of research to give them merit. However this study finds that the semi-strong form of market efficiency is the most relevant in the event study circumstances as stock splits are public announcements available to all, and the current price should reflect this information negating the chance for above normal return.

DATA AND METHODOLOGY

This study includes a random sample of 15 stocks traded on the NYSE or NASDAQ exchanges involved in a 2:1 stock split in the period of 11/01/2015 to 12/31/2016. The stocks and their split announcement dates were gathered from Investing.com, while the corresponding data around the split was retrieved from <https://finance.yahoo.com/>.

In testing the semi strong market efficiency hypothesis with respect to stock split announcements and their effect on return near the announcement date, the following null and alternative hypotheses were chosen.

H1₀: The risk adjusted return of the stock price of the sample of firms announcing stock splits is not significantly affected by this type of information on the announcement date.

H1₁: The risk adjusted return of the stock price of the sample of firms announcing stock splits is significantly positively affected by this type of information on the announcement date.

H2₀: The risk adjusted return of the stock price of the sample of firms announcing stock splits is not significantly affected by this type of information around the announcement date as defined by the event period.

H2₁: The risk adjusted return of the stock price of the sample of firms announcing stock splits is significantly positively affected around the announcement date as defined by the event period.

This event study used the standard risk adjusted method (market model) for gathering and interpreting data.

1. Prices for the 15 firms and market index during the estimation or pre-event period (151 days prior to day -30) and the event period (day -30 to the event day 0 on to day +30). So day -181 to day -31 is the pre-event or estimation period and day -30 to day +30 is the event period and day 0 is the event day.
2. Then, holding period returns of the companies (**R**) and the corresponding S&P 500 index (**R_m**) for each day in this study period were calculated using the following formula:
Current daily return = $\frac{\text{current day close price} - \text{previous day close price}}{\text{previous day close price}}$

A regression analysis was performed using the actual daily return of each company (dependent variable) and the corresponding S&P 500 daily return (independent variable) over the pre-event period (day -180 to -31 or period prior to the event period of day -30 to day +30) to obtain the intercept alpha and the standardized coefficient beta. Table 1 shows alphas and betas for each firm along with their respective ticker symbol.

TABLE 1:

FIRM	ALPHA	BETA
AFSI	-7.4419E-05	0.745407576
HRL	0.001867224	0.771933772
GCBC	0.001356687	0.063885251
LNT	0.001933026	0.359299044
CORE	-0.000880274	0.794048077
HOMB	-0.000210543	0.913620157
SSNC	-0.001458811	1.230118804
BF-B	-0.001169916	0.78062445
VSEC	0.001349729	1.257552807
BMI	0.000183957	1.028421328
CHD	0.001240874	0.382426147
TTC	0.000370178	0.855103848
AOS	0.001532988	1.254921181
USNA	0.000817124	1.141947841
SFBS	-7.74003E05	1.603365271

3. The expected return for each stock, for each day of the event period from day -30 to day +30, was calculated as:

$$E(R) = \alpha + \text{Beta}(R_m),$$
 where R_m is the return on the market i.e. the S&P 500 index.
4. Then, the Excess return (ER) was calculated as:

$$ER = \text{the Actual Return}(R) - \text{Expected Return } E(R)$$
5. Average Excess Returns (AER) were calculated (for each day from -30 to +30) by averaging the excess returns for all the firms for given day.

$$AER = \text{Sum of Excess Return for given day} / n,$$
 where n = number of firms in sample i.e. 15 in this case
6. Also, Cumulative AER ($CAER$) was calculated by adding the AERs for each day from -30 to +30.
 Graphs of AER and Cumulative AER were plotted for the event period i.e. day -30 to day +30. Chart 3 below depicts Average Excess Return (AER) plotted against time. Chart 4 below depicts Cumulative Average Excess Return (CAER) plotted against time.

QUANTITATIVE TESTS AND RESULTS

Did the market react to the announcements of regular, two for one stock splits? Was the information surrounding the event significant? A priori, one would expect there to be a significant difference in the Actual Average Daily Returns (Day -30 to Day +30) and the Expected Average Daily Returns (Day -30 to Day +30) if the information surrounding the event impounds new, significant information on the market price of the firms' stock (see AER graph in Chart 1 below). To statistically test for a difference in the Actual Daily Average Returns and the Expected Daily Average Returns, we conducted a paired sample t-test and found a significant difference at the 5% level between actual average daily returns and the risk adjusted expected average daily returns. The results found support the alternate hypothesis of H2₁: The risk adjusted return of the stock price of the sample of firms announcing stock splits is significantly positively affected around the announcement date as defined by the event period.

The second purpose of this analysis was to test market efficiency in the event of 2:1 stock split announcements. Specifically we are trying to identify if the market follows alongside the hypotheses described by Fama and Clarke. Does the test identify a semi-strong form efficient market? The key in the analysis or tests is to determine if the AER and CAER are significantly different from zero or that there is a visible graphical or statistical relationship between time and either AER or CAER. T-tests of AER and CAER both tested different from zero at the 5% level of significance. Likewise, observation of Chart 2 (graph of CAER from day -30 to day +30) confirms the significant positive reaction of the risk adjusted returns of the sample of firms tested.

Chart 1:

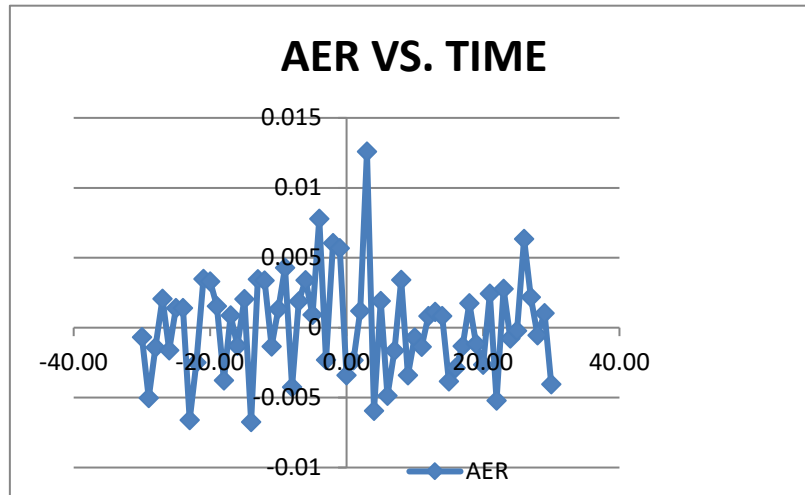


Chart 2:

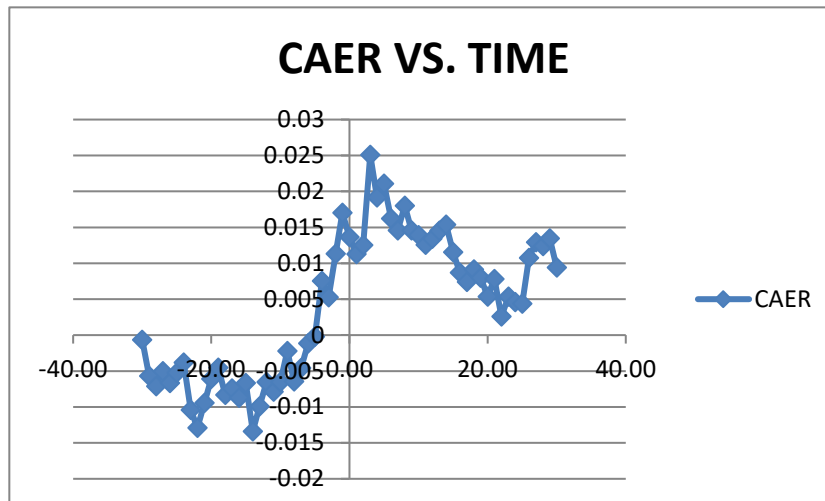


Chart 2 above shows visually the CAER increasing before the stock announcement. Several days before the stock split was announced. This is evidence towards the null hypothesis of H_{10} . The stock prices were significantly positively affected by this announcement even before that date. This semi-strong form efficiency would make it impossible for an investor to get an above normal return as the stock price had already reacted to available information. These results may indicate some insider trading as the stock price went up before announcement date, meaning interest had already been sparked.

