



International Conference Proceedings

April 24 – April 26, 2019

Editor

Martin Bressler, Southeastern Oklahoma State University

Co-Editor

Jeff Mankin, Lipscomb University

Copyright 2019 by Institute for Global Business Research, Nashville, TN, USA

Table of Contents

Table of Contents

ACADEMIC R&D ACROSS THE STATES: EFFICIENCY AND ITS DETERMINANTS ...	15
Murat Arik, Middle Tennessee State University	15
Hulya Arik, Middle Tennessee State University	15
Bronwyn Graves, Middle Tennessee State University	15
ARE MARKET CORRECTIONS REFLECTED IN INVESTORS' EXPECTATIONS? EMPIRICAL EVIDENCE FROM THE FINANCIAL SECTOR	20
Victor Bahhouth, The University of North Carolina- Pembroke.....	20
IS MARKET VOLATILITY RANDOM	21
G.B.P Bootheway, St. Bonaventure University	21
Sydney Cassagnol, St. Bonaventure University	21
FRAUDS, EMBEZZLERS, THIEVES, AND OTHER BAD ACTORS: HOW CRIMINALS STEAL YOUR PROFITS AND STEAL YOUR BUSINESS	23
Martin S. Bressler, Southeastern Oklahoma State University	23
Linda Bressler, Southeastern Oklahoma State University	23
INVESTIGATING THE FINANCIAL STAKE IMPLICATION IMPLICIT IN SOX 201 RESTRICTION OF NONAUDIT SERVICES	24
Kevin L. Ennis, Mississippi State University-Meridian	24
Shawn Mauldin, Mississippi State University	24
UNBANKED IN THE UNITED STATES: DETERMINING FACTORS FOR PARTICIPATION IN MAINSTREAM BANKING.....	25
Rebecca Gonzalez-Ehnes, University of North Carolina at Pembroke	25
EFFECTS ON STOCK PRICES FOLLOWING THE BP OIL SPILL: A MARKET EFFICIENCY TEST	30
Maitlyn M. Guthrie, Longwood University	30
Frank W. Bacon, Longwood University	30
ANALYSIS OF TURKISH INDIVIDUAL TAXPAYERS' PERCEPTIONS BASED ON DEMOGRAPHIC CHARACTERISTICS FOR GOVERNMENTAL TAX PLANNING DECISIONS	35
Yunus Kishali, Beykent University	35
Hari Sharma, Virginia State University	35
J Rajendran Pandian, Virginia State University	35
Ferdi Asim Hellac, Hellac Accounting	35

RETURN ANALYSIS OF U.S. REIT VS. NON-REIT FIRMS IN THE HOSPITALITY INDUSTRY	37
James Stotler, North Carolina Central University	37
INVESTORS' RISK PERCEPTION OF AUTOMOBILE ABS AFTER IMPLEMENTATION OF MAJOR ACCOUNTING DISCLOSURE REQUIREMENTS	41
Arthur L. Wharton, III, Virginia State University	41
Hari Sharma, Virginia State University	41
Sonthe Nguyen, Caliber Home Loans, Irving TX	41
WORKFORCE TURNOVER AND ABSENTEEISM IN THE MANUFACTURING SECTOR	47
Kristie A. Abston, Middle Tennessee State University	47
Murat Arik, Middle Tennessee State University	47
Bronwyn G. Graves, Middle Tennessee State University	47
GLOBAL COMPETITIVENESS IN SUB-SAHARAN AFRICA: A THREE-COUNTRY COMPARISON	48
Victor Bahhouth, University of North Carolina at Pembroke	48
Edwin Mensah, University of North Carolina at Pembroke	48
PROPOSING BANKRUPTCY PREDICTION MODEL FOR HIGHER EDUCATION INSTITUTIONS: LOGISTICS REGRESSION USING DATA REDUCTION .	49
Glenda Evans, Hampton University	49
Sharad K. Maheshwari, Hampton University	49
HOW ONTOLOGIES CLOSELY REPLICATE THE HUMAN MIND IN ORGANIZING, STORING AND RETRIEVING INFORMATION.	54
Mahesh Gopinath, Old Dominion University	54
Vipin Menon, McNeese State University	54
ADOPTION OF VIRTUAL REALITY IN LEARNING AMONG HBCU STUDENTS	56
Obyung Kwun, Southern University at New Orleans	56
Ghasem S. Alijani, Southern University at New Orleans	56
Mohammed A. Khaleel, Southern University at New Orleans	56
FEATURES IN BOOKING ENGINE INTERFACES THAT MOTIVATE CUSTOMERS TO USE ONLINE COMPUTER-BASED RESERVATIONS SYSTEMS	57
Ewuuk Lomo-David, North Carolina A&T State University	57
ORGANIZATIONAL SIZE AND ITS EFFECTS ON CULTURE, GREEN MOVEMENT, QUALITY MANAGEMENT, AND ORGANIZATIONAL SUCCESS	63
Lillian Y. Fok, Western Washington University	63
Susan M. L. Zee, Southeastern Louisiana University	63
Yun-Chen Morgan, Southeastern Louisiana University	63

JOB READINESS SURVEY: HOW PREPARED ARE OUR STUDENTS FOR THE JOB SEARCH?	67
Sandra Bevill, Arkansas State University	67
Karen McDaniel, Arkansas State University	67
H. Steve Leslie, Arkansas State University	67
DESIGNING THE ONLINE UNDERGRADUATE INTRODUCTION TO BUSINESS LAW COURSE: USING A SYSTEMS APPROACH	68
Julie A. Case, St. Bonaventure University	68
Carl J. Case, St. Bonaventure University	68
AN EXPLORATORY STUDY OF INTRODUCTION TO BUSINESS LAW ONLINE: UNDERGRADUATE PERCEPTIONS AND GENDER	69
Carl J. Case, St. Bonaventure University	69
Julie A. Case, St. Bonaventure University	69
INDEPENDENT INNOVATION OF COLD-ROLLED STEEL STRIP OF GREEN COMPANY	70
Hongtao Guo, Salem State University, Massachusetts	70
Jinying Liu, Henen University, China	70
THE IDENTIFICATION OF STAKEHOLDERS IN HOLIDAY FILMS: AN ILLUSTRATIVE, PEDAGOGICAL ANALYSIS	75
Jeff Heinfeldt, Randolph College	75
AUDITING ISSUES AT OBSCENE BRAND JEANS: A DEVELOPMENT STAGE CORPORATION	76
Jeffrey Hemker, Southern Illinois University Edwardsville	76
Brad Reed, Southern Illinois University Edwardsville	76
A SMALL BUSINESS STARTUP MODEL FOR THE UNIVERSITY OF NEW ORLEANS STUDENT VETERANS	77
Kenneth J. Lacho, The University of New Orleans	77
FINANCIAL AID FRAUD IN A NONPROFIT UNIVERSITY: WHERE WERE THE INTERNAL CONTROLS?	81
James Rasalam, Valdosta State University	81
Raymond J Elson, Valdosta State University	81
Casey J Colson, Valdosta State University	81

USING SUSTAINABILITY METRICS TO INTRODUCE OTHER ASSURANCE SERVICES IN AN AUDITING COURSE	82
Aamer Sheikh, Quinnipiac University	82
Michael Kraten, Houston Baptist University	82
Kenneth N. Ryack, Quinnipiac University	82
Kathleen A. Simione, Quinnipiac University	82
ONLINE VS. ON-GROUND: A COMPARATIVE ANALYSIS OF DELIVERY MODE EFFECTIVENESS ON STUDENT LEARNING OUTCOMES IN A PRINCIPLES OF ECONOMICS COURSE	83
Susanne L. Toney, Savannah State University	83
Kristena P. Gaylor, Mississippi College	83
PREPARING COLLEGE STUDENTS TO BECOME SOCIAL ENTREPRENEURS THROUGH A SOCIALLY CREATED MISSION WITH AN IMPACT	84
Issam A. Ghazzawi, University of La Verne	84
Byungku Lee, University of La Verne	84
Christine Jaganathan, University of La Verne	84
ASSESSMENT OF KNOWLEDGE AMONG COLLEGE STUDENTS REGARDING FAMILY-OWNED BUSINESSES: A REVISIT	87
Tammy Johnston, University of Louisiana at Monroe	87
Veronika Humphries, University of Louisiana at Monroe	87
IMMIGRANT ENTREPRENEURS: CHALLENGES AND ACHIEVEMENTS USING BOOTSTRAPPING METHODS	88
Robert J. Lahm, Jr., Western Carolina University	88
C. Scott Rader, Western Carolina University	88
JOB CHARACTERISTICS, PERSONALITY AND JOB ATTITUDES AS PREDICTORS OF ETHICAL BEHAVIOR.....	95
Stephen C. Betts, William Paterson University	95
SOCIAL MEDIA USE IN AN OB/GYN PRACTICE.....	100
Jerome Christia, Coastal Carolina University	100
Tracy Dunn, Benedict College.....	100

RESEARCH OF POTENTIAL OF RESOURCES IN THE REGION OF EASTERN GEORGIA FOR THE FORMATION OF THE WINE INDUSTRY BASIS	101
Mariam Datashvili, Georgian Technological University	101
Vakhtang Chachkhiani, Tbilisi State University	101
Shorena Birkadze, Magasine: Editor	101
IS DOOR-TO-DOOR SELLING NOT A THING OF THE PAST?: JUST ASK THE AMISH.....	105
Susan D. Geringer, California State University, Fresno	105
Andreas Stratemeyer, California State University, Fresno	105
SOCIAL CONTAGIOUS OF CUSTOMER-COMPANY IDENTIFICATION ON SATISFACTION: MODERATING EFFECT OF CULTURE AND SOCIAL TIES	106
Saeed Sal, Old Dominion University	106
Mahesh Gopinath, Old Dominion University	106
TRENDS AND TECHNOLOGY IN E-PAYMENT.....	114
Alexander N Chen, University of Central Arkansas.....	114
Steven M. Zeltmann, University of Central Arkansas.....	114
Ken Griffin, University of Central Arkansas.....	114
Michael Rubach, University of Central Arkansas	114
Hsin-Ke Lu, University of Central Arkansas.....	114
Michael E. Ellis, University of Central Arkansas.....	114
SURVIVOR SYNDROME IN PUBLIC HIGHER EDUCATION: THE NEGATIVE AND POSITIVE IMPACTS OF LAYOFFS AND DOWNSIZING AMONG SURVIVORS..	117
Robert D. Hatfield, Western Kentucky University	117
AL STUDY OF ORGANIZATION BELIEFS: DISTINGUISHING DIFFERENCES BETWEEN EXECUTIVE MBA STUDENTS AND UNDERGRADUATE BUSINESS STUDENTS	120
Jerry W. Koehler, University of South Florida.....	120
Thomas W. Philippe, St. Petersburg College.....	120
ADDRESSING GLOBAL WATER SUPPLY PROBLEMS: AN INTEGRATED MODEL FOR LARGE SCALE SOCIAL ENTREPRENEURSHIP.....	121
Robert Laud, William Paterson University.....	121
Andrey Kretinin, William Paterson University	121
Stephen C. Betts, William Paterson University	121

RETAIL CUSTOMER SENTIMENT ANALYSIS: CUSTOMERS' REVIEWS OF TOP TEN U.S. RETAILERS PERFORMANCE.....	126
Juyoung Lim, Tennessee Tech University.....	126
Min Park, Tennessee Tech University.....	126
Selin Anitsal, University of Tennessee, Knoxville.....	126
M. Meral Anitsal, Tennessee Tech University.....	126
Ismet Anitsal, Tennessee Tech University.....	126
GOING GREEN: CARVING A NICHE IN AN EMERGENT MARKET	127
Ahmed Maamoun, University of Minnesota Duluth	127
MAXIMIZER'S IMPACT ON NEGOTIATIONS	128
Cindi Baldi, Southeastern Louisiana University.....	128
Yun-Chen Morgan, Southeastern Louisiana University.....	128
Carl Phillips, Southeastern Louisiana University	128
REVENUE AND ITS IMPACT ON GREEN INITIATIVES, QUALITY MANAGEMENT, AND ORGANIZATIONAL PERFORMANCE.....	129
Yun-Chen Morgan, Southeastern Louisiana University.....	129
Lillian Y. Fok, Western Washington University	129
Susan M. L. Zee, Southeastern Louisiana University.....	129
SWITCHING BARRIERS TO INCREASE MANUFACTURER COMMITMENT AND DEPENDENCE.....	134
Michael W. Pass, Sam Houston State University	134
AN EXPLORATORY LOOK AT ENTRY TIMING AND PERFORMANCE: FIRST MOVERS, EARLY ENTRANTS, & LATER ENTRANTS.....	135
Larry Pleshko, Kuwait University	135
PROMOTION THROUGH THE SOCIAL MEDIA AND ITS UNINTENDED CONSEQUENCES	136
Segar Reddy, Oxford Brooks University	136
J Rajendran Pandian, Virginia State University	136
A CRITICAL ANALYSIS OF ORGANIZATIONAL APOLOGIES IN THE AGE OF SOCIAL MEDIA	143
Kathryn Woods, Austin Peay State University.....	143
RELATING SERVICE MARKETING CONCEPTS TO MEDICAL MALPRACTICE CLAIMS	144
Carlton Young, Mississippi State University – Meridian.....	144
Yingge Qu, Mississippi State University – Meridian	144

SPREADSHEETS AT 40: IS IT TIME FOR EARLY RETIREMENT?.....	145
Jeffrey A. Mankin, Lipscomb University	145
Jeffrey J. Jewell, Lipscomb University	145
Julio A. Rivas, Lipscomb University	145
TECHNOLOGY CERTIFICATION IN THE STRATEGIC SELLING COURSE: A PROJECT-BASED APPROACH.....	146
Michael Martin, Fort Hays State University	146
IMPACT OF STRATEGIC COST MANAGEMENT PRACTICES ON ORGANISATIONAL PERFORMANCE OF SELECTED MANUFACTURING FIRMS IN NIEGERIA	147
Adigbole Ezekiel. A., University of Ilorin, Ilorin, Kwara State. Nigeria	147
Arinola O. Adebayo, Virginia State University, Petersburg, VA	147
Olubunmi F. Osemene, University of Ilorin, Ilorin, Kwara State, Nigeria.....	147
SOCIAL MEDIA DATA PRIVACY – WHAT’S YOUR PRIVACY WORTH?	154
James Coleman, Columbus State University	154
John Finley, Columbus State University	154
STUDENT PAPERS.....	155
FORWARD AND REVERSE STOCK SPLITS: A TEST OF MARKET EFFICIENCY	156
Kate Spradlin, Longwood University	156
Frank Bacon, Longwood University	156
EFFECT ON AIRLINE STOCK PRICES AFTER MALAYSIA AIRLINES FLIGHT 370 WENT MISSING: A MARKET EFFICIENCY TEST	163
Darby S. Dettra, Longwood University	163
Frank W. Bacon, Longwood University	163
HURRICANE FLORENCE’S IMPACT ON PROPERTY AND CASUALTY INSURANCE STOCK PRICES	168
Megan M. Clay, Longwood University	168
Frank W. Bacon, Longwood University	168
THE 2011 FUKUSHIMA DAIICHI NUCLEAR MELTDOWN: A TEST OF MARKET EFFICIENCY.....	173
Amy Widdows, Longwood University	173
Frank Bacon, Longwood University	173

EMPLOYER BRANDING ON CAREER WEBSITES	178
Rebekah Lambert, Austin Peay State University	178
Kirsten Nicholson, Austin Peay State University	178
Katie Palmer, Austin Peay State University	178
Terry Damron, Austin Peay State University	178
HIGHER EDUCATION INSTITUTIONAL USE OF INSTAGRAM	184
Sarah Robinson, Austin Peay State University	184
Rachel Wheeler, Austin Peay State University	184
Terry Damron, Austin Peay State University	184
SERVANT LEADERSHIP: A STUDY OF AIR FORCE OFFICERS AND ENLISTED	189
Robert LaFontaine II, Regent University	189
HOFSTEDE & ACCOUNTING IN CHINA AND THE USA	195
Joshua Sanchez, University of Texas, Dallas	195
Mohamed Abouelazm, University of Texas, Dallas	195
Francisco Carrillo, University of Texas, Dallas	195
Thong Nguyen, University of Texas, Dallas	195
Mark Chang, University of Texas, Dallas	195
HOFSTEDE & ETHICS AMONG ACCOUNTANTS IN CHINA AND THE UNITED KINGDOM	198
Natasha Murty, University of Texas, Dallas	198
Rosemary Campbell, University of Texas, Dallas	198
Steven Nguyen, University of Texas, Dallas	198
Phu Nguyen, University of Texas, Dallas	198
Mark Chang, University of Texas, Dallas	198
HOFSTEDE IN CHINA & THE USA AMONG ACCOUNTANTS	201
Yi Lui, University of Texas, Dallas	201
Min Zou, University of Texas, Dallas	201
Xayra Balicante, University of Texas, Dallas	201
Sean Haas, University of Texas, Dallas	201
Mark Chang, University of Texas, Dallas	201
HOFSTEDE'S CULTURAL DIMENSIONS & ETHICS AMONG ACCOUNTANTS IN CHINA & THE USA	205
Mohammad Elashi, University of Texas, Dallas	205
Natalie Nguyen, University of Texas, Dallas	205
Sarah Kraman, University of Texas, Dallas	205
Chloe Chen, University of Texas, Dallas	205
Winona Deng, University of Texas, Dallas	205
S. Haas, University of Texas, Dallas	205

HOFSTEDE & ETHICS: FINANCIAL ACCOUNTANTS IN CHINA & THE USA.....	208
Andres Lau, University of Texas, Dallas.....	208
Teddy Ladd, University of Texas, Dallas	208
Harrison Herd, University of Texas, Dallas.....	208
Saimanoj Putlur, University of Texas, Dallas.....	208
Janel Maranca, University of Texas, Dallas	208
S. Haas, University of Texas, Dallas	208
HOFSTEDE AND ETHICS AMONG FINANCIAL PROFESSIONALS IN CHINA AND THE USA.....	213
John Laplatney, University of Texas, Dallas	213
Silbiya Rana Karki, University of Texas, Dallas.....	213
Edrianna Norment, University of Texas, Dallas	213
Jason Huber, University of Texas, Dallas.....	213
Awaz Weysi, University of Texas, Dallas	213
S. Haas, University of Texas, Dallas	213
ETHICS & HOFSTEDE AMONG FINANCIAL ACCOUNTANTS IN CHINA AND THE UK.....	216
Shilpa Kurup, University of Texas, Dallas	216
Emily Basile, University of Texas, Dallas.....	216
Eric Vo, University of Texas, Dallas	216
Sterling Forsythe, University of Texas, Dallas.....	216
Taryn Camille Talley, University of Texas, Dallas	216
S. Haas, University of Texas, Dallas	216
FINANCE & HOFSTEDE IN CANADA & THE UK.....	219
Herd Harrison, University of Texas, Dallas.....	219
Aditya Patel, University of Texas, Dallas.....	219
Diem-Thi Le, University of Texas, Dallas.....	219
Ardi Isufaj, University of Texas, Dallas	219
Lilly Nguyen, University of Texas, Dallas	219
HOFSTEDE & ETHICS IN CANADA & THE US AMONG ACCOUNTANTS.....	222
Veronica Vazquez, University of Texas, Dallas	222
Tara Tucker, University of Texas, Dallas	222
Mohammad Elshi, University of Texas, Dallas	222
Janette Soto, University of Texas, Dallas	222
Ratko Cvjetkovik, University of Texas, Dallas	222
Lilly Nguyen, University of Texas, Dallas	222

CHILE AND UKRAINE: A COMPARISON USING HOFSTEDE'S CULTURAL MODEL	224
Sean Haas, University of Texas, Dallas	224
Selina Weber, University of Texas, Dallas	224
Carlos Martinez, University of Texas, Dallas	224
David Abney, University of Texas, Dallas	224
Gloria Mendez, University of Texas, Dallas	224
Sandeep Mishra, University of Texas, Dallas	224
Lilly Nguyen, University of Texas, Dallas	224
HOFSTEDE IN CHILE, COSTA RICA URUGUAY & THE USA AMONG ACCOUNTANTS	227
Wei Xaio, University of Texas, Dallas	227
Estefani Maldonado, University of Texas, Dallas	227
Kenneth Sweeney, University of Texas, Dallas	227
Joshua Jesudass, University of Texas, Dallas	227
Lilly Nguyen, University of Texas, Dallas	227
HOFSTEDE & SUPPLY CHAIN: CHILE, USA, & UK.....	231
Moises Vilchis, University of Texas, Dallas	231
Noah Koo, University of Texas, Dallas	231
Aajza Kordi, University of Texas, Dallas	231
Karina Nunezs, University of Texas, Dallas	231
Mark Chang, University of Texas, Dallas	231
HOFSTEDE & ETHICS IN COLUMBIA & THE USA.....	234
Taryn Talley, University of Texas, Dallas	234
Mitchell Hunter, University of Texas, Dallas	234
Maanasa Pamganamamula , University of Texas, Dallas	234
Mitra Mohammadian, University of Texas, Dallas	234
Liza Flores, University of Texas, Dallas	234
Mark Chang, University of Texas, Dallas	234
HOFSTEDE & ETHICS IN COLUMBIA & UKRAINE	237
Veronica Storaci, University of Texas, Dallas.....	237
Lucas Bauer, University of Texas, Dallas	237
Victoria Zaragoza, University of Texas, Dallas.....	237
Mark Chang, University of Texas, Dallas	237

HOFSTEDE & ETHICS IN COLUMBIA AND THE UK	240
Dilip Kumar Seripalli, University of Texas, Dallas.....	240
Victoria Zaragoza, University of Texas, Dallas.....	240
Adeel Surahio, University of Texas, Dallas.....	240
Alyssa Rico, University of Texas, Dallas	240
Maria Velasco, University of Texas, Dallas	240
Mark Chang, University of Texas, Dallas	240
HOFSTEDE & ETHICS IN THE UAE, CHINA, AND COLUMBIA	243
Habeeb Ur Rahman Mohammed, University of Texas, Dallas	243
Sameer Ahmed, University of Texas, Dallas.....	243
Nebin Luke, University of Texas, Dallas.....	243
Veronica Storaci, University of Texas, Dallas.....	243
Mark Chang, University of Texas, Dallas	243
ETHICS & HOFSTEDE IN CHINA, THE USA, AND URUGUAY AMONG GLOBAL SUPPLY CHAIN MANAGERS.....	245
Sandeep Misra, University of Texas, Dallas.....	245
Josh Sanchez, University of Texas, Dallas	245
Samantha Duong, University of Texas, Dallas	245
Linh Diep, University of Texas, Dallas	245
Mark Chang, University of Texas, Dallas	245
ETHICS & HOFSTEDE IN CHINA AND THE USA.....	249
Reshma Maliakkal, University of Texas, Dallas	249
Qiaoling Lin, University of Texas, Dallas	249
Shilpa Kurup, University of Texas, Dallas	249
Donald Faught, University of Texas, Dallas.....	249
Mark Chang, University of Texas, Dallas	249
HOFSTEDE’S DIMENSIONS & ORGANIZATIONAL ETHICS IN CHINA AND THE USA.....	253
Sunna Farook, University of Texas, Dallas	253
Natalie Nguyen, University of Texas, Dallas	253
Kumar Manglam Khandelwal, University of Texas, Dallas	253
Dilip Kumar, University of Texas, Dallas	253
S. Haas, University of Texas, Dallas	253

HOFSTEDE & GDP IN CHINA AND THE USA.....	255
Kumar Manglam Khandelwal, University of Texas, Dallas.....	255
Xiaofan Kang, University of Texas, Dallas	255
Veronica Vazquez, University of Texas, Dallas	255
Minahil Khan, University of Texas, Dallas	255
Eugenie Hou, University of Texas, Dallas.....	255
S. Haas, University of Texas, Dallas	255
HOFSTEDE’S CULTURAL DIMENSIONS & ETHICS IN GLOBAL BUSINESS FROM THE USA AND CHINA	257
Karishma Desai, University of Texas, Dallas	257
Yi Liu, University of Texas, Dallas	257
Tao Xu, University of Texas, Dallas	257
Rabin Subedi, University of Texas, Dallas	257
S. Haas, University of Texas, Dallas	257
HOFSTEDE’S CULTURAL DIMENSIONS IN MARKETING FROM THE USA AND CHINA.....	260
Chloe Chen, University of Texas, Dallas.....	260
Eugenie Hou, University of Texas, Dallas.....	260
Brendan Kouns, University of Texas, Dallas.....	260
Kaitlin McCluskey, University of Texas, Dallas	260
S. Haas, University of Texas, Dallas	260
OREO’S, SALES EXPERTISE, & HOFSTEDE’S CULTURAL DIMENSIONS IN CHINA AND THE USA	263
Lucas Baur, University of Texas, Dallas	263
Yihua Li, University of Texas, Dallas	263
Karishma Desai, University of Texas, Dallas	263
Zakaria Gharbieh, University of Texas, Dallas	263
Lucy Liu, University of Texas, Dallas.....	263
S. Haas, University of Texas, Dallas	263
SUPPLY CHAIN MANAGEMENT & CULTURAL DIMENSIONS IN CHINA AND THE USA.....	266
Yaser Baqatyan, University of Texas, Dallas	266
Allen Jung Lee, University of Texas, Dallas	266
Reshma Maliakkal, University of Texas, Dallas	266
Minyi Liu, University of Texas, Dallas	266
Mehdi El Ahmadi, University of Texas, Dallas.....	266
S. Haas, University of Texas, Dallas	266

HOFSTEDE IN CHINA & THE UAE	269
Vina Pham, University of Texas, Dallas	269
Yaser BaQatyan, University of Texas, Dallas	269
Abraham Mathew, University of Texas, Dallas.....	269
Ruth Alotaibi, University of Texas, Dallas	269
Lilly Nguyen , University of Texas, Dallas	269
CULTURAL DIFFERENCES IN UKRAINE, THE CZECH REPUBLIC, AND CANADA... 272	
Vamsi Salagundla, University of Texas, Dallas	272
Sarah Hassan, University of Texas, Dallas	272
Veronica Vazquez, University of Texas, Dallas	272
Ahmed Salim, University of Texas, Dallas	272
Lilly Nguyen, University of Texas, Dallas	272
HOFSTEDE & ETHICS IN CANADA & URUGUAY	275
Hunter Mitchell, University of Texas, Dallas	275
Intisaar A. A. Haq, University of Texas, Dallas	275
Tri Luu, University of Texas, Dallas	275
Pratistha Shrestha, University of Texas, Dallas.....	275
Lilly Nguyen, University of Texas, Dallas	275
HOFSTEDE: A COMPARISON IN THE UK, CAPE VERDE, URUGUAY, JAPAN, & THE US.....	278
Carolina Wilkins, University of Texas, Dallas	278
Natasha Murty, University of Texas, Dallas	278
Stephanie White, University of Texas, Dallas	278
Saqif Rahman, University of Texas, Dallas.....	278
Lilly Nguyen, University of Texas, Dallas	278
A COMPARISON OF THE CZECH REPUBLIC TO THE UK, US, AND UKRAINE ON HOFSTEDE'S DIMENSIONS	281
Donald Faught, University of Texas, Dallas.....	281
Ryanne Kamal, University of Texas, Dallas.....	281
Weston Tuttle, University of Texas, Dallas.....	281
Jessica McKinnon, University of Texas, Dallas	281
Dennis Q. Ly, University of Texas, Dallas	281
Lilly Nguyen, University of Texas, Dallas	281

A COMPARISON OF CROATIA WITH THE UK, THE US, AND URUGUAY ON HOFSTEDE'S MODEL.....	283
Carlos Martinez, University of Texas, Dallas.....	283
Michael Sessions, University of Texas, Dallas.....	283
Danielle Bailey, University of Texas, Dallas.....	283
Marlen Jauregui, University of Texas, Dallas	283
Estela Sierra, University of Texas, Dallas	283
Lilly Nguyen, University of Texas, Dallas	283
STRATEGIZING CSR FOR SMALL BUSINESSES	287
Ellen Raineri, Penn State University Hazleton/World Campus.....	287

ACADEMIC R&D ACROSS THE STATES: EFFICIENCY AND ITS DETERMINANTS

Murat Arik, Middle Tennessee State University
Hulya Arik, Middle Tennessee State University
Bronwyn Graves, Middle Tennessee State University

ABSTRACT

A review of the literature suggests that there are few studies on the efficiency of academic research and development (R&D) funding in the United States. 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 funding at the state level. The purpose of this paper is to fill this void by assessing the efficiency of academic R&D funding 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 from 2006 to 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. Tennessee is used as an example to show how to apply the DEA results to guide policy decisions toward efficiency. Tobit model results imply that the diversity of funding source, university R&D intensity, and R&D concentration are key for R&D funding efficiency. The policy implications of the study findings are discussed.

REFERENCES

- Abeney, A. & Yu, K. (2015). Measuring the Efficiency of the Canadian Health Care System. *Canadian Public Policy*, Vol. 41, No.4, 320-331.
- Afzal, M. N. I. & Lawrey, R. (2014). Measuring the Importance and Efficiency of Research and Development Expenditures in the Transformation of Knowledge-Based Economies: A Case Study of the Asian Region. *International Journal of Asia-Pacific Studies*, 10(1), 33-47.
- Agasisti, T. (2011). Performances and Spending Efficiency in Higher Education: A European Comparison through Non-Parametric Approaches. *Education Economics*, 19(2), 199-224.
- Agasisti, T. & Bianco, A. D. (2009). Measuring Efficiency of Higher Education Institutions. *International Journal of Management and Decision Making*, 10(5-6), 443-465.
- Agasisti, T., Dal Bianco, A., Landoni, P., Sala, A., & Salerno, M. (2011). Evaluating the Efficiency of Research in Academic Departments: An Empirical Analysis in an Italian Region. *Higher Education Quarterly*, 65(3), 267-289.
- Anderson, T. R., Daim, T., & Lamb, A. (2012). Research and Development Target-Setting Difficulties Addressed Through the Emergent Method: Technology Forecasting Using Data Envelopment Analysis. *R&D Management* 42, 4, 327-341.

- Anjum, M. S. & Sohail, M. K. (2016). Efficiency Dynamics of Initial Public Offerings Using Data Envelopment Analysis and Malmquist Productivity Index Approach. *Engineering Economics*, 27(2), 175-184.
- Arik, M. & Ndrianasy, E. (2018) Federally Funded R&D Fuels Regional Economies: A Panel Data Analysis. *Global Journal of Accounting and Finance*, 2(1), 15-36.
- Arik, M. & Livingston, S. G. (2014). *Understanding and Analyzing Competitive Dynamics: Methods, Processes, and Applications to a Regional Setting*. New York: Lexington Books.
- Aristovnik, A. (2012). The Relative Efficiency of Education and R&D Expenditures in the New EU Member States. *Journal of Business Economics and Management*, 13(5), 832-848.
- Ayinde, T. O. (2017). Deposit Money Banks' Efficiency and Financial Inclusion in Nigeria: A DEA Approach. *The IUP Journal of Applied Finance*, 23(3), 28-46.
- Barros, C. P., Guironnet, J. P., & Peypoch, N. (2011). Productivity Growth and Biased Technical Change in French Higher Education. *Economic Modelling*, 28(1-2), 641-646.
- Barham, B. L., Chavas, J., Foltz, J. D., & Kim, K. (2011). Efficiency and Technological Change at US Research Universities. *Journal of Productivity Analysis*, 37, 171-186.
- Basar, S., Eren, M., & Eren, M. (2017). Measuring of Human Development through the Output-Oriented Super Efficiency vrs. DEA Model without Inputs. *Serbian Journal of Management*, 12, 255-270.
- Bayenet, B. & Debande, O. (1999). Performance of Education and Research Activities of Higher Education Systems of the OECD. *Annals of Public and Cooperative Economics*, 70(4), 659-686.
- Bergantino, A. S., Capozza, C., & De Carlo, A. (2013). The Role of Accessibility in Determining Technical Efficiency in R&D Activity of Italian Regions. *International Journal of Transport Economics*, 40(3), 381-399.
- Biener, C. & Eling, M. (2011). The Performance of Microinsurance Programs: A Data Envelopment Analysis. *The Journal of Risk and Insurance*, 78(1), 83-115.
- Bijmolt, T., Koning, R. H., Los, B., & Walraven, M. (2016). Benchmarking Sports Sponsorship Performance: Efficiency Assessment with Data Envelopment Analysis. *Journal of Sport Management*, 411-426.
- Bougnol, M. L., & Dulá, J. H. (2006). Validating DEA as a Ranking Tool: An Application of DEA to Assess Performance in Higher Education. *Annals of Operations Research*, 145(1), 339-365.
- Bradley, S., Johnes, J., & Little, A. (2010). Measurement and Determinants of Efficiency and Productivity in the Further Education Sector in England. *Bulletin of Economic Research*, 62(1), 0307-3378
- Breu, T.M. & Raab, R.L. (1994). Efficiency and Perceived Quality of the Nation's "Top 25" National Universities and National Liberal Arts Colleges: An Application of Data Envelopment Analysis to Higher Education. *Socio-Economic Planning Sciences*, 28(1), 33-45.
- Bursalioglu, S. A. & Selim, S. (2013). Analysis of the Determinants of Universities Efficiency in Turkey: Application of the Data Envelopment Analysis and Panel Tobit Model. *Procedia – Social and Behavioral Sciences*, 89, 895-900.
- Chavas, J. P., Barham, B., Foltz, J., & Kim, K. (2012). Analysis and Decomposition of Scope Economies: R&D at US Research Universities. *Applied Economics*, 44(11), 1387-1404.
- Chen, L. & Wang, Y. (2016). Data Envelopment Analysis Cross-Efficiency Model in Fuzzy Environments. *Journal of Intelligent & Fuzzy Systems*. 2601-2609.
- Chen, C. P., Hu, J. L., & Yang, C. H. (2011). An International Comparison of R&D Efficiency of Multiple Innovative Outputs: Role of the National Innovation System. *Innovation: Management, Policy and Practice*, 13(3).
- Chen, P. C. & Hung, S. W. (2016). An Actor-Network Perspective on Evaluating the R&D Linking Efficiency of Innovation Ecosystems. *Technological Forecasting and Social Change*, 112, 303-312.
- Chen, Y., Chou, S., Du, J., & Wang, J. (2011). Incorporating Health Outcomes in Pennsylvania Hospital Efficiency: An Additive Super-Efficiency DEA Approach. *Annals of Operations Research*, 221, 161-172.
- Chern, C. & Chou, T. (2016). Assessing the Efficiency of Supply Chain Scheduling Algorithms Using Data Envelopment Analysis. *Information Systems and e-Business Management*, 14, 823-856.
- Chuanyi, W., Xiaohong, L., & Shikui, Z. (2016). The Relative Efficiencies of Research Universities of Science and Technology in China: Based on The Data Envelopment Analysis and Stochastic Frontier Analysis. *Eurasia Journal of Mathematics, Science and Technology Education*, 12(10), 2753-2770.
- Cimpoies, D., Racul, A., & Sirbu, A. (2016). Use of Data Envelopment Analysis to Measure the Performance Efficiency of Academic Departments. *Agriculture and Agricultural Science Procedia*, 10, 578-585.

- Cooper, W., Seiford, L., & Tone, K. (2006) *Introduction to Data Envelopment Analysis and Its Uses: with DEA-Solver Software and References*. New York: Springer.
- Cullmann, A., Schmidt-Ehmcke, J., & Zloczynski, P. (2012). R&D Efficiency and Barriers to Entry: A Two Stage Semi-parametric DEA Approach. *Oxford Economic Papers*, 64(1), 176-196.
- Datta, D. & McMillan, M. L. (1998). The Relative Efficiencies of Canadian Universities: A DEA Perspective. *Canadian Public Policy*, 24(4), 485-511.
- Demirer, I., Gregoriou, G. N., & Gultek, M. M., (2017). Efficiency of Cruise Ships: A Data Envelopment Analysis Approach. *International Journal of Global Business*, 10(1), 8-25.
- Dilts, D. M., Orwoll, E., & Zell, A. (2015). A Novel Approach to Measuring Efficiency of Scientific Research Projects: Data Envelopment Analysis. *CTS Journal*, 8(5). 495-501.
- Dočekalová, M. & Bočková, N. (2013). The Use of Data Envelopment Analysis to Assess the R&D Effectiveness of the Czech Manufacturing Industry. *Business: Theory and Practice*, 14(4), 308-314.
- Dogan, O., Goksen, Y., & Ozkarabacak, B. (2014). A Data Envelopment Analysis Application for Measuring Efficiency of University Departments. *Procedia Economics and Finance*, 19, 226-237.
- Duguleana, C. & Duguleana, L. (2015). Data Envelopment Analysis for the Efficiency of Academic Departments. *Bulletin of the Transilvania University of Brasov, Series V: Economic Sciences*, 8, 453-468.
- Eckles, J. E. (2010). Evaluating the Efficiency of Top Liberal Arts Colleges. *Research in Higher Education*, 51(3), 266-293.
- Eff, E. A., Klein, C. C., & Kyle, R. (2012). Identifying the Best Buys in U.S. Higher Education. *Research in Higher Education*, 53(8), 860-887.
- Emrouznejad, A. & Yang, G. (2017). A Survey and Analysis of the First 40 Years of Scholarly Literature in DEA: 1978-2016. *Socio-Economic Planning Sciences*, 61, 4-8.
- Gomes, E., Souza, G., & Souza, M. (2011). Computing Confidence Intervals for Output-Oriented DEA Models: An Application to Agricultural Research in Brazil. *Journal of the Operational Research Society*, 1844-1850.
- Guan, J. & Chen, K. (2010). Modeling Macro-R&D Production Frontier Performance: An Application to Chinese Province-level R&D. *Scientometrics*, 82(1), 165-173.
- Hartwich, F. & von Oppen, M. (2006). Who Contributes Efficiently to Development? Evaluating Agricultural R&D in Cameroon and Tanzania. *Quarterly Journal of International Agriculture*, 45(1), 47-70.
- Hashimoto, A. & Haneda, S. (2008). Measuring the Change in R&D Efficiency of the Japanese Pharmaceutical Industry. *Research Policy*, 37(10), 1829-1836.
- Hsu, F. M. & Hsueh, C. C. (2009). Measuring Relative Efficiency of Government-sponsored R&D Projects: A Three-stage Approach. *Evaluation and Program Planning*, 32(2), 178-186.
- Hung, C. L., Kuo, S. J., & Dong, T. P. (2013). The Relationship between Team Communication, Structure, and Academic R&D Performance: Empirical Evidence of the National Telecommunication Program in Taiwan. *R and D Management*, 43(2), 121-135.
- Inoue, K., Aoki, S., Fukuoka, K., & Tsuji, H. (2015). Data Envelopment Analysis for Evaluating Structure of Input and Output Items. *Electronics and Communications in Japan, Vol. 134-C*. 138-147.
- Jiménez-Sáez, F., Zabala-Iturriagoitia, J. M., & Zofío, J. L. (2013). Who Leads Research Productivity Growth? Guidelines for R&D Policy-Makers. *Scientometrics*, 94(1), 273-303.
- Jiménez-Sáez, F., Zabala-Iturriagoitia, J. M., Zofío, J. L., & Castro-Martínez, E. (2011). Evaluating Research Efficiency within National R&D Programs. *Research Policy*, 40(2), 230-241.
- Johnes, J. (2006). Data Envelopment Analysis and Its Application to the Measurement of Efficiency in Higher Education. *Economics of Education Review*, 25(3), 273-288.
- Johnes, J. & Yu, L. (2008). Measuring the Research Performance of Chinese Higher Education Institutions Using Data Envelopment Analysis. *China Economic Review*, 19(4), 679-696.
- Kerstens, K., Sahoo, B. K., & Tone, K. (2011). Returns to Growth in a Nonparametric DEA Approach. *International Transactions in Operational Research*, 19, 463-486.
- Korhonen, P., Tainio, R. & Wallenius, J. (2001). Value Efficiency Analysis of Academic Research. *European Journal of Operational Research*, 130(1), 121-132.
- Kuah, C. T., & Wong, K. Y. (2013). Data Envelopment Analysis Modeling For Measuring Knowledge Management Performance in Malaysian Higher Educational Institutions. *Information Development*, 29(3), 200-216.

- Lall, V. & Moreno, A. (2011). Decision Model for Selection of Discrete-Event Stimulation Software – A Data Envelopment (DEA) Approach. *IJGMSP*, 3(2), 29-39.
- Lee, H., Park, Y., & Choi, H. (2009). Comparative Evaluation of Performance of National R&D Programs with Heterogeneous Objectives: A DEA approach. *European Journal of Operational Research*, 196(3), 847-855.
- Lee, H., Kim, M. S., Yee, S. R., & Choe, K. (2011). R&D Performance Monitoring, Evaluation, and Management System: A Model and Methods. *International Journal of Innovation and Technology Management*, 8(2), 295-313.
- Lee, S. & Lee, H. (2015). Measuring and Comparing the R&D Performance of Government Research Institutes: A Bottom-Up Data Envelopment Analysis Approach. *Journal of Informetrics*, 9(4), 942-953.
- Lei, H. S. & Liu, J. (2018). Applications of Network Data Envelopment Analysis to Explore the Operational Efficiencies of International Five-Star Hotels. *International Journal of Organizational Innovation*, 10(3), 64-87.
- Li, R., Li, Y., & Cui, Z. (2014). Application of Data Envelopment Analysis to Efficiency Evaluation on R&D Input and Output. *Open Automation and Control Systems Journal*, 6(1), 194-199.
- Liu, C. C. (2011). A Study for Allocating Resources to Research and Development Programs by Integrated Fuzzy DEA and Fuzzy AHP. *Scientific Research and Essays*, 6(19), 3973-3978.
- Meng, H. & Wang, Y. (2014). R&D Growth and Efficiency of Scientific Research Development Institutes In China. *Journal of Chemical and Pharmaceutical Research*, 6(4), 182-187.
- Mikusova, P. (2015). An Application of DEA Methodology in Efficiency Measurement of the Czech Public Universities. *Procedia Economics and Finance*, 25, 569-578.
- Munoz, D.A. (2016). Assessing the Research Efficiency of Higher Education Institutions in Chile: A Data Envelopment Analysis Approach. *International Journal of Educational Management*, 30(6), 809-825.
- Ng, Y.C. & Li, S. K. (2000). Measuring the Research Performance of Chinese Higher Education Institutions: An Application of Data Envelopment Analysis. *Education Economics*, 8(2), 139-156.
- Orea, L. (2002). Parametric Decomposition of a Generalized Malmquist Productivity Index. *Journal of Productivity Analysis*, 18(1), 5-22.
- Oztop, A. O. & Ucak, H. (2017). Evaluation of Firms of Agriculture and Food Sectors Quoted at Borsa Istanbul (Bist) by DEA-Based Malmquist Total Factor Productivity Index. *Acta Scientiarum Polonorum Oeconomia*, 16 (1), 73-82.
- Palocsay, S. W. & Wood, W. C. (2014). An Investigation of US Undergraduate Business School Rankings Using Data Envelopment Analysis with Value-Added Performance Indicators. *Journal of Education for Business*, 89, 277-284.
- Park, S. (2015). Evaluating the Efficiency and Productivity Change within Government Subsidy Recipients of a National Technology Innovation Research and Development Program. *R And D Management*, 45(5), 549-568.
- Pisarek, R. & Zoltaszek, A. (2016). Effectiveness of National Airlines in Europe – The DEA Approach. *Folia Oeconomica Stetinensia*. 103-118.
- Raeinojehdehi, R. & Valami, H. B. (2016). Ranking Units in Data Envelopment Analysis with Fuzzy Data. *Journal of Intelligent and Fuzzy Systems*. 2505-2516.
- Rauner, M. S. & Sommersguter-Reichmann, M., (2015). Benchmarking the Rescue Departments of the Austrian Red Cross Using Data Envelopment Analysis and Fractional Regression Models. *International Journal of Production Research*, 53(24), 7271-7285.
- Rehber, E. & Tipi, T. (2006). Measuring Technical Efficiency and Total Factor Productivity in Agriculture: The Case of the South Marmara Region of Turkey. *New Zealand Journal of Agricultural Research*, 49(2), 137-145.
- Revilla, E., Sarkis, J., & Modrego, A. (2007). Exploring Public and Private R&D Partnership Performance: A Knowledge-Based View of Inter-Organizational Alliances. *International Journal of Services and Operations Management*, 3(4), 371-393.
- Salerno, C. (2006). Using Data Envelopment Analysis to Improve Estimates of Higher Education Institution's Per-student Education Costs. *Education Economics*, 14(3), 281-295.
- Sengupta, J. K. (1999). Efficiency Measurements with R&D Inputs and Learning by Doing. *Applied Economics Letters*, 6(10), 629-632.