CONCLUSION

This test conducted an analysis on the effects of stock split announcements on a stocks rate of return, adjusted for risk. There were 15 firms analyzed with a composition of NYSE and NASDAQ traded securities. The test was conducted using the risk adjusted event study (market)

methodology. The findings indicate a significant positive reaction to stock split announcements, as well as showing evidence for the semi-strong form of market efficiency.

As the charts show, the announcement sparked interest in the firm and drove stock prices higher indicating that a stock split is a beneficial practice for management. This data indicated that management has little to worry about when initiating a stock split, and that there is empirical evidence from numerous reports that support the efficient market hypothesis.

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MARKET REACTION TO SHARE REPURCHASE ANNOUNCEMENTS

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ABSTRACT

This study examines the effects on share price due to stock repurchase announcements to test the semi-strong form efficient market hypothesis. Is it possible to earn an above normal return on a publicly traded stock when the firm announces a stock repurchase? In past studies, it has been suggested that a company's stock price significantly increases when it repurchases undervalued stock. The semi-strong form efficient market hypothesis states that it is not possible to consistently outperform the market by using public information. However, results from (Kinsler) suggest that the semi-strong form market efficiency may not apply to share repurchase announcements; stating that the return is negative before the announcement and positive afterwards. For this study, the stock price reacts faster than investors do, and a negative return is observed before the announcement as well as after, further supporting the semi-strong form.

INTRODUCTION

A share repurchase occurs when a company buys its own shares back from the market. A firm may buy back their shares if they think they are undervalued in order to reduce their number of shares outstanding, which will increase their earnings per share and raise the market value of the remaining shares (Investopedia). When a company purchases its own shares it increases the ownership stake of the shareholders by decreasing the amount of shares held by the public; and hopefully increase the share price as well (Motley Fool).

Market reaction time to past, public and/or private information can be defined as weak, semi-strong, or strong form efficient. If an investor buys a firm's stock after receiving a past report that shows the firm had high earnings for the period, and the stock price does not rise, then the market is said to be efficient with respect to past information and is weak form efficient. If an investor buys the stock on the date of the announcement and does not make an above normal return, then the market is semi-strong form efficient. If an investor buys stock on the event and still does not make an above normal return, then the market is strong form efficient. If the investor does make above normal return on this information, it is considered insider trading, which is illegal (Ross). In previous studies it has been suggested that the market reaction to stock repurchase announcements is semi-strong form efficient (Kinsler). Share repurchases are public information, if the market is semi-strong form efficient, then the stock price reacts to the announcement so fast that no investor can earn higher than the market return (Ross).

This study analyzes a sample of 20 stock repurchase announcements and how fast it effects the firm's stock price. This research tests if there is a relation to stock repurchase announcements, and the semi-strong form efficiency market hypothesis, by using the standard risk adjusted event study methodology (Kinsler).

LITERATURE REVIEW

Three common reasons for a company to repurchase shares are the signaling theory, long-term stock performance, and market timing. The signaling theory is considered the way management conveys to the market that the current market price of the share is undervalued. This suggests that management has more information than the investors. The more it takes to assess the value of a firm, the more likely it is that the true value of the firm will be effected by the information asymmetry, which makes it unlikely that the firm would be undervalued. The long-term stock performance, following a share repurchase announcement, determines if firms have positive abnormal returns after the announcement and if firms repurchase their shares after a series of consecutive price declines. Market timing of share repurchases determine if the firms can buy back the shares at a lower price (Punwasi).

RESEARCH METHODOLOGY

This event study conveys a common event with different event dates. Since firms make share repurchase announcements at random dates, the common event is the repurchase announcement. A sample of 20 companies that announced stock repurchase announcements was selected from (Yahoo Finance). This sample was limited to firms that are traded on the NYSE or NASDAQ, are at least a year old, and were repurchased within the same year. (Refer to Table 1)

By examining the Average Excess Return (AER) and the Cumulative Average Excess Return (CAER), when a share repurchase was made, this study was able to establish whether there was an announcement effect. This study proposes the following null and alternative hypotheses:

***H1₀:** The risk adjusted return of the stock price of the sample of firms announcing stock repurchases is not significantly affected by this type of information on the announcement date.*

***H1_a:** The risk adjusted return of the stock price of the sample of firms announcing stock repurchases is significantly positively affected by this type of information on the announcement date.*

***H2₀:** The risk adjusted return of the stock price of the sample of firms announcing stock repurchases is not significantly affected by this type of information around the announcement date as defined by the event period.*

***H2_a:** The risk adjusted return of the stock price of the sample of firms announcing stock repurchases is significantly positively affected around the announcement date as defined by the event period.*

The required historical financial data, the firm's stock prices, and the corresponding time matched S&P 500 index values surrounding the announcement date (pre event: -180 to -31, event date: 0, event period: -30 to +30) of the firm's stock repurchase was obtained from (yahoo finance). The holding period returns of the companies (**R**) and the S&P 500 index (**R_m**) for each day in the study duration were calculated using the following formula:

$$\text{Current daily Stock return (R)} = \frac{(\text{current day close price} - \text{previous day close price})}{\text{previous day close price}}$$

$$\text{Current daily S\&P 500 return (R}_m\text{)} = \frac{(\text{current day close price} - \text{previous day close price})}{\text{previous day close price}}$$

A regression analysis was performed using the actual daily return of each company (dependent variable) and the corresponding S&P 500 daily return (independent variable) over the pre-event period to calculate the required alpha and beta coefficients. (Refer to Table 2)

The risk-adjusted method was used in order to get the normal expected returns. The expected return (**ER**) for each stock for each day of the event period was calculated as:

$$(\mathbf{ER}) = \mathbf{alpha} + \mathbf{beta} * (\mathbf{R}_m)$$

Where **R_m** is the return on the market. Then the excess return (**ER**) was calculated as:

$$\mathbf{ER} = (\mathbf{R}) - (\mathbf{ER})$$

Average Excess Return (**AER**) was the calculated for each day by adding the excess returns for each day in the announcement period and dividing by 20 (the number of stocks). Cumulative Average Excess Return (**CAER**) was calculated by adding the AER for each consecutive day. Graphs of AER and CAER are plotted for the event period to display how the market performs each day of the event period.