- Sharma, S. & Thomas, V. J. (2008). Inter-country R&D Efficiency Analysis: An Application of Data Envelopment Analysis. *Scientometrics*, 76(3), 483-501.
- Shi, P. & Yang, J. (2008). The Effectiveness of National R&D Investment - An Empirical Investigation in China. *Problems and Perspectives in Management*, 6(4), 4-11.
- Sueyoshi, T. & Goto, M. (2013). A Use of DEA-DA to Measure Importance of R&D Expenditure in Japanese Information Technology Industry. *Decision Support Systems*, 54(2), 941-952.
- Taylor, B. & Harris, G. (2004). Relative Efficiency among South African Universities: A Data Envelopment Analysis. *Higher Education*, 47(1), 73-89.
- Thanassoulis, E., Kortelainen, M., Johnes, G., & Johnes, J. (2011). Costs and Efficiency of Higher Education Institutions in England: A DEA Analysis. *Journal of the Operational Research Society*, 62(7), 1282-1297.
- Veiderpass, A. & McKelvey, M. (2016). Evaluating the Performance of Higher Education Institutions in Europe: A Nonparametric Efficiency Analysis of 944 Institutions. *Applied Economics*, 48(16), 1504-1514.
- Wang, E. C. & Huang, W. (2007). Relative Efficiency of R&D Activities: A Cross-Country Study Accounting for Environmental Factors in the DEA Approach. *Research Policy*, 36(2), 260-273.
- Zakaria, S. (2017). The Use of Financial Derivatives in Measuring Bank Risk Management Efficiency: A Data Envelopment Analysis Approach. *Asian Academy of Management Journal*, Vol. 22, No. 2, 209-244
- Zhong, W., Yuan, W., Li, S. X., & Huang, Z. (2011). The Performance Evaluation of Regional R&D Investments in China: An Application of DEA Based on the First Official China Economic Census Data. *Omega*, 39(4), 447-455.
- Zhu, J. (2001). Super-efficiency and DEA Sensitivity Analysis. *European Journal of Operational Research*, 129(2), 443-455.

ARE MARKET CORRECTIONS REFLECTED IN INVESTORS' EXPECTATIONS? EMPIRICAL EVIDENCE FROM THE FINANCIAL SECTOR

Victor Bahhouth, The University of North Carolina- Pembroke

ABSTRACT

The prices in the financial markets are driven by investors' expectations about firms' performance. On daily basis, stock prices change as news about firms become available. As a result, financial measures, fundamental and market, current and future, adjust to reflect these changes. Many studies examined the validity of the use of financial measures as key ingredients to assess firm's performance and make future projections. The purpose of this paper is to examine if financial measures historical volatility could be used to predict stock prices changes during market correction periods. Study develops a scenario of tracing the values of a selected set of fundamental and market measures as leading measures during 1998 to 2007 period; then, it examines the correlation between the volatility of these measures and that of stock prices during year 2008 market correction period.

Keywords: Beta, P/E, ROA, ROE, fundamental measures, market measures, leading measures.

IS MARKET VOLATILITY RANDOM

G.B.P Bootheway, St. Bonaventure University
Sydney Cassagnol, St. Bonaventure University

ABSTRACT

Although first formulated by Fama (1970), randomness in asset prices can be traced through Kendall (1953), back to Bachelier's doctoral thesis (1900). Tests of randomness have found that in the absence of market information, asset prices are broadly random, despite sporadic and documented stochastic violations. However, in this paper we examine not an asset proper, but the CBOE Volatility Index "VIX". Using 1,024 observations of daily data from 2/23/14 to 3/14/19, we apply four commonly used tests: the Runs Test (Mood 1940), ADF Unit Root Test (Dickey and Fuller 1979), the Variance-Ratio Test (Lo and MacKinlay, 1989), and a Discrete Fourier Transform (Bachelier 1827).

Using the non-parametric Runs Test we are able to reject the null hypothesis of randomness at all confidence levels. We find that prices exhibit excessive reversal, or, in the lingua franca of parametric statistics, negative serial correlation. The two Unit Roots tests reject stationarity at all confidence levels. Mean reversion is present ($\alpha < 1$), with no detectable trend ($\beta = 0$).

A Variance-Ratio Test was performed using: $k = 2, 4, 8$ and 16 period intervals. The null hypothesis being that a series is deemed random, if the k period variance, is k times that of the one-period variance. Otherwise stated, that the ratio of the former over the latter should equal one. Our results, at all confidence levels, suggest instead that the ratios are consistently less than one, indicating that k times the one period variance is statistically greater than the k period variance for all chosen values of k . This result indicates the presence of negative autocorrelation, and is consistent with the results of the previous two tests.

The magnitude of the Fourier coefficients as a function of frequency, indicating no periodicity in the data.

Summary of Results:

RUNS TEST

n+	489
n-	515
N	1024
G	687
Mean	511.97
St. Dev,	15.96
Test Stat = Z	11.09

UNY ROOT TEST

Intercept	TEST STAT =Z
1%	-3.44
5%	-3.86
10%	-2.59

UNY ROOT TEST

Trend and Intercept	TEST STAT =Z
1%	-3.96
5%	-3.41
10%	--3,13

VARIACE RATIO TEST

Interval	TEST STAT =Z
2	-8.43
4	-7.34
8	-5.88
16	-4.59

DISCRETE FOURIER TRANSFORM

The magnitude of the Fourier coefficients as a function of frequency, indicated no periodicity in the data.

FRAUDS, EMBEZZLERS, THIEVES, AND OTHER BAD ACTORS: HOW CRIMINALS STEAL YOUR PROFITS AND STEAL YOUR BUSINESS

Martin S. Bressler, Southeastern Oklahoma State University

Linda Bressler, Southeastern Oklahoma State University

ABSTRACT

Shoplifting, fraud, embezzlement, and now cybercrimes are only a few of the many types of crimes business owners lose sleep over. Business owners lose profits, sometimes significant profits, and small businesses are affected to an even greater extent. Small businesses often lack the resources to defend their businesses against various criminal activities and may not be able to recover from large losses. The U.S. Chamber of Commerce reports that as many as 30% of small business failures could be attributed to embezzlement or employee theft. And to make matters worse, thieves are becoming more sophisticated in the use of high-tech tools to steal. In this paper, the authors provide an overview of current criminal activity and offer several ways to address the situation.

Key words: business crime, fraud, embezzlement, white-collar crime, prevention-paradox

INVESTIGATING THE FINANCIAL STAKE IMPLICATION IMPLICIT IN SOX 201 RESTRICTION OF NONAUDIT SERVICES

Kevin L. Ennis, Mississippi State University-Meridian
Shawn Mauldin, Mississippi State University

ABSTRACT

To aid the protection of the public interest, Section 201 of the Sarbanes-Oxley Act (SOX) of 2002 specifically restricts a registered public accounting firm from providing certain non-audit services to a public client contemporaneously with the audit. Implicit in the mandates of Section 201 is that the restriction of the non-audit services was necessary to help resolve a potential self-interest conflict between a CPA's responsibility to the accounting profession (to protect the public interest) and his/her financial stake in the potential revenue from the non-audit services. While the AICPA ethical code of conduct identifies serving the public interest as a distinguishing mark of the accounting profession, research has been void concerning this implication embedded in the legislation. This creates a contraindication for the accounting profession and suggests that relationships could exist between a CPA's financial stake in the public accounting profession and his/her support of the prohibited services. The purpose of this exploratory study was to investigate those relationships. In a narrower sense, our research question explores a CPA's financial stake in the public accounting profession and his/her ethical decision to support certain prohibited non-audit services to provide additional evidence about CPA decision-making.

We advanced a supported proxy for the financial stake of a CPA in the public accounting profession as a composite of a member's type of accounting employment and position in the accounting profession. The final designation resulted in an increasing scale of financial stake defining CPAs as not-in-public accounting, and then staff, managers, and partners/owners in a public accounting firm ranked from lowest to highest financial stake, respectively. Using a random sample of active AICPA members from both the public and nonpublic accounting sectors, CPA support was solicited for three selected non-audit services prohibited by Section 201 of SOX. Relationship analysis suggests that financial stake in the public accounting profession is a significant factor in determining a CPA's level of support for selected prohibited non-audit services. Results were mixed in the nature of the relationships found. CPAs with a higher level of financial stake (partners/owners) in the practice of public accounting exhibit a stronger level of support for the prohibition of financial information system design and implementation services than CPAs with a lower financial stake. Comparatively, this level of support was significantly different between the groups of CPAs with the lowest (CPAs not in public accounting) and highest (partners/owners) financial stake. Conversely, with respect to the prohibition of internal audit services, a CPA's level of support decreases at higher levels of financial stake. While the results of this study do not conclusively show whether financial stake influences a CPA's level of support for SOX prohibitions of selected non-audit services, they do reveal that financial stake is an important component in a CPA's response toward the prohibitions.

UNBANKED IN THE UNITED STATES: DETERMINING FACTORS FOR PARTICIPATION IN MAINSTREAM BANKING

Rebecca Gonzalez-Ehnes, University of North Carolina at Pembroke

ABSTRACT

Given the large number of unbanked and underbanked households throughout the United States, this study analyzes factors that might influence individuals to forgo mainstream banking and use alternate banking options. In an attempt to understand what prompts individuals to remain unbanked or participate in alternative banking options, the FDIC has conducted the National Survey of Unbanked and Underbanked Households since 2009. The survey is conducted every two years as a supplement to the Current Population Survey, and participating individuals are asked about their use of banking services (such as checking or savings accounts) and their use of alternative financial services (such as pre-paid credit cards, tax refund anticipation loans, rent-to-own, payday loans, money orders, check-cashing services, pawn shops, etc.). Little research has attempted to garner information on personal financial circumstances and ability and willingness to use checking and savings accounts. Our findings from the FDIC's 2015 Survey of Unbanked and Underbanked indicate that approximately 20% of black households, 18% of Hispanic households, 4% of White households, and 2% of Asian households are unbanked. To be unbanked means that individuals do not have a checking or savings account. Additionally, we find that approximately 33% of Black households, 29% of Hispanic households, 18% of Asian households and 16% of White households are underbanked. To be underbanked is to have a bank account while still using alternate services to mainstream banking.

Looking at descriptive data, we find that individuals with lower levels of education have a higher propensity to be unbanked and underbanked (Table 1). The distinction is particularly most stark when comparing unbanked status based on educational backgrounds.

Table 1

Educational Background	Unbanked	Underbanked
No High School Degree	25%	24%
High School Degree	11%	22%
Some College	6%	23%
College Degree	1%	14%

When considering whether unbanked and underbanked status were more prevalent amongst different age groups, the data showed that younger individuals had a tendency to be unbanked and underbanked more often.

Table 2

Age	Unbanked	Underbanked
15 to 24 years	16%	31%
25 to 34 years	13%	25%
35 to 44 years	9%	24%
45 to 54 years	8%	22%
55 to 64 years	6%	18%
65 years or more	4%	12%

Given that past experiences may factor into how one adapts and assimilates to new environments, we also considered whether being foreign or native born might impact propensity to be unbanked or underbanked. Table 3 demonstrates that foreign born, non-citizens were more likely to not have a checking or savings account as well as more apt to use alternate financial services.

Table 3

Nativity	Unbanked	Underbanked
US Born	7%	19%
Foreign Born Non-Citizen	23%	28%

Finally, given that research demonstrates how wealth and income can have an impact on personal financial activities, we look at whether people in different income groups are more likely to be unbanked and underbanked (Table 4). As expected, individuals in lower income brackets were more prevalently unbanked. For underbanked status, while those in higher income brackets did in fact show lower propensity to partake in alternate financial services, the less than \$15,000 group had fewer instances of underbanked status than those in the \$15,000-\$30,000 group and the \$30,000-\$50,000 group.

Table 4

Income Levels	Unbanked	Underbanked
Less than \$15,000	28%	22%
Between \$15,000 and \$30,000	11%	25%
Between \$30,000 and \$50,000	5%	23%
Between \$50,000 and \$75,000	2%	20%
At least \$75,000	1%	14%

The findings in the FDIC's National Survey of Unbanked and Underbanked Households are similar to what other research has demonstrated. Sherraden (2010) finds that individuals without checking or savings accounts tend to be unmarried, young, less educated, minorities, and less wealthy. Indeed, research on the unbanked general population has found that the unbanked tend to include those with low incomes, less education, the young, immigrants, and female head of households (Beard, 2010). Another study also concluded that income, home ownership, spending habits, age, race/ethnicity, education and employment are all significantly associated with not participating in mainstream banking (Vermilyea and Wilcox, 2002). When considering income, we can see how thousands of low income New York families opt to stay unbanked because of excessive banking fees. Instead, these families turn to non-traditional financing opportunities, partly because they lack the educational awareness to choose otherwise (NY Neighborhood Financial Services Study, 2008). Finally, factors such as longevity of residence in the United States, educational background, legal status, income, and English language proficiency are found to impact the quality of life of many in immigrant communities (Meghan, 2008). It stands to reason that some of these factors might also play a role in whether an individual remains unbanked or underbanked.

In order to analyze how the aforementioned variables help predict the probability of not having a checking or savings account, we use preliminary logistic regression analysis. Initial results (Table 5) show that education, age, native born status, and income are significant in determining the probability of being unbanked/underbanked, and the model as a whole fits significantly. Specifically, we see that the odds of being banked are higher with greater levels of education, age, and income, and being native born (as opposed to foreign born) makes it twice as likely that an individual will be banked vs. unbanked.

Table 5

Logistic Regression					Number of obs	36,174
					LR chi2(4)	8919.58
					Prob>chi2	0.0000
					Pseudo R2	0.2095
Log likelihood	-16830.954				95% Conf. Interval	
Banked Status	Odds Ratio	Std. Err.	z	P> z		
Education	1.023106	.0008043	29.06	0.000	1.02153	1.024683
Age	6.212732	.4449116	25.51	0.000	5.399153	7.148907
Native Born	2.398966	.0833388	25.19	0.000	2.241062	2.567996
Income	8.342555	.2579189	68.62	0.000	7.852054	8.863696
_cons	.6411314	.030185	-9.44	0.000	.5846175	.7031084

Our next step is to introduce other variables also collected during the current population survey (for example, marital status, gender, race, home-ownership status). We would also like to assess participants based on location (metropolitan vs rural areas) as that may impact how geographically predisposed they are to different financial services. Finally, we would like to consider how long individuals have resided in the United States as assimilation may impact the likelihood of using mainstream financial services.

Just as we analyzed predictor variables against banked and unbanked status, we would also like to next assess these same variables against underbanked status (presence of checking or savings account, but still using alternate financial services). This study used 2015 Survey Data, but the next logical step would be to use 2017 data which was released in 2018.

REFERENCES

- Adamian, Monica, Robin Argue, Alyse Behrman, Laurie Schowalter, Erica Taylor, Debbie Zysman. 2000. "A community diagnosis including secondary data analysis and qualitative data collection." Prepared for the Department of Health Behavior and Health Education.
- Arrow, Kenneth J. 1973. "The theory of discrimination." *Discrimination in Labor Markets*, Princeton, NJ: Princeton University Press.
- Bauer, Thomas K., Magnus Lofstrom, and Kalus F. Zimmerman. "Immigration Policy, Assimilation of Immigrants and Natives' Sentiments Towards Immigrants: Evidence from 12 OECD Countries." April 2001.
- Beard, Martha P. 2010. "Reaching the unbanked and underbanked." *Central Banker*, Winter 2010.
- Bohn, Sara and Sarah Pearlman. 2011. "Ethnic Concentration and Bank Use in Immigrant Communities."
- Borjas, George J. "Ethnic Enclaves and Assimilation." *Swedish Economic Policy Review*. Fall 2000: 91-122.
- Collard, Sharon, Elaine Kempson and Claire Whyley. 2001. "Tackling financial exclusion: an area based approach." Published for the Joseph Rowntree Foundation by The Policy Press: 1-60.
- Hannam, Mark. 2009. "Financial Inclusion and Equality."
- Humphreys, Jeffrey M. 2000. "Buying power at the beginning of a new century: projections for 2000 and 2001." *GA Business and Economic Conditions*: 9-17.
- Kempson, Elaine, Claire Whyley, John Caskey, and Sharon Collard. 2000. "In or out? Financial exclusion: a literature and research review." *Consumer Research Report 3*: 1-101.
- Kolakowski, Mark. 2010. "The Unbanked: What an FDIC Study Reveals." For About.com Guide.
- Kumeh, Titania. 2012. "Unemployed is bad enough; unbanked can be worse." *The Bay Citizen*
- Longhofer, Stanley D. 1995. "Rooting out discrimination in home mortgage lending." *Economic Commentary*, Federal Reserve Bank of Cleveland, November 1995:104.
- Marks, Denise. 2012. "The Unbanked Hispanic Market" for Ahorre.com

- Rhine, Sherrie L. W. and William H. Greene. 2006. "The determinants of being unbanked for U.S. immigrants." *The Journal of Consumer Affairs*, Vol 40: 21-40.
- Sherraden, Margaret S. 2010. "Financial capability: what is it, and how can it be created?" working paper
- Stegman, Michael A., Marta Rocha, and Walter Davis. 2005. "The role of technology in serving the unbanked." Center for Community Capitalism, the Frank Hawkins Kenan Institute of Private Enterprise, University of North Carolina at Chapel Hill, 1-34.
- Sumo, Vanessa. 2007. "Bringing in the Unbanked." *Region Focus Winter 2007*: 32-35.
- Theodos, Brett and Jessica F. Compton. 2010. "Research of financial behaviors and use of small dollar loans and financial services." Prepared for the Urban Institute.
- Vermilyea, Todd and James A. Wilcox. 2002. "Who is unbanked and why: Results from a large, new survey of low and moderate income adults." Prepared for the Federal Reserve Bank of Chicago
- Weissbourd, Robert. 2002. *Banking on technology: Expanding financial markets and economic opportunity*. Prepared for the Brookings Institution Center on Urban and Metropolitan Policy, the Financial Services Roundtable and the Ford Foundation. Washington, DC.
- . 2010. "Unbanked by Choice: A look into how low-income Los Angeles households manage the money they earn." Prepared for the Pew Health Group.
- . 2008. "Neighborhood Financial Services Study: An analysis of supply and demand in two new york city neighborhoods." Prepared for the New York City Department of Consumer Affairs Office of Financial Empowerment.

EFFECTS ON STOCK PRICES FOLLOWING THE BP OIL SPILL: A MARKET EFFICIENCY TEST

Maitlyn M. Guthrie, Longwood University

Frank W. Bacon, Longwood University

ABSTRACT

The purpose of this study is to test market efficiency by examining the effects of the BP Oil Spill on oil, gas, and other companies' stock prices. In this event study, fourteen firms were chosen that either operated in the Gulf of Mexico, were competitors of BP, or were relief teams that aided in the clean-up of the oil spill. This study analyzes the stock price's risk adjusted rate of the fourteen firms before and after the BP Oil Spill on April 20, 2010. The event study suggests a semi-strong market efficiency within the sample, meaning that the firms reacted to the public information of the BP Oil Spill. After testing for statistical significance, results showed a negative impact on the risk adjusted rate of return on the selected firm's stock prices.

INTRODUCTION

On April 20, 2010, the world experienced the largest offshore oil rig explosion in history. The Deepwater Horizon oil rig, owned by BP and Transocean, was located forty miles off of the coast of Louisiana in the Gulf of Mexico. On the 20th of April, the Deepwater Horizon oil rig exploded and eventually sunk, which resulted in the deaths of eleven rig workers and the natural life surrounding the spill. The purpose of this study is to investigate the reaction of the risk adjusted rate of return of the selected oil, gas, and other effected stocks up to 30 days before and 30 days after the 20th of April, 2010.

LITERATURE REVIEW

After the spill, regulations increased exponentially in both the oil and gas industry, as expected. These regulations included the creation of the Outer Continental Shelf Safety Board, which increased equipment testing, and President Obama significantly increasing operating requirements and permits for oil rigs and drilling projects. Investors of the company quickly became concerned about the risk of the company and began to demand more disclosure about the future regulations, clean-up costs, and over all damage costs. Merkl-Davies and Brennan (2007) investigated the Voluntary Disclosure Theory that states that voluntary disclosures provide relevant information to shareholders that contribute to investment decisions. This notion of pre-event disclosures can help aid businesses in unfortunate events as well as inform shareholders or potential shareholders of the risk of the company. If BP had a pre-event disclosure set in place, then the company may have experienced a lesser degree of negative retaliation and profit loss.

METHODOLOGY

This study is testing for semi-strong form market efficiency using the risk adjusted return method. A semi-strong form market efficiency is established when prices react with all public information. Fourteen oil, gas, and other company stocks were chosen that either operated other oil rigs in the gulf, are competitors of BP, or were relief teams that aided in the clean-up of the Gulf. This study will test how quickly the fourteen chosen firms' stock prices react to the BP oil spill. To test the semi-strong market efficiency in relation to the BP oil spill and to gather information regarding the effects of the spill on the stock prices and market, this presents the following hypothesis:

H1₀: The risk adjusted rate of return of the stock prices of the sample of oil, gas, and other firms is not significantly affected by this information on the day of the event.

H1₁: The risk adjusted return of the stock price of the sample of oil, gas, and other firms is significantly negatively affected by this type of information on the event date.

H2₀: The risk adjusted return of the stock price of the sample of oil, gas, and other firms is not significantly affected by this type of information around the event date as defined by the event period.

H2₁: The risk adjusted return of the stock price of the sample of oil, gas, and other firms is significantly negatively affected around the event date as defined by the event period.

In this study, the risk adjusted event study methodology was used to test the stock market's reaction to the BP oil spill on April 20, 2010. Information required for the tests, such as historical stock prices and the S&P 500 index for the corresponding days, were collected from *Yahoo! Finance*. Stock prices and the S&P 500 index were collected for the length of the event study (180 days before to 30 days after). Consider day -180 to -31 the pre-event period, day -30 to +30 the event period, and day 0 is the actual date of the event. To begin analyzing the stock prices and S&P 500 index, the following steps were taken:

1. Collect the historical stock prices of the sample firms and the S&P 500 for the entire duration of -180 days to +30 days.
2. Holding period of returns were then calculated for the S&P 500 (R_m) and for the sample firms (R) by using the following formulas:

$$\text{Current Daily Stock Return} = \frac{(\text{Current Day Close} - \text{Previous Day Close})}{\text{Previous Day Close}}$$

$$\text{Current Daily Index Return} = \frac{(\text{S\&P Current Close} - \text{S\&P Previous Close})}{\text{S\&P Previous Close}}$$

3. After collecting the holding period returns, a regression analysis was completed for each sample firm using the holding period return and the corresponding S&P 500 index return. The regression was only preformed over the pre-event period to gather the alpha and the beta for each firm. **Table 1**, located below, displays the alphas and the betas for each firm.

TABLE 1. STUDY SAMPLE ALPHAS AND BETAS

Firm	Alpha	Beta
HAL	0.001177	1.5383084
RIG	-0.00083	1.39406
CLH	2.43E-06	0.77466884
APC	0.001357	1.606063
XOM	-0.00099	0.782703
PG	0.000488	0.585913
EC	-0.00073	1.178921
CVX	-0.00024	0.939044
DO	-0.00133	1.358942
MRO	-0.00133	1.370248
VLO	-0.00011	1.000733
HES	-0.00055	1.483562
NFG	0.000591	1.200636
CPE	0.005018	2.182825

4. In order to calculate the expected returns, the risk-adjusted method was used. The expected return on the stock was calculated by adding together alpha and beta, then multiplying by the holding period return for the S&P 500.
5. Next, the excess return was calculated by subtracting the firm's expected return from the firms holding period return for the event period.
6. Average Excess Return was then calculated for days -30 to +30 by summing the excess returns per each day then dividing by the number of firms being studied ($n = 14$). The results are shown in **Image 1**.
7. Cumulative Average Excess Returns (CAER) is then calculated by adding the Average Excess Returns for each day between days -30 to +30. The results were then plotted on a graph against time, seen in **Image 2**.

QUANTITATIVE TESTS AND RESULTS

Did the BP Oil Spill cause a reaction in the market? Was the information gathered around the event period significant? If the BP oil spill was significant enough to cause a reaction in the

market, then it should be expected to see a substantial difference between the Average Excess Daily Returns compared to the Cumulative Average Excess Daily Returns. If there is a significant difference observed, then the information surrounding the event date impacted the stock price as hypothesized. In order to test for significance of the data, a paired sample t-test was used including average excess returns and the cumulative excess returns.

The results showed that there was a statistically significant difference at the 5% level of significance for the sample of oil, gas, and other firms. This finding supports hypothesis H1₁ and H2₁ that the risk adjusted rate return of the stock price of the sample of oil, gas, and other firms is significantly negatively affected by the information around and on the event date. Though the paired sample t-test provided information that the results of an analysis were statistically significant and supported the alternative hypotheses, it is not shown on the market. It is possible that the information gathered and analyzed was significant for the sample but the market may not have had a notable change. The Average Excess Returns (AER) in **Image 1** and the Cumulative Average Excess Returns (CAER) in **Image 2** do not show a substantial differentiation before, on, or after the event date even though the paired sample t-test described the data as being statistically significant.

IMAGE 1. AVERAGE EXCESS RETURN OVER EVENT PERIOD

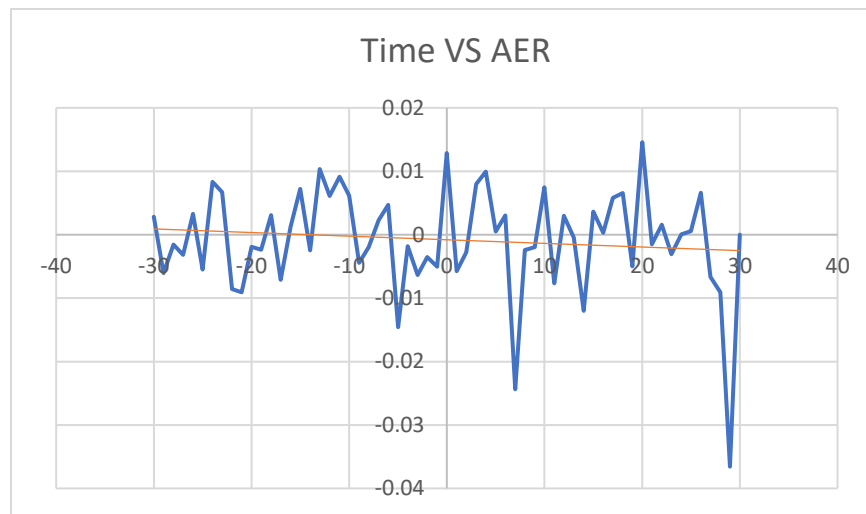
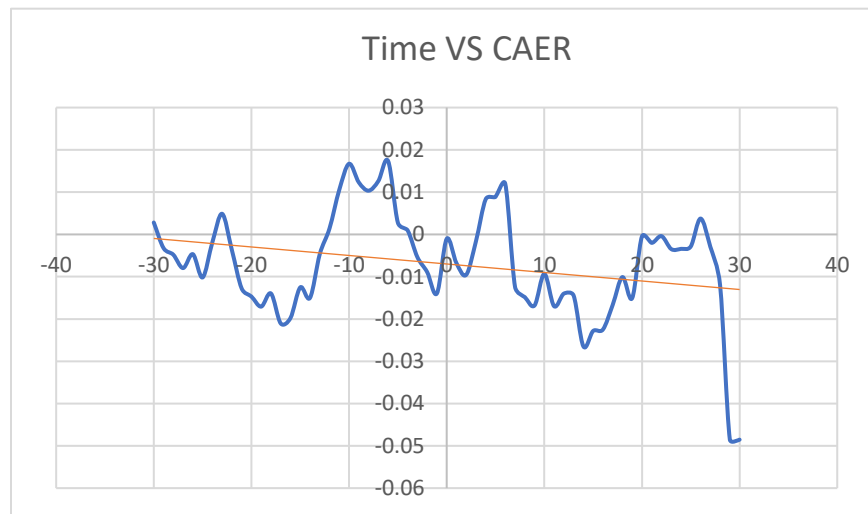


IMAGE 2. CUMULATIVE AVERAGE EXCESS RETURN OVER EVENT PERIOD**CONCLUSION**

This study investigated the effect of the BP Oil Spill in the Gulf of Mexico on the stock prices risk adjusted rate of return of fourteen oil, gas, and other firms. The t-test provided a p-value that was well below 5% significance meaning that there was a negative impact on the risk adjusted rate of return. However, the AER and CAER illustrate that the market was hardly effected by the BP oil spill. There is a slight decline in both of the AER and CAER (represented by the orange line) that may represent a slow decline of the market during the event period. The results gathered show some slight relationship to a weak form efficiency, but also supports semi-strong market efficiency theory. Although the BP oil spill incurred mass amounts of damages, increased regulations, and incurred billions of dollars in fines, it has created a safer and more efficient oil drilling industry.

REFERENCES

- Heflin, F., & Wallace, D. (2017). The BP Oil Spill: Shareholder Wealth Effects and Environmental Disclosures. *Journal of Business Finance & Accounting*, 44(3/4), 337–374. <https://doi.org/10.1111/jbfa.12244>
- Larino, J. (2015, April 20). 7 ways the BP oil spill will leave its mark on law. Retrieved December 1, 2018, from https://www.nola.com/business/index.ssf/2015/04/historic_bp_oil_spill_cases.html
- Merkel-Davies, D. and N. Brennan (2007), ‘Discretionary Disclosure Strategies in Corporate Narratives: Incremental Information or Impression Management?’, *Journal of Accounting Literature*, Vol. 26, pp. 116–94.
- Muskal, M. (2015, April 20). Five years after BP spill, new rules for offshore drilling aim to boost safety. Retrieved December 3, 2018, from <https://www.latimes.com/nation/la-na-gulf-anniversary-20150418-story.html>
- Ocean Portal Team, & Gulf of Mexico Research Initiative. (2018, July 02). Gulf Oil Spill. Retrieved December 1, 2018, from <https://ocean.si.edu/conservation/pollution/gulf-oil-spill>
- Times, T. W. (2011, April 19). EDITORIAL: Gas prices and the Gulf oil spill. Retrieved December 1, 2018, from <https://www.washingtontimes.com/news/2011/apr/19/gas-prices-and-the-gulf-oil-spill/>

ANALYSIS OF TURKISH INDIVIDUAL TAXPAYERS' PERCEPTIONS BASED ON DEMOGRAPHIC CHARACTERISTICS FOR GOVERNMENTAL TAX PLANNING DECISIONS

Yunus Kishali, Beykent University

Hari Sharma, Virginia State University

J Rajendran Pandian, Virginia State University

Ferdi Asim Hellac, Hellac Accounting

ABSTRACT

Taxes are required to generate revenues for governments to meet the general public needs. However, taxpayers are always reluctant to pay taxes because of personal financial hardships. The effective tax system needs public support for taxes and satisfaction in services provided by the governments. The purpose of this paper is to analyze tax payers' perceptions based on their demographic characteristics. The study was conducted using surveys from the income tax payers in one of provinces in Turkey. The study aims to analyze the perception of the income tax payers based on their demographic characteristics. The study revealed that the perception of taxpayers varied significantly based on certain demographic characteristics while other demographic characteristics there was no significant relationship. In this paper, we focus on one demographic characteristic namely, education level. Perception of the public on three distinct areas will be presented and our findings with respect to the education level will be presented. The three areas include perception of the purpose of tax, awareness of tax and tax equity. We found that there was significant difference between taxpayers with higher level of education and taxpayers with lower level of education as far as the purpose of tax was concerned. Most taxpayers with lower level education were of the opinion that the purpose of the tax was to provide services to the public and a compulsory payment whereas most taxpayers with higher level of education felt that it is more like a civic duty. In the second set of hypotheses, we looked into the ways to increase awareness of tax and the source of their tax awareness. Most taxpayers with lower level of education felt that lowering tax rate will automatically increase tax awareness whereas taxpayers with higher level of education did not agree with that idea. Most with lower level of education became aware of their tax from their financial advisor or their accountant whereas most taxpayers with higher level of education became aware of tax through popular media. The third set of analyses were related to tax equity. There was no statistically significant difference between taxpayers with higher level of education and taxpayers with lower level of education in that almost everyone felt that the tax was not equitable. The second hypothesis in this area was related to the source of inequity. We found significant difference between level of education and the reasons for tax inequity. Most taxpayers with lower level of education felt that the tax awareness was lacking whereas taxpayers with higher level of education did not agree with that. Similarly, with respect to the view that the

tax laws were not adequate, most taxpayers with higher level of education felt that the tax laws were inadequate whereas taxpayers with lower level of education did not agree with that. The last hypothesis we report in this paper dealt with opinion on tax amnesties. Most taxpayers with higher level of education were of the opinion that tax amnesties undermined tax equity whereas most taxpayers with lower level of education did not agree with that. Most taxpayers with lower level of education were of the opinion that tax amnesties are like punishment to honest taxpayers whereas taxpayers with higher level of education did not feel that way. This study contributes to the understanding of the concerns of taxpayers for future tax planning decisions in Turkey.

REFERENCES

- Alesina, A. and Angeletos, G-M. (2005) "Fairness and Redistribution", *The American Economic Review*, Vol. 95, No. 4 (Sep., 2005), pp. 960-980.
- Alm, J., Jackson, B. and McKee M. (1992) "Institutional Uncertainty and Taxpayer Compliance", *The American Economic Review*, Vol. 82, No. 4 (Sep., 1992), pp. 323-338.
- Ballard, C. L. and Gupta, S. (2018) "Perceptions and Realities of Average Tax Rates in the Federal Income Tax: Evidence from Michigan", *National Tax Journal*, Vol. 71, No. 2 (Jun., 2018), pp. 263-294.
- Bartels, L. M. (2005) "Homer Gets a Tax Cut: Inequality and Public Policy in the American Mind", *Perspectives on Politics* Vol. 3 No. 1 (March 2005), pp. 15-31.
- Blaufus, K., Bob, J., Hundsdoerfer, J., Sielaff, C., Kiesewetter D., and Weimann, J. (2015) "Perception of income tax rates: evidence from Germany", *European Journal of Law and Economics*, Vol. 40, No. 3 (Dec., 2015), pp. 457-478.
- Can E. and Duran İ., "The Effect of Demographic Factors on Tax Ethics: The Case of Istanbul Province", *Journal of Financial Political & Economic Interpretations*, Vol.52, No. 606 (Aug., 2015), pp. 55-71.
- Çiçek H., Responsibilities of Psychological and Social Obligations against Tax, Istanbul Chamber of Certified Public Accountants, Istanbul, 2006
- Demir M., "Factors Affecting the Attitudes and Behaviors of the Society against Tax"; <http://www.akademikbakis.org/eskisite/18/10toplum.pdf> (Date of access: 27/06/2016)
- Ipek, S. and Kaynar, I. (2009) "An Empirical Study in Canakkale towards Voluntary Tax Compliance", *Journal of Management and Economics*, Vol. 16, No. 1, pp. 173-190.
- Organization for Economic Cooperation and Development (OECD), (2019a) "Employment to population ratio, by sex and age", <https://stats.oecd.org/index.aspx?queryid=54742>, Date of access: April 3, 2019.
- Organization for Economic Cooperation and Development (OECD), (2019b) "Turkey – Country Note", <http://gpseducation.oecd.org/Content/EAGCountryNotes/TUR.pdf>, Date of access: April 3, 2019.
- Torgler, B., Demir, I. C., Macintyre, A. and Schaffner, M. (2008) "Causes and Consequences of Tax Morale: An Empirical Investigation", *Economic Analysis and Policy*, Vol. 38, No. 2 (Sep. 2008), pp. 313-339.

RETURN ANALYSIS OF U.S. REIT VS. NON-REIT FIRMS IN THE HOSPITALITY INDUSTRY

James Stotler, North Carolina Central University

ABSTRACT

This study examines the return performance of U.S. firms in the hospitality industry by comparing C-Corporation and REIT return measures. These returns are then broken down based on their component parts using a 3-factor DuPont identity approach. Each return component is then tested to determine any significant difference between C-Corp and REIT groups. Results indicate no significant difference in the component return measures of profit margin, asset turnover and equity multiplier for the two types of firms in the same industry suggesting a firm's asset type is a more significant factor than C-Corp versus REIT status in determining a firm's return.

INTRODUCTION

REITS were originally defined as “an unincorporated association with multiple trustees as managers and having transferable shares of beneficial interest” in the 1960's. They have evolved significantly since that inception causing the number of REITS to grow from 2 in 1962 to 193 in 2000 and total capitalization over that same time period to grow from \$42,000,000 to \$140,062,860,000. (Chan, Erickson and Wang, 2003)

REITS as they are currently operating began in the early 1990's. Ironically, the first REITS were regional retail mall REITS and now many of the “brick and mortar” retail businesses are closing down and doing more of their sales online. Many of these retail mall REITS are closing or being repurposed. Other types of REIT's rapidly emerged. In the late 1990's hotel REIT acquisition activity lead to the consolidation of the U.S. hospitality industry which has resulted in a larger number of hotel rooms being controlled by fewer companies. As hospitality REIT's purchased properties aggressively hotel C-corporations also began to expand into operation of hotel properties that were under the ownership of REIT's which allowed the non-REIT hotel corporations to expand the number of hotels they operate without the cost of property acquisition.

This study examines the relative return performance of REIT and non-REIT firms in the hospitality industry. Return measures and related factors examined are return on equity, return on assets, profit margin, asset turnover and leverage.

LITERATURE REVIEW

Prior research has been done which evaluates REIT performance and REIT versus non-REIT investment. Oak and Dalbor (2008) evaluate the impact of dividend policy on institutional holdings for REIT versus non-REIT hotel corporations and find that institutions tend to prefer REIT's over non-REITS for their portfolio holdings of hotel REIT's. Institutional holdings are

found to be larger for hotel REIT's than for non-REIT hotel corporations. Additionally, they find that there is a significant difference between hotel REIT's paying out more than 90 percent of their earnings as dividends versus those paying out only 90 percent

Hotel corporations commonly use acquisitions as a means of expansion. Such acquisitions could increase or decrease firm value. Bebhuk, Cohen and Ferrell (2006) note that this change in value may depend of the CEO's motivations. Another common method of expansion is to use a franchising model. Dogru (2017) reviews the two primary reasons that hotel corporations have expanded through franchising: capital scarcity and agency theory. The capital scarcity theory is straightforward. The hotel corporation does not need a large capital expenditure to grow when they just franchise their name and brand recognition to the franchisee. The agency theory explanation suggests that firms may choose to franchise rather than own the expansion hotel due to the high monitoring costs for general managers of the firm when the corporation owns the hotel expansion hotel. This monitoring dilemma is not as critical today due to the technology that enables the immediate access to performance data as well as customer feedback through email and social media platforms.

When analyzing hotel REIT's versus hotel C-corporations Dogru (2017) finds significant differences with respect to cash, capital expenditures, acquisition expenditures and total assets with all being higher for REIT's than for non-REIT's except capital expenditures which was higher for non-REIT's. There was no significant difference found by Dogru (2017) between REIT's and non-REIT's with respect to leverage. Although non-REIT's may have an incentive to use more debt due the tax-deductibility of the interest cost, REIT's have very limited ability to retain any earnings due to the legal requirement that most earnings must be paid as dividends and therefore debt is used by REIT's to acquire capital despite the deductibility of interest.

The relationship between REIT ownership and property level performance has also been examined. Howton, Howton, Lee and Luo (2012) find that REIT ownership has a positive impact on performance at the property level using operating margin as the performance measure. Their findings indicate a 3.1 percent higher operating margin for REIT hotels than for non-REIT hotels analyzed. Analyzing lagged operating margin they also find that REIT ownership has a positive impact on future property level performance of hotel properties.

COMPARISON OF REIT'S AND C-CORPORATIONS

In many ways REIT's and C-Corporations are similar, but there some significant ways in which they differ. One possible difference between the two could be the type of assets they hold. REIT's are required to hold a very large percentage of their assets in the form of real estate while C-Corporations are not subject to such a restriction. This study uses a data set comprised of equity REIT's and C-Corporations in the U.S. hospitality industry so the nature of their real estate assets is very similar which mitigates the possibility of a significantly different asset base. The essential elements for a firm to qualify as a REIT are the following.

- Be an entity that would be taxable as a corporation but for its REIT status
- Be managed by a board of directors or trustees

- Have shares that are fully transferrable
- Have a minimum of 100 shareholders after its first year as a REIT
- Have no more than 50% of its shares held by five or fewer individuals during the last half of the taxable year
- Invest at least 75% of its total assets in real estate assets and cash
- Derive at least 75% of its gross income from real estate related sources, including rents from real property and interest on mortgages financing real property
- Derive at least 95% of its gross income from such real estate sources and dividends or interest from any source
- Have no more than 25% of its assets consist of non-qualifying securities or stock in taxable REIT subsidiaries

METHODOLOGY

The return data for this study come from the S&P Capital IQ database and include 40 months of quarterly return data for U.S. Hospitality firms. This includes both REIT and C-Corporation data for firms in the industry. This study uses a data set comprised of equity REIT's and C-Corporations in the U.S. hospitality industry so the nature of their assets is very similar which mitigates the possibility of a significantly different asset base. Since the primary purpose is to examine REIT and Non-REIT firms in the hospitality industry with respect to return measures the first two variables examined are Return on Equity and Return on Assets.

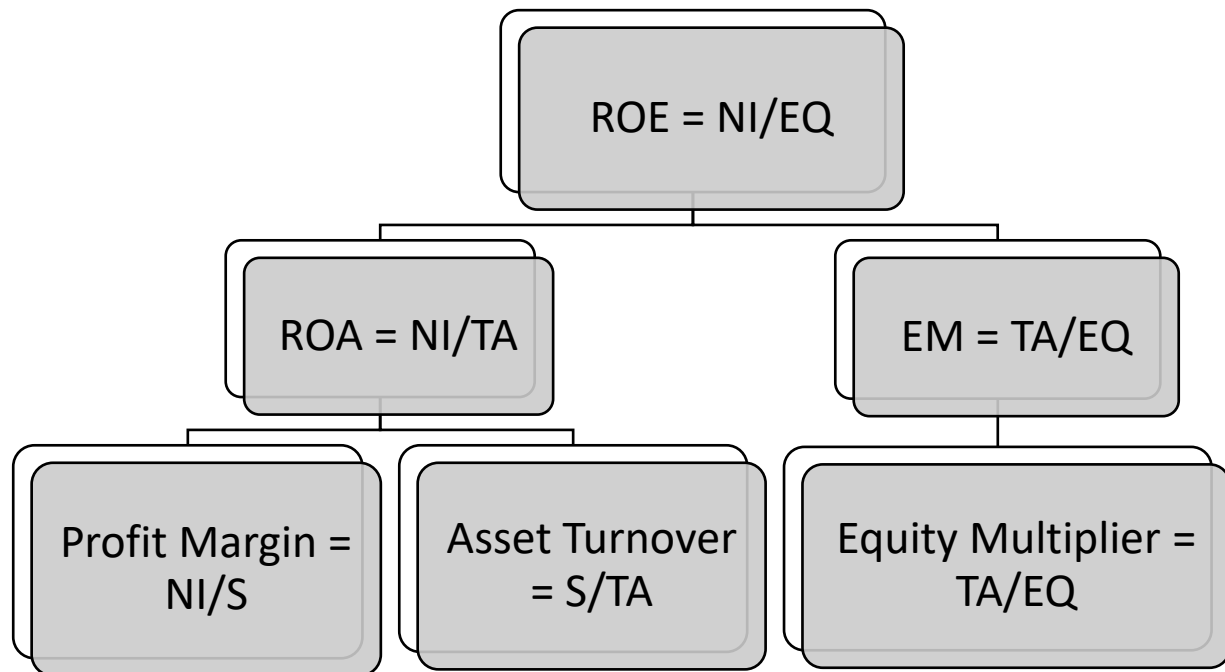
Further, these returns are analyzed with respect to cost control effectiveness, asset use efficiency and leverage. Each of these is evaluated using the individual components of the DuPont identity. Profit Margin is used as a measure of cost control effectiveness, Asset Turnover is used as a measure of asset use efficiency and the Equity Multiplier is used as a measure of leverage.