QUANTITATIVE TESTS AND RESULTS

Did the market react to the stock repurchase announcements? Was the risk adjusted return of the stock price significantly affected on the announcement date? Was the risk adjusted return of the stock price surrounding the event significant? The results depicted in Charts 1 and 2 convey that the risk adjusted return was not significantly affected surrounding the repurchase announcement date. The AER follows a relatively constant cycle of rising and falling prior to the announcement date (days -30 to -1). On the day of the announcement (day 0) the AER increases 0.01% from 0.003% (day -1), to 0.01% (day 0). The AER falls to -0.007% on day +1, and then continues to follow a constant cycle as before, rising and falling in the same range. Prior to the announcement date, the CAER decreases from -0.12 to -0.42. The CAER increases to -0.37 on the announcement date and increases to -0.14 on day +1. During the post event period (+1 to +30) the CAER then continues to decrease to -0.41 (day +30). The difference in the CAER for the event period was -0.3%. Although the market reacted positively on the announcement date, the returns followed the same pattern in the post announcement period as they did in the pre announcement period. These results support the null hypotheses H₂₀: The risk adjusted return of the stock price of the sample of firms announcing stock repurchases is not significantly affected by this type of information around the announcement date as defined by the event period.

Along with the evidence previously stated, the alternative hypothesis is accepted and the null hypotheses is rejected H_{10} : The risk adjusted return of the stock price of the sample of firms announcing stock repurchases is not significantly affected by this type of information on the announcement date.

The other purpose of this analysis was to test the efficiency of the market in reacting to the repurchase announcement. After the announcement date, the firms' stock prices trended downward significantly to day +30. For the sample of firms analyzed, an investor is not able to earn an above normal risk adjusted return by acting on the public announcement of a stock repurchase. This is consistent with the semi-strong form market efficiency hypothesis. This result is also not consistent with the signaling theory and announcement effect that share repurchase announcements are associated with positive returns.

CONCLUSION

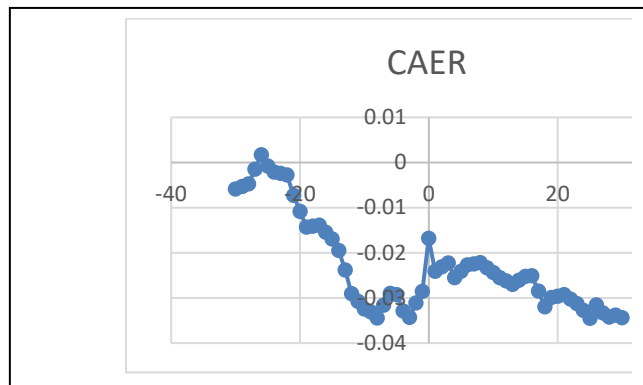
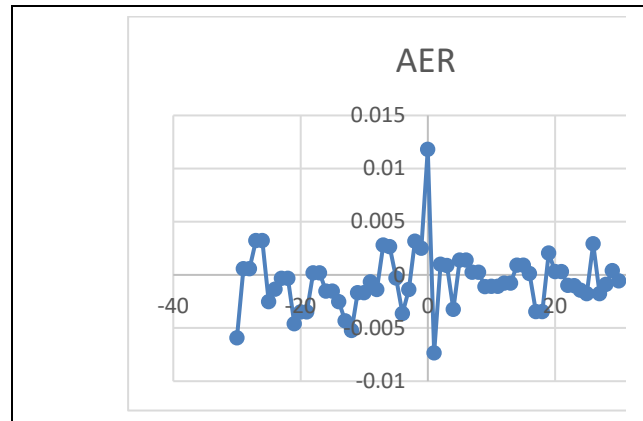
This study tested the effect of stock repurchase announcements on the stock price's risk adjusted rate of return for a sample of twenty firms traded on the NYSE or NASDAQ. This study analyzed recent observations on twenty firms traded on the S&P 500 market index. A linear regression analysis shows that there is no market reaction surrounding a repurchase announcement, but a positive reaction on the date of the announcement. Specifically to this study, investors react to the announcement but the market reacts more quickly which in turn provides no short-term, and seemingly no long-term, positive returns. This study supports that the market is efficient with respect to stock repurchase announcement. For further evidence supporting these results, a similar test with a larger sample size would be suggested to lower the margin of error.

Table 1. Sample Stocks

Ticker Symbol	Firm Name	Announcement Date	Trade Index
HRS	Harris Corporation	February 2, 2017	NYSE
WU	Western Union Company	February 9, 2017	NYSE
AET	Aetna Incorporated	February 17, 2017	NYSE
JWN	Nordstrom	February 17, 2017	NYSE
VZ	Verizon Communications	March 3, 2017	NYSE
KR	Kroger Company	March 9, 2017	NYSE
BKS	Barnes & Noble Incorporated	March 15, 2017	NYSE
AZO	Auto Zone Incorporated	March 21, 2017	NYSE
CPB	Campbell Soup Company	March 22, 2017	NYSE
CCL	Carnival Corporation	April 7, 2017	NYSE
CSX	CSX Corporation	April 20, 2017	NASDAQ
V	Visa Incorporated	April 20, 2017	NYSE
NTGR	Net Gear Incorporated	April 26, 2017	NASDAQ
INTC	Intel Corporation	April 27, 2017	NASDAQ
APPL	Apple Incorporated	May 2, 2017	NASDAQ
DST	DST Systems	May 9, 2017	NYSE
LZB	Lazy Boy Incorporated	June 20, 2017	NYSE
AXP	American Express Company	June 28, 2017	NYSE
EBAY	eBay Incorporated	July 20, 2017	NASDAQ
DFS	Discover Financial Services	July 25, 2017	NYSE

Table 2. Alphas and Betas of Sample Study

Firm	Alpha	Beta
HRS	0.001124247	0.936117844
WU	0.00364323	1.107967108
AET	-0.000196587	1.009082933
JWN	-0.00195366	1.160557232
VZ	-0.001175336	0.752754592
KR	0.000668857	0.383668188
BKS	-0.00111127	1.851632467
AZO	-0.000673169	0.831468
CPB	4.64014E-05	0.777799964
CCL	0.000836076	0.898688719
CSX	0.003701278	0.834662468
V	-0.000420922	1.269441476
NTGR	-0.00102955	1.34459012
INTC	-0.000772386	1.0147742268
APPL	0.001880516	0.750679364
DST	0.001026571	1.08274747
LZB	-0.001954057	1.258592469
AXP	-0.000636068	1.397144438
EBAY	0.000847933	0.996261052
DFS	-0.002131894	1.346471136

Chart 1.**Chart 2.**

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BUILDING OPTIMAL RISKY AND UTILITY MAXIMIZING TIAA/CREF PORTFOLIOS

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ABSTRACT

We present a process that investors can use to build optimal risky portfolios with Excel Solver and illustrate the process using TIAA/CREF annuities and mutual funds because they cannot be sold short. The inability to short-sell results in an optimal portfolio with low returns and to garner higher returns, investors must select a higher return and find an optimal portfolio for that return. After forming optimal risky portfolios, we compute the utility for investors with differing levels of risk aversion. We discuss the challenges of applying theory to practice and, the assumptions implicit in forming optimal portfolios, and the limitations of the process.

JEL classification: G11

Keywords: Mutual fund portfolio construction; Variable annuity portfolio construction; Optimal risky portfolios; Utility maximizing portfolios

PERSISTENCE & ANTI-PERSISTENCE: A SECTORAL STUDY

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ABSTRACT

We test for efficiency in the Indian market by studying long-range dependence in sectoral index returns. Two fractal analysis techniques— the Classical Rescaled Range, and Wavelets methods— are employed. Seventeen of the 30 indices studied in total appear to exhibit persistence in returns. This finding is consistent with recent studies of broader Indian market indices, and the results point to the existence of pricing inefficiencies that may be exploitable for excess returns in significant sections of the Indian capital market.

INTRODUCTION

India has emerged as an important player in the global economy, and the country has attracted increasing capital inflows. The question of informational efficiency in the pricing of assets in this economy has therefore assumed greater significance (Dicle, M. F. et al, 2010). and, not surprisingly, recent studies have sought to assess the informational efficiency of the country's capital markets. The results of the existing studies are not in perfect agreement, but on balance the evidence appears to suggest some degree of dependence in market returns (see, for example, Poshakwale, 2002; Sarkar & Mukhopadhyay 2005; and Mishra et al, 2011).

The present work extends the literature on market efficiency within the Indian context by analyzing the behavior of a total of thirty returns series for sectoral equity indices on the BSE and NSE. Hiremath & Kumari (2015) is a notable study of long memory in sectoral index returns, but it constrains itself to a period of 9 years, and roughly half of the indices available. We suggest that there is no obvious a priori reason for these constraints, so that the results are perhaps more generalizable if all available price information is used, as in the present study.

DATA, METHODOLOGY & EMPIRICAL RESULTS

We consider the returns on a total of 30 sectoral equity indices on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE), employing the entire price series available for each index on the BSE and NSE sites (bseindia.com; nse.com), ending on August 31, 2017. Some additional information (that for the NIFTY Pharma index) has been collected from Investing.com. The data for the 17 BSE sectoral indices span a period of roughly 11 to 18 years. . A total of 11 sectoral indices are available on the NSE, and the data for these span a period of roughly 3 to 21 years.

To test for persistence, we estimate the self-affinity index (or Hurst exponent, H) for the index returns series using Mandelbrot's (1972) rescaled-range (R/S) analysis methodology. In addition, we employ the Wavelets method to estimate the Hurst exponent. This approach exploits

the fact that transforms of self-affine traces are themselves self-affine. We decompose the series to be analyzed in time frequency space and assess variations in power. Should the wavelet power spectrum be related to frequency by a power law function, we would infer the existence of fractal properties.

The table below summarizes the results of these two methods. As can be seen, most sectors exhibit returns persistence (the Wavelets and R/S methods agree on the majority of the cases). We conclude that there are exploitable opportunities for excess returns within several sectors of this financial market.

Table 1
Summary of Results

BSE Sectoral Indices	R/S		Wavelets	
	<u>Persist.</u>	<u>Anti-Persist.</u>	<u>Persist.</u>	<u>Anti-Persist.</u>
Auto	✓		✓	
Bankex			✓	
Basic Materials	✓		✓	
Capital Goods	✓		✓	
Consumer Discretionary	✓		✓	
Consumer Durables	✓		✓	
Energy			✓	
FMCG			✓	
Finance	✓		✓	
Healthcare	✓		✓	
Industrials	✓		✓	
IT	✓		✓	
Metal	✓		✓	
Oil & Gas			✓	
Power			✓	
Realty	✓		✓	
Teck			✓	
Telecom			✓	
Utilities	✓		✓	
NSE Sectoral Indices				
Auto	✓		✓	
Bank			✓	
Energy			✓	
Financial Services			✓	
FMCG			✓	
IT	✓		✓	
Media	✓		✓	
Metal	✓		✓	
Pharma			✓	
PSU Banks	✓		✓	
Realty			✓	

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WHAT HAPPENS TO RESEARCH DOLLARS? ACADEMIC R&D EFFICIENCY AND ITS DETERMINANTS

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ABSTRACT

A review of the literature suggests that there are few studies on the efficiency of the academic research and development (R&D) in the U.S. Much of the extant literature focuses on efficiency assessments at either the academic department level or the university level. We are not aware of any studies that analyze the efficiency of academic R&D at the state level. The purpose of this paper is to fill this void by assessing the efficiency of academic R&D at the state level using Data Envelopment Analysis (DEA), a non-parametric efficiency estimation method that can utilize multiple inputs and outputs to create a single efficiency score. Furthermore, to measure the change in productivity in academic R&D over the years between 2006 and 2015, Malmquist indexes are calculated. Finally, a Tobit model is constructed to analyze the determinants of academic R&D efficiency by identifying several external indicators that may have an impact on how universities process research dollars. The results suggest that some U.S. states are relatively better positioned to turn their R&D dollars into academic and business outputs. The policy implications of the study findings are discussed.

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IS EMPORIOPHOBIA JUSTIFIED?

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ABSTRACT

The former president of the Southern Economic Association gave an address to the assemblage in 2013, in which he urged the economists in attendance, to use the word competition less and the word cooperation more. This paper addresses some possible shortcomings in this perspective, as it pertains to transactions among individuals and organizations in our society.

INTRODUCTION

The most fundamental economic act is the transaction. This may be a barter transaction (beaver for deer), a simple consumer purchase from a grocery store, or a sophisticated merger involving lawyers and other parties (including economists), but in each case the act is a transaction. Moreover, as economists, we know that all parties expect to benefit from a transaction, or else it would not occur. Thus, a transaction is a cooperative act -- an act benefitting all who voluntarily participate in it." From Paul Rubin's Presidential address to Southern Economics Association, 2013, entitled: Emporiophobia (fear of Markets): Cooperation or Competition? (Rubin, 2013).

When I read this address, printed in the Southern Economics Journal, and particularly that line: "an act benefitting all who voluntarily participate in it," I was reminded of the scene from the Godfather, in which Don Corleone, the Godfather, played by Marlon Brando, assures his godson, singer Johnny Fontane, played by Al Marino, that he will make the movie director who has been refusing to give Fontane the role in a film that would revive his failing career, "an offer he can't refuse." His statement is ironic, since it echoes a line from a 1934 film called Burn 'em up Barnes in which a character says: "I'll make her an offer she can't refuse." In the latter film, the offer will be lots of money. In the Godfather, the director wakes up with his prized thoroughbred's head in bed next to him; and thus agrees to give the role to Johnny Fontane.

In his presidential address, Paul Rubin repeatedly asks economists to start using the word cooperation more and the word competition less, because overuse of the word competition is giving free markets a bad name. In other words, tell the poor they are poor because they have nothing to sell and that when they get something they can sell, they can cooperate with others in the economy. And they are to tell the rich that they did not get their fabulous fortunes because they competed better, but because they cooperated better. Using this logic, if anyone asked Johnny Fontane how he got the role in the movie, he could have said: I cooperated better than the others who were up for the role. Just think how sinister that would be, if you knew the backstory. If you knew that what he meant by cooperation was that he leveraged the part out of the director by threatening the director. Does Paul Rubin really expect us to believe that the rich never get there through legalized extortion and that the poor are often the ones legally extorted by others? Rubin's address gave me the chills almost as much as watching the Godfather did.

We live in a world where the powerful play word games such as the one suggested by Paul Rubin – turn competition into cooperation, sort of the way Corleone turned extortion into an offer. But the deception does not end there.

The internet has turned everyone who wishes to be, a lay journalist. Anyone can post to a blog and make claims of truth for whatever point of view they wish to advance.

The recent tax cuts for corporations is a good example of how government intervention in markets, decried by neoliberal economists – in this case through the tax code- benefits those capitalists. After they walk away with tremendous sums of money because they successfully lobbied congress for these cuts, will they stop complaining about government intervention in our lives? No, of course not. They will simply continue to be angry that they are paying any tax at all and push back against any sort of regulation. Do those who are in agreements or transactions with them, such as employees, competitors, suppliers, distributors and so on, have the same power to leverage governmental institutions? Of course not. But Paul Rubin and other economists of that stripe would have us believe that what is occurring is pure economic cooperation and each of the “cooperators” is on an equal footing with all the others. From a Bloomberg analysis it has been estimated that 60% of the recent tax-code change gains go to shareholders and 15% to employees.