The factors examined are return on assets (ROA), return on equity (ROE), profit margin (PM), asset turnover (AT) and equity multiplier (EM).

$$\text{ROE} = \text{PM} \times \text{AT} \times \text{EM}$$

and

$$\text{ROA} = \text{PM} \times \text{AT}$$



These return measures and their component ratios are evaluated for both the REIT and Non-REIT firms in the hospitality industry. First, the two types of firms are evaluated with respect to ROE and ROA to determine if firm type impacts these return measures. Then, the return measures for each group are broken down into their component parts. The ROA and leverage components of ROE are separated and compared. The ROA is then broken down into profit margin and asset turnover and these two components are compared for the two samples.

INVESTORS' RISK PERCEPTION OF AUTOMOBILE ABS AFTER IMPLEMENTATION OF MAJOR ACCOUNTING DISCLOSURE REQUIREMENTS

Arthur L. Wharton, III, Virginia State University
Hari Sharma, Virginia State University
Sonthe Nguyen, Caliber Home Loans, Irving TX

ABSTRACT

The purpose of this research paper is analyze risk perceptions related to newly issued ABS (Asset Backed Securities) specifically Automobile loans after adoption of accounting disclosures regulations. We focused to examine the impact of SFAS 140 on newly issued ABS Auto loan to assess whether the spreads were lower after SFAS 140 adoption. In this study we regressed the Auto loan ABS spread before and after implementation of SFAS 140 against disclosure variables (Weighted average life and projected losses) and several control variables. The results suggest that the required disclosures provide useful information to investors in evaluating risks associated with ABS automobile loan as reflected in lower yield spreads after SFAS 140 adoption. However, the results suggest that investors ascribe more importance to the disclosure of weighted average life as compared to projected losses.

INTRODUCTION

The importance of securitizations has been firmly established in the US debt marketplace owing to its substantial growth since 1970. We intend to study the impact of disclosures on securitizations during the period, 1999 to 2018. The total amount of outstanding US securitizations has grown more than five-fold from \$2.12 trillion to \$11.2 trillion from 1996 to 2018. During the same timeframe ABS (a subset of the securitization market) also grew more than five-fold from \$298.3 billion to \$1.68 trillion outstanding. ABS growth even outpaces the increase in treasury and corporate bonds outstanding, which grew four-fold, \$3.44 to \$15.3 trillion and \$2.26 to \$9.2 trillion respectively during the same period.

The ABS market is comprised of several underlying asset classes including automobile loan, credit card, equipment, student loans, Collateralized Debt Obligations/Collateralized Loan Obligations (CDO/CLO) and others. At the end of 2018, CDO/CLO is the largest with the total outstanding of \$808.3 billion (48.2 percent of the total ABS), while in 1996 it was only \$9.0 billion (3.0 percent of the total ABS). Automobile is the second largest distinct asset class of ABS. The total amount outstanding in this asset class grew from \$67.3 billion (22.6% of the total ABS) in 1996 to \$222.8 billion (13.3% of the total ABS) in 2018. Issuance in nearly all ABS asset classes peaked in 2007, with credit cards at \$ 95.7 billion CDO/CLO at \$489.7 billion, student loans at \$60.1 billion and the total ABS market at \$795.9 billion. The auto loan ABS issuance peaked in 2005 at \$106.4 billion. The entire ABS issuance market fell dramatically during and just after the

financial crisis to a low of \$125.9 billion in 2010 and has recently begun a uneven recovery approaching pre-crisis levels with total issuance of \$516.9 billion. In 2018, automobile loan ABS issuance was \$107.3 billion or approximately 21 percent of the ABS market total.

TABLE							
US Asset-Backed Securities (in Billions)							
Outstanding:							
Year	Automobile	Credit Card	Equipment	Other	Student Loans	CDO/CL O	Total
1996	67.3	168.2	23.0	16.5	14.3	9.0	298.2
1996 (%)	22.56%	56.42%	7.70%	5.52%	4.78%	3.01%	100.00%
2018	222.8	123.8	84.3	267.7	170.2	808.3	1,677.1
2018 (%)	13.28%	7.38%	5.02%	15.96%	10.15%	48.20%	100.00%
New Issues:							
1996	37,531.50	674.50	48,322.10	11,596.20	14,679.99	8,355.00	121,159.3
1996 (%)	30.98%	0.56%	39.88%	9.57%	12.12%	6.90%	100.00%
2018	107,300.29	280,694.16	31,342.46	26,199.77	52,450.55	18,937.39	516,924.6
2018 (%)	20.76%	54.30%	6.06%	5.07%	10.15%	3.66%	100.00%

The Securities Act of 1933 requires disclosures in a securities underwriting is to provide sufficient information for investors to evaluate the value of a given transaction. There have been several accounting standards implemented between 1996 and 2009 to account for issuing, recording, pricing and valuation of these instruments. The securitization focused adoption of accounting standards began with SFAS 125, SFAS 140, SFAS 156, SFAS 157 and SFAS 166. Since 2009 accounting standards, previously known as Statement of Financial Accounting Standards (SFAS) have been reorganized and renamed as Accounting Standard Codification (ASC). Now ASC 860 addresses accounting for securitizations. SFAS 125 (1996) addressed accounting and reporting for transfers and servicing financial assets and distinguished transfers that are sales from those that are secured borrowings. SFAS 140 (2001) was to specifically address securitizations by requiring various disclosures and the consistent application of the financial components approach. In paragraph 17 of SFAS 140, the Financial Accounting Standards Board (FASB) required that for all securitization transactions occurring after April 1, 2001, issuers must provide disclosures that include specified information about the pool of assets that underlie securitization transactions. SFAS 156 (2006) amended SFAS 140 and required accounting for separately recognized servicing assets and liabilities. SFAS 157 (2006) defined and established how to measure fair value and required additional disclosures of fair value measurements. SFAS 166 (2009) addressed improving various qualitative characteristics of financial reporting of asset transfers and issues associated with derecognized financial assets that should still be reported on transferor financial statements.

The disclosures associated with securitizations were first specifically mandated through SFAS 140 which became effective for securitizations issued after March 31, 2001. Prior to this date, SFAS 125, the accounting standard that covered securitizations, only offered vague, unspecific guidelines for the securitization disclosures. This study extends the findings of

Wharton, et al (2018) by examining the effect of SFAS 140 on the spreads of newly issued automobile loan ABS. Since Vink and Thibault (2008) has already suggested that MBS and ABS are different financial instruments. Therefore, the spreads of both MBS and ABS will not necessarily respond similarly to the adoption of SFAS 140. Additionally, this study examines the effectiveness of specific disclosures required by SFAS 140 to better inform investors of selected risks associated related to investment decisions in automobile loan ABS issues. The SFAS 140 disclosures were specifically intended to provide information for assessing the value of servicing assets and liabilities as well as of retained interests of the securitization sponsors. Additionally, these disclosures also provide information that is potentially value relevant in determining the value of the securitization issue.

The study demonstrates that the mean spreads of automobile loan ABS issues decreased after the adoption of SFAS 140 while mean spreads for non-securitization bonds increased. Additionally, the research findings suggest that the SFAS 140 disclosures show a very strong statistical association with the spreads of newly issued ABS and provide relevant information to investors in assessing risk. The rest of the paper proceeds as follows. Section 2 reviews prior literature; establishes the methodology and explains data/sample selection; Section 3 defines the research hypotheses; Section 4 provides the empirical results; and Section 5 presents the conclusions.

2. LITERATURE REVIEW

Vink and Fabozzi (2009) investigates the factors that affect the spread of non-US asset-backed securities in a primary market setting. The paper concludes that while investors rely very heavily on credit ratings, they also consider other additional factors that rating agencies consider when assigning credit ratings. They therefore posit that the notion of investors relying solely on credit ratings may be overstated. Vink and Thibault (2008) examines the common pricing factors for an sample of European ABS, MBS and CDOs to determine if these pricing factors behave differently in the determination of their primary market spreads. Using the Chow test, the results demonstrated F-values above the critical value in all security comparisons. The results strongly suggest that ABS, MBS and CDOs are different financial instruments. Gurtler and Hibbeln (2013) Examine whether investors consider lack of screening and monitoring incentives in the pricing of securitization issues as measured by spread. The results suggest that the type of retention employed by the issuer plays a role in the pricing of securitization tranches. The results suggest investors of higher credit rating tranches consider information asymmetry when pricing securitizations.

Mahlmann (2011) tests the ratings overdependence hypothesis. The results suggest the following: (1) Investors do not rely solely on credit ratings when pricing CDO tranches at origination. (2) Yield spreads at issuance have some predictive ability of future performance. (3) The information content of spreads decreases over time and for lower rated tranches in complex CDO deals. (4) The correlation between credit ratings and spread increases over time. Wharton, et al (2018) examines the effect of the disclosures required by SFAS 140 on the spreads of mortgage-backed securities (MBS) in a primary market setting. The results suggest that the SFAS 140 disclosures contributed to reducing MBS spreads demanded by investors.

2.1 Research Methodology:

In this analysis, we tested the hypotheses using both univariate and multivariate statistical methods. A differences of means test was used to examine in a univariate setting whether there was a statistically significant change in the mean spreads of automobile loan ABS before and after the implementation of SFAS 140. Also in a univariate setting, we examined and compared the mean spreads of non-securitization bonds to those of automobile loan ABS. A multiple regression was employed to examine and test the relationship between the dependent variable, spread, and the disclosure variables, weighted-average life (WAL) and projected losses (ProjLoss) with various control variables including a dichotomous period variable. The period variable is included to test for a structural break in the relationships of the dependent and independent variables.

2.2 Data Collection:

The data was collected from prospectus filings with the Securities and Exchange Commission's Edgar database. The sample included a total of 434 tranches of auto loan ABS issued between 1999 and 2003. The sample was partitioned into a pre-subsample of 148 and an post- subsample of 286 individual tranches of auto loan ABS issues.

HYPOTHESIS DEVELOPMENT

Based on the literature, we developed the following hypotheses for the study:

H1: Launch spreads of automobile loan ABS after implementation of SFAS 140, will be smaller than launch spreads of automobile loan ABS issued before the implementation of SFAS 140.

H2: Projected losses (ProjLoss) disclosure will have a positive relationship with the launch spreads of automobile loan ABS.

The following OLS regression model will be used to test the hypotheses:

$$YIELD\ SPREAD = \beta_0 + \beta_1 ProjLoss + \beta_2 WAL + \beta_3 Period + \varepsilon,$$

Where:

YIELD SPREAD = the delta between the ABS automobile yield and the yield of the Treasury security of comparable maturity.

ProjLoss = the disclosures on the projected losses related to the assets underlying the securitization issue.

WAL = The assumed expected years to maturity of the securitization issue due to prepayments of some or all of the underlying assets obligation before its original maturity.

Period = the time period the issue was sold. Time is divided into two periods before and after the effective date of SFAS 140, which is April 1, 2001.

4. RESULTS

The following is the summary or preliminary results of Univariate and Multivariate analysis:

4.1 Univariate Results:

The univariate results show that before implementation of SFAS 140, the mean automobile ABS launch spread was 0.6959 while after the implementation, mean automobile ABS launch spread is -0.0847.

The strong statistically significant difference is evident with a t-statistic of 13.2696. The lower p-value (<0.0001) also supports the confidence in the findings. During the period of the study, the yield spreads of AAA corporate bonds actually increased from 1.5537 to 1.8217, with a t-statistic of -9.7412 and a p-value of <0.0001 . These univariate results combined strongly suggest that the disclosures required by SFAS 140 reduced the mean yield launch spreads for automobile ABS as hypothesized.

TABLE 2 Difference of Mean Tests (Yield Spread)				
	Before	After	T-Statistic	P-Value
Mean Launch Spread	0.6959	-0.0847	13.2696	$<< 0.0001$
Mean Launch Spread (Without Floating)	0.6834	0.0301	10.2057	$<< 0.0001$
AAA Corporate Bond Spread	1.5537	1.8217	-9.7412	$<< 0.0001$

4.2 Multivariate Analysis:

The impact of independent variables (projected losses, weighted average life and period (before/ after implementation of SFAS 140) was analyzed using OLS model. Projected Losses was statistically significant at 5% level, Weighted Average Life was statistically significant at 1% level and Period was significant at 1% level.

5. CONCLUSIONS

The Securities Act of 1933 requires disclosures in a securities underwriting. The issuer is required to provide sufficient information for investors to evaluate the value of a given transaction. In accordance with paragraph 17 of SFAS 140, the Financial Accounting Standards Board (FASB) required, for all securitization transactions occurring after April 1, 2001 issuers must provide disclosures that include specified information about the pool of assets that underlie securitization transactions. The findings of this research support the suggestion that the required SFAS 140 disclosures required by paragraph 17 have contributed to a statistically significant reduction in the mean launch spread of automobile loan securitization transactions. The univariate and multivariate results provide strong support for the hypotheses. H1 is supported with the observed yield spreads being smaller for automobile loan ABS by a statistically significant margin in the period after the implementation of SFAS 140. Support for H1 is strengthened further by observing that the yield spreads of traditional AAA-rated bonds increased by statistically significant margins during the sample period. There is support for H2 for a positive association between projected losses

disclosure and ABS yield spread. Disclosure of the weighted average life (WAL) is documented to be positively associated with yield spread in automobile loan ABS that supports H2. Taken together, the strong support for H1, with support for H2, suggests that the disclosures required by SFAS 140 are important and useful to investors making decisions about the yields they demand of issuers in automobile loan ABS transactions.

The results further suggest that investors assign more importance to the disclosure of the prepayments stress test or the weighted-average life than the projected losses disclosure.

REFERENCES

- Gurtler, M. and Hibbeln, M. 2013. Do Investors consider asymmetric information in pricing securitizations? Working Paper.
- Mahlman, T. 2011. Did Investors Outsource Their Risk Analysis to Rating Agencies? Evidence from ABS-CDOs. Working Paper.
- Vink, D. and Fabozzi, F., 2009. Non-US Asset-Backed Securities: Spread Determinants and Over-Reliance on Credit Ratings, Yale ICF Working Paper No. 09-13, Yale University.
- Vink, D. and Thibeault, A. 2008. ABS, MBS and CDO Compared: An Empirical Analysis, Working Paper.
- Wharton, A. et al 2018. Impact Accounting Disclosure Standards on Mortgage Backed Securities Risk(s) with a Focus on SFAS 140. *Journal of International Finance Studies*, Vol.18, no.2.

WORKFORCE TURNOVER AND ABSENTEEISM IN THE MANUFACTURING SECTOR

Kristie A. Abston, Middle Tennessee State University
Murat Arik, Middle Tennessee State University
Bronwyn G. Graves, Middle Tennessee State University

ABSTRACT

The manufacturing sector in the United States is simultaneously enduring record-low unemployment rates and record-high growth. These economic conditions underscore the vital role that managing human capital plays in an organization's success. Effective recruitment and retention tools, including pay and benefit offerings, are particularly key to helping manufacturing organizations perform optimally under these competitive labor market conditions. This study explores the relationships between pay practices, benefit programs, location characteristics, absenteeism, and turnover using survey data from human resource management professionals representing 350+ manufacturing organizations in the southeast. Responding organizations represented both rural and metro areas, ranged in size from 2-6000 employees, and reported average annual sales ranging from \$150K to \$850K. The paper discusses how these important organizational variables are connected and provides recommendations for human resource managers in manufacturing or any industry that finds itself in intensely competitive labor market conditions. The paper concludes with suggestions for future research.

SELECTED REFERENCES

- Dmitrieva K. (2 May, 2018). U.S. factories are showing signs of buckling from demand surge. Retrieved from <https://www.bloomberg.com/news/articles/2018-05-02/u-s-factories-are-showing-signs-of-buckling-from-demand-surge>.
- Franck, T. (3 August 2018). Job gains for the manufacturing industry in the last 12 months are the most since 1995. Retrieved from <https://www.cnn.com/2018/08/03/job-gains-for-the-manufacturing-industry-are-the-most-since-1995.html>.
- Kampkötter, P., & Marggraf, K. (2015). Do employees reciprocate to intra-firm trainings? An analysis of absenteeism and turnover rates. *The International Journal of Human Resource Management*, 26(22), 2888-2907. DOI: 10.1080/09585192.2015.1005655.
- Schmidt, J. A., Willness, C. R., Jones, D. A., & Bourdage, J. S. (2018). Human resource management practices and voluntary turnover: A study of internal workforce and external labor market contingencies. *The International Journal of Human Resource Management*, 29(3), 571-594. DOI: 10.1080/09585192.2016.1165275.
- The Manufacturing Institute (2018a). Manufacturing Day 2018 to focus on biggest problem manufacturers face: A shortage of skilled workers. Retrieved from <http://www.themanufacturinginstitute.org/News-Articles/2018/05/11-MFG-Day.aspx>.
- Vandenberghe, C., & Tremblay, M. (2008). The role of pay satisfaction and organizational commitment in turnover intentions: A two-sample study. *Journal of Business Psychology*, 22, 275-286.

GLOBAL COMPETITIVENESS IN SUB-SAHARAN AFRICA: A THREE-COUNTRY COMPARISON

Victor Bahhouth, University of North Carolina at Pembroke
Edwin Mensah, University of North Carolina at Pembroke

ABSTRACT

In spite of the benefits of globalization, the challenges it poses to small businesses in sub-Saharan Africa, can be daunting. Unfortunately, the success of small businesses is no longer based on how well they compete locally but how adaptive they are or would be to the challenges posed by globalization. While several intrinsic firm-specific attributes are necessary in enhancing firm performance and survival in a globalized environment, the role of government in ensuring the survivability of firms cannot be over-emphasized. Thus, the creation of the necessary socio-economic and market conditions that allow businesses to thrive and compete successfully is imperative. The current study therefore examines the readiness of small businesses in three West African countries (Ghana, Nigeria and Sierra Leone) to compete in the globalized world. The legal and regulatory environments prevailing in these sub-Saharan countries as well as the availability of basic amenities such as electricity, water, communications infrastructure, and labor resources, technology and financial support are explored. Recommendations to enhance firm performance and competitiveness are also discussed.

PROPOSING BANKRUPTCY PREDICTION MODEL FOR HIGHER EDUCATION INSTITUTIONS: LOGISTICS REGRESSION USING DATA REDUCTION

Glenda Evans, Hampton University
Sharad K. Maheshwari, Hampton University

ABSTRACT

Traditional colleges and universities find themselves in financial distress as the wants and needs of potential students and industries evolve. Potential students have more options with the advancement of technology which offers the convenience of online learning and potential employers are demanding more technologically-savvy candidates. These changes come as the universities are recovering from the financial crisis of 2008 and reduced federal and state funding. To sustain, the colleges made several changes. Those changes included reducing class sizes and offerings, as well as reducing enrollment and centralizing administrative functions (Oliff, Palacios, Johnson, & Leachman, 2013). Universities and colleges also implemented cost restraints, including reducing travel funding and faculty support (Palomino, 2010). While the previously mentioned changes have kept the higher education institutions afloat, the changes are not creating stability. The lack of stability can be demonstrated by the closure rates of higher education institutions (Evans, 2018). For example, before 2008, approximately five private four-year colleges closed per year while between 2008 and 2011 double the amount or 10 four-year colleges closed per year (McDonald, 2014). Furthermore, there were also 37 college mergers between 2010 and 2012, which is three times more than the number of colleges merged between 2006 to 2009 (McDonald, 2014). Like other business, colleges and universities are reactive to financial stress. Most research models used by higher education institutions like Moody's Scorecard (Moody's Investor Service, 2015) and Forbes Financial Grades (Schiffrin, 2015) assess current or past financial standings or concentrate only on financial ratios. None of these models have failure predictive capabilities.

This research proposes developing a failure predictive model for institution of higher education using publicly available data. Data for this proposed research is available from the Department of Education Integrated Postsecondary Education Data System (IPEDS) and Postsecondary Education Participants System. Every school is required to report on over 500 different characteristics/variables yearly. This includes financial, operational and academic variables. This research proposes that out these 500 plus variables most important variables can be selected using a statistical data reduction method and then a predictive regression model for the college failure can be developed using the reduced dataset.

INTRODUCTION

Economic distress placed pressure on many higher education institutions during the past few decades. Since the financial crisis of 2008, several colleges and universities have found themselves in serious financial difficulty while struggling to maintain their campuses structurally, financially, and academically. The financial crisis occurred largely due to loose lending rules followed by the commercial banks that led to the awarding of home loans with variable rates to borrowers that could not afford the monthly mortgage amounts (Basken, 2008a). Furthermore, a stock market crash, which included a 778 point one-day plunge, impacted both personal and institutional wealth (Wilson, 2008). The stock exchange lost 9% of its value in that short amount of time (Wilson, 2008).

The results of this financial crisis were significant increases in personal bankruptcies. Banks had to reduce credit defaults by implementing stricter credit guidelines and decreasing loan approvals. The crisis also considerably impacted the higher education sector because both the institutions and potential students found it difficult to borrow money. For example, the adjustment of Parent Plus Loans resulted in less enrollment at many universities. Also, the institutions depended upon credit to support renovation and construction of new facilities on campus. Colleges and universities began feeling the effects through less funding for these projects (Basken, 2008a). Furthermore, reduction in the endowment value of the educational institutions and reduction in the philanthropic donations to the higher education institutions due to loss of stock market wealth put more constraints on the educational institutions. This led to either failure or mergers of a few higher education institutions due to the severe financial crisis.

The purpose of this study was to create a bankruptcy predictor for higher education institutions. After a review of existing research, a clear need for a failure prediction method was discovered. The existing methods used by colleges and universities were either created for different sectors of businesses or lacked the transparency needed to allow the administrators the ability to verify rankings that the universities received. In this study proposes to develop a higher education institution predictor model using publicly available data on higher education institutions.

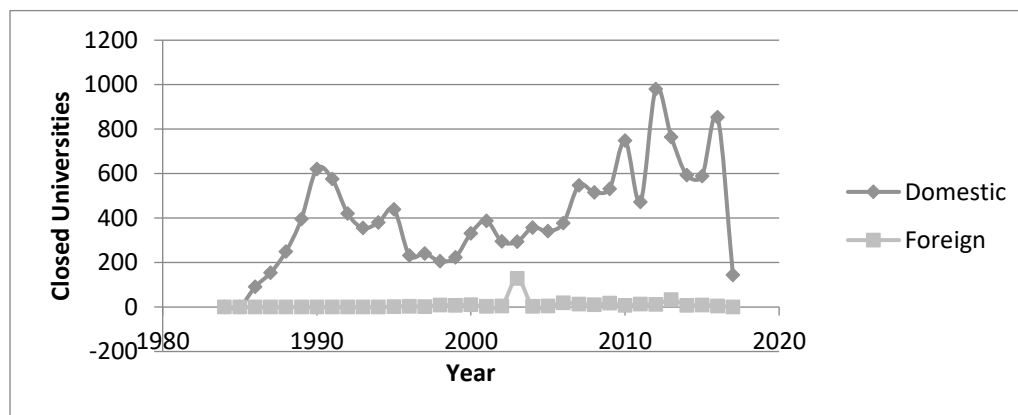
LITERATURE REVIEW

Higher education institutions are a vehicle to create new knowledge and tools. The cost of running a higher education institution is significant and is continually increasing because of innovations in science and technology. But higher education institutions have limited revenue sources to meet the ever-increasing need for capital to satisfy these needs.

Typical revenue sources of higher education institutions can be divided into nine categories: (a) student tuition and fees (net of allowances), (b) federal appropriations, grants, and contracts; (c) state and local appropriations, grants, and contracts; (d) private gifts, grants, and contracts; (e) investment return gains or loss; (f) educational activities, (g) auxiliary enterprises (net of allowances); (h) hospitals; and (i) other (National Center for Education Statistics, 2015a). Many of traditional revenue sources are under pressure like federal support for higher education (Palomino, 2010).

Beside, revenue there are other many threats and challenges to traditional colleges like online education, MOOCs, financial affordability, continuous need of capital investment in new

technologies and laboratories, etc. (Rogojanu et al., 2015; Grossman, 2013, Coskum, 2015, etc.) Multitude of these factors are putting more pressure on smaller institutions. These factors cause several institutes to close in US and abroad. A comparative picture is presented the chart below. It must be noted that most colleges closed during that period in the United States are for-profit colleges and universities as well as theological colleges and universities. The number of 4-year private and public nonprofit colleges and universities that closed during the period of 1990 to 2014 was 129 (Jacobs, 2015). These 129 colleges and universities did not include colleges and universities that merged during that period (Jacobs, 2015).



The number of 4-year private and public nonprofit colleges and universities that closed during the period of 1990 to 2014 was 129 (Jacobs, 2015).

While failure and success measures are available for for-profit businesses, there are no established efficient measures for colleges and universities. Past research has shown the financial viability of a for-profit corporation was characterized by four factors: (a) a company's solvency and results of its activity achieved by means of the efficient use and distribution of financial resources, (b) sustainable development and the process of business activity, (c) balance, equilibrium, and risk, and (d) the ability of an entity to continue to achieve its operating objectives and fulfill its mission over the long term (Nadezda Koleda & Oganisjana, 2015).

There are many bankruptcy prediction models proposed and tested for for-profit business (>>). However, these models are not transferable to four-year higher education institutions. While it is important for a higher education institution to recover from financial distress, like a standard firm, it is even more important for the institution to foresee the financial distress before it impacts the campus. Instead of guessing if the college can sustain itself in the future, a standard unit of measurement for financial and/or academic distress or mismanagement is required.

A large amount academic and financial data is collected by U.S. Department of Education Integrated Postsecondary Education Data System (IPEDS) and Postsecondary Education Participants System. Higher education institutions that receive Title IV funding are required to submit an annual report to IPEDS during the fall semester of each academic year. This data multitude of financial, operational and academic variable. In total 538 different variables must be reported to IPEDS (Ipdes, 2015). This data set should give some warning assign if can be properly analyzed.

To analyze large data set, generally data reduction techniques are used. There are several statistical data reduction techniques used in the industry (Kathait, 2017). These techniques involved from simple correlation analysis to more statistically sophisticated method like cluster and exploratory factor analysis (Kathait, 2017; Soni 2012; Ray, 2015). The purpose of data reduction methods is to reduce available data set of possible explanatory variables which can explain and/or predict dependent variables efficiently and accurately.

PROPOSED MODEL

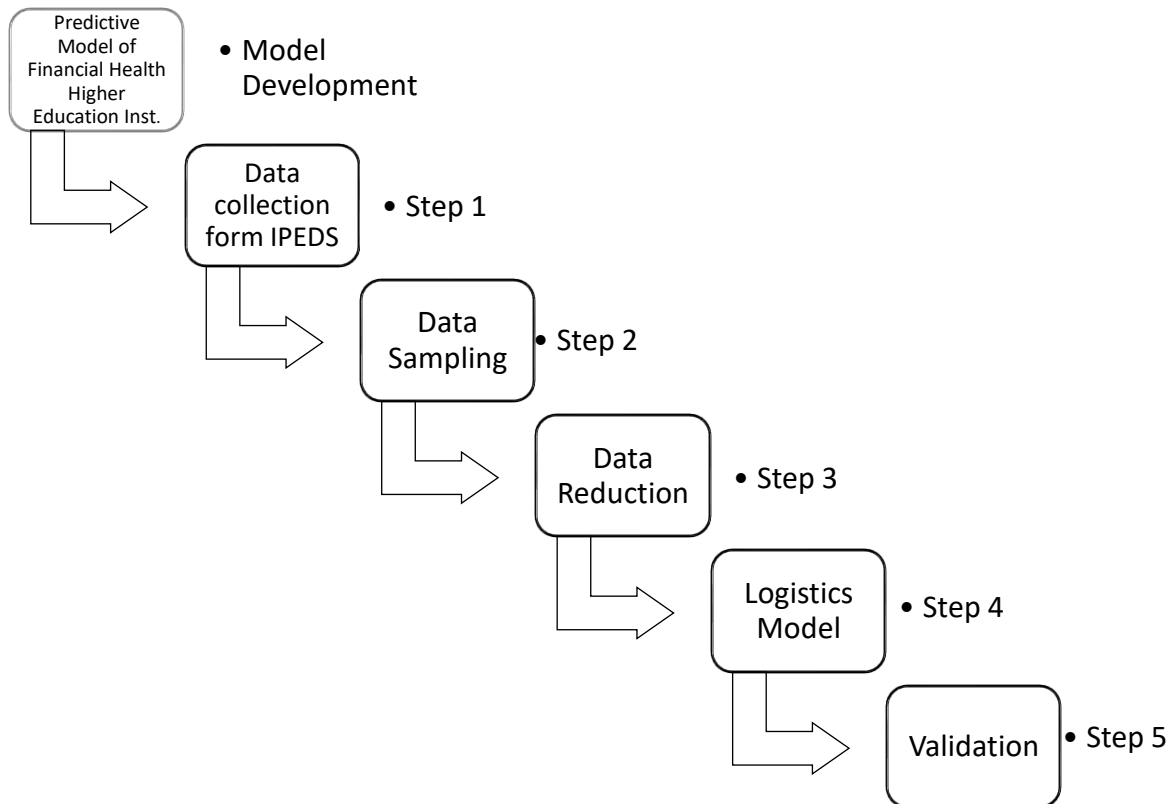
For this research, a large amount of the data on the universities has been downloaded from U.S. Department of Education Integrated Postsecondary Education Data System (IPEDS) and Postsecondary Education Participants System. The raw data file downloaded from IPEDS contained 215,613 observations from 18,635 institutions spanning the years 1987 to 2012 (Desrochers & Sun, 2015). Each institution reported 538 required variables each year. The 538 variables covered several segments of the universities, including finance, student financial aid, institutional characteristics, completions, graduation rates, enrollment, faculty, and staff. Data on sustaining institutions was available until 2012 and data on any closed institution was available until that institution was in operation.

Out of this large file, data will be stratified by several characteristics. These include type of colleges, size of college, etc. along with stratification based on closed vs. sustaining institutions. Small sample of from these stratified groups will be selected randomly for analysis. Parity between stratified groups of closed institutions and sustaining instructions will be maintained while drawing the samples.

As indicated 538 different variables and several thousand institutions make data sample large and unsustainable. This research proposes to use correlation analysis as the first step of data reduction. That is, a pair-wise analysis of variables by creating a correlation matrix. Only one out of the pair of variables with large correlation coefficient will be kept in the analysis. This will reduce multi-collinearity. After this either variance inflation factor (VIF) will be used to further reduce variables. Variables with no significant relationship with dependent variable will also be removed.

A generalized regression analysis will be performed to develop a prediction model. Because the dependent variable was a binary variable (closed vs. sustaining), simple linear regression was not possible. Hence, logistic regression will be used. It will be binary logistic regression model with independent variables will come from reduced data set which will include number of academic and financial variables. Logistic model uses odd ratio (ratio of probability of one event to probability of complementary event) dependent variable.

The proposed prediction model will be tested for validation. For that purpose, another sample of closed and sustaining institutions will be drawn. This sample will be used to validate predictive power of the regression model. A comparison will be made with other available models for its predicted quality. Following schematic show the proposed model:



CONCLUSION

The purpose of this study is to create a bankruptcy predictor for higher education institutions. After a review of existing research, a clear need for a failure prediction method is there. The existing methods used by colleges and universities were either created for different sectors of businesses or lacked the transparency needed to allow the administrators the ability to verify rankings the universities received. This proposed model will likely to fill this gap in the literature and developed a bankruptcy model for higher institutions.

REFERENCE

Available upon request.

HOW ONTOLOGIES CLOSELY REPLICATE THE HUMAN MIND IN ORGANIZING, STORING AND RETRIEVING INFORMATION.

Mahesh Gopinath, Old Dominion University

Vipin Menon, McNeese State University

ABSTRACT

There have been attempts all along to better understand how the mind organizes, stores and retrieves information. Research into this topic has progressed in a number of areas, some of which were independent of each other. One of the areas that have made significant leaps into this topic has been computer science (CS). A concept that has been recently developed in CS is called ontology based processing. This paper explores the corresponding between information processing and retrieval in the human mind and that of the ontology based system.

Ontologies are inherently subjective. In this respect, ontologies are similar to the observations made by human beings. Two persons observing the same universe around them may form two completely different views of the proceedings around them. Similarly, two ontologies O_1 and O_2 may be quite different, even though both of them are inherently representing the same underlying data. It might even be difficult to say which of O_1 or O_2 is better. This relative usefulness would depend on the particular application for which the ontology is used. In addition, it might even depend on the particular individual who is using the ontology at a certain point in time.

An ideal ontological system is difficult to specify exactly and is a concept that exists only in the mind of some researchers. A perfect ontological system (one that could handle any kinds of queries about any kinds of objects from any user), would require a much deeper understanding of knowledge conceptualization and natural language processing than research directions can support in the feasible future. The fact that ontologies are such an active area of research with immense potential, illustrates, among other things, that the generation of good ontologies is certainly non-trivial.

Building ontologies is typically difficult, time-consuming and expensive. This is especially so, if the goal is to construct an ontology that is rich and powerful enough to perform automated inferencing. Construction of such an ontology requires careful attention to detail and a strong ability to organize information meaningfully.

Since an ontology organizes things into a clean and well-defined hierarchy, hidden, implicit and unknown design criteria are often uncovered, thus promoting an openness. This is facilitated by an ontology's use of common terms, meanings and an agreed upon vocabulary, to make it's concepts more explicit. The purpose of the study is to (need to come up with something sexy here). One of the important reasons mentioned for the development of ontologies is to enable reuse of domain knowledge. This reuse of domain knowledge was one of the driving forces behind recent surge in ontology research. For example, models for many different domains need to

represent the notion of time. This representation includes the notions of time intervals, points in time, relative measures of time, and so on. Human beings are also known to be cognitive misers and there is some support for the uses of pre existing knowledge structures for

Traditional models of information processing suggest that memory for information is influenced by the manner in which the information is encoded and retrieved. Since the late 1970s, theorizing in psychological social psychology has been dominated by the computer metaphor of information processing models. Information processing models has rapidly advanced our understanding of the cognitive processes underlying memory and cognition (for reviews, see Devine et al 1994). With the emergence and proliferation of Internet services and e-commerce applications, organizations and individuals typically generate, gather, and maintain a tremendous amount of textual documents. To facilitate their subsequent access to these documents, use of categories to manage this ever-increasing volume of documents is often observed at both organizational and individual levels.

The laddering technique was introduced in psychology area by Dennis Hinkle (1965) in order to model the concepts and beliefs of people. The technique has spread out from psychology there to other areas like marketing, advertising, and consumer behavior (Rugg, Eva, Mahmood, Rehman, Andrews, & Davies, 2002). Laddering is very useful in research that elicits hierarchical constructs and can become especially popular in investigating personal values according to the models of the Means-End Chain (MEC) theory (Botschen, Thelen, & Pieters, 1999; Dibley & Baker, 2001; Gengler, Mulvey, & Oglethorpe, 1999; Lastovicka, 1995; Lin, 2002; Reynolds & Whitlark, 1995; Valette-Florence & Rapacchi, 1991; Vriens & Hofstede, 2000; Wansink, 2000). As laddering is particularly suitable to bring out people's goals, values, and dimensions, the MEC theory is a good frame to reach this purpose since it has a systematic and hierarchical order to be followed. The MEC model was conceived in order to supply a theoretical structure capable of linking consumers' values to their behavior.

ADOPTION OF VIRTUAL REALITY IN LEARNING AMONG HBCU STUDENTS

Obyung Kwun, Southern University at New Orleans

Ghasem S. Alijani, Southern University at New Orleans

Mohammed A. Khaleel, Southern University at New Orleans

ABSTRACT

As the benefits of virtual reality are increasingly apparent, its adoption in learning is rapidly increasing. The study investigates HBCU students' intention to adopt virtual reality technology in their learning with the Technology Acceptance Model framework. The results show that entertainment characteristics of virtual reality has the strongest influence on all of the constructs (ease of use, perceived usefulness, and intention) in the research model. However, ease of use and perceived usefulness failed to show significant impact on intention to adopt virtual reality. Virtual reality as a learning tool can appeal to students. But further research need to be conducted to have a better prediction on student intention to use virtual reality for their learning.

FEATURES IN BOOKING ENGINE INTERFACES THAT MOTIVATE CUSTOMERS TO USE ONLINE COMPUTER-BASED RESERVATIONS SYSTEMS

Ewuuk Lomo-David, North Carolina A&T State University

ABSTRACT

The success of a tourism or hotel or entertainment company depends on the success of a consumer-accepted and continuously patronized booking engine interface which in turn is a function of how meaningful, trust-worthy and good the features and elements of the interface are presented on the display device. This study researches the level of importance customers place on the features presented on the interface noting that customers are the ones who interact with these features. ANOVA statistic will be applied to the results of a survey instrument to determine F-factor that will explain the presence or absence of statistical significance between millennials and non-millennials regarding these features. Several studies have shown that millennials are the driving force behind the use of online computer-based reservation systems (OCRS); and they are the ardent users of communications and technology tools which today propel the internet. These same millennials are the technically savvy ones who use smartphones and other mobile devices to interact with booking engines thus keeping the industry prosperous and competitive.

INTRODUCTION

There are several domestic and global business enterprise activities that are propelled by online computer-based reservation systems (OCRS) employing booking engines covering the entertainment, hospitality and tourism industries. These OCRS present booking engine familiar interfaces that tend to elicit almost similar required types of information relative to customers' particular interests. They also possess one major characteristic – virtual centralization of interconnected cloud server systems that seem to present information as coming from one seemingly centralized location that use instant distributive delivery to make results of processes available to customers (see Figures 2 & 3 from Travelocity.com). A customer desiring to travel by air contacts an internet booking engine (IBE) which is already seamlessly installed on the website of the airline of choice which in turn connects to a global distribution systems (GDS) or computer reservation systems (CRS) which stores customer information such as name, travel schedule, payment option, etc. These systems work seamlessly to complete the booking process.

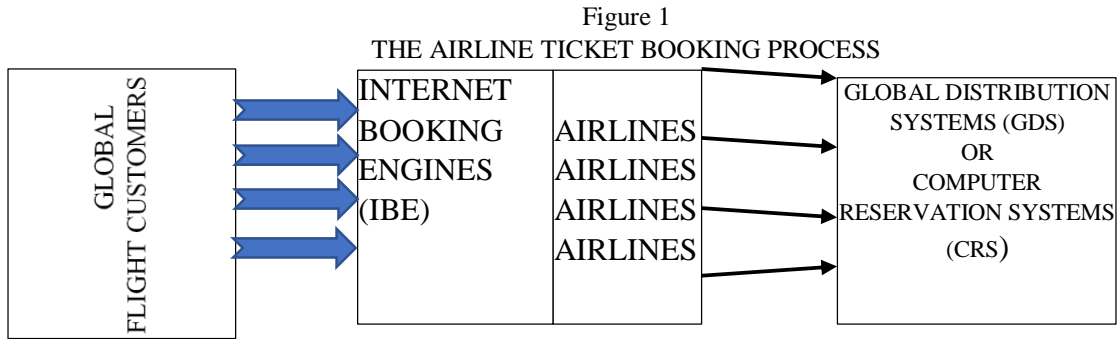


Figure 2
FLIGHT BOOKING ENGINE INTERFACE -- Travelocity

The screenshot shows the Travelocity website's flight booking interface. At the top is a dark blue header with the Travelocity logo, a navigation menu (Vacation Packages, Hotels, Cars, Flights, Cruises, Things to Do, Trips for Me, Discover, Vacation Rentals, Travel Deals, Get Inspired, Mobile), and user links (Add your property, Account, My Lists, My Trips, Support, Español). Below the header is a row of category buttons: Flights (selected), Hotels, Packages, Cars, Cruises, and Activities. The 'Flights' section is active, showing options for Roundtrip, One way, and Multi-city. The main form includes fields for 'Flying from' and 'Flying to' (both with location icons and a clear 'x' button), 'Departing' and 'Returning' dates (with calendar icons), and passenger counts for 'Adults (18+)' (set to 1) and 'Children (0-17)' (set to 0). There are checkboxes for 'Add a hotel' and 'Add a car' under 'Advanced options'. A green 'Search' button is at the bottom left, and a 'Customer First GUARANTEE' logo is at the bottom right. The background of the form is a scenic image of a resort with a swimming pool and palm trees.

Figure 3

HOTEL BOOKING ENGINE INTERFACE

These OCRS currently ascribe to and continue to ascribe to the inevitability of artificial intelligence (AI) (Buhalis & O'Connor, 2005) to allow thousands of processes to occur simultaneously. At the core of the success and acceptance of this telecommunication technology explosion are the millennials – individuals born between 1980 and 1990 as expressed by (Horovitz, 2012); and actually, the name “millennials” was coined by (Straus & Howe, 1991) describing them as “today’s cute Millennial tots could become the next great cadre of civil doers and builders” and further concluding that these millennials “will grow up basking in adult praise for their intelligence, obedience and optimism”. I add that these millennials, we know, are prone to type on smart phones with two thumbs and will be the generators of the largest amount of data for the entertainment, hospitality and tourism industries because they are all “smartphoners” and “apps lovers”.

These OCRS interfaces are used extensively for booking reservations in the entertainment, hospitality and tourism industries to drive airline reservations, cruise ships reservations, hotel reservations, rental car reservations, etc. The primary interest of this research is to highlight the most important features on the website booking interfaces of these OCRS that impress and continue to drive customers, such millennials, to do business with the same company through on line systems. The ease of use and efficiency of these interfaces have attracted and increased the number of customers who book and make tourism purchases online compared to the traditional mode of purchasing. This is in keeping with the findings of (Lawton & Weaver, 2009) who stated that online purchases via the internet rose from 7% in 2000 to 30 per cent in 2004. A study by (Buhalis & Law, 2008) indicated that the three enabling features that greatly influenced the growth and business practices of the tourism industry are the introduction of the Computer Reservations Systems (CRS) of the 1970s, Global Distribution Systems (GDS) of the 1980s and the Internet in

the later part of the 1990s. These new tools are not only designed to create confidence and competitiveness in the industry, they are also organizational and consumer behavior modifiers (Mills & Law, 2004), (Mills & Law, 2004), (Li & Buhalis, 2005) and sometime industry disruptors. Gone are the days when a potential airline traveler or consumer has to wait for a while to receive confirmation of flight by phone compared to today when all booking confirmations are instantaneous or synchronous and imbued with a rich array of information to enhance tourism experience. Not only are the interfaces full of simple to use and efficient capabilities but when combined with the internet make available a rich array of choices within an industry as well as across several industries.

To make the tourism and entertainment and hospitality industries' transaction processing systems healthier came the introduction of mobile devices such as smartphones and electronic tablets beyond desktops and laptops that interface with booking engines. The almost wholesale adoption of these new mobile devices in ecommerce dramatically increased the number of online interactors in the electronic purchasing arena. This is evident in the survey by (Amadeus Global Report, 2017) in which "The overall contribution of travel and tourism to the world economy exceeded USD 7.6 trillion in 2016, accounting for more than 10% of global GDP. 1. To put that into context, if the industry were a state, only the US and China would have larger economies. 2 This level of economic activity supports 291 million jobs – almost 1 in 10 jobs globally." This astronomical growth, I would proffer, is directly related to the global advancement in information and communication technology which includes smart phones and the ability of smart phones and tablets to be used for travel and leisure reservations among millennials. In examining the inroads smartphones have made in the booking process of hotels in Hong Kong, (Leung, Lee, Fong, & Law, 2014) observed "that more than half of Hong Kong hotels have optimised their websites for iOS- and Android-operated smartphones" though only a few have actually developed apps for that purpose.

Continuous embrace of online driven reservation systems and booking engines interfaces by travelers and consumers has to do with acceptance of certain unavoidable quality features such as "ease of use, usefulness, information content, security, responsiveness, and personalization" etc., as proposed by (Law & Cheung, 2005). These features are the forms consumers complete before a reservation is confirmed.

PURPOSE OF THIS STUDY

The purpose of this study is to identify features associated with booking engine interfaces that contribute immensely to the continuous and avid embrace and use of these interfaces by customers with particular emphasis on millennials. The internet, mobile communications and technology tools provide customers the powerful capacity to search online and purchase all types of products and services from computers and shoes to insurance, eyeglasses, airline and hotel tickets using globally available interfaces that are simple, easy to use, customer friendly, available when 24/7.