Are any of us naïve enough to believe that any economic transaction, cooperation, as Rubin would call it, is actually occurring between the two principals with no other relationships either of them may have behind the scenes, making things better for one and worse for the other?

Washington, DC teems with lobbyists operating behind the scenes, completing transactions, quasi-financial or if the truth ever came out, perhaps completely financial – bribes in other words- that the rest of us have no idea about. Meanwhile what is the average consumer or citizen left with? One option we have is the boycott. But this option is not exclusively in the purview of the consumer. It is also available to the corporation, NGO or other institution.

Consider the recent events surrounding the NRA, after the school shooting in Parkland, Florida. Victims and their families, taking to twitter, called for boycotts of companies that give discounts to NRA members. Many of these companies were quick to end their discounts for NRA members. This led to a backlash against those companies, with people saying they were going to boycott any company that did away with their discounts for NRA members.

What we are seeing here is what you might call a macrocosm of the microcosm that goes on in Washington, DC. People on capitol hill must be quite familiar with this sort of tit for tat. What happens in a quite public way on twitter and Facebook, happens constantly in the halls of congress and in state houses of government.

Most transactions are far more complex than two principals negotiating a price. Most prices are set before the transaction begins and there is never any way to be sure that what is paid by the buyer matches the value of what is sold by the seller.

Also, many different transactions have occurred to set the price, to determine how much capital the buyer will have available to use in the transaction, whether a person is an eligible buyer or not and whether the seller is subsidized or otherwise financially enabled or not. In the case of complex webs of transactions among consumers, corporations and NGOs, things can get messy, as we have seen recently, after the shooting incident at a high school in Florida, where seventeen were killed and a “marketplace furor” erupted as a result.

Delta Airlines is no longer going to give discounts to NRA members and a host of other companies have done the same thing, or otherwise dropped association with the NRA. Kroger, Wal-mart, Dick's Sporting Goods and LL Bean, have said they will no longer sell guns to people under 21 and that they will no longer sell assault-type weapons. This is due to the complicated relationship among such organizations as the NRA, a high school in Florida where 17 students were shot and killed, and the host of organizations caught between the NRA and the student gun-control movement. The students and some of the organizations are using what has been referred to as "strong reciprocity" to make it so transactions are more "cooperative" and less "competitive," to use Rubin's terms.

Strong reciprocity – the 'willingness to sacrifice resources for rewarding fair and punishing unfair behavior even if this is costly and provides neither present nor future material rewards for the reciprocator.' (Fehr et al. 2002, p. 2).

Not only are many transactions between employers and employees or companies and customers, not amiable and mutually beneficial transactions, many of them are hotly contested; so much so that sometimes the offended party will be willing to sacrifice resources for rewarding fair and punishing unfair behavior, even if it is costly and provides neither present nor future material rewards for the reciprocator. This is what Fehr et. al. (2002) referred to as strong reciprocity.

Sometimes, what Rubin calls cooperation, goes so far as to strain the definition of the term. Is it cooperation when one person is beholden to the other, or one person is greatly disadvantaged in the transaction? Let us consider the issue of wealth. If one person is wealthy, for example, and the other is not, what affect does this have on the "cooperative" nature of any transaction between them?

THE NATURE OF WEALTH

If two people involved in a contractual agreement are on equal footing, then yes, the resulting transaction will likely be mutually beneficial. However, if person A is in a relatively compromised position entering the negotiations, that person will likely not benefit as much from the transaction, especially if person B knows in advance of the compromised position of person A. It is through the window of unequal starting positions, that power rushes in. If person A is unhealthy, has a pre-existing condition that is, and wants to purchase insurance offered by person B, then person B may charge person A more for her premium, further disadvantaging a person who is already disadvantaged by her health issue.

In the marketplace, person B would be considered justified in charging more, because she is sharing the risk of future high healthcare costs and must charge for this risk-taking action. However, through government regulation or the lack thereof, it might even be possible for person B to deny a policy to person B, due to the pre-existing condition. In this case, person B faces a possible financially catastrophic, as well as an uncertain physical future due to the condition.

Suppose unhealthy person A is bankrupted by enormous medical bills due to having no insurance because she could not get it due to her pre-existing condition; then when it comes time for her to buy a new car or pay for other things in her life, Professor Rubin has no interest in how she came to have "little to sell" in the marketplace, that is, he has no interest in the particulars of

how she became poor. He would admonish her to get education, so that she could stop being poor. In fact, she has gotten a good education in how economics is far from mutual cooperation and much more like one person putting horse's heads in the beds of the other person.

Consider the issue of personal wealth. Certainly finance is a part of the picture, but so too are the social, physical, emotional and spiritual. Social wealth is indicated by bountiful, supportive relationships among family, kin, community and other groups. Physical wealth, what we call health, is the joy and hope that comes from a feeling of personal well-being. Emotional wealth, is a fullness that comes from knowing that you are mentally sound, that your feelings can be trusted and that they are personally and socially productive. Spiritual wealth comes from a sense of trust in the future, that everything will "come out in the wash."

Those who have win lotteries or are included in wills, so that their fortune comes all at once, are no doubt simultaneously blessed and cursed. The more common reality is represented by those who work a life time to achieve financial security, approaching but never securing that for which they dream. This struggle for financial wealth is a central part of modern life and it is likely to remain so for the majority of people. However, I would submit that it is optimum to include the pursuit of financial wealth with others, to create a balanced pursuit of general life wealth.

ECONOMIC HEALTH AND WEALTH

It is at least ironic, if not downright sad, that we humans must be first convinced of the impact of health, a direct measure of well-being, on wealth, an indirect measure of well-being, before we will take health seriously. We have become slaves of wealth and must translate every issue, even our own health and that of our planet, into currency as a way of measuring its importance. As most activists have learned, this reality is workable. This understanding has led to a mad rush to define and measure various quality of life variables in a way that can easily be understood in terms of wealth.

Extending the definition of wealth is not just a matter of semantics. Rather than looking for a correlation between financial statements and other variables, the redefinition of wealth, permits these other variables to be considered important in their own right. Using this broad definition, individual wealth involves matters financial, social, physical, mental and spiritual. Organizational wealth includes issues the financial as well as the social, natural, ethical and political. Societal wealth, redefined, would include, along with the financial, the political, social, natural, and heritability.

To use the words of The Godfather and Paul Rubin, the "cooperative transaction" we have been offered is a "deal we cannot refuse." We have been given the offer to turn our entire existence, all the way down to our personal wellbeing, over to economic transactions and to feel secure in these, because it is always the case that the transactions are on equal footing and we are getting what we deserve.

THE CREATION OF INDIVIDUAL WEALTH

Lester Thurow (1999) maintains that private wealth is not obtained by saving or even investing, but rather through entrepreneurial ventures into growing technologies. This, of course,

means that the old adage, it takes money to make money, is even truer than ever, if the money must come from the entrepreneur. However, if the entrepreneur is able to assemble enough capitalists, she might just be able to leverage her way into real financial wealth. Could it be that we are seeing the return of the old-fashioned capitalists, people who do not work, but simply let their money work for them? This certainly appears to be the case. Capitalists have a choice to either play entrepreneur themselves or to finance another person's venture.

There is alas, more to individual wellbeing than financial wealth. Poverty or wealth can exist in the social realm also. The specialization of careers caused by both the industrial and informational revolutions has made it less likely those living in the same cove of a subdivision will share an occupation, and consequently, virtually anything else. To the detriment of our social lives, we live in organizational societies (Prethuis, 1958). In the postmodern world, society is so dominated by organizations, that the satisfaction of individual social needs is often subordinated or even replaced by financial and material gratification. In organization-rich societies individuals are more apt to be required to focus on production and consumption than on socialization.