RESEARCH METHODOLOGY

The design of the study will involve using a survey instrument (see Appendix A at the end of this paper) employing a Likert-type scale to collect data from respondents. There will be a five-point scale asking respondents to circle the number of their choice that represents 5=extremely important, 4= important, 3= barely important, 2=not important, 1=I don't know, adjacent to the feature in question. Descriptive statistics and analysis of variance (ANOVA) will be used in this study. The survey instrument was reviewed by three of my colleagues who are adept in survey creation. A pilot survey test will be conducted to remove any possible ambiguities. The final instrument will be submitted to our Institutional Review Board (IRB) for final vetting and approval for this study. The instrument will be distributed online to a convenient sample of formally contacted respondents who will complete and return for processing.

ANALYSIS

ANOVA will be used to identify the level of importance of the features in booking engine interfaces.

ANOVA will also be used to determine presence or absence of statistical significance between millennials and non-millennials regarding their level of apprehension over submitting personal/private information and other factors in booking engine interfaces. The alpha for each *F*-test will be set at .05.

RESULTS

Results and interpretations will be published.

CONCLUSION AND IMPLICATIONS

Conclusions will be drawn based on the findings of this study.

REFERENCES

- Amadeus Global Report. (2017). *Global Report 2017*. Madrid, Spain: Amadeus. Retrieved March 17, 2019, from <http://www.amadeus.com/msite/global-report/2017/en/pdf/amadeus-global-report-2017.pdf>
- Buhalis, D., & Law, R. (2008). Progress in information technology and tourism management: 20 yearson and 10 years after the Internet—The state of eTourism research. *Tourism Management*, 29(4), 609-623.
- Buhalis, D., & O'Connor, P. (2005). Information communicationtechnology—Revolutionising tourism. *Tourism Recreation Research*, 30(3), 7-16.
- Horovitz, B. (2012, 5 4). After Gen X, Millennials, what should next generation be. *USA Today*. Retrieved 3 20, 2019, from <http://usatoday30.usatoday.com/money/advertising/story/2012-05-03/naming-the-next-generation/54737518/1>
- Law, R., & Cheung, C. (2005). *Weighing of hotel website dimensions and attributes*. New York: Springer Wien.
- Lawton, L., & Weaver, D. (2009). Travel agency threats and opportunities: the perspective of successful owners. *International Journal of Hospitality & Tourism Administration*, 10(1), 68-92.
- Leung, D., Lee, H. ", Fong, L. H., & Law, R. (2014). Assessing the Visibility of Hotels on Smartphones: A Case Study of Hotels in Hong Kong. *Information and Communication Technologies in Tourism 2014* (pp. 841-

- 854). Springer International Publishing Switzerland 2013. doi:Assessing the Visibility of Hotels on Smartphones: A Case Study of Hotels in Hong Kong
- Li, L., & Buhalis, D. (2005). Predicting Internet usage for travel bookings in China. In Wien (Ed.), *Information and Communication Technologies in Tourism* (pp. 429-437). Innsbruck, Austria: Proceedings of the International Conference in Innsbruck, Austria, 2005. doi:10.1007/3-211-27283-6_39
- Mills, J., & Law, R. (2004). *Handbook of consumer behaviour, tourism and the Internet*. New York: Harworth Hospitality Press.
- Mills, J., & Law, R. (2004). *Handbook of consumer behaviour, tourism and the Internet*. New York: Harworth Hospitality Press.
- Straus, W., & Howe, N. (1991, 4). The Cycle of Generations. *American Demographics*, 13(4), 24-33, and 52. Retrieved 3 20, 2019, from https://coursecontent.ntc.edu/soc/klemp-north/SocLYW_F11/learning_plans/learning_plan_2_2/strauss_and_howe.pdf

ORGANIZATIONAL SIZE AND ITS EFFECTS ON CULTURE, GREEN MOVEMENT, QUALITY MANAGEMENT, AND ORGANIZATIONAL SUCCESS

Lillian Y. Fok, Western Washington University
Susan M. L. Zee, Southeastern Louisiana University
Yun-Chen Morgan, Southeastern Louisiana University

INTRODUCTION

Most green movement research focus on the topics of green manufacturing, sustainability, green marketing, or green consumers. Few, if any, discuss internalized characteristics and mechanisms that can influence the success of green initiatives and the implications on organizational performance. This study examines organization's green orientation, employee perceptions of companies' commitment to greener practices, total quality management (TQM) programs, as well as the linkage between factors of organizational culture and performance. Specifically, we focus on organizational size in terms of the number of employees and explore the connections between organization size and green movement within companies, which may lead to organizational success. In our research, we find that large-sized organizations use TQM programs more extensively than small-sized organizations. Results also reveal that small-sized companies tend to be more informal, decentralized in decision making, and have a more personable organizational culture compare to large-sized companies. Additionally, large-sized companies have a higher level of organizational performance than small-sized companies. Those with a higher orientation towards green practices combined with a supportive organizational culture lead to employee perceptions of higher quality management maturity. The alignment in management support and companywide green initiatives then produce outcomes in employee perceptions of increased organizational performance and positive impact of green practices.

RESEARCH MODEL

In this study, we extend the examination of these issues to consider organizational culture, employee perceptions of organizational commitment to the green movement and the relationships which may exist between organizational commitment and the quality management (QM) maturity of the organization. Additionally, where there is a higher level of perceived commitment to the green movement and where more mature QM systems are in place, we expect that, in the overall, the organization itself will be seen as "doing better" and the impact of the Green Movement will be perceived as favorable. Thus, QM and perceptions of the organization's green movement will be seen as having positive impacts upon organizational outcomes. Finally, we consider what impact organizational size may have upon these relationships. Specifically, small and large organizations will have different levels of organizational green orientation, QM maturity, organizational culture, and report differing impacts of the green movement.

Research Question: Small and large organizations will have different levels of organizational green orientation, organizational culture, QM maturity, organizational performance, and report differing impacts of the green movement.

METHODOLOGY

Subjects of the Study

Subjects in the sample were approximately 331 full-time employees from a wide variety of industries in the South. The subjects were roughly 51.7 % male and 48% female with an average age of 41.49. Among these 331 subjects, there are approximately nine categories of industries in our survey instrument. The three largest percentages of the subjects work in retail, health care, and manufacturing industries with 22.1%, 20.8%, and 12.7%, respectively.

Approximately 45.6% of the subjects are employed in a company which has more than 500 employees, 4.5% of the subjects work in a company which has 251 to 500 employees, 13.6% of the subjects work in a company which has 51 to 250 employees and 36% of the subjects work in a company which has less than 50 employees. Subjects responded to a survey which asked about their perceptions and experiences about the green movement, quality management, and organizational culture in their own firms. In this study, we will concentrate on the relationships among organizational size in term of number of employees in the company, commitment to the green movement, quality management, organizational performance, and impacts of organizational culture.

INSTRUMENT

Organizational Green Orientation

Based on previous research (Li, Hartman & Zee, 2009), we measured the Organizational Green Movement. The survey provides twenty-one organizational green initiatives question items. The factor “Green Orientation” is a count of the total numbers of green initiatives implemented in an organization.

QUALITY MANAGEMENT (QM) MATURITY

In this study, consistent with our earlier research, the QM maturity instrument was used to gauge QM maturity. We conducted a factor analysis to identify the underlying dimensionality. Two factors emerged from the “Usage” items. The first factor appeared to include all the traditional quality management programs and was termed “Basic Quality Improvement Tools.” The second factor was termed “Advanced Quality Improvement Tools” which includes programs like Six Sigma programs and Black Belt training. 67.39% of the variance was explained by these two factors.

Organizational Culture

Based on previous research (Fok et al., 2000, 2001; Harman, Fok & Zee, 2009), we measure the Organizational Culture by constructing a series of paired opposite items which asked whether the organization's climate should be described as open vs. closed, soft vs. tough, competitive vs. collaborative, and the like. We obtained a two-factor solution in case of the Organizational Culture items and have labeled Factor 1 as "Continuous Improvement Culture" and Factor 2 as "People Friendly Culture." 44.529% of the variance was explained by these two factors.

ORGANIZATIONAL PERFORMANCE

The Organizational Performance items were primarily adapted from the Malcolm Baldrige National Quality Award outcome assessment measures. The Baldrige Awards are designed to identify organizations which are performing in an exceptional manner and include criteria for identifying excellence. We used the Baldrige criteria in the form of a scale which asks respondents to provide perceptions about their organizations along Baldrige lines. The resulting scale has been used and reported in previous work (Fok et al., 2000, 2001; Hartman, Fok & Zee, 2009). The instrument included are items such as "Overall, my company is performing well," "Overall, morale in my company is high," "Overall, my company is productive," and the like. Factor analysis in this study indicated that one factor was present. The results showed that 56.205% of the variance was explained by the factor and we named the factor as "Organizational Success."

Impact of Green Movement

The instruments included are items such as "Provide better products," "Provide better services," "Have better relationship with customers," "Have better relationship with suppliers," "Have better reputation," "Provide better working environment," "Increase profits," "Reduce costs," and "Improve productivity." Factor analysis produced a single-factor solution and we named it "Impact of Green Movement." 70.987% of the variance was explained by this factor.

Organization Size

In this research, we extend the respondents to report the approximate number of employees in their organizations. Those who reported with less than 50 employees are grouped into the small size group and those with more than 500 employees are grouped into the large size group while those with between 50 and 500 employees are dropped from the analysis.

DISCUSSIONS AND CONCLUSIONS

Engaging in activities which increase profit while still being socially responsible is understandably one of the top goals of every company. Though within the multifaceted operations of a business and complexity surrounding the aspects of business decisions, we understand some facets must be prioritized and other must be sacrificed to some extent. Case in point, not all consumers are willing to pay for greener products which may cost more even though they are

efficient in the long run. In the quest of being environmentally responsible, profitability may suffer, and with the effort to please green oriented customers, production value may decline.

Regarding quality management maturity, where organizational size was considered, results indicated that larger organizations report higher usage of traditional TQM tools and advanced TQM tools compared to smaller organizations. This can also be explained by the availability of resources. Implementing TQM tools can be rather costly, and affordability may be a factor for smaller companies. Our findings further suggested that smaller-sized companies tend to have more informal, personable, and decentralized culture. This could be the result of a natural progression of span of control, as when companies grow larger in size, it often leads to more organizational levels. When more organizational levels are created, the distance between human interactions increase, resulting in the perception of a more formal and less personal work space.

Going green is a movement, and with every movement comes opportunities. When businesses are able to capitalize on the movement and modify aspects of their operations to be greener, they benefit in the forms of increased sales and expanded market shares. Eco-friendly products can also provide consumers with a sense of responsibility and positive impact through purchases (Kangovou, 2017). The pressure to reverse the negative consequences on our environment with our growing industrial ways of life is mounting and we must find ways to reduce our carbon footprint. This study acknowledges the effort and movement to reduce environmentally harmful processes and the factors which influence the movement. With this understanding, businesses may improve not only their operations and workers' skillsets, they may also increase the morale and motivation, as well as health and safety benefits of employees.

REFERENCES

- Fok, L. Y., Fok, W. M. and Hartman, S. J. (2001) 'Exploring the relationship between total quality management and information systems development', *Information & Management*, Vol. 38, pp. 355-371.
- Fok, L. Y., Hartman, S. J., Patti, A. L. and Razek, J. R. (2000) 'The relationship between equity sensitivity, growth need strength, organizational citizenship behavior, and perceived outcomes in the quality environment: A study of accounting professionals', *Journal of Social Behavior and Personality*, Vol. 15, No. 1, pp. 99-120.
- Hartman, S. J., Fok, L. Y. and Zee, S. M. (2009) 'Linkage among employee perceptions of organizational commitment to the green movement and organizational culture, and their perceived impacts upon outcomes', *Journal of Organizational Culture, Communications and Conflict*, Vol. 13, No. 2, pp. 27-44.
- Kangovou (2017) 'The importance of eco-friendly products'. Retrieved from <https://www.kangovou.com/the-importance-of-eco-friendly-products/>
- Li, J., Hartman, S. J. and Zee, S. M. L. (2009) 'A study of green movement perceptions and behavioral intentions', *International Journal of Sustainable Economy*, Vol. 1, No. 2, pp. 133-143.

JOB READINESS SURVEY: HOW PREPARED ARE OUR STUDENTS FOR THE JOB SEARCH?

Sandra Bevill, Arkansas State University
Karen McDaniel, Arkansas State University
H. Steve Leslie, Arkansas State University

ABSTRACT

People go to college for many reasons, but the research shows that almost 9 out of 10 students go to college for career-related reasons. A successful job search is a necessary beginning for these careers. A positive job search involves many elements, from writing an excellent resume to having a successful interview. Part of the successful job search process also includes having a positive online presence, networking with others, and building relationships with those who can provide professional references. Additionally, since 90% of the recruiters use LinkedIn as a way to assess potential candidates, students also need an excellent LinkedIn account including a professional photo and outstanding headline and summary sections (Yavorski, 2018).

Today's job market has improved since the recession of 2008 but is still very competitive, especially for the better jobs (Saliba, 2017); furthermore, today's students have accumulated huge amounts of student loan debt that will have to be paid back after leaving college; the total student loan debt is currently over 1.5 trillion dollars, and students in the class of 2016 had an average of \$37,172 in student loan debt (Friedman, 2017).

Given that they primarily come to college for career-related reasons, how ready are our students for the job search? What can faculty, or the applicants themselves, do to increase their chances of having a successful job search whether as new graduates, older employees seeking new positions, or as one of the 40% or more of students who do not complete their degrees?

During 2018 fall and spring semesters, 173 students at an AACSB School of Business were surveyed to determine their readiness for the job search. The purpose of this presentation is to present findings from this survey and to provide recommendations to help prepare students (and others) for a successful job search.

REFERENCES

- Friedman, Z. (2017). Student loan debt statistics in 2018: A \$1.5 trillion crisis. <https://www.forbes.com/sites/zackfriedman/2018/06/13/student-loan-debt-statistics-2018/#46acdfca7310>
- Saliba, G. N. (2017, 08). Finding one's way via a college degree. *New Jersey Business*, 63, 42-47. Retrieved from <https://ezproxy.library.astate.edu/login?url=https://search-proquest-com.ezproxy.library.astate.edu/docview/1927462686?accountid=8363>
- Yavorski, K. (2018). Why college students should use LinkedIn. Retrieved from <https://www.collegiateparent.com/starting-college/academic-career/why-college-students-should-use-linkedin/>

DESIGNING THE ONLINE UNDERGRADUATE INTRODUCTION TO BUSINESS LAW COURSE: USING A SYSTEMS APPROACH

Julie A. Case, St. Bonaventure University

Carl J. Case, St. Bonaventure University

ABSTRACT

This paper describes a systems approach for designing and implementing the online undergraduate introduction to business law course. The approach is useful in providing a methodology for effectively selecting and implementing core components and assisting professionals in improving the quality of education. This paper describes the operationalized objectives, inputs, processes, outputs, and feedback mechanisms. Moreover, the results of the online course evaluation are presented. Findings suggest that the approach is useful and effective.

Keywords: Online Course, Business Law, Systems Approach, Learning Management System

AN EXPLORATORY STUDY OF INTRODUCTION TO BUSINESS LAW ONLINE: UNDERGRADUATE PERCEPTIONS AND GENDER

Carl J. Case, St. Bonaventure University
Julie A. Case, St. Bonaventure University

ABSTRACT

This paper explores the undergraduate behavior and perceptions of a first-time online sophomore-level required business course, Introduction to Business Law. Results suggest that gender is a factor with respect to variables such as time devoted to class, class difficulty, class time required, and desire to take another online course. In addition, results imply that there may still be market opportunities regarding further implementation of online courses.

Keywords: Online Course, Business Law, Gender

INDEPENDENT INNOVATION OF COLD-ROLLED STEEL STRIP OF GREEN COMPANY

Hongtao Guo, Salem State University, Massachusetts
Jinying Liu, Henen University, China

ABSTRACT

It takes Henan Green Complex Materials Company Limited (Green Company) only ten years to become a domestic production base of special cold-rolled steel strip with self - owned intellectual property and an innovative enterprise with strong international competition capacity from an unknown township enterprise. The case describes the independent innovation of cold-rolled steel strip of Green Company from three aspects: the innovation reason, the implementation of independent innovation strategy and the commercialism of innovative production, then summarizes the characteristics of the independent innovation of Green Company.

Key words: *Independent Innovation; Technological Innovation; Green Company*

1 INTRODUCTION

Management researches shows independent innovation, as an effective responsive mechanism to deal with environment changes, is very crucial to acquire and maintain competitive advantage for a company. It takes Green Company only six years to become one of the top 100 industry enterprises of Henan Province and only ten years to become a domestic production base of special cold-rolled steel strip with self - owned intellectual property and an innovative enterprise with strong international competition capacity from an unknown township enterprise. The case aims to provide some innovation enlightenments through exploring the independent innovation process on cold-rolled steel strip of Green Company.

2 INNOVATION REASON OF GREEN COMPANY

2.1 Vast Market Space

Since the founding of the PRC, China's iron and steel industry obtained rapid development, especially after the year of 1996, China's steel production has always ranks first in the world. By 2002, China has become the world's largest steel consumption market. And seeing from the structure of market demand, low-end products such as domestic ordinary medium profiles and wire rod, welded tube and hot rolled narrow strip have tend to be saturated, while high-end varieties of steel products like cold-rolled steel strip with high technology content and high value-added are in short supply, and large quantities of import is needed.

2.2 Unique Geographical Advantage

Green company is located in Shuanghu Development Zone, Xinzheng, Zhengzhou, Henan. The convenient transportation network greatly benefits the purchase of raw materials and equipment as well as the sales of products. The substation in the development zone which is 500 meters away from the factory serves as the power supply of the company and can satisfy the company's production and life demand because of its strong supply capacity. At the same time, the factory area is rich in groundwater resources, which can meet the company requirements through digging new deep well at any time.

2.3 Good Internal Innovation Foundation

Before 2002, the company only owns two sets of unit width of 650 mm cold-rolled production line, and the production efficiency is very low, which yields only 3 m per second. Therefore, development is badly needed because the production can not meet user requirements. Founded at the beginning, the company puts forward "unity, pioneering, pragmatic work, people-oriented" as the guideline of enterprise culture and sets up technological department to focus on technology innovation with a batch of technical backbone. To 2002, the department has accumulated the ability of independent innovation for the production of cold-rolled steel strip.

3 THE IMPLEMENTATION OF INDEPENDENT INNOVATION PROJECT ABOUT "COLD-ROLLED STEEL STRIP"

3.1 The Presentation of Independent Innovation Idea

At the end of 2002, based on the systemic and in-depth analysis of the market demand at home and abroad, development trend, the national industrial policy oriented of cold-rolled steel strip industry and own advantages, the company put forward the product development philosophy of "innovation through science and technology, professional development, keep improving, quality to win the world" thus, made the strategic goals to establish with 15 years to become an innovative enterprise with an annual output of 1 million tons of the international first-class precision cold-rolled steel strip products.

3.2 The Implementation of Independent Innovation Idea

3.2.1 Organization and Technology Support

In order to achieve the innovation strategy, the company set up the leadership team of the project implementation charged by the competent leadership with an administrative office, which is directly responsible to the legal person of the project.

After company establishment, the technology department is responsible for the new product development of the enterprise. In December 2006, approved by the Henan province development and reform commission (NDRC), and on the basis of the original technology department, the company set up "special steel composite materials engineering research center of Henan province" which develops high precision cold rolling plate, composite steel strip and complete sets of production technology and equipment of market shortage depending on its independent intellectual property rights, promotes the transformation of scientific and

technological achievements, and upgrades and optimizes the product structure and development, which provides a solid technical support for the company's technical innovation.

3.3.2 Process Innovation

The first stage: independent design of 650 mm cold rolling unit

The program started In February 2003. It took the technology department nearly three months to complete the technical unit design, and sent the technical parameters to xi 'an aircraft manufacturing company for processing and manufacturing. It was put into production use in December 2003. During the unit design process, the technical personnel encountered with the bottleneck of how to control the thickness of cold-rolled products. So the company searched help in Yanshan University, together they developed the control system successfully, and the two parties shared the research results.

During the trial production in December 2003, the first volume of steel strip are rolled as qualified products, the strip thickness control precision reached $\pm 2\mu\text{m}$ with a set line speed of 7.5 m/s, and the equipment stiffness is better than imported units. Control accuracy is 1% of the thickness of the products in abroad while Green company unit control accuracy is 0.7% of the thickness of the products. At the same time, production efficiency is higher than that of imported same type rolling mill by 12%. Until now, there is no such a set of same type cold-rolled unit can compare with that of Green Company. In 2005, Green Company revised the design unit on the basis of its original design, so that unit speed reached to 10.5 m/s, and then made three sets of rolling mill units, which raised production efficiency by 30% than the original. For several years, these units are running in good condition.

The second stage: the independent design of 1250 mm cold rolling unit

In 2010, the demand for wide ultra-thin steel strip increased, but domestic wide cold rolling mill could not produce thin strip below 0.2 mm. In order to adapt to market demand, the company put forward the design scheme of 1250 mm rolling mill, and entrusted the designing work to xi 'an Cary Company while Green Company audit checks, and completed the set by China heavy machinery research institute. The patent for invention was declared jointly by Green Company and Cary Company.

In October 2011, the use of the new designed mill caused tremendous echo in the domestic industry. The thinnest rolling thickness is 0.1 mm, and the first rolling process can be rolled up to 0.17 mm, and after the intermediate annealing, the second rolling process can easily roll up to 0.1 mm. But domestic rolling mill of the same type can only roll to 0.38 mm in the first rolling process, and the second rolling process can only roll to 0.22 mm as the thinnest. So Green dodged the general product market competition.

The third stage: the extension of industrial chain: independent design of steel strip coated production line

Resin coated products is a kind of iron and steel deep processing products that have broad application prospects in the metal packaging, household appliances, decoration and other industries, but the use of the products mainly rely on imports due to market shortage. In February 2013, Green Company designed and manufactured a set of hot steel strip coated production line that can produce totally green strip coated products of multipurpose. Once put into production, its annual output can reach 30000 tons which will reduce the dependence on the import of the products at home.

3.2.3 Product Innovation

At the beginning of the century, the precision cold-rolled steel strip in Chinese market was mainly imported from abroad. In 2003 the 650 mm cold rolling belt unit, designed by Green Company was put into production, which yielded the products that occupies 30% share in the domestic market, and substituted for products imported from Japan, South Korea. To 2006, the company has invested 180 million Yuan to promote technical innovation and technological transformation, so that various kinds of precision cold rolled strip gained the production capacity of more than 200000 tons every year. The use of independent designed of 1250 mm cold rolling units brought abundant in products and production growing, so the company is marching solidly toward a goal of annual output of 1 million tons.

In May 2013, Green Company's independent design of the steel strip coated production line was put into trial operation, and seeing from the trial-produced products, it completely reached the expected effect, so the decision of mass production was made in June 2013.

4 THE COMMERCIALIZATION OF COLD-ROLLED STEEL STRIP PRODUCT

Cold-rolled steel strip is in the middle of the steel industry chain, and users of the products is the manufacturer that need bulk purchasing rather than the final consumer, which provides convenience for the product to be pushed into the market. All of these combined with Green's cold-rolled steel strip still are products of market shortage, with the advantages of special kinds, advanced technical indicators and the green environmental protection, so once launched, product sales are smoothly achieved only depending on a few excellent sales staff, without any advertising.

5 CONCLUSIONS

Green Company's process of development is a process of continuous development through independent innovation. When establishing in December 2000, the company has only 290 employees and total assets of 90 million, however, through innovative development, the company's shares successfully listed on NASDAQ in America in November 2009, which laid a good foundation for the company's development. After more than ten years of rapid development, with its existing staff of 1060 people, the company has become a large production and scientific research base of precise complex steel strip with the total assets of 3 billion Yuan, and annual sales revenue of 2.5 billion Yuan at the same time, the largest output and the most complete product varieties among the same type enterprises. In the year of 2009 and 2010 successively, the company was

awarded by association of industrial economy in Henan province as one of the "top 100 industrial enterprises in Henan". In front of such achievement, Green people are not proud, and feel the greater pressure of innovation, because they know clearly that although the company has created a first-class cold rolled steel strip production technology and advanced management technology through technical modification and production practice, but if company want to be in an impregnable position in this competitive industry, company also need to march forward bravely along the path of independent innovation.

THE IDENTIFICATION OF STAKEHOLDERS IN HOLIDAY FILMS: AN ILLUSTRATIVE, PEDAGOGICAL ANALYSIS

Jeff Heinfeldt, Randolph College

ABSTRACT

It seems that films set during the Christmas/holiday season incorporate exceptional examples of stakeholder theory. It could be that at this particular time of the year people tend to think more of others rather than themselves. In the case of a business, this would involve thinking of employees, customers, community, etc. These seasonal films are a fertile area for obtaining illustrations of this theory for educational purposes. As such, this study identifies and analyzes stakeholder relationships from a number of classic, holiday movies in order to enhance the classroom discussion and the evaluation of this managerial topic.

AUDITING ISSUES AT OBSCENE BRAND JEANS: A DEVELOPMENT STAGE CORPORATION

Jeffrey Hemker, Southern Illinois University Edwardsville
Brad Reed, Southern Illinois University Edwardsville

ABSTRACT

Obscene Brand Jeans (OBJ) was a development stage company (no product or revenues to date). OBJ intended to develop, produce and market a line of women's jeans. OBJ burned thru approximately \$5 million in cash without ever developing any jeans. Subsequently, OBJ changed its business plan from designing and producing jeans to developing games for cell phones. OBJ was a public company and was audited by a small CPA firm, Peter Messineo, CPA. Peter Messineo declined to stand for reappointment as the auditor of OBJ. This case discusses a number of auditing issues relevant to auditing a start-up company. Issues that are discussed include the motivations for a company to change auditors as well as the motivation for the auditor to not stand for reappointment. An additional issue presented in the case is the issue of materiality. Normally, the auditor determines materiality based on a percentage of income. During the development stage for a company there is often no sales, so using income to determine materiality is problematic.

A SMALL BUSINESS STARTUP MODEL FOR THE UNIVERSITY OF NEW ORLEANS STUDENT VETERANS

Kenneth J. Lacho, The University of New Orleans

ABSTRACT

The federal government offers a variety of programs to help veterans start and manage a small business. Programs are related to getting financing, procuring government contracts, and training. The training programs are typically directed toward able-bodied and disabled veterans not currently involved in a university degree program. This paper presents a small business startup model to help student veterans to pursue a business opportunity.

INTRODUCTION

There are a number of federal programs designed to help able-bodied and disabled veterans start or manage a small business. None of these programs seem to address veterans who are currently enrolled as students in a university degree program. This paper presents a small business startup model for student veterans to prepare them to pursue a business opportunity. The model is based at the Veterans Center at The University of New Orleans, New Orleans, Louisiana.

PROGRAMS

Veteran-owned businesses are an important part of the U.S. economy. The 2012 U.S. Census of Business estimates that in 2012 there were 2.52 million businesses owned by veterans. Some 99.9 percent were small businesses. In addition, veteran-owned businesses had sales of \$1.41 trillion and employed 5.03 million persons (Sobota, 2017).

Veterans receive assistance on non-business related issues from a variety of federal programs. Those issues include PTSD and family relations. Help is available via the Veterans Crisis Line and Coaching with Care (Make the Connection, n.d.).

The federal government provides assistance to able and disabled veterans in starting and managing a small business. The Office of Veterans Business Development (OVBD) facilitates the use of all Small Business Administration (SBA) programs for veterans, service-disabled veterans, and dependents or survivors. The SBA conducts programs which provide access to funds and connects veteran small business owners to federal contracts and commercial supply chains. The SBA offers in-person classes, online classes and customized curricula. Course content includes SBA resources and the fundamentals of business ownership (Veteran-owned Business, n.d.).

Specific veteran entrepreneurship training programs includes Boots to Business. This is an entrepreneurial program offered on military bases, worldwide, and a training track at the Department of Defense (DOD) Transition Assistance Program (TAP). Boots to Business Reboot extends the entrepreneurship training offered in TAP to veterans of all eras in their communities (Veteran-owned Business, n.d.).

A most comprehensive program is one provided by The Institute for Veterans and Military Families (IVMF) at Syracuse University. IVMF organizes the Entrepreneurship Boot camp for Veterans with Disabilities (EBV). The program offers free training for post 9/11 veterans with a service disability. The program is offered by 10 universities including Louisiana State University. The program consists of an on-line instructor-led 10 day course followed by a 9-day in-residence session at a university. Program participants receive follow-up support and counseling (Rockefeller, 2017).

STARTUP STEPS

The Small Business Startup Model for UNO student veterans can be described in several steps. The student veteran initially receives information from the director of the UNO Veterans' Center regarding the student's desire to start a business. Next, the student is scheduled to meet with a professor teaching a business plan course. The students' idea is evaluated. If the idea is determined to be feasible, the student is scheduled to enroll in BA 4056, the business plan course. Another option is for the student to take the course as an independent study under the business plan professor. The student's business plan is written on a single-person basis. The final exam is a presentation of the student's business plan to a panel of business persons.

In the course of writing the business plan the student is encouraged to consult with a variety of outside services for help. One is the Service Corps of Retired Executives (SCORE) which provides advisory services. There are two SCORE chapters available to the student, one in New Orleans, the other on the northshore of Lake Pontchartrain. There are several economic development agencies which the student may use depending on the location and target market of the business. For businesses to be located in the City of New Orleans there is the New Orleans Business Alliance which provides demographic information and site selection help. Other economic development agencies which are available include St. Tammany Parish, the St. Bernard Economic Development Foundation, and the Jefferson Parish Economic Development Commission (JEDCO). In addition, to site selection help, JEDCO offers training programs, an incubator, financial help, and pitch competitions which offer cash and vendor services as prizes to the winner (JEDCO, n.d.).

Area chambers of commerce may be sought out for help. Chambers in the New Orleans Metropolitan Area include: New Orleans, East St. Tammany, West St. Tammany, Jefferson, St. Bernard, River Parishes, Black, Hispanic, and Asian. Chambers help new and small businesses promote their business by providing networking opportunities (breakfasts, luncheons, After-Hours, special events such as the Jefferson Crawfish Boil, and committee work), sponsor events, and use of the chamber website to advertise and use of the chamber logo in firm advertising. The Jefferson and New Orleans chambers have young professional groups (ages 21-35) which offer networking opportunities for younger members.

The Louisiana Small Business Development Center (LSBDC) is another source of help which may be used by the student. There is an LSBDC in New Orleans and one in Hammond, Louisiana on the northshore. An LSBDC provides technical assistance to startup and existing businesses which includes the writing of a business plan. Another agency the student could contact is the Propeller, a 501(c)(3) nonprofit that supports entrepreneurs who address social and environmental problems. A 10,000 square foot incubator building offers a work and meeting area for prospective and active business owners and nonprofits to work and collaborate. Propeller also offers a yearly pitch competition (Propeller, n.d.)

GoodWork Network is an agency directed toward minority and women-owned businesses. Individual consulting is available as well as educational workshops (GoodWork Network, n.d.). Another source of help is Stay Local, a nonprofit organization which stresses supporting locally-owned businesses. Stay Local provides workshops and networking events (Stay Local, n.d.).

There are several organizations that provide financial help. Fund 17 is a nonprofit organization which provides micro-entrepreneurs financial and educational assistance. Home-based, informal and small businesses are emphasized (Fund 17, n.d.). NewCorp is a Community Development Financial Institution (CDFI) specializing in small, minority, and women-owned businesses. This organization provides technical assistance and access to capital (NewCorp, n.d.). Another source of financial help is the LiftFund which is a 501(c)(3) nonprofit organization and provides small business lending to those who do not have access to funding from typical lending sources (LiftFund, n.d.). TruFund is a certified community development financial institution located in New Orleans and Baton Rouge, Louisiana. Support services include, assistance in financial loan readiness, marketing, bookkeeping, business planning and managing cash flow (TruFund, 2019).

A major source of help for small business owners is the U.S. Small Business Administration (SBA). This federal agency provides direct assistance in getting loans and government contracts. Microloans are made available through LiftFund and NewCorp in the New Orleans area. Counseling and technical advice are available through SBA partners such as SCORE and small business development centers. Essentially, the SBA and its affiliates help in planning a startup, and managing and growing a business.

VetLaunch is an organization which targets veterans. It conducts a nine week program for veterans who have fundable businesses. In addition, the organization conducts a job training program for those veterans seeking long-term employment. VetLaunch operates the Landing Zone, a co-working space and incubator for veteran-owned businesses (VetLaunch).

The student may be required to attend relevant and low cost business events which may contribute to writing the business plan. One example is the UNO Annual Economic Outlook and Real Estate Forecast. Another option is to attend one or more of the JEDCO Prosper Seminars Series events. Seminar topics include social media, on-line sales, sales, and growing a business. Each seminar costs \$5

As shown above, there are many local sources of help available to the student in writing his or her business plan. These sources may be of assistance to the student veteran in preparing for the final oral exam.

CONCLUSION

Veteran-owned small businesses are an important part of the U.S. economy. The federal government provides assistance to able-bodied and disabled veteran small business owners in the areas of startup, getting funding, procuring government contracts, and managing a small business. Training programs are provided for veterans at various locations in the United States and are directed toward veterans who are not currently in a college degree program.

This paper presents a small business startup model for veterans who are currently enrolled in a degree program at the University of New Orleans. The model is centered around the student veteran taking a business plan course and writing a plan for a business he/she desires to open.

Various local sources of assistance are offered. These sources include SCORE, Small Business Development Centers, chambers of commerce, economic development associations and specialized sources of possible funding.

REFERENCES

- Fund 17 (2017). About. Retrieved from www.fund17.org/join-us/.
- GoodWork Network (n.d.). Services. Retrieved from <https://goodworknetwork/services/>.
- JEDCO (n.d.). About JEDCO. Retrieved from <https://www.jedco.org/about-jedco/>.
- LiftFund (n.d.). About. Retrieved from <https://www.liftfund.com/about/>.
- Make the Connection. (n.d.) Information for Veterans. Retrieved from <https://Make the connecton.net/veterans>.
- NewCorp (2019). Programs & services. Retrieved from www.newcorpinc.com/main/ourservices.
- Propeller (n.d.) Contact us. Retrieved from propeller.org/contact/.
- Rockefeller, M. L. (2017). 7 free resources veteran entrepreneurs will use to crush it in 2017. Retrieved from <http://www.forbes.com/sites/mark/rockefeller2017/01/19/7-freeresources-veteran-entrepreneurs-will-use-to-crush-it-in2017/#4cf55ff9709c>.
- Sobota, J. (April, 2017). Veteran-owned businesses and their owners: Data from the U.S. Census Bureau's Survey of Business Owners. (Research Report No. 435). Retrieved from U.S. Small Business Administration Office of Advocacy website: <https://www.sba.gov/advoacy/veteran-owned-businesses-and-their-owners>.
- Staylocal (n.d.). Resources. Retrieved from <https://www.staylocal.org/bizresources>.
- TruFund (2019). Our mission. Retrieved from <https://www.trufund.org>.
- Veteran-owned Businesses. (n.d.). Office of Veterans Business Development (OVBD). Retrieved from <https://www.sba.gov/business-guide/grow-your-business/veteran-ownedbusinesses>.
- Veteran-owned Businesses. N.d.). Office of Veterans Business Development (OVBD). Retrieved from <https://www.sba.gov.business-guide/grow-your-business/veterans-ownedbusinesses>.
- VetLaunch (n.d.). Our program. Retrieved from VetLaunch-Where Veterans Take off. <https://us.committchange.com/la/new-orleans/vetlaunch>.

FINANCIAL AID FRAUD IN A NONPROFIT UNIVERSITY: WHERE WERE THE INTERNAL CONTROLS?

James Rasalam, Valdosta State University
Raymond J Elson, Valdosta State University
Casey J Colson, Valdosta State University

CASE DESCRIPTION

The objective of this case is to help students understand the importance of ethical decision making and utilize critical thinking skills to assess an ongoing corporate scandal. The case is appropriate for a senior or graduate level government and nonprofit accounting course. It could also be used in the nonprofit portion of an advanced accounting class, in an internal or external auditing class, or as an independent case study in a fraud course. The case is designed to be taught in one class hour and is expected to require approximately three hours of outside preparation by students. No advanced preparation time, other than reading the case, is required by the instructor. The events described in this case are based on a real-world situation as reported in various newspaper and online sources.

CASE SYNOPSIS

Internal control failures within a nonprofit university's financial aid office resulted in the misappropriation of approximately \$1 million in grants over a ten year period. These grants were earmarked for needs-based students but were diverted by office employees to their own accounts and used for personal expenses. Although the problem was identified and reported to the university's president, no action or public disclosure was made for at least two years. A whistleblower notified an online newspaper of the fraud, and it was subsequently reported to university constituents. The university created an action plan to prevent such an incident from occurring in the future and terminated all employees involved in the fraud. This case illustrates the challenges nonprofit organizations face when implementing effective controls to prevent the misappropriation of assets.

USING SUSTAINABILITY METRICS TO INTRODUCE OTHER ASSURANCE SERVICES IN AN AUDITING COURSE

Aamer Sheikh, Quinnipiac University
Michael Kraten, Houston Baptist University
Kenneth N. Ryack, Quinnipiac University
Kathleen A. Simione, Quinnipiac University

ABSTRACT

This paper describes the use of sustainability metrics based upon the triple bottom line (TBL) framework (namely Planet, People, and Profit) to introduce students to other assurance services in an auditing course. More specifically, students use a case that requires them to first identify the appropriate sustainability metrics and then to determine what type of assurance service may best be provided on these metrics. The case includes role playing and teamwork and provides students with an innovative experiential learning alternative to a traditional lecture for attestation services other than audits. Feedback from students indicates that they found the case provided a valuable learning experience.

ONLINE VS. ON-GROUND: A COMPARATIVE ANALYSIS OF DELIVERY MODE EFFECTIVENESS ON STUDENT LEARNING OUTCOMES IN A PRINCIPLES OF ECONOMICS COURSE

**Susanne L. Toney, Savannah State University
Kristena P. Gaylor, Mississippi College**

ABSTRACT

This paper considers whether online delivery of principles of economic courses results in improved student learning outcomes as reflected in measures of student performance. We utilize exam grades, class participation rates, midterm, and final course grades to estimate ordinal logit specifications of achievement levels as a function of course delivery variables – online and on-ground delivery. Parameter estimates are expected to reveal that while online delivery increases accessibility for remote and working students, limited interaction with classmates and faculty reduces the positive effect of course accessibility on learning outcomes. Study results may suggest that increasing course accessibility via online delivery could reduce student learning outcomes as reflected in traditional measures of student performance.

Keywords: Principles of Economics, economic education, online delivery, learning outcomes

PREPARING COLLEGE STUDENTS TO BECOME SOCIAL ENTREPRENEURS THROUGH A SOCIALLY CREATED MISSION WITH AN IMPACT

Issam A. Ghazzawi, University of La Verne
Byungku Lee, University of La Verne
Christine Jaganathan, University of La Verne

ABSTRACT

As the concept of social entrepreneurship (SE) is gaining popularity worldwide, it has raised interest among scholars to study this socially embedded entrepreneurial phenomena. This paper, therefore, attempts to shed light on how SE is defined and what it takes to become a social entrepreneur through an analysis of how college students were impacted after engaging in social service learning activities. Specifically, the paper sought to elicit whether engaging students in activities centered around a social mission might help create a mindset that would prepare them to become future social entrepreneurs.

Keywords: *Demographic transition theory, social entrepreneurship, social responsibility and institutions of higher education, poverty in the Philippines, Poverty in Mexico, obesity and health education, environmental sustainability, marine pollution.*

INTRODUCTION

The fast-paced development of society for the last several decades has produced a number of social issues that have not been successfully dealt with by the established social entities such as governments, businesses, or not-for-profit organizations. Growing number of societal problems such as poverty, unemployment, and healthcare to name a few, are tackled by social entrepreneurs who usually employ innovative business models that pursue social missions and the bottom line simultaneously (Dees, 1998; Mair & Marti, 2006). Social entrepreneurship is a new approach that has proposed a large number of innovative solutions to address social problems by linking business to the society in need (Martin & Osberg, 2007; Porter & Kramer, 2011; Zahra, Gedajlovic, Neubaum, & Shulman, 2009).

Although comparatively extensive research has investigated social entrepreneurs and their impacts on improving society as a whole, there is a paucity of research on how to educate students who might be social entrepreneurs in the future (Pache & Chowdhury, 2012). The positive role of social entrepreneurship (SE) in society raised the need for research on social entrepreneurship education.

In particular, very little research has observed the impact of experiential learning of students through activities with social mission. The growing interest in SE education through service-learning activities calls for research that observes the effect of students' experiences of social service on their learning about social entrepreneurs. Although researchers have proposed to

adopt experiential learning in SE education, little is known about the relationship between social service-learning activities and improving students' understanding on SE.

Therefore, the purpose of this paper is to further clarify the term SE, and shed light on what it takes to become a social entrepreneur. As such, this paper has two major objectives: (1) Review the available literature on definitions of SE, as well as the role of institutions of higher education in fostering SE through service learning; (2) Provide a synopsis of a series of socially embedded projects carried out by college students in the 2016/17 academic year, so as to determine what the students learning outcomes were and how these compared to findings in the literature.

The rest of this paper proceeds as follows: First, the extant literature on SE will be reviewed. Second, the examples of SE projects in a university at Southern California will be presented. Finally, the theoretical and practical implications of the study will be discussed.

GENERAL OVERVIEW OF STUDENT PROJECTS THROUGH THE ENACTUS PROGRAM

This section presents a few examples of social entrepreneurship projects carried out by students of a Southern California University during the 2016/17 academic year. In 12 years, this Enactus team has carried out over 50 projects. Enactus is an acronym for **Entrepreneurial-Action-Us** and refers to “a community of student, academic and business leaders committed to using the power of entrepreneurial action to transform lives and shape a better more sustainable world” (Enactus, n.d., para 1). Guided by an academic advisors and business experts, the student leaders of Enactus create and implement community empowerment projects around the globe. The experience is aimed at transforming lives and helping students develop the kind of knowledge and skills that are essential to any form of leadership in an ever-more complicated and challenging world. What follows is a synopsis of the projects, and their relationship to the goals of social entrepreneurship education mentioned above. Students participated in four different projects aimed at helping communities/individuals in need in the Philippines, California and Mexico.

IMPLICATIONS AND OUTCOMES

Boyer (1994) called for institutions of higher education to reinvent their missions away from a focus on career orientation to helping students become responsible citizens, by connecting theory to practice in the context of alleviating social problems—i.e., adopting a service learning pedagogical approach.

The three Enactus projects featured in this paper adopted a service learning pedagogical approach by first introducing students to economic conditions, and related socio-economic issues, in a global context. Next, each project required that students brainstorm an approach to alleviating what they considered to be a key issue. Finally, students were asked to use a problem solving approach to planning and executing a solution to the targeted issue.

To determine what if any impact these projects have had on the participating students, themes emerging from a post-project debriefing session are listed in Table 1 below:

Table 1. Student Outcomes from Participation in Enactus Projects.

Primary Themes	Secondary Themes
Experiencing personal growth	Being grateful for what I have Feeling good inside by helping others Developing ongoing humility
Developing social responsibility	Deepening passion for helping the needy through entrepreneurial actions Becoming proactive in changing the world Persuading others to participate in outreach activities Growing drive/desire for future outreach activities
Weighing social versus economic value	How collaboration can make a difference How not everyone acts in pure self-interest How little it takes to help the needy

Based on the primary and secondary themes coming out of the debriefing session, Enactus activities did seem to engender a growing sense of social responsibility (e.g., deepening passion for helping the needy through entrepreneurial actions) as well as personal growth in the direction of increased compassion for people in need (e.g., being grateful for what I have). In addition, there was some evidence that some of the Enactus participants may have experienced a shift in their valuation of prosocial activities (e.g., how not everyone acts in pure self-interest). Finally, Enactus project participation also seemed to have an impact on the pull factors (e.g., becoming proactive in changing the world) of some of the participants.

In closing, Enactus activities did meet the definition of a service learning pedagogical approach, with encouraging outcomes in creating some aspects of the social entrepreneurial mindset (experiencing personal growth, developing social responsibility, weighing social versus economic value). However, Enactus projects also met the third requirement of SE education in that, unlike traditional cognitive theory practices, where teachers convey information/learning/knowledge to the students (Fox, 1997), they provided a social environment in which students participated in experiential learning (Gherardi et al., 1998).