Reflecting for a moment on Maslow's (1943) needs hierarchy, social needs are more basic than production or consumption if production and consumption are merely matters of self-esteem or self-actualization. If production and consumption are matters of survival, which they essentially have become in a society dominated by organizations, then social needs may not even be invoked, since most of the individual's time and energy is devoted to the more basic, survival, production and consumption needs, having something to sell in the marketplace, in other words – to keep those transactions cooperative.

Forget self-actualization, Rubin seems to be suggesting, and think only of survival and security in the marketplace where "cooperation" trumps "competition."

CONCLUSION

In closing, it seems silly to imagine that when individuals or organizations interact in the marketplace, they are doing so on an equal basis, due to differences in power that result from differences in wealth - which if looked at long enough, sort of morphs into health- and social connections. So, perhaps the fear of markets (empirophobia) is less of a phobia and more of a justified reaction to the sometimes harsh realities of the marketplace.

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AN OVERVIEW OF IFRS IMPLEMENTATION IN INDIA

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ABSTRACT

Since May 2008 when the Ministry of Corporate Affairs (MCA), Government of India (GoI) confirmed the convergence of International Financial Reporting Standards (IFRS) adoption agenda for India, The Institute of Chartered Accountants of India (ICAI) has updated all the Indian Accounting Standards to ensure compliance with IFRS. Indian firms have been adopting IFRS in publishing their financial accounts. In this paper we examine the progress made in implementing IFRS and the issues faced by corporate accounting bodies in implementing IFRSs in their firms. Based on literature review of research on IFRS implementation issues in Europe, Australia and New Zealand and China, the most common challenges are: qualified accounting professional, cost of convergence or implementation and information system infrastructure. However, we observed that the perceived benefits such as quality and comparability of financial reporting, improved image of companies and reduced cost of capital may drive the implementation. Our goal is to find whether capital markets in India will exhibit similar challenges and benefits.

INTRODUCTION

India is one of the 156 countries that have made public commitment to adopt IFRS. The process involved in adopting IFRS differs from country to country. The Government of India is the authority to mandate Indian companies to implement accounting standards in India. The standards themselves are developed by ICAI within the framework of companies act and ICAI recommends the standards to GOI. Once ratified in the parliament, the GOI issues notifications to companies to adopt the standards. In this paper, we study the challenges faced by all stakeholders related to adopting IFRS in India and its current status. We explain the challenges faced in the process of adoption of IFRS in India. The major challenge faced by ICAI was the then prevailing companies act, 1956. Although the act has been amended several times since its inception, it required significant changes to converge the existing Indian Accounting Standards to the IFRS. Therefore, the companies Act, 2013 came into being to resolve issues related to defining corporations, corporate governance and financial reporting instruments to allow ICAI to develop 'Ind AS'. Despite the fact that the GOI agreed in 2006 to adopt/converge Indian standards to IFRS, the implementation was delayed. In February, 2015, the MCA notified that the Indian companies will adopt the 'Ind AS' on a voluntary basis in April 1, 2015 (i.e., financial year 2016) and will be mandatory in 2016 for publically traded companies. The SMEs, Insurance, banking and non-banking financial companies will be excluded from adopting IFRS or 'Ind AS'.

One of the major challenges was that the Indian GAAP (IAS) could not be changed since the companies act would not permit the desired changes to converge to IFRS. So, the first step in the process was to amend the existing Companies Act of 1956. The Companies Act of 2013 was

enacted to consolidate and amend the law related to companies. Another challenge faced was to sync the existing IAS with IFRS and attempt to converge them. For example, since India controlled its capital markets, it had allowed research and development (R&D) expenditures to be capitalized. Whereas, IFRS required that the R&D expenditures were treated as normal expenditure and written off at the end of the year it was incurred. Income fluctuation problem which was observed in European companies that adopted IFRS in 2005 would be observed in the Indian context as well.

LITERATURE REVIEW

Several academic research had examined the challenges and the impact of changes to IFRS from the country-wise GAAP. Australia, New Zealand and the European Union decided to adopt IFRS as early as 2005. Larson and Street (2004) concluded complexity of IFRS is a significant barrier to convergence. Jermakowicz and Gornik-Tomaszewski (2006) studied European companies that implemented IFRS and found that implementing IFRS was difficult since IFRS itself was complex and the guidelines for implementation were not easy to interpret. According to Hoogendoorn (2006), a principles-based interpretation of IFRS may not be the same as a rules-based interpretation. However, Hoogendoorn is of opinion that IFRS should be more principles-based and less complex. Jeanjean and Stolowy (2008) studied three countries' experience on the impact of IFRS implementation on earnings management. They observed that in the UK and Australia, the implementation of IFRS did not increase earning management whereas in France, the earnings management effort went up. Contrary to Jeanjean and Stolowy (2008), Zéghal, Chtourou, Sellami (2011) examined the earnings management level of 353 French companies during 2003-2006 (i.e., pre & post IFRS implementation periods) and found that after the Mandatory adoption of IAS/IFRS companies with good corporate governance and those that depend on foreign financial markets exhibited decreased level of earnings management. Kishali and Sharma (2011) examined IFRS implementation in Turkey with respect to use of ERP systems for publicly traded companies. Lack of educational background for accounting professionals to understand and apply IFRS using ERP systems was a major concern in Turkey.

Balsari and Varan (2014) studied research on IFRS implementation in Turkey and found that the impact of IFRS implementation on capital market was positive while they observed that there is further IFRS training and better oversight of implementation. Grabinski, Kedzior and Krasodomska (2014) examined challenges and benefits related IFRS convergence and implementation in Poland. They highlighted the benefits including the low cost of capital, and the higher quality and comparability of financial reporting. They further documented several other benefits such as stimulation of capital inflow to publicly traded companies, reduced accounting risk and improved company image. Morris, Grey, Pickering and Aisbitt (2014) found that according to the perception of 305 Australian accounting professionals the prevailing issues were difficulties with non-accounting professionals and low level of the benefits of IFRS. Kishali, Sharma and Mitchell (2015) examined implementation of IFRS for SMEs in Turkey from the perspective of accounting professionals. The used survey research and found that most accountants felt that the educational level and professional experience had significant impact on their preparedness to implement IFRS. The Institute of Chartered Accountants in England and Wales

(ICAEW) based on more than 200 research, in April 2015, revealed that the benefits of mandatory IFRS adoption in the EU had been positive in terms of cross-border capital flows, the cost of capital, corporate investment efficiency, market liquidity and finally financial reporting transparency and comparability. However, there were a few studies which had observed that the benefits were not proportionate to the costs incurred.

Miao (2016) documented that the Ministry of Finance, China decided not to implement IFRS but to work towards convergence to reduce the differences between the Chinese GAAP and IFRS. Despite increase in foreign direct investment (FDI) into China and increased Chinese investment in foreign companies would benefit from convergence, contextual factors such as low availability of qualified accounting professionals will hinder speedy convergence to IFRS. Bahadir, Demir and Oncel (2016) analyzed the benefits and challenges including level of understanding and prior experience with IFRS. They found that the experience of Turkey companies were positive in terms of transparency of financial reporting, comparability and quality of accounting data. However, they documented that the companies faced challenges in terms of understanding IFRS implementation guidelines and application of fair value concepts. Frost and Salerno (2016) found that the major objectives such as the protection of investors, the ability of companies to compete on an equal footing for financial resource and eventually, the efficiency of the European capital markets were achieved. Edeigba and Amenkhienan (2017) found that implementation of IFRS resulted in reduced fraud for Tier 1 firms (over NZ\$ 30 million annual expenses or has public accountability). For Tier 2 firms (either under NZ\$ 30 million annual expenses or has no public accountability), the possibility of fraud increased. Tier 3 and 4 were not included in their study since these are classified as SMEs and the IFRS is not yet implemented for SMEs in New Zealand.