ASSESSMENT OF KNOWLEDGE AMONG COLLEGE STUDENTS REGARDING FAMILY-OWNED BUSINESSES: A REVISIT

Tammy Johnston, University of Louisiana at Monroe
Veronika Humphries, University of Louisiana at Monroe

ABSTRACT

Family-owned businesses are a key participant of the global economy contributing substantially to economic growth, national GDP, and fueling the entrepreneurial spirit. Although they may begin small in size and number of employees, their close-knit management structure can provide ample opportunities for future growth and development. (Osunde, 2017) The myriad of large corporations which have started as a small family-owned company yet have grown into multi-national firms with globally recognized names and product brands are the proof of such statement. (Kleiman & Peacock, 1996) Examples include Walmart, SC Johnson, and Levi Strauss, to name a few. In a prior 2006 study, Parker and Strickler conducted a survey of college students at a regional university to assess students' ability to recognize which corporations are family-owned, based solely on the name of the company. The 2006 study concluded that only 35% of students were able to identify a now nationally and in some cases even internationally recognized corporation's name as a family-owned business. (Parker & Strickler, 2006) The current study will re-visit this survey to assess whether fourteen years later this trend in recognition of family-owned businesses has improved.

IMMIGRANT ENTREPRENEURS: CHALLENGES AND ACHIEVEMENTS USING BOOTSTRAPPING METHODS

Robert J. Lahm, Jr., Western Carolina University
C. Scott Rader, Western Carolina University

ABSTRACT

Entrepreneurship is fraught with challenges for the new business owner, not the least of which include ideation, organization, promulgation of management culture, onboarding employees where needed, and procuring the right assets and resources. Toward this latter issue, perhaps the most daunting task is obtaining the financial capital necessary to instigate and ensure the new venture flourishes at the start. Where sourcing external financing is generally difficult for most aspiring entrepreneurs, it can be nearly impossible for immigrants, who represent a significant proportion of new business owners in the United States. Toward that end, out of necessity and coupled with a host of additional obstacles inclusive of lacking cultural and language fluency, immigrant entrepreneurs often leverage “bootstrapping” as a natural means to get their ventures started. This research looks at the phenomenon of immigrant entrepreneurship and bootstrapping at large, then couples findings from preliminary observations of the unique and largely undocumented experiences of immigrant entrepreneurs as garnered from small business counseling experiences. The results establish an imperative for further empirical research into immigrant entrepreneur bootstrapping.

INTRODUCTION

This research explores approaches to meeting capital needs, including entrepreneurial bootstrapping and its intersection with cultural collectivism that may be leveraged by immigrant entrepreneurs in the United States. Particularly in some states and economic sectors, immigrants make significant contributions toward business formation and income in the United States (Fairlie, 2008). 51 percent of America’s startup companies that are valued at \$1 billion dollars or more have involved at least one immigrant as being connected with the founding of each firm (Anderson, 2016). 40.2 percent of *Fortune* 500 firms in 2016 had at least one founder who was the child of immigrants, or immigrated to the U.S., where 2.9 million foreign-born entrepreneurs have founded businesses (“Reason for reform: Entrepreneurship,” 2016). Besides involvement as founders, foreign-born personnel also occupy many top positions in such firms. Although Australia, the United Kingdom and Western European countries, along with Canada and the U.S., are all “major immigrant receiving countries” (Zolin, Chang, Yang, & Ho, 2016), this present conceptual paper is primarily focused on financing methods that may be employed by immigrant families in the United States. These methods often entail entrepreneurial “bootstrapping” (Arora, 2002; Bhidé, 1992; Lahm, 2005), which refers to the use of creative techniques to launch and operate a business.

LITERATURE OVERVIEW

For this present paper, a general search strategy has been to focus on two overarching topics: 1) entrepreneurial bootstrapping and its primary typological variants (e.g., credit cards, owner funding, family funding, etc.), and 2) immigrant entrepreneurship. Additional existing (local) databases and a prior research stream has been established on the part of one of the authors pertaining to bootstrapping generally; another author has extensive direct personal contact with immigrant entrepreneurship. Both researchers have extensive experience professionally in consulting with small businesses about matters pertaining to finance, operations, marketing, growth, and like concerns.

Bootstrapping

It does not appear that an exact percentage, number of, or other precise description as to the extent entrepreneurs engage in bootstrapping is available to be found (and regularly tracked/reported by reliable sources). Nevertheless, by proxy and inference, one can discern some dimensions of this phenomenon of bootstrapping, such as small, medium, or large. As suggested by Harvey (2014), it is likely that bootstrapping is part of the history of almost all successful companies. To name a few, one would include Dell Computers, FaceBook, Apple, Clorox, Coca-Cola, Hewlett-Packard, Microsoft, Oracle, eBay, Cisco Systems, and SAP on the list of initially bootstrapped startups (*Ibid.*).

Importance Of Immigrant Entrepreneurship

According to a report by the organization, New American Economy, which describes itself as a bi-partisan advocate for immigration reforms, there are millions of foreign-born entrepreneurs currently in the United States, who not only provide for themselves, they are also creating employment opportunities for other American workers ("Reason for reform: Entrepreneurship," 2016). Despite representing 13.2 percent of the U.S. population overall in 2014, immigrants made up 20.6 percent of all entrepreneurs in the country, (*Ibid.*). One subgroup, refugees, has a high rate of entrepreneurship relative to the foreign-born population: As compared to 11.5 percent of non-refugee immigrants, 13 percent of refugees are business owners (Kosten, 2018). Among *Fortune* 500 firms in 2016, approximately four out of ten (40.2 percent of firms) had at least one founder who was either an immigrant or the child of an immigrant (*Ibid.*).

Immigrant Entrepreneurs' Challenges

Many immigrants may face limited employment opportunities and therefore turn to self-employment as a more viable path to upward mobility (Sanders & Nee, 1996). "Limited personal and family savings and lack of access to credit are seen to severely limit the growth prospects of promising startups in developing countries" (Wahba & Zenou, 2012). "The family may be involved in the venture at its outset through ownership, governance, or management" (Chua, Chrisman, Kellermanns, & Wu, 2011, p. 476). In the executive summary of research conducted under contract for the SBA's Office of Advocacy, which investigated access to capital (or the lack of it) by immigrant entrepreneurs and small business owners Fairlie (2012) observed: "The main

reason for the lack of research on access to financial capital among immigrant entrepreneurs is data availability” (p. ii). Besides limited savings or assets in what one might characterize as a more normal set of circumstances, some immigrants may be encumbered by more extreme circumstances stemming from their origins and reasons for relocating in the first place, including the possibility of being a refugee. In such instances, it may be the case that the only method an immigrant might have available is to leverage human and social capital (*Ibid.*).

DISCUSSION

The basis for the following discussion is further informed by the above review of the literature and its findings. However, interest in the topic as a whole stems from direct experiences (via personal relations/contact and or extensive small business consulting experiences) on the part of the authors. As well, the impetus for initial efforts to further understand bootstrapping on the part of immigrant entrepreneurs (and bootstrapping generally) have been inspired by such experiences. As previously introduced, this research is conceptual and represents an effort to frame ongoing questions and possible scholarly responses so as to ultimately fill gaps in the literature. From both the aforementioned professional consulting experiences as well as direct contact, it is known that at least some immigrant entrepreneurs may be characterised as being associated with the following attributes:

Knowledge Limitations

The world of financing new businesses has its own parameters, vocabulary, jargon, and underlying assumptions. Even for someone born in the United States, and even having some degree of business prowess, “fluency” in this area can be elusive. The unknowns are exacerbated for immigrant entrepreneurs, many of whom are not even aware of options or boundaries (i.e., “they don’t know what they don’t know”). At the most basic level, knowing that financing can occur through not only personal channels but also loans and even ceding equity is lost on most of them. Even if aware of these options, knowing how to take steps to capitalize on them (literally) requires a depth of knowledge that despite having help from small business counselors, is still bewildering or, depending on their country/cultures of origin, unbelievable.

Some immigrant entrepreneurs have struggled with the concepts such as an “objective third party” bank who will, with collateral, provide them a loan or, moreover, a stranger with expectations of return such as an angel investor will write them a check in exchange for a piece of the business. The tendency is to consider in wonder these options, while still retreating to the familiar auspices of “home” and family.

The (Often) Cryptic World of “Credit Scores” and Credit Histories

Once apprised of the opportunity of bank loans, next comes another area of ignorance for many immigrant entrepreneurs. Namely, the potentially confusing world of credit scores and credit histories. Knowing how to navigate (establish, build, check, and correct credit scores) and cultivate (i.e., credit history) the “system” takes time to process, both in terms getting an early start to “build up” credit (cf. many Americans who start as early as high school) and the time to maintain

and manage a trajectory that ensures “solvency” in the “big data” profile of the world of credit. Immigrant entrepreneurs often arrive later in life and certainly cannot “port over” any legacy of credit/collateral from their home countries.

Distrust of Banks

Many immigrant entrepreneurs, and likely ones immigrating as political refugees and/or leaving countries rife with corruption, poor infrastructure, and flailing/failing economies, bring with them a healthy dose of skepticism when it comes to banks in general. Perhaps fleeing runaway inflation, lost/dissolved savings (“FDIC” is a decidedly American institution compared to their home countries), the collusion between government and banks and the cronyism that ensures those well-connected are also well-heeled, means many immigrant entrepreneurs close off bank loans for financing. What Americans take for granted, that their money will simply be there, and moreover that a bank will be fair and transparent with regard to lending, can be exotic to immigrants. Instead, they turn inward toward their own sources of capital, which means not just individual capabilities, but that of their relatives.

A Family Affair

Probably the most prominent characteristic among immigrant entrepreneurs is an often unspoken obligation that “immediate” and even more distant family members will contribute to the new venture both in financial terms as well as operations. Where a lack of savings might be the case, a “no questions asked” sacrifice in terms of bootstrapping the new venture is often in play before the business even starts. Able to live humbly (which might even be more luxurious than conditions of their home countries), immigrant entrepreneurs exhibit a “beans and rice” mentality in their daily affairs, scrimping and saving so as to build up enough money to establish a lease and/or buy basic equipment for a new business. Everyone in the family is often expected to make this sacrifice or even take basic employment in order to generate cash flow – all with the aim of instigating the venture at some point in the future. Whereas American culture might not prevent a similar tact, the high degree of individualism and deciding upon one’s own fate makes it less likely.

Conversely, many of the cultures represented by immigrant entrepreneurs (in fact, most of the world) exhibits relatively lower pre-disposition for individual agency. Rather, collectivist tendency (cultural, not necessarily political), which is more conducive to the aforementioned sacrifices, is the norm. Toward this end, “personal” bootstrapping, which is a precursor to business bootstrapping, is not seen at all as a sacrifice, but rather a duty that members of these cultures enjoy, so as to ensure the prosperity of their group (i.e., family). (Hofstede 1980).

Where financial capital is concerned, in the case of some immigrant entrepreneurs, at the entry point for the new venture various family members, likely elder ones, do in fact have some cash at their disposal. In this case, it is aggregated and dispensed, without contract or contention, in an effort to avoid “traditional” means of financing (i.e., bank loans) if and where that was even possible in the first place. Of note here is the lack of expectation of interest on use of the funds. Avoiding these financial costs, along with the transaction, opportunity, and administrative costs of bank loans, provides for not only an injection of capital, but a rejection of considerations that naturally encumber traditional borrowers.

CONCLUSION

Through initial review of the literature, while a paucity of scholarly research exists, from myriad popular sources indices abound to suggest that certain approaches to small business capitalization are indeed very creative. These may also be driven by attitudes of trust (or lack thereof) in the banking system, nonexistent to inadequate credit history, along with otherwise obvious language barriers among immigrant entrepreneurs. Any or all of such impediments may serve to prevent these immigrant entrepreneurs from accessing traditional means of capitalization such as small business loans or even personal credit cards. Combined with the broader trend toward upward growth in home-based businesses, self-employment, freelancing, and what is otherwise colloquially referred to as the “gig economy,” this conceptual research explores attitudes and logistics of immigrant entrepreneur capitalization. These circumstances may also be juxtaposed against a broader reality that newly created start-ups, regardless of immigrant or native status, are rarely beneficiaries of “venture capital” backing or debt financing. Given that entrepreneurship plays an important role in the economy as a whole, it logically follows that further investigation is warranted on the part of future scholarly researchers.

REFERENCES

- Anderson, S. (2016, March). Immigrants and billion dollar startups. Retrieved from <http://nfap.com/wp-content/uploads/2016/03/Immigrants-and-Billion-Dollar-Startups.NFAP-Policy-Brief.March-2016.pdf>
- Arora, P. (2002, September). Secrets of bootstrapping: Creative ways to shave bucks off those start-up costs. Retrieved from <http://www.entrepreneur.com/magazine/teenstartups/2002/september/55086.html>
- Bhide, A. (1992, November-December). Bootstrap finance: The art of start-ups. *Harvard Business Review*, 70(6), 109.
- Chua, J. H., Chrisman, J. J., Kellermanns, F., & Wu, Z. (2011). Family involvement and new venture debt financing. *Journal of Business Venturing*, 26(4), 472-488. Retrieved from <http://www.sciencedirect.com/science/article/pii/S0883902609001219>. doi:<https://doi.org/10.1016/j.jbusvent.2009.11.002>
- Fairlie, R. W. (2008, November). Estimating the contribution of immigrant business owners to the U.S. economy. Retrieved from <https://www.sba.gov/sites/default/files/rs396tot.pdf>
- Fairlie, R. W. (2012, May). Immigrant entrepreneurs and small business owners, and their access to financial capital. Retrieved from <https://www.sba.gov/sites/default/files/rs396tot.pdf>
- Harvey, I. (2014, August 28). Companies that succeeded with bootstrapping. Retrieved from <https://www.investopedia.com/articles/investing/082814/companies-succeeded-bootstrapping.asp>
- Kosten, D. (2018, July 11). Immigrants as economic contributors: Immigrant entrepreneurs. Retrieved from <https://immigrationforum.org/article/immigrants-as-economic-contributors-immigrant-entrepreneurs/>
- Lahm, R. J., Jr. (2005, September 16). *Bootstrapping: Methods entrepreneurs really use to start a business; A holistic view*. Paper presented at the Annual Eastern Small Business Institute (SBI) Conference, Pittsburgh, PA.
- Reason for reform: Entrepreneurship. (2016, October). Retrieved from <http://www.newamericaneconomy.org/wp-content/uploads/2016/12/Entrepreneur.pdf>
- Sanders, J. M., & Nee, V. (1996). Immigrant self-employment: The family as social capital and the value of human capital. *American Sociological Review*, 61(2), 231-249. Retrieved from <https://www.jstor.org/stable/2096333>. doi:10.2307/2096333
- Wahba, J., & Zenou, Y. (2012). Out of sight, out of mind: Migration, entrepreneurship and social capital. *Regional Science and Urban Economics*, 42(5), 890-903. Retrieved from <https://doi-org.proxy195.nclive.org/10.1016/j.regsciurbeco.2012.04.007>. doi:10.1016/j.regsciurbeco.2012.04.007

Zolin, R., Chang, A., Yang, X., & Ho, E. Y. H. (2016). Social capital or ethnic enclave location? A multilevel explanation of immigrant business growth. *Thunderbird International Business Review*, 58(5), 453-463. Retrieved from <https://onlinelibrary.wiley.com/doi/abs/10.1002/tie.21754>. doi:10.1002/tie.21754

JOB CHARACTERISTICS, PERSONALITY AND JOB ATTITUDES AS PREDICTORS OF ETHICAL BEHAVIOR

Stephen C. Betts, William Paterson University

ABSTRACT

Job characteristics, personality and job attitudes are primary variables used to explain behavior in organizations. Each has been studied alone and various relationships between these variables have been explored. Frequently the outcome variable of interest is performance or turnover. In this study we will explore the direct and combined effects of job characteristics, personality and job attitudes on ethical behavior in organizations. As outcome variables we will explore different ethical perspectives and attitudes towards specific behaviors. Propositions will be presented as well as a research design to test hypotheses derived from the propositions.

INTRODUCTION

Job characteristics, personality and job attitudes are primary variables traditionally used to explain behavior in organizations. The primary behaviors that they have historically been used to predict are variations of productivity and turnover. More recent concepts such as organization culture and organization climate have been added as contextual contingency factors related to the work and workplace. Personality has been measured by an assortment of typologies such as the Myers–Briggs Type Indicator (MBTI) and Holland’s six personality types, and factor models such as the Big Five personality traits. Individual personality characteristics such as Locus of control and self-efficacy have also been extensively studied. The study of job attitudes does not have a unified framework, with researchers examining components of individual attitudes.

Ethics is a topic with increasing importance. Organization management researchers have been slow in examining the mechanisms and dynamics of ethical decision. The approach has been to identify ethical or unethical behaviors and examine how and why they are considered ethical or unethical. Occasionally there is some study of different ethical bases, but the research is more normative and philosophical. What is missing is a direct connection between the established work variables and ethical decision making to find the enablers and disablers of various types of ethical decisions.

In this paper we propose using Hackman and Oldham’s Job Characteristics Theory (JCT) to examine job characteristics, the MBTI to measure personality and our own set of job attitude questions to predict ethical decision making. The bases of the ethical decisions will also be considered. We give a set of propositions connecting the primary constructs in direct, mediated and moderated relationships.

Finally a research design for a study will be proposed to test some of the hypotheses that can be derived from the propositions. Data is currently being collected and the survey and that process will be explained.

ETHICAL BEHAVIOR

The study of ethics has moved on beyond the dichotomous ethical vs unethical framing and now recognizes that there are different philosophical bases for ethical decision making. Justice, utilitarianism and rights views (Frankel, 1974) are a set of ethical bases that have been popular for decades. Although they came into prominence in the 1970's, they were based in older works by John Rawls (1971), Jeremy Bentham, John Stuart Mill and others before them. Although these three have been augmented by other frameworks and perspectives such as care ethics (Gilligan, 2008) and virtue ethics (Hursthouse, 1999), the three listed still are a common set used for analyses and instruction.

A general model of ethical behavior in organizations is shown below in Figure 1. Disposition has a direct relationship with ethical behaviors. This relationship is moderated by organizational factors that can facilitate ethical behavior. Organizational factors can also be directly related to ethical factors when their influence is not affected by dispositional factors such as policies that reward or demand unethical behavior.

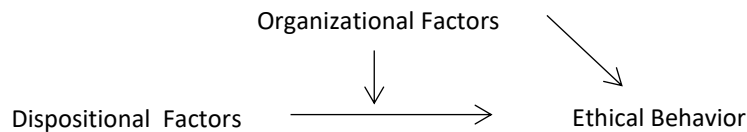


Figure 1 - General Model of Ethical Behavior in Organizations

DISPOSITION: PERSONALITY

Disposition research focuses on the personality. Personality research focuses on typologies taxonomies and multi-factor structures such as the Myers-Briggs Type Indicator (Myers & Myers, 1980) based on Jungian Psychology, Holland's Vocational Personality Types (Holland, 1985) based on occupational grouping and the Big Five Personality Factors (McCrae & Costa, 1985, 1987). Personality and other factors are shown in Figure 2, and propositions are numbered.

Proposition 1 Personality characteristics are positively related to ethical behavior

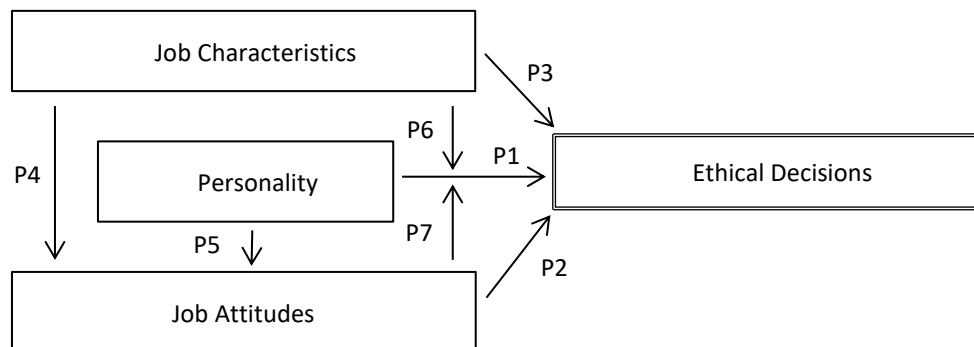


Figure 2 - Full Model Of Ethical Behavior in Organizations

JOB ATTITUDES

Attitudes are persistent but not permanent patterns of feeling, acting and thinking that characterize people (Perloff, 2016). They are formed by and individual's past and present (Allport, 1935).

Proposition 2 Job attitudes are positively related to ethical behavior

ORGANIZATIONAL FACTORS: JOB CHARACTERISTICS

Job Characteristics Theory (JCT) (Hackman & Oldham, 1975) posits that the motivating potential of a job is a function of three 'critical psychological states' - the meaningfulness of the work, feedback and autonomy. Meaningfulness of the work is an additive combination of task significance, skill variety and task identity. A 'Motivating Potential Score' can be calculated from these values according to the formula shown below (Hackman & Oldham, 1980).

$$\text{Motivating Potential Score} = \frac{\text{Task Significance} + \text{Skill Variety} + \text{Task Identity}}{3} \times \text{Feedback} \times \text{Autonomy}$$

(Meaningfulness of Work)

The formula for the Motivating Potential Score has been thoroughly tested and it is a robust predictor of how motivating a job is (Hackman & Oldham, 2005; Fried, & Ferris (1987). It was first used to predict performance and job turnover (Hackman & Oldham, 1975). Later, performance predictions were expanded to include quality of work and quantity of work and job turnover was supplemented by absenteeism (Hackman & Oldham, 1980) as dependent variables.

Proposition 3 Job characteristics are positively related to ethical behavior

INTERACTION EFFECTS

Propositions 1, 2 and three posited direct effects. Propositions 4 through 7 will involve moderating and mediating effects.

Job Attitudes as a Mediator

Attitudes are influenced by a person's disposition, as well as their past and present experiences and environment (Ajzen, 2010).

Proposition 4 Job attitudes mediate the relationship between job characteristics and ethical behavior

Proposition 5 Job attitudes mediate the relationship between personality characteristics and ethical behavior

Job Attitudes and Job Characteristics as Moderators

Dispositions are a basis for behavioral tendencies, however the behaviors are influenced by environmental factors and personal experience (Salancik & Pfeffer, 1978).

Proposition 6 Job characteristics moderate the relationship between personality characteristics and ethical behavior

Proposition 7 Job attitudes moderate the relationship between personality characteristics and ethical

RESEARCH DESIGN

Measures

Table 1 MEASURES OF DATA BEING COLLECTED	
Job Characteristics	Adaptation of the Job Characteristics Model
Personality	Adaptation of the MBTI
Behaviors/Decisions	Scenarios with multiple possible reactions
Attitudes	Scales of satisfaction, happiness and interest
Ethical Bases	Scales of utilitarianism, rights and justice views

Data Collection and Analyses

Data is being collected for personality, job characteristics, job attitudes, ethical bases and ethical decisions/behaviors with a survey instrument distributed to MBA students in a required course. Because the constructs have several factors each, the number of hypotheses that represent the propositions is very large, therefore only the most hypotheses with the most theoretical support will be tested. Figure 3 illustrates how one proposition yields nine hypotheses. Depending on the specific hypotheses tested we will use regression or structural equation modeling for the analyses.

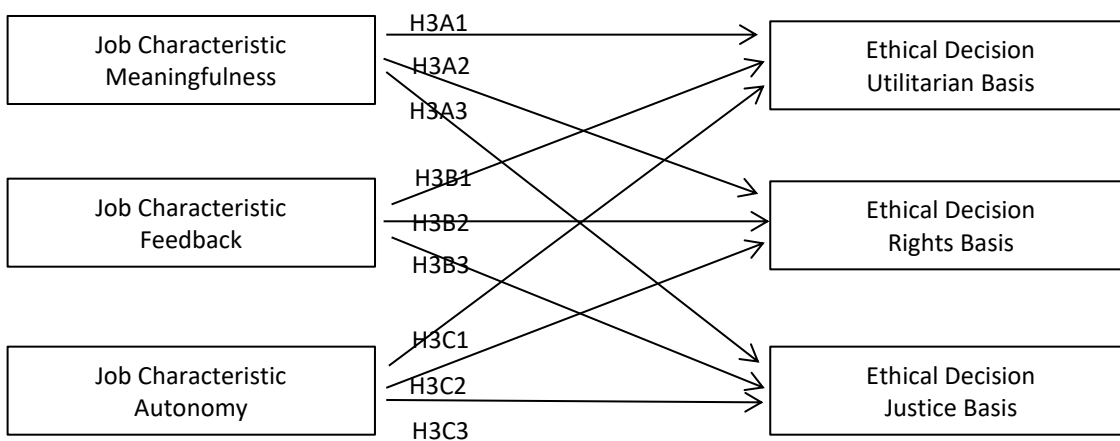


Figure 3 – Proposition 3 Converted to 9 Hypotheses

SUMMARY AND PLANS

This project is ongoing. Currently the data collection is finished. A detailed literature review and theory development effort is under way to trim the hypotheses. The coding and analysis will be completed this summer. We are pleased with the current state of the project and look forward to completing the research within the next year.

This project bears important implications for researchers, educators and practitioners. For researchers it is a contribution to our understanding of the relationship between several classic organizational behavior concepts (JCM, MBTI, etc) and more current concepts in organizational ethics. For educators in the fields of management, organizational behavior, human resource management and entrepreneurship it offers an exploration of several key issues in each field. The research directly addresses critical problems facing practitioners. Many organizations routinely use the MBTI in training and development, and this research facilitates the inclusion of ethics in that training.

REFERENCES

- Ajzen, I. (2001). Nature and Operation of Attitudes. *Annual Review of Psychology*. 52: 27–58.
- Allport, G. (1935). "Attitudes," in A Handbook of Social Psychology, ed. C. Murchison. Worcester, MA: Clark University Press, 789–844.
- Frankel, C. (1974). Justice, utilitarianism and rights. *Social Theory and Practice*, 3(1), 27-46.
- Fried, Y., & Ferris, G. R. (1987). The validity of the job characteristics model: A review and meta-analysis. *Personnel Psychology*, 40(2), 287-322.
- Hackman, J. R. & Oldham, G. R. (1975). Development of the job diagnostic survey. *Journal of Applied Psychology*, 60(2), 159-170
- Hackman, J. R. & Oldham, G. R. (1980). *Work redesign*, (Addison-Wesley, Reading, MA)
- Hackman, J. R. & Oldham, G. R. (2005). How job characteristics theory happened. *The Oxford handbook of management theory: The process of theory development*, 151-170.
- Holland, J. L. (1985). *Making Vocational Choices: A Theory of Careers*. Englewood Cliffs, NJ, Prentice-Hall.
- Hursthouse, R. (1999), *On Virtue Ethics*, Oxford: Oxford University Press.
- McCrae, R. R; Costa, P. T (1989). Reinterpreting the Myers-Briggs Type Indicator from the Perspective of the Five-Factor Model of Personality. *Journal of Personality*. 57
- McCrae, C. C. and P. T. Costa, Jr. (1987). Validation of the Five-Factor Model Across Instruments Observers. *Journal of Personality and Social Psychology* 52: 81-90.
- Myers, I. B. & Myers, P. B. (1980). *Gifts Differing: Understanding Personality Type*. Mountain View, CA: Davies-Black Publishing
- Oldham, G. R., & Hackman, J. R. (2010) Not what it was and not what it will be: The future of job design research. *Journal of Organizational Behavior*, 31, 463-479.
- Perloff, R. M. (2016), *The Dynamics of Persuasion: Communication and Attitudes in the Twenty-First Century*, Routledge.
- Rawls, John, 1921-2002. (1971). *A theory of justice*. Cambridge, Mass. :Belknap Press of Harvard University Press,
- Salancik, G., & Pfeffer, J. (1978). A Social Information Processing Approach to Job Attitudes and Task Design. *Administrative Science Quarterly*, 23(2), 224-253.

SOCIAL MEDIA USE IN AN OB/GYN PRACTICE

Jerome Christia, Coastal Carolina University
Tracy Dunn, Benedict College

ABSTRACT

Social media is deeply embedded in every aspect of our daily lives. It is an integral part of our personal lifestyle, and it is richly ingrained in school and work activities. Worldwide, it has become a necessity. Academic research has strived to grasp the theoretical and practical significance of social media. Research on social media spans the gamut of industries and topics. This paper attempts to contribute and add value to existing research by providing insight on the applications and use of social media in a healthcare setting. This study attempts to uncover certain patient expectations, characteristics, and attitudes regarding this general social media usage and specific use by the medical office they visit.

In this paper, we present 3 research objectives in an effort to reveal valuable information on what when, and how individuals access and utilize social media as a communication source and business tool. The study addresses questions about the patients' social media preferences, usage characteristics, and specific expectations for their service provider.

The study applies an 8-item questionnaire to survey 103 patients in an Obstetrics/Gynecology office in southeast U.S. The respondents were queried on their use of the most popular social media networks, and a frequency analysis was conducted. It became clear that Facebook reigns as the most popular choice for social media among the sample that was surveyed, which is consistent with the world population. The respondents were moderately likely to respond to content on social media, and spent an average of 7 hours on social media. In this study, patients had an average of 508 friends. Interestingly, a large percentage, 41% of the sample, indicated that they were unsure if the medical practice they were visiting should have a presence on social media. However, it was revealed by 68% of the patients that if the office had that presence, it should be Facebook.

This paper is presented as an exploratory study to open possibilities for additional research on this patient population and other medical offices regarding the impact of social media as a means of attracting, engaging, and serving past, present, and future patients.

RESEARCH OF POTENTIAL OF RESOURCES IN THE REGION OF EASTERN GEORGIA FOR THE FORMATION OF THE WINE INDUSTRY BASIS

Mariam Datashvili, Georgian Technological University

Vakhtang Chachkhiani, Tbilisi State University

**Shorena Birkadze, Magasine: Social Economics XXI century's Actual
Problems, Editor**

ABSTRACT

In the range of regional economics, the aim for the formation of the clusters, according to the proposed approach, is the improvement of the region's integral competitiveness, which can be described as a socio-economic position of the system of specific region along with the other similar systems, such as goods and services, labor resources, innovative products and solutions, as well as factors of production.

The orientation of the regulatory impact of the state towards the certain indicators of the unified regional competitiveness allows the effective formation of regional management competitiveness in the direction of clustering of territorial space. Establishment of clusters at the regional level is carried out within a program-target approach with certain intermediate and final indicators that reflect the effectiveness of state policy.

At the same time, the creation of viticulture and winemaking cluster in the Kakheti region of eastern Georgia seems to be very promising at the basement of viticulture and winemaking companies in Telavi, Gurjaani and Kvareli districts. In the range of formation of the second model, which ensures the most effective impact of the regional development process.

Finally, the use of proposed mechanism of creation of the clusters may provide a substantial increase in the effectiveness of regional socio-economic systems and competitive development of residents of the clusters in the range of national and global geo-economic spheres.

Keywords - Clusters, region, winemaking, Kakheti region of eastern Georgia.

INTRODUCTION

Nowadays Georgia's economy faces a number of problems. In the wake of the worsened conjuncture of raw materials, which for a long time ensured high financial potential of Georgia's infrastructure and institutional development, there have been a number of hindering factors for socio-economic development of the country, including economic sanctions from a number of countries; Falling national currency rate, failure of intrasystemic economic ties; Falling of effectiveness of the use of an extensive economic model of development. On this background the necessity of ensuring sustainable and effective socio-economic development, both at the national

and regional level, determines basically different demands towards the quality of territorial socio-economic systems.

In this regard, special requirements and strategies for economic regulation of territorial development are achieved, oriented towards the improvement of quality of the intergovernmental integration process at the regional level. Achievement of the increase in the competitiveness of the regional economy implies the use of a cluster model for formation of industrial-territorial localities that combines synergistic and multiplication effects that accelerate the development of the regional economy as well as the high-quality development of social sphere of the region.

Clustering of economic space is recognized by science and practice as the most effective form of integration of regional economic subjects. In this respect, specially demanding, current and valuable are scientific studies aimed at increasing the regional socio-economic system based on clusterization, stimulating the creation and further development of industrial clusters by the state, as well as the formation of territorial clusters models recognized in the world and national practice considering the conditions of the farming conditions in the particular region. The situation created has led to the selection of research topic for the current article. A number of national and foreign scientific works were dedicated to questions of the formation and further development of clustered forms of industrial forces in the region. Widespread recognition has been obtained by the works dedicated to the problems of development of methodology of formation of clusters, such as M. Porter, V. Price, L. Yang, D. Jacobs, S. Rosenfeld, L. Deman, E. Baratashvili, M. Voinarenko, L. Voronov. Georgian scientists have contributed significantly to the study of clusters on the regional level: E. Baratashvili, A. Abzalava, L. Talkanidze, B. Gechbaia, V. Datashvili and others.

Critical analysis of researches on the formation of clusters in the regional economy allowed us to emphasize vectors for further development of cluster formation systems, including within the agro industrial sphere of economy. At the same time, there are a number of aspects to be discussed that are related to the role of the state in the formation and further development of clusters in the regions, as well as the use of forms and methods for regulating the clustering process of regional socio-economic systems, in accordance with the level and characteristics of the impact of territorial economic environment.

For the methodological study of different aspects of the formation and further development of economic clusters, scientific consideration is necessary by taken into consideration interests of governing bodies and regional businesses, as well as the measures used by the authorities in the efficiency assessment process

in order to regulate cluster processes in the format of regional economy. Consequently, there is the demand for modeling of constructing processes of clusters, using state and private partnerships in the economic sphere of the region. These circumstances determine research problems, its goals and objectives.

It is necessary to develop a mechanism for formation of intersectoral clusters of agro-industrial type in the economic sphere of the region. The realization of this aim predetermines the necessity of formulating and solving the following tasks:

- 1) *Conceptual analysis of functional capabilities in the format of regional socio-economic systems using forms and methods of formation of clusters;*
- 2) *Identification of qualitative characteristics of regional socio-economic systems and the level*

of development of inter-sectoral agro-industrial integration in them;

3) Identification of trends and prospects of integration of manufacturing processes in viticulture and winemaking cluster in Kakheti region of eastern Georgia;

4) Elaborating the regulatory instruments for the development of agro-industrial clusters of the production and economic complex of region;

5) Determines the relationship of level of development of agro-industrial clusterization process of the economy of the region with the quality of its competitiveness;

6) Development of classification of agro-industrial clusters based on the enterprise-integrator;

7) Formation of the optimal type clusters algorithm according to the criteria of the competitive advantages of the particular region;

8) Development of an organizational mechanism for the formation of agro-industrial clusters in the economy of the region.

The object of the research is the operating basis and tools of clustering formation in the sphere of viticulture and wine production in the region of Kakheti of eastern Georgia. The research task is the mechanism for the formation of agro-industrial clusters in the economics of the region.

The modern level of development of regional economy considers the increase of the efficiency of each element of the social-economic system involved in the process of production. The epoch of extensive economic growth, which was based on the unproductive industrial power of national enterprises, low valuable work force and favorable market conjuncture, changes into the era of harsh competitive struggle, under which competitiveness is guaranteed by innovation, labor productivity and efficiency. It dictates that we need to find and use in practice new tools, methods and forms of regulation of relationship of these elements from both corporate, industrial, service sectors, as well as from the governmental organs, that can provide competitive leadership and innovative growth in national and international geo-economic space.

The majority of authors proved by theory and empirically that the clusterization of the regional economy is a progressive form of reproduction process organization and is aimed at forming competitive advantages of the economy of region.

Thus, at regional level, governments need to concentrate on the economic methods of stimulating cluster development in both regional and above regional geoeconomical spheres. Besides raising the economic growth rate, the clusterization of regional economy is an effective model of regulating of social and economic polarization in the existing space. Consequently, the development of the clusterization process should not be limited to the Georgian subjects.

CONCLUSION

Technical modernization and reconstruction of the enterprise should be the basis for increasing of the competitiveness of the wine production products of Kakheti Region of East Georgia. Today, technically and morally scattered devices used by regional wine manufacturers, even in the condition of use of high-quality raw materials, significantly complicate high-quality production. In addition, the technical base existing in the sphere of the wine industry does not comply with the modern demands for effective wine production, so the companies have to buy expensive and imported equipment.

Since wine production mostly depends on the possibilities of its realization, the main tasks for the development of this field should be:

Modernization of production, which is the replacement of the enterprise's old technical equipment with new ones, which meet the requirements of world standards;

Promotion of regional wine products, which implies product remittance on both domestic and foreign markets, by participating of producers in various exhibitions and events.

Among the most important problems of development of industry the particular place is given to the presence of a large number of falsified products on the market. Besides low quality fraud, the market often meets high quality falsifications as well. Development of various means of wine falsification seriously complicates the identification of such falsifications. The laboratory was purchased by the administration to assess the validity of the wine.

Development of tourism in the region is very important in terms of selling of the products: Every year the Kakheti resorts of East Georgia is visited by 2 million tourists, which significantly increases the demand for wine products during the summer months.

In the long-term perspective, modernization of regional manufacturers' technological equipment and its arrangement to its global standards should ensure for regional wine market all the terms of recognition in the world. This circumstance allows to demand improvement of Gurjaani wine quality as the main purpose for the stimulating policy of of the wine industry, which ensures the modernization of the product.

Thus, the concentration of wine producers in the Kakheti region of East Georgia, wine production steady growth, impose of interests of the investors in it, as well as the state policy of stimulating the development of the sphere determines the high competitiveness of the wine productivity in the Kakheti region of East Georgia, which is the main precondition for the formation of the basis for cluster of the sphere.

The main components of the main parts of potential clasteral sphere of the Viticulture and Winemaking Site in the Kakheti Region of Eastern Georgia are the regional agriculture sector, the transportation logistics of the region, its financial sectors, scientific-innovative and engineering infrastructure.

In this regard, it is recommended to analyze the current situation and development perspectives of viticulture and winemaking climate in the area of Kakheti region of Eastern Georgia.

REFERENCES

1. <http://www.economy.ge/ge/economic-sectors/trade&type=print>
2. Agreement on Deep and Comprehensive Free Trade Area with the European Union (DCFTA) (In Georgian)
3. <http://www.statistics.ge>
4. <http://www.parliament.ge>
5. <http://www.statistics.ge>

IS DOOR-TO-DOOR SELLING NOT A THING OF THE PAST?: JUST ASK THE AMISH

Susan D. Geringer, California State University, Fresno
Andreas Stratemeyer, California State University, Fresno

ABSTRACT

The Amish are an American Anabaptist religion that maintains a closed society which continues to thrive in the 21st Century (Kraybill, 2001). According to Berg (August 1, 2012), the Amish population in the US is exploding and was at a total of around 251,000 in 2012, twice the number as 20 years before.

The previous decades have seen research articles touting the disappearance of door-to-door as a viable selling avenue in the United States, primarily based on the fact that women are in the workplace and no one is home to answer the door (McCorkle, Planchon and James, 1987; Akaah, Pradeep and Korgaonkar 1989; and Harrison, Massi and Chalmers 2014). Within the Amish household, the women are the primary purchasers of home products (Erickson and Klein, Summer 1981) and because of their nonuse of electronics, the internet is not an option for these consumers (Shahar 2017); thus door-to-door sales continue to thrive in their districts (communities).

One of the co-authors of this current study has spent approximately four months living with an Amish family in Northeastern Pennsylvania in order to conduct research. Upon their arrival, the co-author found it of interest that although door-to-door sales appear to have died out throughout the US, they remain alive and well in the Amish community, specifically with home goods purchased by the Amish women.

Currently, the authors are collecting quantitative data from Amish women in northwestern Pennsylvania in regard to their perceptions of door-to-door sales. Previous research states that very little quantitative data exists concerning the Amish (Ems, 2011). What little non-assumptive research that exists concerning the Amish is qualitative. A perusal of the literature found studies of the Amish purchasing behavior with inadequate surveys, low numbers of subjects, or the paying of subjects to answer qualitative questions. Theory is also missing in much of the Amish-related research (Reschly, 2017).

The current study will add to the body of knowledge by investigating current door-to-door sales perceptions of Amish women, including a substantial quantitative survey, as well as achieving the goal of obtaining a minimum of fifty willing (nonpaid) subjects. At this time the authors have distributed the questionnaires and waiting for their return.

SOCIAL CONTAGIOUS OF CUSTOMER-COMPANY IDENTIFICATION ON SATISFACTION: MODERATING EFFECT OF CULTURE AND SOCIAL TIES

Saeed Sal, Old Dominion University
Mahesh Gopinath, Old Dominion University

INTRODUCTION

What is the influence of social tie and national culture on the relationship between customer-company identification and customer's satisfaction? This study extends the concept of identification beyond formal relationships within organization and customer-company relationships. Research has confirmed the stronger the relationship among organizational-affiliated peers, the stronger is the identification (Jones & Volpe, 2011). We aim to shift this idea to social tie relationships and find how quality of relationship among customers can influence customer-company identification and satisfaction relationship. To date, research on antecedents and consequences of identification research has focused primarily on employee-employee relationships, customers-company relationships or employees' relationships with their employers; current studies emphasize social identity whereby people as organizational members categorize themselves based on their roles in an organization or work place (Ashford & Mael, 1989; Hogg & Terry, 2000; Ahearne & Bhattacharya, 2005; Gioia, 2000). However, we aim to study how other customers that are already identified with the company can build identification in their peers in dyadic consumption situation and how that influence their behavior. In other words, while previous studies have focused on the efforts of company on direct customer-company identification and its influence on customers' behavior, we study indirect customer-company identification through other customers.

Furthermore, since the context of this study is based on social ties and human behavior, we should also keep our eyes on the influence of informal institutions or culture. There is no understanding of how culture can influence customer-company identification. Because the culture can influence how people relate to each other, we will also focus on elements of cultures, mainly the informal institutions as a moderator changing social tie and customer-company identification. To explore the influence of culture we will exploit Hofstede's (1980) cultural dimensions. It has been demonstrated that when there is a higher degree of uncertainty avoidance, customers are less satisfied with defective service (Reimann & Chase, 2008). Thus, we expect to see weaker shaped identification in people with higher uncertainty avoidance. On the other hand, according to Hofstede (1980) low degree of uncertainty avoidance has a higher tolerance for ambiguity and see it as inherent part of life; so, we claim they are more open to change by people have tie with and should build stronger customer-company identification. Furthermore, according to Hofstede (1997) cultures scoring high on power distance display tolerance for the lack of autonomy and therefore customers' expectations of symmetric relationship will be lower than expectations in

lower power distance (Dash et al., 2006). All elements of Hofstede's cultural dimension can potentially change main relationship of this study and it needs to be empirically tested.

In sum, we have identified two areas that remain unanswered in the customer-company identification literature; first, how relationships among customers (social tie) can influence customer-company identification and satisfaction. In other words, we want to answer the question "is customer-company identification contagious?" Second, how culture as an important factor that influence human relationships can moderate customer-company identification and satisfaction. Finding Answers for these questions have multiple implications for MNEs that operate in different countries with different national cultures.

LITERATURE REVIEW

Social identity and customer-company identification

A customer's identification with others that travel with can influence his/her evaluation of, and behavior towards, the service providers following a service failure event. Yet, to date, very few consumer behavior studies have looked to assess the impact of social context on consumer responses. Social identity theory (Tajfel & Turner, 1985), and the related social categorization theory (Hogg & Abrams, 1988), in particular, have received little attention as potential frameworks for understanding why people are concerned about justice in service failure and recovery situations, and how they may form a basis of affiliation, distinct from commitment (Ahluwalia, Burnkrant & Unnava, 2000) and loyalty based on repeat purchase due to inertia, convenience, price or individual affective commitment (Mattila, 2001). Social identity is defined as "individuals' sense of self that goes beyond their personal identity by developing a social identity" (Tajfel & Turner, 1985, p. 8). Individuals do so by identifying with or categorizing themselves in a contextual manner as members of various social categories, for example, gender, ethnicity, occupation, sports teams as well as other, more short-lived and transient groups (Kramer, 1991). A typical guest by associating with others in a group that have an affiliation with the lodging brand develop a social identification with the brand as he/she communicate with the brand. In other words, by associating with people in group who has bond with firm a person derives a sense of positive feelings toward the firm that resulted from social identification with members of the group. This type of affiliation with firm is fundamentally different from the loyalty construct prevalent in the marketing field, given the primary focus is on sociological aspects of group behavior compared to the focus on psychological and behavioral aspects of the customer for the latter (Mael & Ashforth, 1992).