Initially, the GOI planned to implement the IFRS in 2011 (Goel, 2013). Patro and Gupta (2012) studied integration of IFRS into accounting curriculum and found that successful completion of IFRS incorporated accounting courses would only occur when the country had trained professionals and instructors. Miller and Becker (2010) made similar arguments in their article on this issue of reluctance of the faculty to incorporate IFRS in their accounting curriculum. Goel (2013) examined the differences between then existing Indian Accounting Standards (IAS) and IFRS. He examined for differences across major areas including presentation and disclosures of financial statements, cash flow statements, revenue recognition, fixed assets and depreciation and inventory accounting. Gupta, Akhter and Chaklader (2015) studied the perception of accounting professionals and found that most were optimistic about the benefits of IFRS implementation in India. They also observed that the associated costs for implementation, the lack of trained professionals and the lack of information technology infrastructure would be some of the limitations in the implementation.

RESEARCH METHODOLOGY

Most public limited companies should have adopted IFRS by April 1, 2016 for all their financial reporting. We examined a few firms' annual report to see if they had adopted IFRS or not. As we observed that most had not only adopted IFRS but also mentioned when they restated

earlier year data as per IFRS. These were found under various notes in the annual reports. So, we intend to select around 100 public limited firms and collect their annual reports. We will identify the accounting professional responsible for financial reporting and will request them to participate in our study. The proposal at present is to develop a questionnaire addressing issues similar to those faced by European companies. The questionnaire will be field tested before sending it to accounting professionals in India. The data collected will be analyzed to assess the impact of implementing IFRS in India from several perspective including but not limited to implementation issues, cost, quality of financial data, issues related to earning management and cost of capital. Statistical Analysis System (SAS) will be used to analyze the data collected.

RESEARCH FINDINGS

Based on our literature review, we anticipate that the implementation of IFRS in India will have similar issues and impacts observed by early adopting countries in European Union, Australia New Zealand and China. We will share our finding in the conference as well as in the full version of this paper.

CONCLUSION

India attempted to start implementation as early as 2011 but due to delays in additional changes to be brought about in Companies Act which governs the companies in India. Finally, the Companies Act, 2013 was enacted which allowed ICAI to convert Indian Accounting Standards ('Ind AS') to IFRS. So, the time frame was changed to allow publicly listed Indian companies to adopt 'Ind AS' voluntarily from April 1, 2015 and mandated to adopt from April 1, 2016. We examined research studies on IFRS implementation issues in various countries including Australia, New Zealand, European Union, China and India. We found that despite difficulties encountered in implementing IFRS or convergence to IFRS, there were positive impacts in terms of quality and comparability of financial accounting and reporting, improvement in corporate image and reduced cost of capital and better earnings management. We anticipate that our study will reveal similar challenges and benefits (e.g., implementation issues, cost, quality of financial data, issues related to earning management and cost of capital).

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TRENDS IN FREQUENCY AND SEVERITY OF FLORIDA HOSPITAL MEDICAL MALPRACTICE CLAIMS

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ABSTRACT

This study examines the relative quality of healthcare services delivery by acute care hospitals within the state of Florida, utilizing data from the Florida Department of Insurance's closed medical malpractice claim database. Closed medical malpractice claims were used as the primary performance metric. We focus on 15 large cities in Florida with the highest number of malpractice claims from 2006 to 2016 to show both the cross-sectional and longitudinal trends of the claim records. The analysis revealed that from 2006 to 2011 the number of malpractice claims per year fluctuated from +13.8% to -18.3%, with the highest number of claims (1,314) occurring in 2007. However, from 2011 to 2016, there was a consistent yearly downward trend. If the number of (a) malpractice claims, (b) death claims from malpractice, and (c) claim ratios can be used to represent healthcare quality, it can be suggested that healthcare quality in the state of Florida has significantly improved over the ten years from 2006 through 2016.

INTRODUCTION

Though the issues of patient safety and medical malpractice have been extensively studied, the use of such studies to inform healthcare organizational management has received much less attention. . This study undertakes an examination of closed medical malpractice claims from the state of Florida for the years 2006-2016 (inclusive) in order to establish benchmarks and examine potential trends.

Generalizing from marketing and services marketing literature, as well as healthcare administration literature, suggests that reduction of medical malpractice claims may be expected to result in a lessening of the human and financial costs to patients and providers that result from disputes concluded through a third-party complaint resolution processes, and in particular, the filing and prosecution of medical malpractice claims.

Marketing literature suggests a primary cause of medical malpractice claims is disconfirmation of patient expectations and dissatisfaction with service quality. The intangible nature of service provider interactions with customers makes it difficult to measure the factors comprising the service operation. Smith and Houston (1983) state, "...satisfaction with services is related to confirmation or disconfirmation of expectations", ...often referred to in services marketing literature as negative disconfirmation of expectations (Szymanski 2001). Virshup and Oppenberg opine that "Many malpractice suits are brought not because of malpractice nor even because of complaints about the quality of medical care but as an expression of anger about some aspect of patient-doctor relationships and communications" (Virshup, Oppenberg, & Coleman, 1999).

Providing quantitative measures, and quantitative peer-based data-driven comparative benchmarks is a principal and accepted tool in the study of healthcare outcomes and performance.

Such measures and benchmarks provide constructive information to healthcare managers in their efforts to realize organizational objectives.

Over the past two decades there has been a major focus on the quality and cost of healthcare in the United States. According to Hartman (Hartman, et al, 2018), the United States spends about 18% of its gross domestic product (GDP) on healthcare, which represents approximately \$3.3 trillion annually. A significant concern is that such high healthcare expenditures could cause negative impacts on the overall U.S. economy.

The Harvard Medical Practice Study declared that more than one million preventable medical errors occur in hospitals throughout the United States each year resulting in 180,000 preventable deaths (Brennan, Hebert, & al, 1991; Lucian L Leape & Brennan, 1991). The Institute of Medicine (Institute of Medicine, 1999) in its publication “To Err is Human: Building a Safer Health System”, estimated the annual number of preventable deaths between 44,000 and 98,000. James (James, 2013) concluded both the Harvard and the IOM studies above underestimated the number of premature deaths associated with preventable harm to patients, and determined it at more than 400,000 per year, with serious harm 10- to 20-fold more common than lethal harm. .

In response to the troubling number of medical errors, many hospitals have undertaken initiatives targeted toward patient safety (Barry & Smith, 2005). According to Stock (Stock, McFadden, & Gowen, 2007) hospitals have implemented quality programs that have led to a reduction in the frequency and severity of medical errors. Hospitals have implemented a set of Patient Safety Indicators (PSI) developed by the Agency for Healthcare Research and Quality (AHRQ); Gray et al (Gray, et al 2016) states their study “demonstrated a clear association between clinically validated PSIs and patient outcomes.

Errors in medical practice often bring about medical malpractice claims. Medical malpractice has an adverse impact on the healthcare delivery system, increasing healthcare delivery cost and forcing some practitioners into bankruptcy; a consequence is a reduction in access to healthcare services (Young, 2005).