According to Tajfel and John Turner (1979) social identity has three major components: categorization, identification, and comparison. The first component, categorization, is the process of putting people, including ourselves, into categories. Labelling someone as a Muslim, a female, or a soldier is a way of defining these people. Similarly, our self-image is associated with what categories we belong to. Social psychology experiments show that people quickly and easily put themselves and others into basic categories. The second component, identification, is the process by which we associate ourselves with certain groups. In groups are groups we identify with, and outgroups are ones we do not identify with. The third component, comparison, is the process by

which we compare our groups with other groups, creating a favorable bias toward the group to which we belong. As group identity affects individual behavior, many experiments in social psychology assess whether and to what extent people interact with in group and outgroup members differently. Most of these experiments confirm Tajfel's finding that group membership creates in group enhancement in ways that favor the in group at the expense of the out group. Many of these experiments use the minimal group paradigm. In a typical minimal group experiment, subjects are randomly assigned to groups, which are intended to be as meaningless as possible. The subjects then assign points to anonymous members of both their own group and the other group. In these studies, subjects tend to award more points to people who are identified as in group members. Experiments involving ratings of in group and outgroup members. In other words, social identity argue that person develop his/her preferences similar to his/her group. The stronger the bonds of person with the group the more he/she stick to its values and preferences

Service failure and service recovery

Bowen and Chen (2001) argue that nature of services in addition to more demanding and less loyal than ever customers cannot guarantee error-free services; therefore, regardless of how outstanding service organization's services are, firms still make mistakes in their path to satisfy expectations of their customers. Even the most customer-focused firms with the highest level of quality control cannot prevent all service failures (del Rio-Lanza, Vazquez Casielles, & Diaz-Martin, 2009). According to Maxham (2001), service failure is a mistake or problem that a customer face when shopping or communicating with companies. Failures are inevitable especially in service industry; it occurs when customers' perceptions of service delivery do not match their expectations (Kelley et al., 1994; Palmer et al., 2000). It causes negative consequences such as complaint behavior or negative word of mouth, unhappiness, displeasure, dissatisfaction, losing loyalty, switching to competitors, decreasing employees performance, customer defection, and negative emotions (Xu and Li, 2016; Wan et al., 2011; Baker et al., 2008; Bitner et al., 1990; Kuenzel and Katsaris, 2009). Therefore, service recovery are conducted in order to takeback the lost credit of company; According to Gronroos (1988), service recovery efforts defined as all kinds of efforts that a service provider makes to respond to a service failure. Service recovery actions are strategies to reduce damage caused by a service failure (Ha & Jasng, 2009; Zemke, 1993) which practiced by service providers to takeback the lost satisfaction (Sparks & McColl-Kennedy, 2001). Determining effective type of service recovery according to the failure is also an important issue. Literature has categorized recovery efforts into psychological and tangible recovery. Psychological recovery efforts refers to service provider's actions such as apology, empathy, and explanations to customers, while tangible recovery efforts offer physical compensations for customers' damages; these efforts could be coupons, discounts, free products, promotion activities of 4p, and changing the malfunctioned product (Bell, 1992; Zemke, 1994). According to Clarke et al. (1992), though psychological recovery is not as expensive as physical recovery and it is an effective approach, however, still consumers prefer tangible recovery that provide a physical value. Furthermore, customers' expectations over service recovery can change depending on the nature and causality attributions of failure. One of the dimensions of attributions is Locus of Control (LOC), which refers whether the cause of failure is located in the customer or in the service

organization (Hess et al., 2003). Previous research has addressed that cause of failure and party (customer or firm) responsible for failure could affect customer's final level of satisfaction, future intentions, and justice perception (McCollough et al., 2000; Maxham, 2001). According to Cushman (2008), when it comes to evaluate the wrongness of a behavior people rely on causal responsibility or the extent a person is accounted for taking part in a harmful event, whether intentionally or not (Trémolière, 2016). Chen et al (2018) Suggest that consumers' reactions to service recovery are affected by their moral judgment of service failure.

Hypothesis development

First, this study seeks to find out whether existence of social tie among two types of customers, type one those who identified with the company and type two unidentified customers can lead to customer-company identification in type two customers. Borrowed from social psychology and organizational behavior, identification is aimed at satisfying need for social identity and self-definition. To develop our model, first we exploited the theory of social identity. According to the social identity theory (SIT) people tend to classify themselves and others in various social categories because they want to distinguish themselves from others in social context (Tajfel & Turner, 1985). Participants who feel they are part of a certain group prioritize group-oriented goals (Hogg, 1993). The reason for this behavior can be explained by the fact that humans needs to satisfy the feeling of being valued in a group they perceive to belong. Social identity does not merely shaped between a set of individuals; in fact literature has argued that same feelings that generated among a group of people can occur between individuals and organizations they have tie with. In previous studies this concept developed as organizational identity. The concept of organizational identification viewed as the sense of connection between an individual and an organization (Dutton, Dukerich, & Harquail, 1994). Social identity points at affiliation with a social group and it confirms the affiliation. Social identity is acquired through processes of identification and since they are social-oriented, it is possible to influence and affect (Karreman and Alvesson, 2004). To support the hypothesis of how social tie lead to customer-company identification, we apply a theory derived from social identity theory; borrowed from social identity theory, social identity threat represents instances in which individuals feel the collectives to which they belong have been evaluated negatively. In short, as social identity theory assumes (Tajfel & Turner, 1986), individuals strive to maintain a positive perception of their groups and collectives. If these positive perceptions are challenged, individuals experience a sense of threat, manifesting as negative emotions or reinforcing behaviors that align with group norms (Walton & Cohen, 2007). According to Haslam et al. (2003) acquiring social identity affects consumers' evaluation in a service failure situation. Their result indicate that consumers who identify strongly with service provider appear to be more forgiving toward that provider in a service failure than consumers who do not have identification with the service provider. Furthermore, consumers can develop a different degree of tie with others. According to Haslam et al. (2003) acquiring social identity affects consumers' evaluation in a service failure situation. Their result indicate that consumers who identify strongly with service provider appear to be more forgiving toward that provider in a service failure than consumers who do not have identification with the service provider. Mittal et al (2008) demonstrate that strength of the tie between consumer and the service

provider reduce the likelihood of complaint after service failure. The reason of this behavior could attributed to past experience; Rust et al (1999) argue that strong ties typically involve strong and more positive priors about the service employee and as tie becomes stronger, it is more likely consumers attribute the failure to the chance. In addition, customers can affect one another by interpersonal encounters; Martin (1996) claimed that quality of relationship between customers can influence customers' holistic evaluation of the business. Thus, we argue that:

P1. In a dyadic consumption situation, the consumer's dissatisfaction following the service failure will be lower if the other consumer has a high identification with the company, compared to a situation where the other consumer has a low identification with the company.

P2. The ability of the other consumer's identification to reduce service failure dissatisfaction would be stronger when the two consumers share a strong social tie, than when they show a weak social tie.

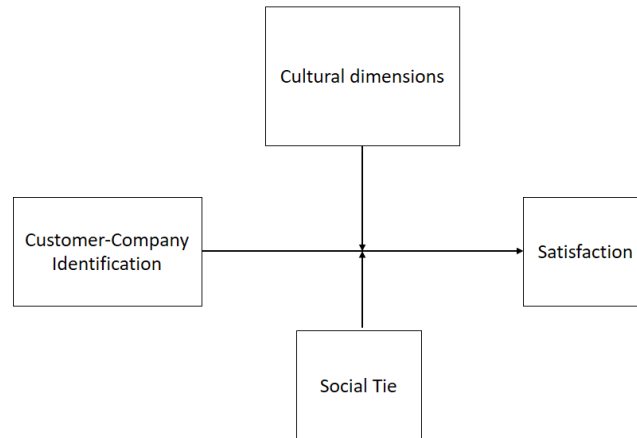
We believe the relationship between customer-company identification and satisfaction will be moderated by culture factor. Culture is defined as the beliefs, values and norms of a group of individuals (Dawar and Parker, 1994). According to Engelen and Brettel (2011) national culture influence consumer behavior. In this study we will exploit the five dimensions of national culture as a moderator in our study. Collectivism is characterized by more emphasize on relationships rather than individual wants and needs, thus they are more likely to place a greater value on relationship rather than on other issues. On the basis of this argument we expect to find the positive moderation effect of collectivism on customer-company identification and satisfaction relationship. As Irwin (1996) explains, self-image is important in collectivism culture and lack of admiration by in-group members is feared in this context. Therefore, to match with in-group identified member(s) with company who show less dissatisfaction, collectivist-oriented customers will show the same pattern with different but lower level of dissatisfaction compared with situation where no member(s) have identification with the company. In individualism compared to collectivism ties between individuals are loose: everyone is expected to look after oneself and his or her immediate family (Hofstede & Hofstede, 2005). Uncertainty avoidance describes a degree to which members of a culture feel threatened by unknown situations (Hofstede & Hofstede, 2005). Low uncertainty avoidance is characterized by low level of stress and anxiety, and acceptance of uncertain situations (Reimann et al. 2008). Thus, identified customers with company are more likely to be able to reduce low uncertainty avoidance type customers' dissatisfaction as the latter are more tolerate to uncertain situation happen to them. Power distance is the extent to which less powerful individuals expect to accept unequal distribution of power (Hofstede & Hofstede, 2005). In low power distance culture people in low power positions are more likely to believe that their voice should be heard in decision processes. Long term versus short term orientation describes the time orientation within a culture. Cultures scoring low in this dimension are described as short-term oriented cultures, emphasizing virtues related to the past and present, while long-term oriented cultures tend to be focused on the future (Hofstede & Hofstede, 2005). As a result, as customers in low power distance compared to high power distance tend to voice their dissatisfaction, those identified customers with company are less likely to be able to reduce low power distance type customers' dissatisfaction.

P3a. The ability of the other consumer's identification to reduce service failure dissatisfaction would be stronger in collectivism-oriented context.

P3b. The ability of the other consumer's identification to reduce service failure dissatisfaction would be stronger in low uncertainty avoidance context.

P3c. The ability of the other consumer's identification to reduce service failure dissatisfaction would be stronger in high power-distant context.

P3d. The ability of the other consumer's identification to reduce service failure dissatisfaction would be stronger in long-term oriented culture context.



EXPECTED RESULTS AND CONTRIBUTION

According to Johnson and Johnson (1989), from the moment we are born to the moment we die, relationships are the core of our existence. We are conceived within relationships, are born into relationships, our relationships with others form the context for all other aspects of our lives. This study try to determine in a dyadic consumption situation, is it possible the consumers enter into strong, committed, and meaningful relationships with firms indirectly through other customer(s) who have tie with the organization. This study has practical implications for the organizational workplace. Proving other consumers can indirectly build organizational identification, imply that organizations can assisted by customers in expanding their networks of relationships with others and thereby help promote broader and stronger customer-company identification. This insight help firms to recognize the value of their customers as a source of co-production and customization, referrals and word of mouth.

This research question privileges the importance of social hubs and how strong and weak ties within people affect customer's behavior. Social ties can influence targeting and referral strategies; firms can optimize their incentives and deliver them through influential customers. Therefore, managers can pick highly connected people with tie to the company because these hubs promise a wider spread of company identification to the customers. The main relevance of research questions to strategic management is attributed to culture; if we confirm that culture is important in social tie- customer-company relationship, today's manager should be aware of considering

cultural training to their service providers that move from one culture to another in order to create cultural awareness. Second, service provider should be flexible in order to quickly adapt to new cultural scripts in cross-cultural encounters. Furthermore, knowing customer-company identification is contagious in group consumption situations require firms to identifying customer with high identification with the company and deliver the service recovery (this study capture customer-company identification in service failure-service recovery setting) in a way that mostly satisfy their needs. Social hubs can have different cultural perspective and research has shown that these differences needs different recovery strategies (Mattila & Patterson, 2004; Wong, 2004). Therefore, recovery strategies should match the expectations of social hubs that have strong identification with the company.

This study extends the concept of social identification between customer-customer into the realm of customer-company relationship. Results from this study provided insights into the effects of c-c identifications for a service failure that to date have not been investigated. Hypothesis one claim that it is expected customers generate negative emotions and show dissatisfaction with the company upon service failure, while those members with high identification with company express higher level of dissatisfaction. However, in dyadic consumption situations the customer that identified with company can influence the unidentified customers in a way that they would also show less level of dissatisfaction compared to a situation where both customers are unidentified with the company. Second hypothesis argue that quality of the relationship among identified and unidentified customers is important; therefore social ties moderates the customer-company identification and dissatisfaction relationship. That is, in a service failure situation as ties become stronger between the two identified and unidentified customer with company, the level of dissatisfaction reduces. These hypotheses are in accordance with social identity theory and social identity threat where people tend to categorize themselves in different groups and the values of that group become important as people identify with each other. Further, people who perceive to belong to a group want to maintain a positive perception of their group and avoid actions that negatively influence their evaluation by group members. As such, they will conform to other identified member and develop less dissatisfaction.

Most studies have considered the antecedents and consequences of customer-company identification while they miss studying this concept in a group of people with similar social identity while a number of members in the group have an affiliation with the company. This study extends the concept of social identification between customer-customer into the realm of customer-company relationship. Results from this study provided insights into the importance of the relationship between customers in times of service failure for companies. Firms should act proactively when a service failure happens; if we know that social tie is contagious, companies efficiently could target the represented of the group that has identification with the company and implement their recovery strategies aimed at satisfying those consumers. One contribution of this study, therefore, is to confirm the contagious effect of the social tie in generating customer-company identification that can protect the company in the unpleasant experiences of customers. In addition, culture plays an important role in “identified customer with company” efforts to reduce other customer dissatisfaction. Exploiting Hofstede dimension we claim that

collectivism, low uncertainty avoidance, high power distance and long term orientation positively moderate the relationship between customer-company identification and dissatisfaction level.

FUTURE RESEARCH AND LIMITATION

There are other issues that remained unanswered in our research. Does other factors such as the “level of self-esteem” is important in customers changing reactions when they are in-group? It is possible that there are such factors that hinder the process of socialization with the company and do not let people identify with the company or weaken the relationship even though the relationship between the parties are strong enough to induce a strong relationship between company and customer. Furthermore, previous research believe that prestige of the company affect organizational identification with the company (Smidts et al. 2001); the question that rise here is whether customer’s perception on company prestige can influence customers’ identification with the company. One limitation of this study can be related to applicability of results to other industries. In this study conducted in a hospitality industry where we thought the service failure and group identification is common. However, the nature of social identity between people in different contexts is similar but the service failure, in terms of its magnitude and importance is different in different contexts. Therefore, we suggest this study be replicated in other buyer-seller, and group relationships contexts to broad the generalizability of the context.

TRENDS AND TECHNOLOGY IN E-PAYMENT

Alexander N Chen, University of Central Arkansas

Steven M. Zeltmann, University of Central Arkansas

Ken Griffin, University of Central Arkansas

Michael Rubach, University of Central Arkansas

Hsin-Ke Lu, University of Central Arkansas

Michael E. Ellis, University of Central Arkansas

ABSTRACT

This research examines the various forms of e-payments that are used in the global economy today. It is clear that the Internet is now a critical component of the 21st century's business landscape and can create many desirable outcomes by lowering the cost of communication, helping in meeting the customer needs, making the supply chain management more efficient, and improving business practices and integration. The role of the mobile phone in commerce is unavoidable and as a communication device the mobile phone is associated with increased satisfaction with people's lives and relationships when compared to less personal communication methods. Mobile smart devices are leading the charge for new methods of payment, especially in regions lacking the legacy infrastructure to facilitate traditional payments. E-payment use is also on the rise in developed countries because of the benefits they afford to parties on both sides of transactions. E-payment is also becoming a competitive necessity for entities wishing to remain relevant in the online commerce market and the e-payment appears to be here to stay. New payment methods continue to develop as the online space evolves and matures. Social networking applications are providing new ways for consumers to leverage existing payment technology on their platforms. Companies like Facebook, Venmo, and Snapcash lead this emerging category of payment systems. We expect them and others to continue to innovate as e-payments become more commonplace.

REFERENCES

- Abrazhevich, D. (2004). Electronic payment systems: A user-centered perspective and interaction design. Dennis Abrazhevich.
- Agarwal, S., Khapra, M., Menezes, B., and Uchat, N. "Security Issues in Mobile Payment Systems." In Proceedings of ICEG 2007: The 5th International Conference on E-Governance, 142–152, 2007.
- Apple Pay/Contactless Payment FAQs [PDF]. Retrieved October 06, 2016, from <https://www.apple.com/contactless-payment/apple-pay/>
- Arjunwadka, P. (2015, March 26). Mobile Payments - How is it done? Retrieved September 23, 2016, from <http://www.slideshare.net/ParagArjunwadkar/mobile-payments-3>
- Bohme, R., Christin, N., Edelman, B., & Moore, T. (2015). Bitcoin: Economics, Technology, and governance. *Journal of Economic Perspectives*, 29(2): 213 – 238. Retrieved November 13, 2017 from <http://pubs.aeaweb.org/doi/pdfplus/10.1257/jep.29.2.213>.
- By the end of 2015, average iOS consumption exceeded average Android consumption in North America and Western Europe. (2015, February 01). Cisco Visual Networking Index: Global Mobile Data Traffic Forecast Update, 2015–2020 White Paper. Retrieved September 23, 2016, from

- <http://www.cisco.com/c/en/us/solutions/collateral/service-provider/visual-networking-index-vni/mobile-white-paper-c11-520862.html>
- By the way, not everyone knows English. (2015, February 01). Importance Of Mobile Phones In Our Life. Retrieved September 22, 2016, from <http://myessaypoint.com/importance-of-mobile-phone-technology>
- Comparing QR Codes vs NFC in the Battle for Your Mobile Wallet. (2013, October 07). Retrieved October 09, 2016, from <https://cayan.com/comparing-qr-codes-vs-nfc-in-battle-for-your-mobile-wallet>
- E-Payment System. (n.d.). Retrieved September 23, 2016, from <http://www1.american.edu/initeb/sm4801a/epayment1.htm>
- E-Commerce Payment Systems. Retrieved September 23, 2016, from <http://www.tutorialspoint.com/e-commerce/e-commerce-payment-systems.htm>
- European Central Bank, Electronic money. Retrieved October 06, 2016, from <https://www.ecb.europa.eu/stats/money/aggregates/emon/html/index.en.html>
- Goodman-Deane, J., Mieczakowski, A., Johnson, D., Goldhaber, T., & Clarkson, P. J. (2016). The impact of communication technologies on life and relationship satisfaction. *Computers in Human Behavior*, 57, 219–229.
- Gupta, M. 2017. *Blockchain for Dummies*, Hoboken, NJ: John Wiley & Sons, Inc.
- Hashim, R., Hameed, S., Ayyub, A., Ali, S., & Raza, G. (2016). INTERNET USE: DISRUPTIVE OR ENHANCING TOWARDS LEARNING? VIEWS & PERCEPTIONS OF UNDERGRADUATE MEDICAL STUDENTS. *Pakistan Armed Forces Medical Journal*, (66), 157-161.
- Hayashi, F. (2012). Mobile Payments: What's in It for Consumers?. *Economic Review* (01612387), (1), 35-66.
- Hayashi, Fumiko. & Bradford, T. (2014). Mobile Payments: Merchants' Perspectives. *Economic Review* (01612387), 5-30. Perspectives. Retrieved Sept. 21, 2015 from <https://www.questia.com/library/journal/1P3-3415637871/mobile-payments-merchants-perspectives>
- J. M. Sahut and M. Galuszewska, "Electronic payment market: a non-optimal equilibrium," *Applications and the Internet Workshops, 2004. SAINT 2004 Workshops. 2004 International Symposium on*, 2004, pp. 3-8. From: <http://ieeexplore.ieee.org/stamp/stamp.jsp?tp=&arnumber=1268558&isnumber=28387>
- Kelleci, M., & Inal, S. (2010) Psychiatric symptoms in adolescents with Internet use: Comparison without Internet use. *Cyberpsychology, Behavior & Social Networking*, 13,191-194. doi:10.1089/ cyber.2009.0026
- Kumar, Lalit. (2014, March 24). How to Use PayPal? How does PayPal Work? Retrieved September 23, 2016, from <http://techwelkin.com/how-to-use-paypal-how-does-paypal-work>
- L, Johnson. (2015, October 23). SE vs HCE: What is more secure for NFC mobile payments? Retrieved October 03, 2016, from <http://www.sequent.com/secure-elements-vs-cloud-based-hce-secure-nfc-mobile-payments/>
- Magnetic Stripe Card Definition. (2014, June 04). Retrieved September 23, 2016, from <http://grammi.co.id/magnetic-stripe-card-definition>
- Mandel, M.J. and Hof, R.D. Rethinking the Internet. *BusinessWeek* (Mar. 26, 2001),117-141.
- McMurtrey, M., Zeltmann, S., Downey, J., and McGaughey, R. "Seniors and Technology: Results from a Field Study." *Journal of Computer Information Systems* 51, no. 4 (June 1, 2011): 22–30. <https://doi.org/10.1080/08874417.2011.11645498>.
- Mobile Payment Systems and Services: An Introduction. (2011, January 11). Retrieved September 23, 2016, from <http://www.mobilepaymentstoday.com/whitepapers/mobile-payment-systems-and-services-an-introduction/>
- Near Field Communication. (September 25, 2014). Security Concerns with NFC Technology. Retrieved October 3, 2015 from <http://www.nearfieldcommunication.org/>
- Payment Service provider definition - Ecommerce Platforms. Retrieved September 23, 2016,from <http://ecommerce-platforms.com/glossary/payment-service-provider>
- Profis, S. (2014, September 09). Everything you need to know about NFC and mobile payments. Retrieved September 23, 2016, from <http://www.cnet.com/how-to/how-nfc-works-and-mobile-payments/>
- Przybylski, A. K., & Weinstein, N. (2013). Can you connect with me now? How the presence of mobile communication technology influences face-to-face conversation quality. *Journal of Social and Personal Relationships*, 30(3), 237–246.
- Rahman, S., Prima, A., Razzaque, M., Hassan, M., Alelaiwi, A., Alrubaian, M., & Choo, K. (2016). Internet data budget allocation policies for diverse smartphone applications. *EURASIP Journal On Wireless Communications & Networking*, 2016(1), 1-12. doi:10.1186/s13638-016-0727-9
- Shon, TH.and Swatman, P.M. (1998), "Identifying effectiveness criteria for internet payment systems", *Internet Research: Electronic Networking applications and policy*, Vol.8 No.3, pp 202-218

- Simmers, C. A. (2002). ALIGNING INTERNET USAGE WITH BUSINESS PRIORITIES. *Communications Of The ACM*, 45(1), 71-74.
- Stavins, J. (2001). Effect of Consumer Characteristics on the Use of Payment Instruments. *New England Economic Review*, 19.
- van de Heijden, Hans, "Factors affecting the successful introduction of Mobile payment systems" (2002). BLED 2002 Proceedings. Paper 20. Towards a holistic analysis of mobile payments: a multiple perspectives approach
- What is NFC? Everything You Need To Know | Square. Retrieved September 23, 2016, from <https://squareup.com/guides/nfc>
- Younes, F., Halawi, G., Jabbour, H., El Osta, N., Karam, L., Hajj, A., & Rabbaa Khabbaz, L. (2016). Internet Addiction and Relationships with Insomnia, Anxiety, Depression, Stress and Self-Esteem in University Students: A Cross-Sectional Designed Study. *Plos ONE*, 11(9), 1-13. doi:10.1371/journal.pone.0161126

SURVIVOR SYNDROME IN PUBLIC HIGHER EDUCATION: THE NEGATIVE AND POSITIVE IMPACTS OF LAYOFFS AND DOWNSIZING AMONG SURVIVORS

Robert D. Hatfield, Western Kentucky University

ABSTRACT

Recent budget cutting in public higher education based upon public funding and other issues has driven unprecedented layoffs and job redesigns. One variable in the layoff/downsizing literature is that of the “survivor”, that is, the employees remaining at the workplace after a layoff and other downsizing actions. We know a number of effects related to the survivor in blue-collar jobs in the private sector, however, we know little about the survivor in the public sector. We know even less about the subcategory of higher education in the public sector. Recent downsizing and layoffs in public higher education provide an opportunity to study whether the same survivor effects can be seen in that sector, compared to the blue-collar survivor literature. The research proposed in this paper will help create a better understanding of the survivor effect in today’s public higher education. It may provide better insight to administrators who must plan and communicate cutbacks in funding and staffing.

INTRODUCTION

In recent years there has been an increase in layoffs and other downsizing actions in higher education. For instance, almost every university in Kentucky in the public sector has been involved in such actions related to budget cuts. It appears that there are outcomes for the organization and those who remain in the organization that follow such cutbacks and layoffs. The research proposed is interested in exploring the likely outcomes for the “survivors” of downsizing in higher education at least initially focused upon Kentucky. The impact of this study would help employees and leaders to better anticipate negative outcomes (like increased turnover) and leverage any positive outcomes (increased individual performance?). It might help improve the processes, particularly those emanating from Human Resources, surrounding downsizing in the future in higher education.

Research and writings on layoffs/downsizing has occurred in waves, especially surrounding the 1970s and the 1990s. However, most of that research was about those being laid off. Less is known, however, about layoff survivors, the vast majority of workers who, while retaining their jobs, have found themselves working for companies where substantial layoffs have occurred (Grunberg et al, 2000).

HYPOTHESES

The concept of survivor syndrome concerns itself with the effects associated with employee layoffs and other downsizing. Research suggests that, separate from the effects on those laid off, the employees who were not laid off (“survivors”) are also likely to experience significant

and adverse effects. Negative effects are wide-ranging and include lower satisfaction, commitment to the organization, motivation, trust, performance, creativity, social networks and estimates of work-life balance. (Li and Guthrie, 2015).

Reviews of the literature report that the impact of layoffs on survivors is much more negative than positive (Kozlowski et al, 1993). Survivors tend to be angry, less productive, less trustful of their organization, supervisors, and managers; more anxious about their jobs and financial futures; less likely to innovate and take risks, and more likely to suffer from low morale and job dissatisfaction. They also have more health problems (as reported in Grunberg et al, 2000).

Research has identified moderating variables such as how close the survivors are to those laid off and how they assess the fairness of the firm's behavior in the layoff (Brockner et al, 1987). Others have identified other moderating variables such as the survivors' prior level of identification with the firm, and their level of self-esteem (Brockner 1992).

It has been reported that insufficient research exists on survivors in different groups of employees across the organizational hierarchy. While recent layoff activity has gone beyond the traditional blue-collar victims and begun to affect relatively privileged and previously insulated employees such as managers and professional (Cappelli et al, 1997), the literature is incomplete in this area.

Since much of the research on layoffs and survivors is taken in the blue-collar sector, examination of employees in higher education in the public sector may lead to different facts. For instance, research found that private sector workers place the highest value on good wages while public sector workers value interesting work the most (Karl and Sutton, 1998). Differences in levels of organizational commitment have also been found. Private sector employees displayed greater firm commitment than public sector employees (Lyons et al, 2006). Lyons' study suggested that the two groups – private and public – merit separate consideration.

Therefore, it may be important to interpret the research findings on survivors to provide a better understanding in the public sector and in public higher education in particular.

This research project is in the hypothesis generation step. Research questions of primary interest are:

- Are there significant differences between survivors in higher education compared to survivors researched in other industries?
- Do survivors increase their performance in the period after a significant layoff?
- Do attitudes about commitment (including intent to leave), trust, job satisfaction, vary significantly based upon the degrees of separation at work from those who were laid off? Does empathy in the survivor track along with the separation?
- What factors help determine post-layoff attitudes fairness, trust, etc. about the administration (management) in survivors?
- What actions after the layoff effected later job attitudes of survivors?
- And finally – IS there a survivor effect, so – Is there a difference in job attitudes (job satisfaction, etc.) between survivors at public universities experiencing layoffs and employees at public universities (not in Kentucky) not experiencing layoffs.

METHODOLOGY

The proposed next step in this project is the construction of a survey.

Step one: will be identification of universities and categorizing level of “trauma” of recent downsizing. Universities without recent downsizing will also be identified, providing the control condition.

Step two: employees in multiple job categories (faculty, staff, etc.) employed in public universities in Kentucky (initially) will be surveyed along with similar employees from the control condition employers.

A range of measures will be completed by respondents online using a commercial questionnaire service. The survey will include a) custom questions for the multiple aspects of downsizing being studied will be tested and then polished for final use; b) established items for organizational commitment (Mowday/Porter), (generalized) self-esteem (Rosenberg), empathy ([TEQ] Spreng et al), and Job Satisfaction (JDI) will also be used. (See *Bibliography*)

Descriptive statistics may yield some interesting information. Standard multiple regressions will be conducted – with predictive variables (as determined) correlated with criterion variables. I am not yet ready to specify all of the variables nor to offer a final model. I will be looking at moderating variables between the independent and dependent variables as determined in the prior research on survivors outside of the public sector, as discussed above. Since there is no recent survivor research there is plenty of room to move depending upon the initial statistics.

REFERENCES

- Brockner, J., Grover, S., Reed, T. F., & Dewitt, R. L. (1992). Layoffs, Job Insecurity, and Survivors Work Effort: Evidence of an Inverted-U Relationship. *Academy of Management Journal*, 35(2), 413-425. doi:10.5465/256380
- Cappelli, P. (1992). Examining managerial displacement. *Academy of Management Journal*, 35, 203-217.
- Grunberg, L., Anderson-Connolly, R., & Greenberg, E. S. (2000). Surviving Layoffs. *Work and Occupations*, 27(1), 7-31. doi:10.1177/0730888400027001002
- Karl, K. A. and Sutton, C. L (1998) Job values in today's workforce: A comparison of public and private sector employees. *Public Personnel Management*, 27(4).
- Kozlowski, S.W., Chao, J.G., Smith E., and Hedlund, J. (1993). “Organizational downsizing: Strategies, interventions, and research implications” in C. L. Cooper and I. T Robertson (eds.) *International Review of Industrial and Organizational Psychology*, Wiley, New York, pp 263-332.
- Lake, C. J., Gopalkrishnan, P., Sliter, M.T., and Withrow, S. The Job Descriptive Index: Newly Updated and Available for Download, Society for Industrial and Organizational Psychology Website, offered by Bowling Green State University <http://www.siop.org/tip/july10/06jdi.aspx>
- Li, P., & Guthrie, J. P. (2015). Survivor Syndrome. *Wiley Encyclopedia of Management*. doi:10.1002/9781118785317.weoml10027
- Lyons, S. T., Duxbury, L. E., Higgins, C. A. (2006). A comparison of the values and commitment of private sector, public sector, and parapublic sector employees. *Public Administration Review*, 66, 605-618
- Mowday, R. T., Steers, R. M., Porter, L.W. (1979). The measurement of organizational commitment. *Journal of Vocational Behavior* 14(2), 224-247.
- Rosenberg Self-Esteem Scale (RSE) in Acceptance and Commitment Therapy. Measures Package, Compiled by Dr. Joseph Ciarrochi and Linda Bilich.
- Spreng, R. N., McKinnon, M. C., Mar, R. A., & Levine, B. (2009). The Toronto empathy questionnaire: Scale development and initial validation of a factor-analytic solution to multiple empathy measures. *Journal of Personality Assessment*, 91, 62-71.

AL STUDY OF ORGANIZATION BELIEFS: DISTINGUISHING DIFFERENCES BETWEEN EXECUTIVE MBA STUDENTS AND UNDERGRADUATE BUSINESS STUDENTS

Jerry W. Koehler, University of South Florida

Thomas W. Philippe, St. Petersburg College

ABSTRACT

One of the more interesting outcomes of the recent USA presidential election was how pollsters continually claimed that people who tended to support one particular candidate were likely to be less educated (never attended college or never graduated from college) as opposed to those who supported another candidate. The pollsters discovered that people who were likely to vote for the “other” candidate were more likely to have graduated from college. Is it conceivable that formal education significantly affects individual’s beliefs organizations? And if so, what organization beliefs are significantly different?

The purpose of this study was to test thirty organization beliefs to determine if undergraduate business students significantly perceive organization beliefs differently than graduate students enrolled in an EMBA program.

Our review of literature found strong support for the notion that formal education matters in perceptual studies. Those without a four year college degree tend to perceive concepts differently than those who graduate. It appears that formal education directly affects perception of key concepts, and some organization issues are more salient than others.

Our study generalized from the beginning that there would be a significant perceptual difference on all thirty organizational beliefs between undergraduate’s students and Executive MBA Students. The results of our study, however, did not support our generalized overall hypothesis. Only seven of the thirty individual hypotheses yielded significant differences between undergraduate and graduate business students.

Specifically, our results showed that (1) EMBA students believed that the more a CEO plays a strong and central role, the poorer the firm’s performance than undergraduate students. (2) EMBA students significantly perceived more than undergraduates that successful organizations have lower administration cost, fewer managers, and staff specialist. (3) EMBA students significantly perceived more than undergraduates that no business is worth sacrificing your values. Yet. (4) EMBA students believed significantly more than undergraduate students that you should sacrifice yourself for the larger good. (5) EMBA students significantly believed more than undergraduates that 50% of associates work because what they do at work is more important than money. (6) EMBA students believed that people value personal development more than their paychecks. Finally, (7) EMBA students significantly believed more than undergraduate students that treating associates fairly and involving them increases productivity.

ADDRESSING GLOBAL WATER SUPPLY PROBLEMS: AN INTEGRATED MODEL FOR LARGE SCALE SOCIAL ENTREPRENEURSHIP

Robert Laud, William Paterson University
Andrey Kretinin, William Paterson University
Stephen C. Betts, William Paterson University

ABSTRACT

This paper introduces a large-scale social entrepreneurship model to help address the growing need for the development of an international water resource sustainability system within a world water economy. We explore the relationships between government policy, geopolitical impacts, and business interests. In particular, we investigate why past policy has largely failed, while proposing an emerging entrepreneurial model that introduces a new perspective for large-scale green business start-up capability. We believe an appropriate overlay of multiple stakeholder interests and alternative structuring may be employed in innovative entrepreneurial start-ups that require complex manufacturing and distribution networks. Comprehensive long-term water shortage planning and short-term interventions coupled with an emerging prototype large-scale green entrepreneurship model may help to advance the conversation.

“How sad to think that nature speaks and mankind doesn’t listen.”
-Victor Hugo, 1840

INTRODUCTION

One of the most significant areas of societal need that requires attention and policy review is water stress, water shortage and water crisis. Within the next six years (2025) 1.8 billion or approximately 20% of the people around the globe will lack clean drinking water. Currently, 2.8 billion people face water scarcity at least one month every year (World Water Assessment Program, 2012). The societal implications of water scarcity and crisis exceed those of energy needs, yet private sector initiatives and government regulation or support in the U.S. and elsewhere to produce water-saving technologies has fallen behind the increase in human needs and population growth. Less than successful government policies and programs to meet global water requirements suggest the development of alternative resource sustainability models that better integrate government, business and society as the basis for a more promising future.

THE CURRENT SITUATION

Water scarcity will be one of the main challenges faced by many during this century. Collectively, a grim picture emerges showing over half the world will confront water shortages by

2032. The use of water has been growing at more than twice the rate of population increase which has also grown exponentially. Water scarcity may be caused by both environmental and man-made intrusions such as industrial waste, polluted run-offs, chemical agricultural practices, or animal and human contamination and waste. Water resources are not evenly distributed and much is unsustainably managed. Some 80% of the world's wastewater and over 95% in the least developed countries is released into the environment without treatment (World Water Development Report, 2017). By 2025, some scientists estimate that two-thirds of the global population will be living in water stressed regions. Currently, 700 million people in 43 countries face water scarcity mostly in arid or semi-arid regions including Africa, Sub-Saharan Africa and the Middle East (WWAP, 2012; UN Human Resource Development Report, 2006).

AN EMERGING MODEL FOR THE WORLD'S WATER ECONOMY

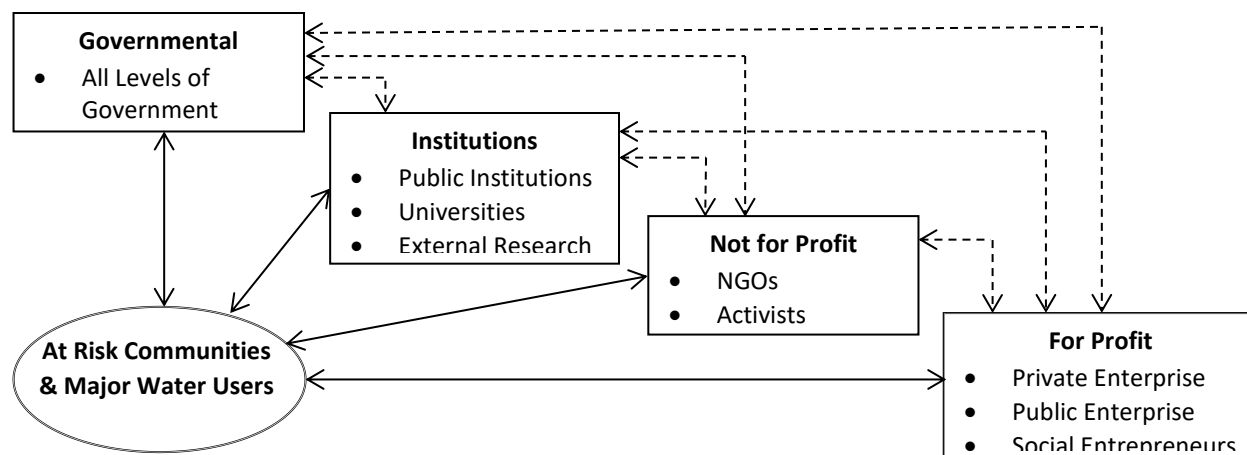
The United Nations recognizes the importance of water with its UN-Water which coordinates the water and sanitation efforts of over 30 UN organizations ("About United Nations Water"). Unfortunately, there are few other organizations either private or public that have made water resource productivity a strategic or monetary priority.

INTEGRATED MODEL FOR LARGE SCALE SOCIAL ENTREPRENEURSHIP

Modern social entrepreneurs have combined altruism with a desire to make a profit. Social entrepreneurs look for a return to society and a return on investment. Where others (governments, NGO's, etc.) have not been successful in solving societal problems, social entrepreneurs often have been effective.

The state-of-the-art science in water management is well-advanced, but its applications have been sporadic, limited, often costly, or sub-optimal and short-term. The small inroads made for water availability are admirable, but are not currently scalable either at the country or region level in most places. There exists a need for much greater integration of efforts if we are to deal with the world's water economy that is longer-term and comprehensive. We propose that the issues surrounding water scarcity can be addressed by a large scale social entrepreneurship approach – that is using the philosophies and principles of social entrepreneurship across many stakeholders including the layers within governments with their own interests, local communities at various stages of economic development, activists and NGOs, university researchers and partnerships, private firms and public enterprises. It will also need passionate and "flexible" entrepreneurs with a new perspective.

The model for a large-scale social entrepreneurship venture is based upon an emerging paradigm used successfully in technology start-ups. The early focus is based upon what start-ups do well, i.e., innovate and generate prototypes, if only embryonic in development. Rather than attempt to acquire and manage resources against investment assets in order to maintain financial or ownership control, early efforts are made to identify established partners and with the capability to drive new technology into commercialization. This provides a better probability of long-term marketplace survival for most any breakthrough, especially those requiring some degree of technological complexity.



**Figure 1 - LARGE-SCALE SOCIAL ENTREPRENEURSHIP:
LONG-TERM COMPREHENSIVE PLANNING STAKEHOLDER MODEL**

The World Water Economy Stakeholders

It will take many players in different kinds of organizations with different interests to enact the large scale efforts that we propose. Figure 1 outlines the players in the Large-Scale Social Entrepreneurship Long-Term Comprehensive model. In the following sections we explore each group in the collaboration.

Governmental

To one extent or the other, governments have been players in dealing with water concerns for thousands of years. In ancient Greece the water rights to freshwater lakes were granted by the government and cities had water brought to them through large tunnels (Zanakis, Theofanides, Kontaratos & Tassios, 2003). In today's world, social entrepreneurship can benefit from governmental support (Goyal, Sergi & Jaiswal, , 2016; Jung, Jang & Seo, 2016; Griffiths, Gundry & Kickul, 2013; Sullivan, 2007). The government has data and insight which can be used to help identify and provide access to the problems that can be helped by social entrepreneurs. They can use existing organizations (Goyal, Sergi & Jaiswal, 2016) and grants and other funding can be set aside for addressing social problems (Boehm, 2010). Lastly, policies and legislation can provide incentive and facilitate the efforts of social entrepreneurs (Lan, Zhu, Ness, Xing & Schneider, 2014; Prakash, Jain & Chauhan, 2015). In order for policy change to work, other players must be involved and networks formed. Then issues need to be strategically framed, forums controlled and approaches adjusted to the peculiarities of the institutional system the entrepreneur is working in." (Huitema, Lebel & Meijerink, 2011)

Government can help encourage entrepreneurs, but does not always do so. In many places poorly formulated and inappropriate fiscal policies have slowed down the process of social entrepreneurs (Chukwuemeka, 2011). The government needs to recognize that entrepreneurship drives economic growth and innovation and social entrepreneurs can help with essential service concerns and provide an enabling and secured environment for economic development, job creation and youth employment. An essential part of such an environment is access to clean water, which can be implemented by local entrepreneurs once governmental (and other) support is established (Chidiebere, Iloanya & Udunze, 2014). Governments can set policies that encourage

corporations to conduct their CSR activities visibly and explicitly, rather than having a controlling rule-setting regulatory approach. Public water service companies can also engage in CSR to obtain more authenticity and a higher level of legitimacy in the field (Lauesen, 2014). Taking actions that limit corruption and waste have the effect of facilitating growth in many industries. (Pralhad, 2018) One approach to encouraging and enabling social entrepreneurship is through innovative legal forms, such as the low-profit limited liability company (L3C) and benefit corporations. Current results of these forms has not shown them to be highly effective, however with modifications and adjustments they may become more effective in the future (Weismann, 2017)

Institutions

Universities and research organizations are frequently the originators and developers of innovative technology used in pumps, filters, storage and distribution systems. Data collected from existing projects can help estimate water needs and usage. One example is "The Gravity Recovery and Climate Experiment (GRACE). Their satellites can observe water storage changes at regional scales which can then be augmented by other methods for basin-scale water storage changes (Longuevergne, Scanlon & Wilson, 2010; Shamsudduha, Taylor & Longuevergne, 2012).

Universities can do a great deal to teach, encourage and facilitate social entrepreneurship directly (Mititelu, Fiorani & Litardi, 2017). Social entrepreneurship competitions (Huster, Petrillo, O'Malley, Glassman, Rush & Wasserheit, 2017) such as the Dell Social Innovation Challenge (DSIC) at UT has awarded prizes for water related issues. For example, in 2012 an international team of 5 engineering students developed a water filter for use in Bangladesh (Grobmeier, 2012).

Non-research institutions such as banks and other organizations that provide microfinancing have been recognized as useful partners for the large-scale delivery of health products such as water in low-income countries." (Baum, Elize & Jean-Louis, 2017). Microloans and microcredit are increasingly used in the poorest areas, frequently to help with water issues (Duy & Ngoc, 2018; Mondal, 2012).

Not For Profit

NGOs (non-governmental organizations such as not-for-profits, charities, etc.) have many potential roles in a large scale effort. They can directly fund entrepreneurs, or partner with social entrepreneurs through universities (Stephenson & Mace, 2009). A company called Verb was licensed to run Dell Social Innovation Challenge (DSIC) from the University of Texas. Disc is the largest student social entrepreneurship competition in the world ("Verb Spins Out", 2014). The Queen Rania Centre for Entrepreneurship (QRCE) in Jordan holds a National Entrepreneurship Competition that has water as a competition field (Emam, 2015).

Social workers, community organizers and activists all have a place in the social entrepreneurship landscape. Social workers are part of the traditional governmental and non-profit approach to addressing social issues. Activists and organizers focus attention on issues and situations that are not adequately addressed by charities, CSR, social workers and others. In doing so they help attract support and frame the opportunities for value creation by the social entrepreneur.

For Profit

In the for profit grouping we have private and public enterprises and social entrepreneurs. Social entrepreneurs are different than traditional entrepreneurs (Massetti, 2008). Entrepreneurs

and social entrepreneurs use both discovery and creation strategies for getting opportunities (Gawell, 2013), however the traditional entrepreneur is more likely to try to discover opportunities and capture value whereas the social entrepreneur is more likely to create both opportunities and value (Korsgaard, 2011; Shaw & Carter, 2007; Agafonow, 2014; Crisan & Borza, 2012; Santos, 2012). One example of where social entrepreneurs are used to help solve water issues is in Malaysia where the government gives water-related contracts (Tan, 2015). Without such controls, pumps can drain aquifers dry as they are in areas of India (James, 2015).

Social enterprises are like social entrepreneurs, but on a larger scale. They make a profit by addressing social problems and are often involved with privatization of services formerly supplied by the government (Sepulveda, 2015). There are many examples of social enterprises addressing water problems. The social issue of high levels of nitrates in the waters in Romania inspired Aqua Carpatica to combine a technological innovation (testing tool) with marketing communication (Hadad, 2018). In Denmark a combination of political and organizational forces allowed for the water utilities to be privatized (Lauesen, 2016).

Water problems are being addressed by companies through their corporate social responsibility (CSR) efforts. However CSR does not avert the tragedy of the commons (Karnani, 2014) because it is not the primary focus of the organizations and the providing of goods and services is haphazard. A recent study of CSR related to sustainability in France showed a short-term orientation rather than more analytical or long-term approaches. Economic concerns outweighed social and environmental concerns (Husser, Jean-Marc, Barbat & Lespinet-Najib, 2012). In India the National Aluminium Company (Nalco) creates drinking water infrastructure, but only for communities near their operations (Satpathy & Singh, 2013). Researchers have found that among categories of CSR activity to engage in, corporations prefer water and sanitation the least, compared to education, health issues, environmental issues, disaster relief, employability and others (Ghosh, 2014). However it is important to note that many companies do address water issues in their CSR activities. For example, Tom's Shoes has 100 partners who together have provided 600,000 weeks of safe water (Prahalad, 2018). Such efforts can be helped through using more partners in our collaborative approach.

CONCLUSION

What makes the world water economy exciting is the need and potential development of an international water resource system. We do have some shared world interests, but we are also encumbered by various national agencies with vested interests influenced by government policy, economic resources, and geopolitical differences resulting in the current fragmented approach which oftentimes sub-optimize opportunities for better long-term global water resource sustainability. However, the growing need for a world water economy along with the interests of large-scale entrepreneurs, ethical government intervention, and efforts to extend corporate social responsibility offer an outlook to move forward. This, coupled with an emerging large-scale social entrepreneurship model may provide a practical approach to advance the conversation.

REFERENCES *(Available on Request)*

RETAIL CUSTOMER SENTIMENT ANALYSIS: CUSTOMERS' REVIEWS OF TOP TEN U.S. RETAILERS PERFORMANCE

Juyoung Lim, Tennessee Tech University

Min Park, Tennessee Tech University

Selin Anitsal, University of Tennessee, Knoxville

M. Meral Anitsal, Tennessee Tech University

Ismet Anitsal, Tennessee Tech University

ABSTRACT

In every industry, customer satisfaction and feedbacks have become necessary to manage a company's service. Even if a product or service is perfect, there will be complaints because all customers have different expectations (Perkins, 2012). With the development of the Internet, customer complaints and feedbacks are frequently exposed to other current customers and potential customers. Even though these sentiments have a large influence on all industries, many retailers are choosing to ignore them. More importantly, negative sentiments have stronger influence than positive sentiments in the customer's eye. This study investigates top ten U.S. retailers, and analyzes customer sentiments in a positive, neutral, and negative aspect, through customer reviews on social media. The purpose of this study is to analyze retail customers and help manage customer complaints by three steps: explore customer sentiments, understand what types of service attributes customers consider for their retail consumption experiences, and categorize the emerging themes among those sentiments.

Keywords: Retail Industry, Top 10 U.S. Retailers, Sentiment Analysis, Customer Perceptions, Customer Complaints

GOING GREEN: CARVING A NICHE IN AN EMERGENT MARKET

Ahmed Maamoun, University of Minnesota Duluth

ABSTRACT

Multinational corporations (MNCs) commonly express a commitment to corporate social responsibility (CSR). Such commitment is often expressed in terms of “a desire to payback,” “to invest in communities,” “to be a global citizen,” “to be socially responsible,” “to engage in fair trade,” or “to save the planet.” Implementation may vary from company to company, but the basic theme remains the same: we may be a giant company, but we stand for more than just making money.

Making products greener is becoming mainstream and moving toward being a requirement alongside efficacy and quality. Reduced environmental impact is being viewed as an “and.” There are some exceptions, but greener products will not command a higher price; customers want to have a product that works and is greener too, but not pay more for it. This applies to a host of product categories—apparel, chemicals, building products, paper products, food, medical equipment, and packaging. Building an eco-innovative product requires a team effort and signals from the field must be gathered to gauge customers’ needs. R&D, procurement, operations, and product stewardship groups need to collaborate to build in the desired attributes. A balanced, clear communications program must be melded together by marketing and delivered by sales groups. Care must be taken when communicating about greener products. First there must be a real authentic science-based story to be told and the message must be simple and transparent to demonstrate how the product or service helps customers with their sustainability needs. Both customers and companies can make a difference by what they purchase and sell. Fewer resources can be used, good causes are supported, and costs are reduced. When you hit this sweet spot, of having a truly greener product that is communicated in an appropriate way, everyone wins. Customer’s needs are met and brand loyalty is built. The focus on greener products and sustainable brands is here to stay. We can expect that in the coming years that there will be a steady demand for eco-innovative products. The companies that provide these products without increasing costs will be the big winners.

MAXIMIZER'S IMPACT ON NEGOTIATIONS

Cindi Baldi, Southeastern Louisiana University

Yun-Chen Morgan, Southeastern Louisiana University

Carl Phillips, Southeastern Louisiana University

ABSTRACT

We explore preliminary results from a negotiation experiment that examines the impact of personality on information-seeking, creativity and resilience in negotiations. 150 undergraduate students participated in the experiment. We found that maximizers tend to ask more questions and have a greater tendency to persevere with attempts to make deals when faced with obstacles in a negotiation. Preliminary results also indicate that when the maximizer is also a high self-monitor, questions tend to be other-focused questions, and that these individuals tend to be more creative in their offers.

REVENUE AND ITS IMPACT ON GREEN INITIATIVES, QUALITY MANAGEMENT, AND ORGANIZATIONAL PERFORMANCE

Yun-Chen Morgan, Southeastern Louisiana University

Lillian Y. Fok, Western Washington University

Susan M. L. Zee, Southeastern Louisiana University

ABSTRACT

Today's global awareness of environmental risks as well as the pressing needs to compete through efficiency has led to strong initiatives in the green movement across industries. We examine levels of organizations' annual revenue and its connections to organizational green orientation and impact, quality management programs, and employee perceptions of cultural practices and organizational performance. Results indicate larger revenue organizations use quality management tools more extensively with greater green impact, and smaller revenue organizations have a more informal and decentralized organizational culture.

INTRODUCTION

Environmental preservation is one of the increasingly important challenges in 21st century manufacturing. Today, many industrialized countries enjoy affluent products, food, energy, and so forth; but current governmental, corporate, and private efforts to overcome the negative environmental/energy impact have not been effective enough to remove the worldwide problem (Ahn, 2014). Most green movement research focus on the topics of green manufacturing, sustainability, green marketing, or green consumers. Few, if any, discuss internalized characteristics and mechanisms that can influence the success of green initiatives and the implications on organizational performance. This study examines organization's green orientation, employee perceptions of companies' commitment to greener practices, total quality management (TQM) programs, as well as the linkage between factors of organizational culture and performance. Specifically, we focus on organizational size in terms of annual revenue and explore the connections between annual revenue and green movement within companies, which may lead to organizational success. We find that organizations with larger annual revenue have a higher green movement impact than organizations with smaller annual revenue. We also find that larger revenue organizations use TQM programs more extensively than smaller revenue organizations. In our research, results reveal that companies with smaller annual revenue tend to be more informal, decentralized in decision making, and have a more personable organizational culture.

RESEARCH MODEL

In this study, we extend the examination of these issues to consider organizational culture, employee perceptions of organizational commitment to the green movement and the relationships which may exist between organizational commitment and the QM maturity of the organization. We consider what impact organizational size may have upon these relationships. Specifically, small revenue and large revenue organizations will have different levels of organizational green orientation, QM maturity, organizational culture, and report differing impacts of the green movement.

Research Question: *Small and large organizations in terms of annual revenue will have different levels of organizational green orientation, organizational culture, QM maturity, organizational performance, and report differing impacts of the green movement.*

METHODOLOGY

Subjects of the Study

Subjects in the sample were approximately 229 full-time employees from a wide variety of industries in the South. The subjects were roughly 54.8 % male and 45.2% female with an average age of 41.49. Among these 229 subjects, they have an average of 19.91 years of working experience, including 9.46 years in management positions. There are approximately nine categories of industries in our survey instrument. The three largest percentages of the subjects work in retail, health care, and manufacturing industries with 18.4%, 14.9%, and 14%, respectively.

Approximately 25.8% of the subjects are employed in a company which has over \$1,000 million annual revenue, 3.5% of the subjects are employed in a company which has \$501 to \$1,000 million annual revenue, 3.5% of the subjects are employed in a company which has \$251 to \$500 million annual revenue, 4.8% of the subjects are employed in a company which has \$101 to \$250 million annual revenue, 5.2% of the subjects are employed in a company which has \$51 to \$100 million, 8.3% of the subjects are employed in a company which has \$25 to 50 million annual revenue, and 35.4% of the subjects are employed in a company which has less than \$25 million annual revenue. Subjects responded to a survey which asked about their perceptions and experiences about the green movement, quality management, and organizational culture in their own firms. In this study, we will concentrate on the relationships among organizational size in terms of annual revenue, commitment to the green movement, quality management, organizational performance, and impacts of organizational culture.

Instrument*Organizational Green Orientation*

Based on previous research (Li et al., 2009), we measured the Organizational Green Movement. The survey provides twenty-one organizational green initiatives question items. The factor “Green Orientation” is a count of the total numbers of green initiatives implemented in an organization.

QUALITY MANAGEMENT (QM) MATURITY

In this study, QM maturity refers, in a qualitative sense, to the *degree* of QM implementation in an organization. Consistent with our earlier research, the QM maturity instrument was used to gauge QM maturity. We conducted a factor analysis to identify the underlying dimensionality. Two factors emerged from the “Usage” items. The first factor appeared to include all the traditional quality management programs and was termed “Basic Quality Improvement Tools.” The second factor was termed “Advanced Quality Improvement Tools” which includes programs like Six Sigma programs and Black Belt training. 68.27% of the variance was explained by these two factors.

ORGANIZATIONAL CULTURE

Based on previous research (Fok et al., 2000, 2001; Harman, Fok & Zee, 2009), we measure the Organizational Culture by constructing a series of paired opposite items which asked whether the organization’s climate should be described as open vs. closed, soft vs. tough, competitive vs. collaborative, and the like. We obtained a three-factor solution in case of the Organizational Culture items and have labeled Factor 1 as “TQM Culture”, Factor 2 as “People-Centered Culture”, and Factor 3 as “Personal Culture.” 56.56% of the variance was explained by these three factors.

ORGANIZATIONAL PERFORMANCE

The Organizational Performance items were primarily adapted from the Malcolm Baldrige National Quality Award outcome assessment measures. The Baldrige Awards are designed to identify organizations which are performing in an exceptional manner and include criteria for identifying excellence. We used the Baldrige criteria in the form of a scale which asks respondents to provide perceptions about their organizations along Baldrige lines. The resulting scale has been used and reported in previous work (Fok et al., 2000, 2001; Hartman, Fok & Zee, 2009). The instrument included are items such as “Overall, my company is performing well,” “Overall, morale in my company is high,” “Overall, I am satisfied with the use of technology in my company,” and the like. Factor analysis in this study indicated that one factor was present. The results showed that 56.01% of the variance was explained by the factor and we named the factor as “Organizational Success.”

IMPACT OF GREEN MOVEMENT

The instruments included are items such as “Provide better products,” “Provide better services,” “Have better relationship with customers,” “Have better relationship with suppliers,” “Have better reputation,” “Provide better working environment,” “Increase profits,” “Reduce costs,” and “Improve productivity.” Factor analysis produced a single-factor solution and we named it “Impact of Green Movement.” 70.36% of the variance was explained by this factor.

Revenue Size

In this research, we extend the respondents to report the approximate annual revenue in their organizations. Those who reported with less than \$25 million annual revenue are grouped into the small revenue group and those who reported with over \$1,000 million annual revenue are grouped into the large revenue group. While those with between \$25 million and \$1,000 million annual revenues are dropped from the analysis.

DISCUSSIONS AND CONCLUSIONS

Regarding quality management maturity, where annual revenue was considered, results indicated that larger revenue organizations report higher usage of traditional TQM tools and advanced TQM tools compared to smaller revenue organizations. Our findings further suggested that smaller revenue companies tend to have more informal, personable, and decentralized culture. This could be the result of a natural progression of span of control, as when companies grow larger in size, it often leads to more organizational levels. When more organizational levels are created, the distance between human interactions increase, resulting in the perception of a more formal and less personal work space.

Going green is a movement, and with every movement comes opportunities. When businesses are able to capitalize on the movement and modify aspects of their operations to be greener, they benefit in the forms of increased sales and expanded market shares. Eco-friendly products can also provide consumers with a sense of responsibility and positive impact through purchases (Kangovou, 2017). The pressure to reverse the negative consequences on our environment with our growing industrial ways of life is mounting and we must find ways to reduce our carbon footprint. This study acknowledges the effort and movement to reduce environmentally harmful processes and the factors which influence the movement. With this understanding, businesses may improve not only their operations and workers’ skillsets, they may also increase the morale and motivation, as well as health and safety benefits of employees.

REFERENCES

- Ahn, S.H. (2014) ‘An evaluation of green manufacturing technologies based on research databases’, *International Journal of Precision Engineering and Manufacturing Green Technology*, Vol. 1, No. 1, pp. 5-9.
- Fok, L. Y., Fok, W. M. and Hartman, S. J. (2001) ‘Exploring the relationship between total quality management and information systems development’, *Information & Management*, Vol. 38, pp. 355-371.
- Fok, L. Y., Hartman, S. J., Patti, A. L. and Razek, J. R. (2000) ‘The relationship between equity sensitivity, growth need strength, organizational citizenship behavior, and perceived outcomes in the quality environment: A study of accounting professionals’, *Journal of Social Behavior and Personality*, Vol. 15, No. 1, pp. 99-120.

- Hartman, S. J., Fok, L. Y. and Zee, S. M. (2009) 'Linkage among employee perceptions of organizational commitment to the green movement and organizational culture, and their perceived impacts upon outcomes', *Journal of Organizational Culture, Communications and Conflict*, Vol. 13, No. 2, pp. 27-44.
- Kangovou (2017) 'The importance of eco-friendly products'. Retrieved from <https://www.kangovou.com/the-importance-of-eco-friendly-products/>
- Li, J., Hartman, S. J. and Zee, S. M. L. (2009) 'A study of green movement perceptions and behavioral intentions', *International Journal of Sustainable Economy*, Vol. 1, No. 2, pp. 133-143.

SWITCHING BARRIERS TO INCREASE MANUFACTURER COMMITMENT AND DEPENDENCE

Michael W. Pass, Sam Houston State University

ABSTRACT

Manufacturers choose different ways to handle the selling function that include relying solely on an independent manufacturer representative (MR), staffing a salesforce of their own, or adopting both forms of organization. Although contracts between MRs and manufacturers are set to form relationships, the agreements may be terminated quickly, or reduced, if the manufacturer decides to form its own salesforce or start working with different manufacturer representatives. The research presented addresses how MRs can reduce the likelihood of this occurring by examining switching barriers related to manufacturer dependence and commitment.

Transaction cost economics (TCE) suggests that alternatives to an MR will be sought when lower transaction costs are perceived to be obtainable (Williamson, 1985). TCE explains that everything about a business relationship is not known when agreeing to contractual terms (i.e. bounded rationality). As a result, manufacturer uncertainty exists about the MR behaviors and performance and the uncertainty affects judgements of transaction costs. Direct costs associated with operating the selling function and opportunity costs are two types of transaction costs that may be estimated inaccurately. Opportunity costs occur when the manufacturer perceives fewer benefits from working with a manufacturer representative as compared to benefits available from alternatives.

A manufacturer may decide that lower transaction costs are obtainable and switch to a different way to handle the selling function. However, the manufacturer's dependence on an MR and degree of commitment to the relationship are likely to reduce the possibility of switching. These perceptions form when switching barriers exist that are valued and not obtainable to the same extent from alternatives. The MR's performance is the primary switching barrier examined in this research and it is related to four other switching barriers. They are the manufacturer perceptions of relationship effectiveness, extent of contact with the MR, expertise of the MR, and the quality of information provided by the MR.

Manufacturers working with MRs were asked to provide opinions of MRs by completing an online survey. Of 485 manufacturers contacted, the questionnaire was completed by 115 respondents to yield a 23.7% response rate. Variable measures were drawn from published scales. Hypotheses were tested using path analysis based on a covariance matrix and maximum likelihood estimation with list wise deletion. Hypothesized relationships are significant with t-values greater than 2.00. The R-square values indicate that a substantial amount of variation in dependence on the MR and commitment is explained by the switching variables.

REFERENCE

Williamson, O. E. (1985). *The Economic Institutions of Capitalism: Firms, Markets, Relational Contracting*. New York: Free Press.

AN EXPLORATORY LOOK AT ENTRY TIMING AND PERFORMANCE: FIRST MOVERS, EARLY ENTRANTS, & LATER ENTRANTS

Larry Pleshko, Kuwait University

ABSTRACT

The study investigates entry timing and the relationship to performance, as measured by market share. Seven industries are studied in the state of Kuwait. Six of the seven industries are services in nature. A total of one hundred and sixty-nine firms are included in the study. These firms represent most, if not all, of the brands competing in the market in each industry. Results show that a general positive relationship of time-in-market with market share exists, supporting a first-mover effect in the combined industries. In order to determine if the entry-timing advantage only applies to first-movers, firms are grouped based on time-in-market: first-movers, early-entrants, and later-entrants. Again, time-in-market is shown to be related to market share, with the three groups being significantly different from each other in the order of entry. Therefore, it appears that, it is not only the first-movers who gain advantages through early entry into a market, but rather any firm has a possible advantage over a later entrant. Additionally, the study shows that domestic and international firms are equally likely to be first-movers, early-entrants, or later-entrants.

PROMOTION THROUGH THE SOCIAL MEDIA AND ITS UNINTENDED CONSEQUENCES

Segar Reddy, Oxford Brooks University
J Rajendran Pandian, Virginia State University

ABSTRACT

In the era of social media, it is not only exciting but also very fruitful if marketers could use the social media for their promotion efforts. But, there are other dangers that exist in the use of social media which one may not observe or find in the traditional print or radio or television media. One of the major decisions for marketers is the choice of the channel used for their promotion. The normative suggestion is to choose the channel appropriate to the target market. But, targeting is not feasible when we use the social media since there is no way to choose who consumed the social media. The choice of social media is also made by the user. Since the consumption is by the choice of consumer, in some way consumers in the target market may choose to receive the promotional materials made available through the chosen social media. So, promotion through social media is attractive and cost-effective. Most established products use promotion to make a lasting impression of the brand of the product or service on the consumers. In some of these promotions, the marketer could present an unanticipated or shocking situation to make the brand memorable. The exposure of the marketers' brand of the products is indirect or even incidental. The shocking or funny situations make strong impact on consumers but the attentive consumers observe the marketers' products and will have positive image of the products leading to purchase decisions. Using social media for such promotions could have some unintended consequences. A case in point is Dolce and Gabbana (D&G from now on) promotions which created a social media storm resulting in many prominent customers campaigning against D&G brand. This storm resulted in D&G canceling their planned exhibition in Shanghai in November 2018. D&G was a popular premium brand in China before the debacle. One could say that D&G was successful in the Chinese market. D&G had used the social media successfully in the past. But, the most recent promotions aimed at promoting their products and the planned exhibition in Shanghai in social media proved to have adverse impact on D&G brand. In a series of promotional videos made available through social media, D&G presented funny situations involving a Chinese man helping his Chinese girl-friend to eat Italian food like pizza, spaghetti and cannoli using chop sticks. The videos are funny – if you are not Chinese! But, these promotional videos created adverse reactions from most social media users. Some prominent members of the society openly condemned D&G brand and declared that they would not buy D&G brand anymore. There were strong negative remarks on D&G brand on the social media that D&G had to close their brick and mortar stores in China and major online stores removed D&G brand products from their sites. D&G had to cancel their November 2018 fashion show planned to be held in Shanghai. In this exploratory study, we intend to examine in detail what could have wrong in D&G promotion effort and what lessons we could learn from D&G's experience.

INTRODUCTION

Marketers are always interested in establishing a very strong relationship with their customers. Especially while dealing with individual consumers, marketers would like to have a direct link with them despite the fact that it may be very expensive and at times impossible. But, with the onset of social media and how pervasively it has captured the imagination of individual consumers, marketers felt that there was an opportunity for them to contact with individual consumers directly at almost no cost. So, you observe many marketers indulging in using social media and communicating with individuals *who are interested* (highlight was intentional) in *knowing about the marketer's products or services*. There are two levels of choices that take place here – one the choice of social media (i.e., Face Book, Twitter or Instagram or Snap-chat or something new which caught their *peer group's* attention. So, this situation provides marketers an opportunity to present some interesting information about new products and/or services but also to make such opportunities memorable. This is where the shocking instances to present your product or service come in. If everything would work out as presented above, the marketer can use social media without any fear of losing customers. But, that is not how it worked out for D&G in late 2018. D&G was successful in China. To increase its exposure to its customers and to continue to pamper them, D&G came up with #DGLovesChina advertising campaign in April 2017 and presented a series of promotional photos of models wearing D&G clothing and accessories walking around Beijing streets. This had created some unhappiness since the photos seem to focus on the poor side of Beijing and did not show the wealthier side where their customers were from. But, the adverse response not affecting D&G significantly. So, D&G went ahead with its #DGLovesChina campaign well into 2018. D&G planned a spectacular fashion show for November 2018. To promote its fashion show D&G posted a series of videos on its Instagram account. In these videos, a Chinese model was attempting to eat Italian food with chop sticks. Though these series of videos were interesting to say the least, these videos triggered a number of negative reactions from the social media users calling D&G to be racist. The adverse reactions were so pervasive that online sites removed D&G products and their brick and mortar shops were closed. D&G apologized for the videos and removed them from their account. The Shanghai fashion show was cancelled. Despite having dealt with controversies before, D&G had created a problem in a market where they were very successful. In this exploratory paper, we examine use of controversial advertisements in traditional media and in social media and what factors could lead to success and what factors could lead to failures. This paper is organized to provide a brief review of other marketers who had courted controversies and how they survived. We examine D&G's history of dealing with controversies and survival. Explore how D&G can survive this debacle and regain its Chinese market.

SHOCK COMUMSERS INTO CAPTURE

Advertising and promotion is to inform consumers about a company's products or services. In the case of fashion industry, it is more to attract attention of your consumers and keeping them attracted to you. The real value in the fact that that fashion will be of value for a limited time and the fashion industry has to recoup its investments and expenses in that limited time. What is value

in fashion? What my peers value highly is of value as long as that sentiment holds. Who are the peers and how suddenly does certain fashion become popular and is of value and how does it lose its popularity and is replaced by another fashion? This is where advertising and promotion come into play. A fashion industry firm projects certain image for their products to create a positive impression that most in that target market view that fashion product to be of high value (i.e., highly attractive product). In order to create a positive impression, the fashion industry uses “attractive models” to wear their products and create advertising or promotional materials. For example, when a film star with shiny white teeth is shown to use that particular tooth paste in an advertisement, it is expected that the normal user would imagine themselves to become as attractive as the star in the advertisement. In a similar fashion, most advertisers in the fashion industry used attractive models to create the positive impression. It is fine to create a positive impression. But, how to maintain it? This is where constant schemes of promotions come in. After the heavy bombardment of iPhone advertisements, we do not see iPhone advertisements from Apple Inc. What advertisements you may see are from networks trying to attract you to their network by using iPhone as an inducement. On the other hand, to maintain their enviable position fashion houses have to keep advertising and promoting all the time.

Once every fashion house keeps bombarding its target market with advertisements, the effectiveness of these advertisements reduces. To differentiate their advertisement from the rest, you observe shock is used more and more in the fashion industry. Shock in advertisements are more common in fashion industry promotions than in other consumer goods industries. Fashion houses use shock for two reasons: to differentiate their brand from others and to make a lasting impression on their target market so that their consumers are able to recall their products and or services. For example, when D&G used Naples for a promotion as shown in Figure 1, the models in the foreground are attractive, young and “fashionable” when compared to others in the background clearly projecting an attractive image for D&G. The only element here is the drastic difference between the models and the regular residents of Naples. Though this may create a positive impression, it may not shock the consumers. On the other hand, in Figure 2, D&G used a gang rape scene to present their products in 2007. It faced objections from Advertising Self-Discipline Institute (IAP) banned it in Italy after it was pulled out from publications in Spain (Duncan, 2015). Though it was pulled out from Italy and Spain, other consumers had access to these promotional materials.

Figure 1: D&G In the streets of Naples



Figure 2: Gang rape in advertisement



There were many comments on this advertisement to understand what was the purpose behind this portrayal of violence against woman. Some argued that it was aimed at male consumers to make them feel powerful – if they wore D&G products. Even if the promotion was successful, would you like to profit from publishing some demeaning event which the whole society deplores?

D&G LOVES CHINA CAMPAIGN

In 2017, D&G attempted to make a positive impression on its Chinese consumers by an online promotion #DGLovesChina. In this promotion, they presented a series of photos taken in the streets of Beijing. If you look at the sample promotion using photos taken in the streets of Naples, you may not observe any difference. That is, both present attractive young models against the background of not-so-attractive commoners to make the message clear that if you wanted to look attractive and young, wear D&G clothes. You find a sample picture of in the streets of Beijing in Figure 3. A similar photo was taken in the streets of Tokyo for #DGLovesJapan campaign and it can be seen in Figure 4. D&G models are presented in contrast to a young Japanese man in work clothes with a mask covering his face in the streets of Tokyo.

Figure 3: D&G In the streets of Beijing



Figure 4: D&G In the streets of Tokyo



But, the Chinese were offended by the photos presented in #DGLovesChina with D&G models in the streets of Beijing. Their gripe was that these photos made China look poor. Some opined that D&G could have had some exemplary background like the Olympic stadium or the forbidden palace etc., which would have shown the beauty of China and not the poor and down-trodden of China. Though this controversy did not create a problem – at least not a major one for D&G, the following promotions under #DGLovesChina created a series of videos where a female Chinese model eats Italian food using chopsticks while a Chinese man gives instructions in the background how she should eat it. Zuo Ye, the model in these videos played her part well in that she clearly was embarrassed and did not hide her embarrassment though she was all smiles right through the series of videos. Though these videos could be viewed sexist, most social media users came out with it being ‘racist’. The beauty is in the eyes of the beholder. So, if the Chinese felt that the videos were ‘racist’, one needs to address that issue to satisfy the Chinese. As Munzenrieder (2018) pointed out the Chinese are becoming more and more wary of outdated and stereotype-laden depiction of the Chinese culture. There are some insensitive statements in English which could have been avoided. For example, the man asking the woman whether the cannoli were too big for her or the small sticks reference to her chopsticks could have been avoided. But, still would the target market consumers be offended by these small details while they possibly were possibly focusing the glitz and glamour of what the model wore in the video and how to snag her male consort to buy her these as gifts. The adverse reactions to this debacle is tremendous. Online stores removed D&G products and stopped selling their products. D&G’s brick and mortar stores in China did not know how they would respond – whether they would have some market or they would have to just wind down their shops.

Figure 5: Zuo Ye with a chopstick in each hand



Figure 6: Zuo Ye & 3 types of Italian food



What has gone wrong? It is a difficult question to answer. Was it because that D&G was using social media, the adverse reactions hit them like whirlwind? Earlier print advertisement could be pulled out and no body could store except those who had bought a copy of that particular issue. Also, some level of controversy is good since it made consumers inquisitive leading to more engagement with the brand. In an earlier controversy related to in-vitro fertilization (IVF) treatment to have children made many celebrities to call for the boycott of D&G brand (Bernstein, 2015). D&G continued to project themselves as family-friendly brand. In fact, they continue to show that they are inclusive by bring in models of various shapes and sizes to indicate that beauty is not limited to an age group or body type.

May be in the era of super-sensitive humans, one needs to be careful about how they present another person's view of themselves from your perspective. We are confident that there was a Chinese consultant to view the videos and to ensure that there would not be such adverse reactions. Whether that consultant knew that you wanted to present the consultant's view of the Chinese or your view of the Chinese is not clear. But, one thing is clear that the combination of social media, the speed of communication and the low cost of communication had probably led to the speed with which D&G had to address this issue.

CONCLUSION

D&G was used to dealing with controversies. But dealing with controversies in another land with completely different culture – that too evolving into a culture which is new to even the Chinese scholars of yester years. Today's China is not the same as the China most of us knew. Hofstede's (1980) research may be history and we may not be able to rely on Hofstede's work for ever. Today everyone is more sensitive to others' feelings and are considerate. Nobody is hesitant to shoot down an inanimate company in support of sensitive individuals. May be, here is where we have to learn from D&G's experience in this context. There is no doubt that D&G would have been sensitive to their Chinese consumers. At the end of the day, they were trying to make strong positive impression on their consumers and not to spoil their relationship. One key factor that is important in market research: how current is the research. If you had done some market research five years ago, that will not be applicable today – more because the world is changing at an

alarming speed. May be that is where the answer is – understand your customer today. We do plan to continue with this research and identify ways to recognize where D&G could have done differently and avoided this debacle as a whole. D&G's experience and their efforts to overcome this issue will be an eye opener for many fashion houses and their future.

REFERENCES

- Bernstein, J. (2015) "Dolce & Gabbana Comments Trigger Public Outrage ... and Uncomfortable Silence", New York Times, March 18, 2015, <https://www.nytimes.com/2015/03/19/fashion/dolce-gabbana-comments-trigger-public-outrage-and-uncomfortable-silence.html> viewed on April 8, 2019
- Duncan, A. (2015) "Dolce & Gabbana in Hot Water again after 'Gang Rape' Advert Resurfaces just days after IVF Furore", <https://metro.co.uk/2015/03/18/dolce-gabbana-in-hot-water-again-after-gang-rape-ad-campaign-resurfaces-just-days-after-ivf-furore-5108624/> viewed on April 8, 2019
- Hofstede, G. (1980) Motivation, Leadership, and Organization: Do American Theories Apply Abroad? *Organizational Dynamics*, Summer 1980 9(1): 42-63
- Munzenrieder, K. (2018) "How Dolce & Gabbana's Shanghai Show went from Spectacle to Cancellation" <https://www.wmagazine.com/story/dolce-and-gabbana-shanghai-show-controversy-canceled>, Viewed on April 8, 2019

A CRITICAL ANALYSIS OF ORGANIZATIONAL APOLOGIES IN THE AGE OF SOCIAL MEDIA

Kathryn Woods, Austin Peay State University

ABSTRACT

Social media has created an avenue of communication that allows corporations to more fully develop their brands, increase direct interaction with customers, and communicate ideas quickly to stakeholders. Large organizations have navigated a learning curve in discovering the most effective strategies for maintaining a social media presence, as social media has caused changes in the way their customers expect to give and receive information. Online social communication has also enabled customers and other stakeholders to magnify corporate mistakes, both big and small, in a way that can reach the public in a few hours instead of a few days. The speed at which this information can travel and the magnitude of the audience that can be reached in a short time has sparked a need for companies to revise their crisis management plans in a way that will allow them to combat potential negative effects of taking ownership (or not taking ownership) for bad behavior. This paper presents a critical analysis of recent high-profile corporate apologies, as viewed through the lens of “The Apology Formula”, a framework created to guide the process of organizational apologies with the goal of minimizing damage for both the organization and its customers (Schweitzer, Brooks, and Galinsky, 2015). The conclusions of this analysis highlight the need for organizations to carefully consider who, where, when, what, and how to apologize in the age of social media.

RELATING SERVICE MARKETING CONCEPTS TO MEDICAL MALPRACTICE CLAIMS

Carlton Young, Mississippi State University – Meridian
Yingge Qu, Mississippi State University – Meridian

ABSTRACT

This paper will review selections from marketing literature for concepts and research findings from the field of marketing that may be adopted by healthcare providers and organizations in their efforts to minimize the impact of medical malpractice claims. 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 third party complaint resolution processes, and in particular, the filing and prosecution of medical malpractice claims. Reduction of these non-productive costs will allow for the redirection of both patient and provider resources into more productive efforts.

Marketing literature from the areas of service marketing, customer satisfaction, customer orientation, customer needs assessment, and healthcare marketing supports the finding that a primary cause of patients filing medical malpractice claims is the disconfirmation of patient expectations and dissatisfaction with service quality. This research frequently cites poor communications with patients as an antecedent to disconfirmation, dissatisfaction, and complaint resolving behaviors.

The factors thought to be theoretically significant in the disposition of a patient to file a claim are derived from studies that examine the constructs of patient satisfaction and medical outcomes either jointly or severally. A number of researchers have examined patient perceptions of medical service quality and investigated the potential interactions between patient perceptions of medical service quality and the incidence rate of medical malpractice claims.

Attaining and maintaining patient satisfaction with respect to relationships with healthcare providers and establishing trust relationships between patients and healthcare providers are key strategies in minimizing the negative consequences of medical error, disconfirmation of patient expectations of service quality, patient dissatisfaction, and in reducing the propensity of patients to file medical malpractice claims against providers.

SPREADSHEETS AT 40: IS IT TIME FOR EARLY RETIREMENT?

Jeffrey A. Mankin, Lipscomb University

Jeffrey J. Jewell, Lipscomb University

Julio A. Rivas, Lipscomb University

ABSTRACT

The first computer spreadsheet VisiCalc was released in 1979. So, 2019 is the spreadsheet's 40th birthday. In recent years, there have been predictions that it is time to retire the spreadsheet in favor of more useful tools for data analytics and analysis. Is it time to finally retire the venerable spreadsheet? Currently, the dominant spreadsheet is Excel which is included in the Microsoft Office suite. There are 750 million Office users worldwide, so what will these users need to replace Excel?

This paper looks at the proposition that spreadsheets have outlived their usefulness and will be soon replaced by newer, more robust tools.

TECHNOLOGY CERTIFICATION IN THE STRATEGIC SELLING COURSE: A PROJECT-BASED APPROACH

Michael Martin, Fort Hays State University

ABSTRACT

The sales profession has grown to demand a more enhanced skill set than was required fifteen years ago and colleges and universities now offer sales courses and programs that can meet those needs. For those institutions that do not employ a sales major or institute focused on professional selling, the skill set must be developed in a different way, using only a handful of courses to teach selling so that their graduates might be successful upon graduation.

A project is created that uses both cold call sales practice and sales technology to prepare students for what they might encounter in a future sales position. Students use a Sales/CRM platform to build their database and then call on local businesses to sell advertising space in a local community visitor guide. Throughout the remainder of the semester the students complete the certification process for the Sales/CRM that they have used. Students then follow up with the businesses in the second semester sales management course to deliver the magazine and maintain the relationship using the technology and making two visits to each advertiser.

The project's purpose is to connect students to the local community through our marketing program while teaching them valuable skills that will enhance their future job prospects. The development of relationships with local businesses may also serve the dual purpose of keeping skilled graduates in our area to develop stronger community from both a social and economic perspective.

IMPACT OF STRATEGIC COST MANAGEMENT PRACTICES ON ORGANISATIONAL PERFORMANCE OF SELECTED MANUFACTURING FIRMS IN NIGERIA

Adigbole Ezekiel. A., University of Ilorin, Ilorin, Kwara State. Nigeria

Arinola O. Adebayo, Virginia State University, Petersburg, VA

Olubunmi F. Osemene, University of Ilorin, Ilorin, Kwara State, Nigeria

ABSTRACT

The use of the traditional cost management system (standard costing and predetermined overhead allocation system) in the manufacturing industry is less effective in product cost analysis, management, and decision making than the strategic cost management system (Activity Based Management (ABM), Life Cycle Costing (LCC), Target Costing (TC), and Total Quality Management (TQM)). Particularly in the face of continuous rising production costs, multiple product mix systems, and rising market competition resulting from globalization, it has become crucial for manufacturing firms to employ the strategic cost management system to refine product costing analysis and decision-making, and to attain production efficiency, which may lead to improved firm performance and market competitiveness. This study examines the effect of strategic cost management practices on firm performance of Nigerian manufacturing industry. The survey research design is employed to collect primary data, which are analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) method. The study reveals that strategic cost management practices positively impact organization's performance. In light of this result of the study, it is recommended that manufacturing firms still using the traditional costing methods should consider implementing the strategic cost management techniques to enhance their performance and competitiveness.

Key words: Activity – based costing, Life cycle costing, Target costing, Performance

INTRODUCTION

The state of the current manufacturing industry has become complex as manufacturing firms engage in production of multiple lines of products, dealing with high costs of production, and facing fierce competition. Nigerian manufacturing industry is no exception to this characterization of today's manufacturing environment. The costs of production resources are high and scarce, and products manufactured by firms in the country are competing with imported products, which are often offered at cheaper prices. Conventionally, one way that manufacturing firms can lessen the impact of these conditions on performance (profitability) and competitiveness is to reduce and control production costs. Hence, manufacturing firms are now implementing the strategic cost management strategies to analyze and manage production costs, improve performance, and attain competitive advantage. The advancement of manufacturing technology has also been instrumental in refining production activities, leading to life cycles of production being shortened (Abdel-Kader & Luther, 2008).

With intense competition, the market orientation has also changed from a seller's market to buyer's market, where manufacturing firms have to deliver what customers want at the prices they are willing to pay. The availability of the variety of goods from multitude of manufacturers has caused manufacturing firms to be more cognizant of market competition and product pricing limitation. Consequently, the employment of strategic cost management practices has reportedly allowed manufacturing firms to enhance customer value while improving firm's performance. Although the advancement of manufacturing and information technology has allowed manufacturing firms to automate their production systems and use robots in manufacturing activities, the automation has led to increases in overhead production costs and changes in cost structure. As a result, the overhead costs require an intricate cost analysis system for effective cost allocations and cost management.

In Nigeria, most manufacturing firms are experiencing a high production costs due to scarce and expensive resources. As an example, one of the production resources that has significantly increased overhead costs in Nigeria is the scarcity of power (electricity) resource. The availability of electricity supply from the Power Holding Company of Nigeria (formerly known as National Electric Power Authority (NEPA)) is very limited. Hence, manufacturing firms have to generate and fund their own power supply in order to maintain continuous production. This has resulted in high overhead costs.

Although several studies have examined the role of strategic cost management techniques in manufacturing operations in developed and developing countries, empirical studies of strategic cost management techniques in Nigeria manufacturing industry is limited. Therefore, an in depth study of the impact of activity-based costing (ABC), target costing (TC) and life cycle costing (LLC) techniques on the performance of Nigerian manufacturing firms is warranted. Hence, the objective of this study is to examine the impact of ABC, TC, and LCC on organizational performance.

The remainder of this paper consists of the following sections: literature review, research hypotheses, research methodology, data analysis and discussion of results, conclusion and recommendation.

LITERATURE REVIEW

According to Stenzel and Stenzel (2003), strategic cost management (SCM) practices consists of refined cost/resource allocation and analysis methods in the manufacturing of products that meet customers' requirements at the lowest costs. They identify some of the CCM to include activity-based costing (ABC), target costing (TC) and life cycle costing (LLC) and total quality management (TQM). Similarly, Cooper and Slagmulder (1998) refer to the same concept as strategic cost management (SCM), the application of cost management techniques that simultaneously improve the strategic position of a firm by reducing production costs. SCM can be regarded as a system made up of practices or techniques that have been developed over the years, most of them outside the traditional management accounting to ensure that a firm is able to manage and reduce its cost strategically, enhance value and performance, and secure a competitive position in the market place. The activity-based costing (ABC), target costing (TC) and life cycle costing (LLC) strategies are the focus of this study.

Activity-Based Costing

ABC was developed by Cooper and Kaplan (1999) as an approach to address problems associated with traditional cost management practices such as standard costing or variable costing, absorption costing, and predetermined cost allocation, which tend to have the inability to provide detailed relevant and timely information. Activity-Based Costing (ABC) is an accounting cost allocation technique that identifies activities contributing to the incurrence of costs and allocates the costs to products on the basis of activity bases or drivers. ABC is a management accounting process that ensures the allocation of costs to products based on activities which determine the incurrence of such cost or, the consumption of such products or services (Turney 1996; Cooper and Kaplan, 1999; Krumwiede & Roth, 1997). Extant literature reveals that ABC has a positive impact on firm performance either directly or indirectly (Ali, Malo- Alain, & Haque, 2015; Noordin, Zainudin, Mail, Mail & Sariman, 2015). Ebben and Johnson (2005) provide evidence that reducing unnecessary costs can improve a company's financial performance. Firms using ABC are able to offer high quality product resulting from production efficiency can charge premium prices and increase profit margin and return on investments (Rattanaphaphtham & Ussahawanitchakit 2010). In light of the conceptual design of ABC to enhance product costing analysis and control, we propose the following hypothesis in the null:

H1: Activity-Based Costing has no significant impact on manufacturing firm performance

Target Costing

In examining target costing as an instrument of strategic cost management, Shank and Fisher (1999) note that this technique should be observed as a process of determining a long term goal (future product cost) at the product design stage and achievement of this goal at the manufacturing stage (throughout the life cycle). The basic principles of target costing as noted by Ansari and Bell, (1997) are market orientated, customer focused, design focused, cross functionally involved, value chain involved, and life cycle oriented. Target costing on the other hand can assist a firm in producing products with lower cost, better quality and enhancement of performance (Huang, Lai & Chun (2012). Target costing achieves lower product or service cost by minimizing production costs through the imposition of spending limits, and avoiding waste. This can lead to increase in firm performance. Hence we propose the following hypothesis in the null:

H2: Target costing has no significant effect on organizational performance of selected manufacturing firms in Nigerian.

Life Cycle Costing

Life cycle costing refers to the process of estimating and accumulating the total costs in monetary terms that the producer or manufacturer will incur over the product's entire (life cycle) to minimize the combined costs (Testa, Iraldo, Frey & O'Connor, 2011). Horngren, Foster and Datar (2000) have referred to life cycle costing as "cradle-to-grave costing" since all the costs associated with the product during its life span are captured. Life-cycle costing ensures that the total cost determined for each of a product life stages - introduction, growth, maturity, and decline are accurate. Life cycle cost information assists managers and planners to manage costs more effectively since it focused on cost behaviour during each unique phase of the product life cycle. In cost management, it is possible to classify costs in product life cycle into these three groups: Pre-manufacturing cost, manufacturing costs and post-manufacturing costs (Bengu & Kara, 2010). Spickova and Myskova (2015) notes that the main goal of life cycle costing approach is to optimize the life cycle cost of a

product without losing its performance. The organization that seeks cost reduction and performance improvement must focus its cost management activities on all the production stages of a product as noted by Berliner and Brimson (1988). We hereby we propose the following hypothesis in the null:

H3: Life cycle costing has no significant influence on organizational performance of selected manufacturing firms in Nigeria.