Young and Williams (Young & Williams, 2010) analyzed hospital susceptibility as it relates to the skill set of human resources (physicians and nurses) and the hospital propensity to medical malpractice claims. Their focus was on 118 acute-care hospitals in the state of Florida. Young's (Young, 2005) results show that the skill sets of hospital human capital had a significant impact on the number of malpractice claims. Hospitals with a larger number of employed physicians tend to have a lower number of medical malpractice claims than do hospitals with a larger number of resident physicians. Further, hospitals with a higher number of registered nurses had a lower number of claims than do hospitals with a larger number of licensed practical nurses.

As a malfunction of the hospital health services delivery process, malpractice does not contribute to the organization's efforts to meet its goals (Mello & Gallagher, 2010). The negative aspects of medical malpractice detract from the ability of hospitals to optimize the access, quality, and cost of healthcare. Malpractice is an indication of ineffectiveness and viewed from this perspective hospital malpractice claims are one metric that may be used to evaluate this negative organizational performance.

This study focused on the assessment of healthcare quality over the decade 2006-2016. The objective was to determine if healthcare quality had improved based on a readily available quantitative peer-based metric, exempli gratia the number of medical malpractice claims in Florida acute care hospitals. Hospitals should be able to explore relationships between their performance as developed by this study and other internally and externally developed performance measures

(Bell, Delbanco, Anderson-Shaw, McDonald, & Gallagher, 2011); such studies will inform management's strategic planning, goal setting, and resource allocation decisions.

METHODOLOGY

In this study, the data set from the Florida Department of Insurance's Medical Professional Liability Closed Claims was used. The sample consisted of general, non-federally owned, acute care hospitals in the state of Florida. The original data set contained 107,413 records. We focus on identifying the trend of medical malpractice claims from 2006 to 2016, which reduce the sample size to 39,049 observations. We reach 21,692 unique medical malpractice claims after removing duplicate observations (each medical malpractice claim was counted once).

In our dataset, the malpractice claims are categorized by cities in Florida. We observe in total 313 cities who have at least one malpractice claim from 2006 to 2016. We are interested in the trend of both the total malpractice claims and the malpractice claims per city. To make the results comparable with each other, we focus on the top 15 cities that have in total 9900 malpractice claims to present our findings.

The use of administrative data has proven to be revealing in previous studies and is accepted practice in healthcare research. Administrative data has the notable advantages of lower cost, easier acquisition, large data sets, and in this instance where statutorily mandated data is reported, consistency of reported information and has been the subject of significant development for use in the study of healthcare and adverse events.

DATA ANALYSIS

Cross-sectional Analysis

The results indicate that, 18.16% of the medical claims occurred in Miami (Rank #1) and 14.23% of the medical claims occurred in Tampa (Rank #2) and so on. The results indicate that 28.98% of all medical claims were due to wrongful deaths; the next largest medical claims is temporary minor which represent 18.34% of the claims and so forth. Of all the cities, Miami contained the most wrongful death claims at around 18.8%. Wrongful death claims represented about 30% of the all claims occurring in Miami. Compared to Tampa, who has the 2nd highest medical claims, Miami had about 22.7% more wrongful death claims than Tampa. On the other hand, West Palm Beach (Rank #14) and Tallahassee (Rank #15) both had approximate three percent of the claims and less than one percent of the wrongful death claims.

Longitudinal Analysis

The results indicate that in 2006, there were 1155 medical malpractice claims filed. That number fluctuated from +13.8% to -18.3%, through 2011 with the highest claims of 1314 occurring in 2007. From 2011 to 2016, the total number of medical malpractice claims per year significantly decreased. Miami (Rank #1) consistently had the highest number of claims from 2006 to 2014. In 2015 and 2016, the number of malpractice claims in Tampa (Rank #2) exceeded that in Miami.

Figure 1 shows the year-to-year change in the total number of medical malpractice claims. From Figure 1, we can see the trend of medical malpractice claims over time. Although from 2006 to 2011, the number of claims varied, we still can observe a clear overall declining trend. There was a significant decrease of the malpractice claims in the most recent three years, e.g. from 2014 to 2016.

We find that the performance of cities was not consistent over time. For example, from 2006 to 2007, Miami (Rank #1) has the highest increase of malpractice claims, an increase of 72%; and Plantation (Rank #11) has the highest malpractice claims reduction of 40%. From 2007 to 2008, Gainesville (Rank #12) had the worst performance, an increase of 71% in claims; and West Palm Beach (Rank #14) had the best improvement of a 42% decrease in claims. Starting from 2014, all cities observed a decrease in number of claims filed, yet the most improved cities are not consistent over time. From 2013 to 2014, Coral Gables (Rank #8) has the largest decline of claims at 67%; from 2014 to 2015, Tallahassee (Rank #15) has the largest decline of claims at 81%; and from 2015 to 2016, Ocala (Rank #13) has a claim reduction of 100%.

The highest total number of 375 death claims were filed in year 2007. Starting from 2009, the total number of death claims continuously declined. Before 2013, none of the cities achieved zero wrongful death claims filed. From 2014 to 2016, we observe 1, 2, and 9 cities with zero death claims respectively. Miami had the highest number of death claims for most of the years, except for in 2006, 2011, and 2013 when it was surpassed by Tampa (Rank #2) and in 2015 when it was outpaced by both Tampa (Rank #2) and Jacksonville (Rank #3).

LIMITATIONS

This study has several limitations. Hospital characteristics other than those used in this study may have affected outcomes performance but were not evaluated in this study. Given the limitations of existing risk-adjustment techniques and data sources, hospital outcomes measures represent an approximation for comparing hospital quality. The limitation of generalizability is certainly present in this study, as it is composed only of Florida general acute care hospitals. Further study is needed to see if the study's methodology and findings may apply to hospitals in other states, and types of hospitals other than the one encompassed by this study. Medical malpractice closed-claims data provides a limited view of patient experiences with errors, adverse outcomes, and patient safety. Administrative data may well be used for preliminary quality control and evaluation, but until administrative information systems develop further in capturing significant factors responsible for performance variations, no definitive conclusions should be drawn.

DISCUSSION AND CONCLUSIONS

This study makes several contributions to the literature, and to the knowledge base of healthcare administration and management scholars. The study's results corroborated the belief that there was heterogeneity between the malpractice claims performance of the subject healthcare cities. The study established a scientifically-based methodology for the measurement and benchmarking of Florida healthcare districts' malpractice claims performance and utilizing both cross-sectional and longitudinal analysis to shed light on variations between city-to-city performance on relative healthcare quality. Further research is needed to better explain the characteristics of these variations. The study results do give a plausible explanation for the underlying resource-based view assumption that Florida hospitals and healthcare cities possess distinctive characteristics and capabilities and that further studies of the relationship between hospital characteristics and outcomes is warranted.

This research sought to assess the quality of the healthcare delivery systems within the state of Florida using data from the Florida Department of Insurance's closed medical malpractice claim files. Medical malpractice claims were used as the primary performance metric and we focus on

the top 15 cities with the highest number of claims to show the trend of malpractice claims by city over time. The data analysis showed that from 2006 to 2011, the number of malpractice claims oscillated with the highest claims of 1314 happened in 2007. From 2011 to 2016, there was a remarkable downward trend. If the number of (a) malpractice claims, (b) deaths from malpractice, and (c) claims ratios can be used to represent healthcare quality, it can be concluded that healthcare quality in the state of Florida slightly fluctuated from 2006 to 2011 and has significantly improved since 2012.

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