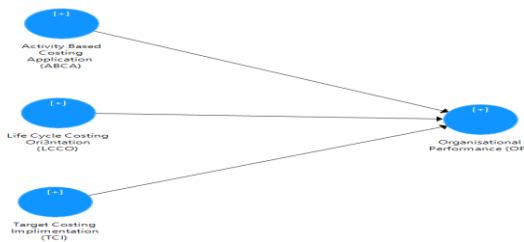
METHODOLOGY

A cross-sectional survey design was used to collect data from manufacturing firms in Lagos and Osun states of Nigeria. According to the 2015/2016 Nigerian Stock Exchange Fact Book, majority of Nigerian manufacturing firms either have their headquarters or factories are located in these states. There are 77 quoted manufacturing firms in the two states; a sample of 65 quoted firms were selected. A total of 325 survey instruments were administered to five accounting professionals (financial accountant, cost accountant, management accountants, chief financial officer (CFO), and chief internal auditor) in each firm. The questionnaire was designed to captured the respondents' assessment of the impact of activity-based costing (ABC), target costing (TC) and life cycle costing (LCC) practices on organizational performance (OP). Two hundred and forty-four (244) completed questionnaires were returned, eleven (11) were unusable due to missing data. Two hundred and thirty-three (233), a 71.7% response rate, were used in the analysis. The questionnaire evaluated the four variables ABC, TC, LCC, and OP on a seven point Likert scale.

Structural Equation Modeling

Partial Least Squares-Structural Equation Modeling (PLS-SEM) was used to measure the reliability and validity of the instrument and analyze the data. The PLS-SEM software (SmartPLS 3.0) describes the independent variables of activity-based costing application (ABCA), target costing implementation (TCI) and life cycle costing orientation (LCCO) as exogenous variables. Organizational Performance (OP) was the dependent variable (Figure 1).

Figure 1: Structural Equation Model
Source: Researcher's SmartPLS 3.0 Results (2018)



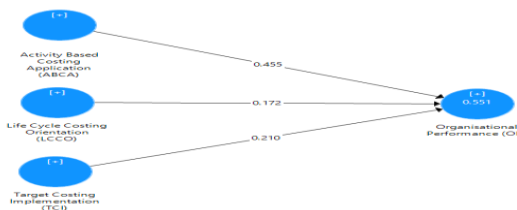
Structural Model Assessment

The structural model demonstrates the relationship between the exogenous variables and organizational performance (OP). Figure 2 indicates the R^2 and the β values within the model. The SmartPLS bootstrapping process determined the t-statistic and p-values.

Coefficient of Determination (R^2)

The R^2 is a measurement of the overall effect size for the structural model. A higher R^2 indicates a higher predictive ability. In SEM, the R^2 is evaluated based on thresholds of 0.75, 0.50, and 0.25 as large, moderate and weak, respectively (Hair *et al.*, 2011). The R^2 value of 0.551 confirms the moderate predictive capacity of the overall model (Figure 2). This confirms that combinations of ABCA, LCCO, and TCI can reasonably predict OP.

Figure 2: Structural (Inner) model
Source: Researcher's SmartPLS 3.0 Results (2018)



Assessment of Path Coefficients (β values)

The relationship between the constructs in PLS-SEM can be determined by examining their path coefficients (β values) and related t-statistics. In this analysis, the bootstrapping procedure carried out 2000 samples at a 10% level of significance to determine the t-values and p-values of the coefficients. All three β values were significant at a maximum of 10% significance and all path coefficients show a positive effect. ABCA has the highest positive effect on OP (0.455), followed by TCI (0.210) and LCCO (0.172).

Hence, the results of the analysis indicate the following:

H1: ABCA has a direct, significant influence on organizational performance ($\beta = 0.455$, $p < 0.0001$). This Indicates that ABCA positively relates to organizational performance. Thus, the hypothesis that activity based costing does not significantly influence organizational performance is not supported.

H2: LCCO also has a direct, significant influence on organizational performance ($\beta = 0.173$, $p > 0.066$). This result indicates that LCCO relates positively to organizational performance. Thus, the hypothesis that life cycle costing does not significantly influence organizational performance is not supported.

H3: TCI has a direct, significant influence on organizational performance ($\beta = 0.210$, $p > 0.026$). This Result indicates that TCI relates positively to organizational performance. Thus, the hypothesis that target costing does not significantly influence organizational performance is not supported.

DISCUSSION

This study shows a positive relationship between strategic cost management practices and organizational performance (OP). The statistical significance of this finding implies that successful implementation of ABC, TC and/or LCC can significantly improve organizational performance. This finding supports the findings of existing studies (Adigbole, 2018; Imeokparia, 2013; Alsoboa, 2015; Elhamma, and Yi fei, 2013). These results reveals that target costing illicit favorable financial impacts on ROI and cost reduction, financial goal attainment, and increased OP (Alsoboa, 2015; Imeokparia, 2014; Kaneko, 2013; Huang, 2012). Similarly, the of the study

result corroborates assertions in existing literature suggesting that successful implementation of life cycle costing can reduce costs, improve profitability and help companies achieve their strategic goals (Bengu, 2010; Ilic, 2010; Petrova, 2013).

CONCLUSION

It is apparent, based on the results of this study, that strategic cost management techniques advantageous in manufacturing firms in improving organizational performance and maintaining competitive advantage. It is recommended that manufacturing firms that are using the traditional costing methods should consider implementing the strategic cost management. Future research could be conducted to access the usefulness of strategic cost management techniques and impact on performance in the service industry.

REFERENCE

- Abdel –Kader, M. & Luther R. (2008). The impact of firm characteristics on management accounting practices: a UK based empirical analysis. *The British Accounting Review*, 40 (1), 2-27.
- Adigbole, E.A. (2018). Strategic Cost Management and Performance of Selected manufacturing firms in Lagos and Ogun states, Nigeria. *Unpublished Doctoral Thesis*. University of Ilorin, Nigeria.
- Ali, S., Malo- Alain, A.M. & Haque, M. I. (2015). Impact of activity based costing on Firms' performance in Saudi Arabia. *Scientific International*, 27 (1), 597 – 606.
- Alsoboa, S., Al-Ghazzawi, A., & Joudeh, A. (2015). The impact of strategic costing techniques on performance of Jordanian listed manufacturing companies. *Research Journal of Finance and Accounting*, 6 (10), 116-127.
- Ansari, S.L and Bell, J.E. (1997). *Target costing: The next frontier in strategic cost management*. Irwin, Chicago: Professional publishing Homewood.
- Bengu, H. and Kara, E (2010). Product life cycle costing methodology. *Banking and Finance Letters*, 2, (3), 325 – 333.
- Berliner C. & Brimson J.A. (Eds.). (1988). Cost Management for Today's Advanced Manufacturing. *Boston Harvard Business School Press*, 22-33, and 140-141.
- Cooper, R. and Kaplan, R.S. (1999). *The Design of Cost Management system*. London: Prentice Hall.
- Cooper, R. & Slagmulder, R. (1998). Strategic Cost Management: The scope of strategic cost management. *Management Accounting*, 79 (8), 16-18.
- Ebben, J.J. & Johnson, C.A. (2005), Efficiency, flexibility, or both? Evidence linking strategy to performance in small firms. *Strategic Management Journal*, 26, 1249-1259.
- Elhamma, A. & Yi fei, Z. (2013). The relationship between activity- based costing, business strategy and performance in Moroccan enterprises. *Accounting and Management Information Systems*, 12 (1), 22–35.
- Hair, J.F., M., Ringle, C.M. & Sarstedt, M., (2011). PLS –SEM: Indeed a silver g research. *Journal of Marketing Theory and Practice*, 19(3), 139 - 151.
- Horngren, C., Foster, G. & Datar, S. (2000). *Cost Accounting: A Managerial Emphasis*, 10th ed. New Jersey: Practice – Hall Inc.
- Huang, H. C., Lai, M. C., Kao, M. C. & Chun, Y. C. (2012). Target costing, busisness model innovation and firm performance: An empirical analysis of Chines firms. *Canadian Journal of Administrative Sciences*, 29 (4), 322 -335.
- Illic, B., Milicevic, V. and CVetkovic, N. (2010). The Strategic Cost Management and the Product Life Cycle Concept. *Megatrend Review*, 7(1), 193-208.
- Imeokparia L.(2013). *Activity-Based Costing and the Performance of Manufacturing Industries in South-Western Nigeria*. Unpublished Doctoral Thesis in Business Administration, Babcock University, Nigeria. 1-2.
- Imeokparia, L. & Adebisi, S. (2014). Target costing and performance of manufacturing Industry in South – Western Nigeria. *Global Journal of Management and Business Research*, 14(4), 1-9.
- Kaneko, P., Ussahawanitchakit, P and Muenthaisong, K.,(2013). Strategic target costing effectiveness and goal achievement: Empirical evidence from exporting gem and jewelry Business in Thailand, *International Journal of Business Strategy*, 13 (3), 127-157.

- Krumwiede, K. & Roth, H. (1997). Implementing information technology innovations: the activity-based costing example. *S.A.M. Advanced Management Journal*, 62, (4), 4- 3.
- Noordin,R., Zainudin,Y., Mail, F., Mail, R. & Sariman, N.K (2015). Performance outcome of strategic management accounting information usage in Malaysia: insights from Electrical and Electronics companies. *Procedia Economics and Finance*, 31, 13-25.
- Petrova, A.I & Zarudnev A.I. (2013). Strategic cost management. *European Researcher* 4(4), 1009-1013.
- Rattanaphaphtham, K., & Ussahawanitchakit, P. (2010). Activity-based costing effectiveness: How does it influence competitive advantage and performance of Thai- Listed firms? *International Journal of Business Strategy*, 10 (2), 1-21.
- Shank, J. and Fisher, J. (1999). Target Costing as a Strategic Tool. *Sloan Management Review*, Fall, 41(1), 73-82.
- Shuah, H., Malik, A & Malik, M.S. (2011). Strategic management accounting: A messiah for management accounting. *Australian Journal of Business and Management*, 1 (4),1-7.
- Spickova, M. & Myskova, R. (2015). Cost efficiency evaluation using life cycle costing as strategic method. *Procedia Economics and Finance*, 34, 337-343.
- Testa, F., Iraldo, F., Frey, M. & O'Connor, R. (2011). Life cycle costing, a view of potential application: from cost management tool to eco – efficiency measurement. *Supply Chain Management*, Dr. Pengzhong Li (Ed), 569 – 590.
- Stenzel, C. and Stenzel, J. (2003). *From Cost to Performance Management: A Bluepring for Organizational Development*. Wiley, Hoboken.
- Turney, P. (1996). *Activity-Based Costing: The Performance Breakthrough*. London: Peter B B. Publication.

SOCIAL MEDIA DATA PRIVACY – WHAT’S YOUR PRIVACY WORTH?

James Coleman, Columbus State University
John Finley, Columbus State University

ABSTRACT

Given the recent news concerning data breaches at Facebook, the topic of data security is an arguably valuable and timely subject for research. The authors propose to use framing theory to evaluate consumer attitudes regarding the value of data security in social media applications. Framing theory holds that consumer reactions are affected by how a message is framed as much as or more than the rational difference among alternatives. For example, a message that is perceived as an initial loss to the consumer will be evaluated negatively while a message perceived as a potential gain will receive a more favorable reception, even if the alternatives are rationally equal in economic terms. The paper will describe position statements for experimental evaluation.

Data privacy in online systems has been a problem for many years. Although consumers consent to use of their data for marketing purposes, the disclosures are typically buried in lengthy legal terms of service documents that few users actually read. A survey by consulting firm Deloitte found that 91% of consumers in the U.S. consent to legal terms and services conditions without reading them. For people age 18-34, the rate is even higher with 97% agreeing to conditions without reading (Cakebread 2017). According to framing theory, the option should be viewed more favorably when presented as a potential gain. This paper will propose a methodology to determine attitudes of social media users to proposed changes in data privacy policies.

STUDENT PAPERS

FORWARD AND REVERSE STOCK SPLITS: A TEST OF MARKET EFFICIENCY

Kate Spradlin, Longwood University

Frank Bacon, Longwood University

ABSTRACT

Is it possible for investors to earn above average returns by acting on public information regarding forward and reverse stock split announcements? The purpose of this study is to utilize the risk adjusted event study methodology to test the magnitude and timing of any effect that a forward or reverse stock split announcement has on a firm's stock price. By analyzing the market reactions of 50 NYSE or NASDAQ stock splits - 25 forward splits and 25 reverse splits - and comparing them to the corresponding dates' S&P 500 performance, it is possible to determine if investors have the ability to earn above average returns on public announcements. The results suggest that an investor would not be able to make atypical returns on the announcement of forward or reverse stock splits, supporting semi-strong form market efficiency. However, the results do highlight the stock prices moving in an opposite manner of the expected trend several days following the event, suggesting a correction to a market overreaction.

INTRODUCTION

Stock splits were once a very common financial practice firms used to manipulate their stock price. However, there has been a decline in the occurrence of stock splits in recent years; in 2017, only two S&P 500 companies split their stock compared to 93 splits in 1997 (Eisen & Holm, 2017). In the past, firms used stock splits to lower stock price, making it more affordable for individual investors to invest directly. But, due to the rise in popularity of alternative investment vehicles and an increase in average household income, it is no longer necessary to control for such low prices (Minnick & Raman, 2014). Nevertheless, by studying the market's reaction to stock split announcements, it is possible to test market efficiency.

Firms can choose to conduct either a forward stock split or a reverse stock split. In the case of a forward split, the firm increases shares while proportionally decreasing stock price; a regular two-for-one stock split occurs when the number of shares is doubled and the stock price is cut in half. For example, if an investor owned 100 shares of stock priced at \$200 per share, the split would double the number of shares to 200 at a price of \$100 each. A reverse split, one-for-two, operates in an opposite manner. Therefore, an investor holding 100 shares priced at \$200 per share would receive 50 shares priced at \$400 per share. Because the value of the investment in the firm remains the same, stock splits are merely a cosmetic change, but it is speculated that stock splits signal information about a firm's future cash flows (Mcnichols & Dravid, 1990).

Investors speculate that it is possible to earn above average returns by trading according to the public announcement of a stock split. Forward splits are seen as positive signals that the

company is doing well and expects success in the future. However, reverse splits can be seen as a negative signal, accompanied by a decrease in stock price (Woolridge & Chambers, 1983). In a semi-strong form efficient market that reacts to all public information, it should not be possible to earn above average returns on this type of public announcement (Fama, 1970). This study aims to determine the type of efficiency displayed in the market by assessing the investor's ability to earn above average returns by reacting to stock split announcements.

PROBLEM AND PURPOSE

How will stock prices of firms that implement forward stock splits react to the split announcement? How will the firm's stock prices react to a reverse stock split? More specifically, how quickly does the market price react to one of these events?

The purpose of this study is to test market efficiency by studying how stocks' risk adjusted rate of return react to forward or reverse stock split announcements. Two samples of 25 firms, one representing firms that did forward stock splits and one representing firms that did reverse stock splits, will be tested using the standard risk adjusted event study methodology from the finance literature. Market efficiency is tested by comparing risk adjusted rates of return of firms that perform forward stock splits to market returns, expecting a positive reaction. Similarly, risk adjusted rates of return for companies that implemented reverse stock splits will be compared to market returns, but, in this case, a negative reaction is expected. Ultimately, for both forward and reverse splits, market efficiency will be tested to see if the market exhibits weak, semi-strong, or strong form efficiency by examining the timing of the market's reaction to these events.

LITERATURE REVIEW

When performing a forward stock split, a firm increases the number of shares outstanding by replacing each outstanding share of stock with multiple shares, according to a specified formula; the increase in outstanding shares is also accompanied by a proportional decrease in price per share (Bacon & Greis 2008). According to signaling theory, firms use forward stock splits to convey positive information about their future earnings, which is reflected positively in stock price (Huang, Liano, & Pan, 2006; Grinblatt, Masulis, & Titman, 1984). Alternatively, a reverse stock split involves decreasing the number of shares with an increase in stock price (Neuhauser & Thompson, 2016). Reverse stock splits occur much less frequently than forward splits because investors perceive them negatively, so firms only conduct them when they feel it is imperative. According to He and Wang (2012), there are three theories regarding why firms conduct reverse stock splits. First, firms are trying to move their stock price or the tick size, minimum price movement divided by tick size, into an optimal range. Firms may also perform a stock split as a signal to investors because it is a way to convey inside information about the organization. The procedure/structure hypothesis suggests that firms perform stock splits to take advantage of the structural phenomenon of the market, such as positive return between the announcement and ex-split day. In either case, when firms announce stock splits, investors form predictions about the future success of the company. Consequently, stock price is affected because investors trade on the basis of this public information. According to signaling theory, the announcement of a stock

split will cause a change in stock price, even though the split is a cosmetic change. By measuring the market's reaction to a stock split, it is possible to test for market efficiency.

Fama (1970) categorizes market efficiency into three forms: weak form efficient, semi-strong form efficient, and strong form efficient. Weak form efficiency states that it is impossible for investors to earn above average economic returns based on all historical information (Fama, 1970; Jensen 1978). Random walk theory is found to support weak form efficiency in numerous studies because it holds that historical trends are not useful in predicted future stock price movement (Fama, 1965; Levy, 1967, Fama & Boume, 1966). If the market proves to be weak form efficient, it is then tested for semi-strong form efficiency, which states investors should not be able to earn excess returns based on all public information (Fama, 1970; Bacon & Greis, 2008; Jensen, 1978). For example, investors should not be able to earn excess returns on the public announcement of a stock split because the market will react too quickly and efficiently. Lastly, strong form efficiency suggests the market reacts to all relevant information, both public and private (Fama, 1970). If this is true, it could reflect evidence of illegal insider trading based on private information. However, in reality, there is not much evidence to support strong form efficiency (Rozeff and Zaman, 1988).

At what level of efficiency does the market react to the public announcement of stock splits? In the case of a stock split announcement, weak form efficiency would only take past information into consideration, detracting from its relevance in this scenario. Likewise, strong form efficiency would include private information, which would not be available in a public announcement. Thus, this study focuses on semi-strong form efficiency and the ability of investors to gain an above normal return by reacting to public information. If the market reacts in a semi-strong form efficient manner, the stock prices should reflect all public information and eliminate the opportunity to capitalize on this information.

METHODOLOGY

This study will test for semi-strong form market efficiency using the standard risk adjusted event study methodology in the finance literature. Two samples of stocks will be analyzed, one representing firms that performed a forward stock split and one representing firms that performed a reverse stock split. The sample of firms that performed forward stock splits was randomly selected from firms that trade on the NYSE or NASDAQ and performed a 2 for 1 split between February 1, 2015 and June 1, 2018. The firms that performed reverse splits were randomly selected among firms traded on the NYSE or NASDAQ and performed a 1 for 5 split between August 1, 2012 and June 1, 2018.

QUANTITATIVE TESTS AND RESULTS

Did the market actually react to the information regarding the reverse and forward stock splits? Was the information surrounding the event significant? If the information surrounding the event was significant and contributed to a change in stock price in either direction, negative or positive, there would be a substantial difference between the Actual Average Daily Returns (Day -30 to Day +30) and the Expected Average Daily Returns (Day -30 to +30), thus supporting the

null hypotheses. In order to test for a significant difference between the Actual Average Daily Returns and the Expected Average Daily Returns for both samples of stock splits, a paired sample t-test was conducted. For the sample of two-for-one forward stock splits, the paired sample t-test provided evidence at the 10% significance level that there was a difference between the Actual Average Daily Returns and the risk-adjusted Average Expected Daily Returns. These results support the hypothesis for forward stock splits H_{21} : the risk adjusted rate of return of the stock price of the sample firms is significantly positively affected by the forward stock split around the announcement date as defined by the event period. Similarly, when the paired sample t-test was conducted for the sample of one-for-five reverse stock splits, there was evidence at the 5% significance level that there was a difference between the Actual Average Daily Returns and the Average Expected Daily Returns. For the sample of reverse splits, the evidence also proves hypothesis H_{21} : The risk adjusted rate of return of the stock price of the sample firms is significantly negatively affected by the reverse stock split around the announcement date as defined by the event period. Because a market reaction was observed and there was significant evidence that the information surrounding the event date for both types of stock splits impacted stock price, there is support that the market did react to the announcements of the stock splits.

In addition, it is important to test the stock price reaction to the stock split announcement to determine the level of efficiency of the market response. Basically, did the market display weak, semi-strong, or strong form market efficiency? By analyzing the market reaction, it is possible to conclude how quickly the market reacted to the announcement of either a forward or reverse stock split.

The main factor in examining market efficiency is testing to see if the Average Excess Return (AER) and the Cumulative Average Excess Return (CAER) for both samples of stock splits are significantly different than zero; the other factor is observing a graphical relationship between time and AER or CAER (Charts 1 and 2). T-tests of both AER and CAER for the sample of forward stock splits both indicated that the means were different than zero at the 10% significance level. Likewise, t-tests of both the AER and CAER for the sample of reverse stock splits also showed that the means were different from zero at the 10% significance level. Observation of Chart 1 (Forward Stock Split CAER) highlights the significant positive reaction of the risk adjusted returns of the sample stocks up to 28 days before the stock split announcement was made. Also, the evaluation of Chart 2 (Reverse Stock Split CAER) shows the market's reaction with the change of the risk adjusted returns being negatively impacted up to 27 days before the announcement date.

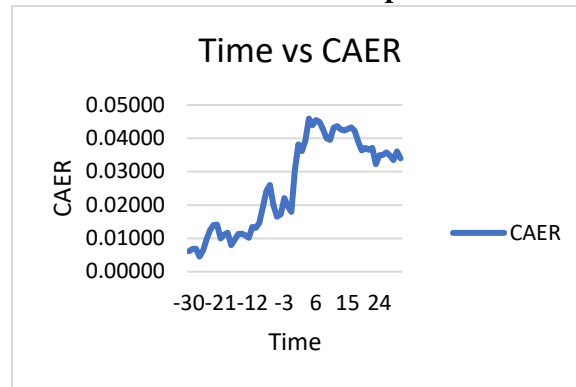
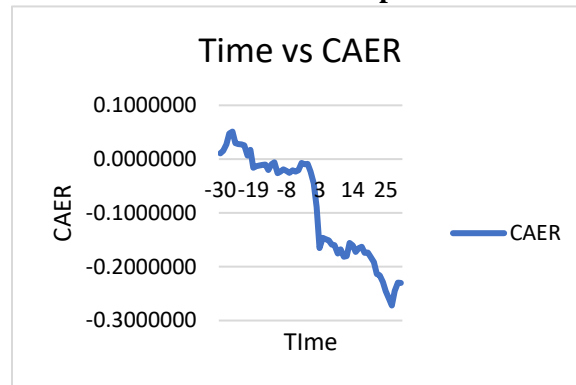
Chart 1. Forward Stock Splits: CAER**Chart 2. Reverse Stock Splits: CAER**

Chart 1 shows that the announcements of stock splits had a significant positive impact on the firm's stock price up to 28 days before day 0, the announcement date for a two-for-one stock split. This supports the null hypothesis for forward stock splits $H1_0$: The risk adjusted rate of return of the stock price of the sample firms is not significantly positively affected by the forward stock split on the announcement date. Consequently, an investor would not be able to make an above normal return if they were to act on the announcement of a two-for-one stock split. Before the announcement date, the stock price had already adjusted to the news of the stock split announcement. For reverse splits, the market also reacts to the announcement of the split before the event happens. In this case, the stock prices begin to be affected up to 27 days before the announcement date, day 0. This supports the hypothesis for reverse stock splits $H1_0$: The risk adjusted rate of return of the stock price of the sample firms is not significantly negatively affected by the reverse stock split on the announcement date. In a similar manner, to a forward split, an investor would not be able to make an above normal return by selling their stock on the announcement date because the stock price would have already adjusted. In both cases, semi-strong form market efficiency is supported, meaning the market reflects all publicly available information.

In addition, in both CAER graphs, there is slight movement in the opposite direction of the prevailing trend after the event date. For the forward stock splits, this happens at day 6 when the

CAER drops slightly, and for the reverse splits, this happens at day 3 when the CAER rises slightly. These movement suggest that the market overreacted to the stock split announcement and the market is adjusting. Consequently, this information bolsters the evidence that the market is semi-strong form efficient and reacts to all public information.

CONCLUSION

The purpose of this study was to test market efficiency theory by analyzing the effects of both forward and reverse stock splits on a sample 50 total NYSE or NASDAQ traded firms that announced stock splits (25 forward splits and 25 reverse splits). By gathering data surrounding the stock split announcements of each firm and comparing it to the corresponding S&P 500 performance, it is possible to determine the timing and degree of influence that a firm's stock split announcement has on its stock price. Using the standard risk adjusted event study methodology, it is apparent that investors are unable to gain an above average return by reacting to a forward or reverse stock split announcement. Evidence shows, in both CAER graphs, that stock prices do not react in a manner that would allow for an investor to gain abnormal returns. Moreover, the study reveals stock price movement in the opposite direction of the expected trend several days after the even date, which shows a correction to a market overreaction to the announcement. This insight further supports evidence for semi-strong form market efficiency because the market reacts to all public information.

Specifically, for this study, forward stock splits are considered good news for investors, while reverse stock splits are typically viewed as negative signals. Forward splits are regarded by investors as indicators of growth and ensuing higher stock prices. Conversely, reverse splits are seen as a forewarning for negative returns and they are used by firms who are in need of fundamental changes. Stock price reacts differently based on the nature of the stock split, but regardless of the direction of the price change, semi-strong form market efficiency does not allow investors to act on the announcement stock splits to earn abnormal returns.

SELECTED REFERENCES

- Bacon, F.W. and J. Greis. (2008). Stock Split Announcements: A Test of Market Efficiency. *Journal of Business and Behavioral Sciences*, 18 (1), 18-27.
- Eisen, B. and Holm, E. (2017). Amazon's Brush with \$1,000 Signals the Death of the Stock Split. *Fox Business*. Web.
- Fama, E. F. (1965). The Behavior of Stock Market Prices. *The Journal of Business*, 38 (1), 34-105.
- Fama, E. F. (1970). Efficient Capital Markets: A Review of Theory and Empirical Work. *The Journal of Finance*, 25 (2). 383-417.
- Fama, E. F. and Blume, M. E. (1966). Filter Rules and Stock-Market Trading. *The Journal of Business*, 39 (1), 226-241.
- Grinblatt, M., Masulis, R. W., and Titman, S. (1984). The Valuation Effects of Stock Splits and Stock Dividends. *Journal of Financial Economics*, 13 (4).
- He, Y. and Wang, J. (2012). Stock Split Decisions: A Synthesis of Theory and Evidence. *Journal of Applied Finance*, 22 (2) 124-142.
- Huang, G., Liano, K., Pan, M. (2006). Do Stock Splits Signal Future Profitability?. *Review of Quantitative Finance and Accounting*, 26 (4), 347-367.

- Jensen, M. C. (1978). Some Analogous Evidence Regarding Market Efficiency. *Journal of Financial Economics*, 6 (2/3), 95-101.
- Levy, R. A. (1967). The Theory of Random Walks: A survey of Findings. *American Economist*, 11 (2), 34-48.
- McNichols, M. and Dravid, A. (1990). Stock Dividends, Stock Splits, and Signaling. *The Journal of Finance*, 45 (3), 857-879.
- Minnick, K. and Raman, K. (2014). Why are Stock Splits Declining?. *Financial Management*, 43 (1), 29-60.
- Neuhauser, K.L. and Thompson, T. H. (2016). Survivability Following Reverse Stock Splits: What Determines the Fate of Non-Surviving Firms?. *Journal of Economics and Business*, 83 (1), 1-22.
- Rozeff, M. S. and Zaman, Z. A. (1988). Market Efficiency and Insider Trading: New Evidence. *The Journal of Business*, 61 (1), 25-44.
- Woolridge, J. R. and Chambers, D. R. (1983). Reverse Splits and Shareholder Wealth. *Financial Management*, 12 (3), 5-15.

EFFECT ON AIRLINE STOCK PRICES AFTER MALAYSIA AIRLINES FLIGHT 370 WENT MISSING: A MARKET EFFICIENCY TEST

Darby S. Dettra, Longwood University
Frank W. Bacon, Longwood University

ABSTRACT

This purpose of this study was to measure if there was a market reaction to an unpredicted disaster in the airline industry. The risk-adjusted stock price returns were analyzed from a sample of 15 firms within the airline industry, in order to test the market efficiency theory. The event studied was the Malaysia Airlines flight 370 going missing on March 8th, 2014. This event followed a semi-strong market efficiency form since there was a slight decline on the day of the event, and after a slight overcorrection on day +20, returns leveled out. This case studied the market reaction to the event period was 30 days after and 180 day prior to the announcement of this event.

BACKGROUND

On March 8th, 2014 Malaysia Airlines flight 370 with service from Kuala Lumpur to Beijing went missing. There were 227 passengers and 12 crew members on board this Boeing 777 aircraft. Roughly an hour after the flight had taken off the communication system between the ground and the plane was shut off and the Malaysia military began tracking the flight. As the plane flew over the Andaman Sea all contact was lost. The last signal from the plane was sent out at 8:11am and was never to be heard from again.

Although Malaysia Airlines is not an American owned company, this tragedy was felt all throughout the world. It was to be expected that this worldly event would ripple through different industries in the world and specifically affect customers' speculation of the safety of all airlines. In this study we see how airline stock prices were affected by the flight 370 going missing on March 8th, 2014. The risk adjusted rate of return methodology will be used to study the effect of this event on the stock price of 15 airline companies. This study will also be testing the market efficiency of this event and whether it falls under weak form, semi-strong or strong efficiency form.

LITERATURE REVIEW

A market efficiency test is used to see how fast the market reacts to information that is made public. There are three forms of market efficiency: "weak form", "semi-strong form", or "strong form." If the market is weak form efficient then the stock prices are only reacting to past information; if it's semi-strong efficient then stock prices are only reacting to information that is

made public; if the market is strong form efficient then stock prices are reacting to public and private information. In all of these market efficiency forms no investor has the ability to gain more than the normal returns.

According to Business Insider, Malaysia Airlines' second quarter losses nearly doubled after Flight 370 went missing. Global markets saw a small, but noticeable reaction to this information being released. BBC reported that China airline sales dropped 60% after customers' fears of the airline industry increased. On the first trading day after this incident all stocks in Kuala Lumpur were down nearly 0.6%, the German Dax was down 0.4%, but France's CAC was up 0.5%. These markets saw an overall mixed reaction surrounding this day.

In a similar study done by Chance and Ferris (1987) it was found that after aviation disasters, the aircraft carrier company that experienced the disaster may see a reaction in their stock prices. The industry as a whole will see no reaction regarding stock prices after a disaster.

METHODOLOGY

This study is using the stock prices of fifteen different airline firms. These stock prices were used to see how long, or if at all, airline stock prices were affected by Malaysia Flight 370 going missing. This tragedy sent a shock wave through the world because of the sense of loss and confusion surrounding what happened. The stock prices of all fifteen airline companies, as well as the S&P 500, were found on yahoo.finance.com. Let the event period be known as -180 days prior to the event and +30 days after the event of March 8th, 2014. In order to study this event date, a standard risk-adjusted method was used. The following null hypothesis and alternative hypotheses were tested below

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

H1₁: The risk adjusted return of the stock price of the sample of fifteen firms is significantly negatively affected by this type of information on this date

H2₀: The risk adjusted return of the stock price of the sample of fifteen firms is not significantly affected by this type of information around this date

H2₁: The risk adjusted return of the stock price of the sample of fifteen firms is significantly negatively affected by this type of information around this date

To find the holding period returns for the fifteen companies in the sample, and the S&P 500 for the day -180 to +30 you would use the formula below

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

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

Using a regression analysis on the daily return of all fifteen firms and the S&P 500 daily returns we were able to obtain the Alpha (intercept) and the Beta (x variable).

The expected returns were found using the Alpha and Beta coefficients from all 15 firms. The formula used was: $E(R) = \text{Alpha} + \text{Beta} (R_m)$. Allow R_m to be known as the S&P 500 index which is the market return. Listed below are the subsequent steps taken next:

1. Excess Return (**ER**) was calculated by subtracting the Expected Return **E(R)** minus Actual Return (**R**)
 - a. $(ER) = E(R) - R$
2. Average Excess Returns were calculated from summing all firms excess returns together from day -30 to day +30 and then divided by the total number of firms in the sample
 - a. $AER = (\text{Total ER})/n$
3. Cumulative Average Excess Returns were then calculated by summing all the average excess returns found above from day -30 to +30
 - a. $CAER = AER_{-30} + AER_{-29} + AER_{-28} \dots + AER_{+30}$
4. CAER and AER were then plotted against time (day -30 to +30) and made into the graphs below

Chart 1: AER vs. Time

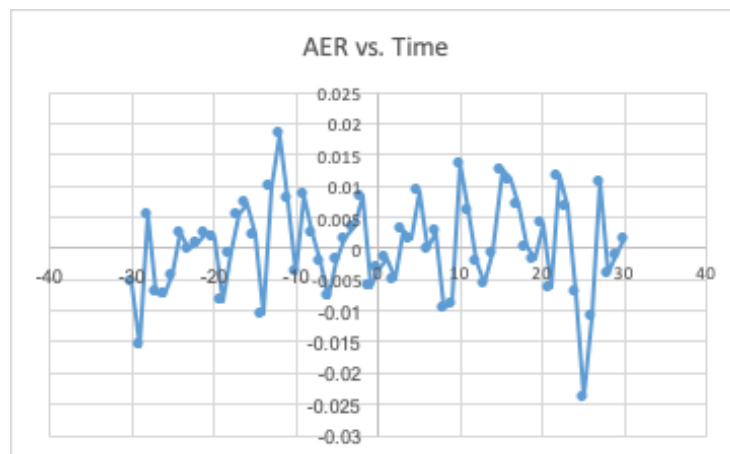
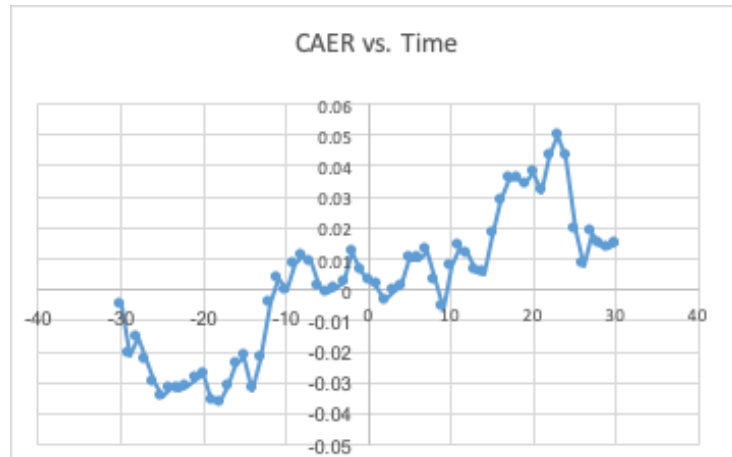


Chart 2: CAER vs. Time



QUANTITATIVE TEST AND RESULTS

Was all information surrounding this event relevant? Did the market react to this tragedy? Specifically, did the airline industry stock prices see any significant changes? The purpose of this study was to see how quickly, if at all, the market saw a reaction to Malaysia Airline 370 going missing on March 8th, 2014. An overall change in the market would be shown, either good or bad, if there was a significant difference between average daily returns and the expected daily returns of the event period. A paired sample t-test was run to analyze the risk adjusted difference in this event period from -30 to +30. If the hypothesis selected is supported the t-test a p value less than 0.05 would be observed and there would be significant evidence that in favor of the alternative hypotheses $H1_1$ and $H2_1$.

After performing the two paired t-test, there was not significant evidence supporting the alternative hypothesis that this event affected airline stock prices of our sample. The results were in favor of the null hypotheses $H1_0$ and $H2_0$ that the risk adjusted return of the stock price of the sample of fifteen firms is not significantly affected by this type of information on or around this date. The CAER and AER graphs above explain the market efficiency of this announcement and their relationship of excess returns and time. It is clear in the CEAR chart that there was a small dip in the market and then there was an increase for roughly 20 days after. It is likely that the market over corrected itself, which would explain the increase and then eventual levelling back to normal. The sample firms seemed to be returning to their normal returns by day +30. Since the market returned back to normal, this would qualify as semi-strong market efficiency. No investor could gain any more or less than another based on the announcement of this event.

CONCLUSION

This study examined the effects after Malaysia Airline 370 went missing on March 8th, 2014; this study was used to measure market efficiency. All fifteen sample firms within this study are airline stocks and are large performers in their sector now and in 2014. The stock prices of

these firms were collected from -180 days prior and +30 days after the event; all prices were obtained through yahoo.finance.com. The risk adjusted event study methodology was used to compare the sample firms and the S&P 500 returns for this event period.

Once a regression was run on CAER and AER, it was determined that the this event had no significant effect on airline stock prices. Since the p-value was greater than 0.05, there was no significant evidence in favor of the alternative hypothesis, thus accepting the null hypothesis H_{10} and H_{20} . In the CEAR graph the market looked to be returning to average performance roughly 30 days after the event, it seems most likely to be semi- strong market efficiency.

REFERENCES

- AFP. (2014, August 28). Malaysia Airlines' Financial Losses Have Nearly Doubled Since Flight MH370 Disappeared. Retrieved February 7, 2019, from <https://www.businessinsider.com/afp-malaysia-airlines-loss-nearly-doubles-on-mh370-impact-2014-8>
- Chance, D., & Ferris, S. (1987). The Effect of Aviation Disasters on the Air Transport Industry: A Financial Market Perspective. *Journal of Transport Economics and Policy*, 21(2), 151-165. Retrieved from <http://www.jstor.org/stable/20052813>
- Gregersen, E. (2018, November 22). Malaysia Airlines flight 370 disappearance. Retrieved February 7, 2019, from <https://www.britannica.com/event/Malaysia-Airlines-flight-370-disappearance>
- TheStreet Ratings. (2018). 10-best-airline-stocks-for-this-year | Top Rated Stocks |. Retrieved February 7, 2019, from <https://www.thestreet.com/topic/25821/top-rated-equity-airlines.html>
- Yan, S. (2014, March 10). Malaysia Airlines stock sharply lower after plane vanishes. Retrieved February 7, 2019, from <https://money.cnn.com/2014/03/09/investing/world-markets-malaysia/index.html>

HURRICANE FLORENCE'S IMPACT ON PROPERTY AND CASUALTY INSURANCE STOCK PRICES

Megan M. Clay, Longwood University
Frank W. Bacon, Longwood University

ABSTRACT

This study tests the efficient market theory by examining the effect of Hurricane Florence on property and casualty insurance companies' stocks. This event study analyzes a sample of fifteen property and casualty insurance companies that were at risk to be affected by Hurricane Florence. The stock price's risk-adjusted rate of return for the fifteen companies is examined during the 30-day pre-event period and the 30-day period after the event occurs. Results from this study show a significant drop in stock price during the pre-event period before the hurricane made landfall. The results support semi-strong market efficiency because the market rapidly anticipated the landfall of Hurricane Florence. Statistical tests conducted to determine significance show that Hurricane Florence had a significant impact on the risk-adjusted rate of return on the selected sample of property and casualty insurance companies' stocks over the complete event period.

INTRODUCTION

Natural disasters such as hurricanes have major impact on the market. One part of the market that is particularly affected is the property insurance sector. How does the market react to the information of impending hurricane landfall? Does the market react to this information, if so in what way? This study researches the market's ability to predict the impact of Hurricane Florence by assessing the risk-adjusted rate of return for fifteen property and casualty insurance companies.

Hurricane Florence made landfall near Wrightsville Beach, North Carolina in the early morning of Friday, September 14, 2018. Research of these stock prices is based around this landfall date. Hurricane Florence was declared the first "major hurricane" of the 2018 hurricane season in early September. Florence slowly swept across the Carolinas bringing massive amounts of rain and strong winds devastating everything in its path. These winds caused an extensive amount of tree fall that brought widespread power outages. This major storm also brought its record-breaking storm surges of 9 to 13 feet and record rainfall of 20 to 30 inches. The areas of major impact were mainly in North Carolina and included: New Bern, Newport, Belhaven, Oriental, North Topsail Beach and Jacksonville, along with Carteret County. When natural disasters occur, damages to homes, land, and other personal properties are expected and often anticipated by many people. These damages and losses should be anticipated by property insurance company stock price reactions prior to the event. The purpose of this study is to observe returns on selected property and casualty insurance stocks from the event period of -30 days before the event date and +30 days after the event date, with day zero being defined as the date of landfall on September 14, 2018.

LITERATURE REVIEW

There have been numerous studies done on the impact of hurricanes on various insurance company stocks. One study examines the impact that Hurricane Andrew (1992) has on property-liability insurance companies. Hurricane Andrew was one of the costliest natural disasters in United States history. The research found two major effects of natural disasters on insurance firms. The first one was that they cause losses to the insurers due to the large reimbursements' policyholders are paid from the disasters. The second says that it leads to increased profits in the future from larger premiums paid due to increases. This is because natural disasters reduce the capital of insurance firms thus reducing their short-run supply of insurance and causing premiums to increase. The conclusion of this research showed the market anticipated Hurricane Andrew's damages to a certain extent based on their event study. Hurricane Andrew had a significant negative impact on property-liability insurance stocks. Andrew's negative effect was offset to some extent by the market's expectations of premium increases. They also found that Andrew affected many insurer stocks, not just the ones in affected states.

METHODOLOGY

This study samples fifteen insurance companies specializing in property and casualty services. The study tests how quickly the fifteen insurance companies stock prices react to Hurricane Florence. The event date falls on September 14, 2018. Analysis of this event included the observation of the stock prices for the fifteen companies from 180 days before the event date of September 14, 2018, and 30 days after landfall occurred.

A semi-strong market efficiency indicates that the market reacts so quickly to all public information so that no investor can earn above a normal return. To test the semi-strong market efficiency with regards to Hurricane Florence and to examine stock prices around the event date, the following null and alternate hypotheses were proposed:

H1₀: The risk-adjusted return of the stock price of the sample of property and casualty insurance firms is not significantly affected by this information on the event date defined by the event period.

H1₁: The risk-adjusted return of the stock price of the sample of property and casualty insurance firms is significantly negatively affected by this information on the event date defined by the event period.

H2₀: The risk-adjusted return of the stock price of the sample of property and casualty insurance firms is not significantly affected by this information around the event date defined by the event period.

H2₁: The risk-adjusted return of the stock price of the sample of property and casualty insurance firms is significantly negatively affected by this information around the event date defined by the event period.

This study uses the risk adjusted event methodology to test the stock market's reaction to the Hurricane Florence event date. The required historical data, stock price, and the S&P 500 indexes were obtained from Yahoo! Finance. The historical stock prices of the fifteen property and casualty insurance firms for the duration of days -180 to +30, with the event period defined as day -30 to +30 and day 0 as the hurricane event date, were obtained and exported to Microsoft Excel.

Next, the corresponding S&P 500 indexes were collected for the duration of the study and event period. The holding period returns and the corresponding S&P 500 (R_m) were calculated for the event period, days -30 to +30, using the formulas below:

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

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

A regression analysis was performed using the actual daily return of each company (dependent variable) and the corresponding S&P 500 index daily return (independent variable) over the pre-event period days -180 to -31. This pre-event period comes before the event period of days -30 to +30. The regression was performed to find the values of alpha (the intercept) and beta (standardized coefficient). Below, Table 1 shows the alphas and betas for each firm.

Table 1. Study
Sample Alphas and Betas

Firm (Ticker)	Alpha	Beta
ALL	-0.00065	0.841549
TRV	-0.00052	0.871603
PGR	0.000508	0.792786
ERIE	0.00035	0.628211
NGHC	0.002276	0.520979
AFG	0.000195	0.801392
CINF	-0.00007	0.807148
HCI	0.002514	0.68882
SAFT	0.000998	0.573947
UIHC	0.001313	0.538868
UVE	0.003499	0.517495
WRB	0.00031	0.60217
Y	0.000254	0.894411
THG	0.000764	0.636642
SIGI	0.000361	0.740201

To get normal expected returns, the risk-adjusted method was used. The Expected Return for each stock, for each day of the event period, days -30 to +30, were calculated using: $E(R) = \alpha + \beta(R_m)$. The variable R_m represents market return, for this study the S&P 500 was used. Next, the Excess Return was calculated as: Actual Return – Expected Return. In this formula,

Actual Return represents the holding period returns for each stock, each day of the event period. Expected Return are the returns calculated from the formula above. Average Excess Returns (AER) were calculated for the event period (days -30 to +30) by averaging excess returns for all firms on each day. The formula used to calculate this was: $AER = \text{Sum of Excess Returns on a given day} / n$, where n represents the number of firms for the specific study. In this study fifteen firms were observed, so $n = 15$. Daily Cumulative Average Excess Returns (CAERs) were calculated by adding the AERs for days -30 to +30. The Figures for AERs and CAERs were plotted for days -30 to +30 and results can be seen below in Figure 1 and Figure 2.

Figure 1. Average Excess Returns

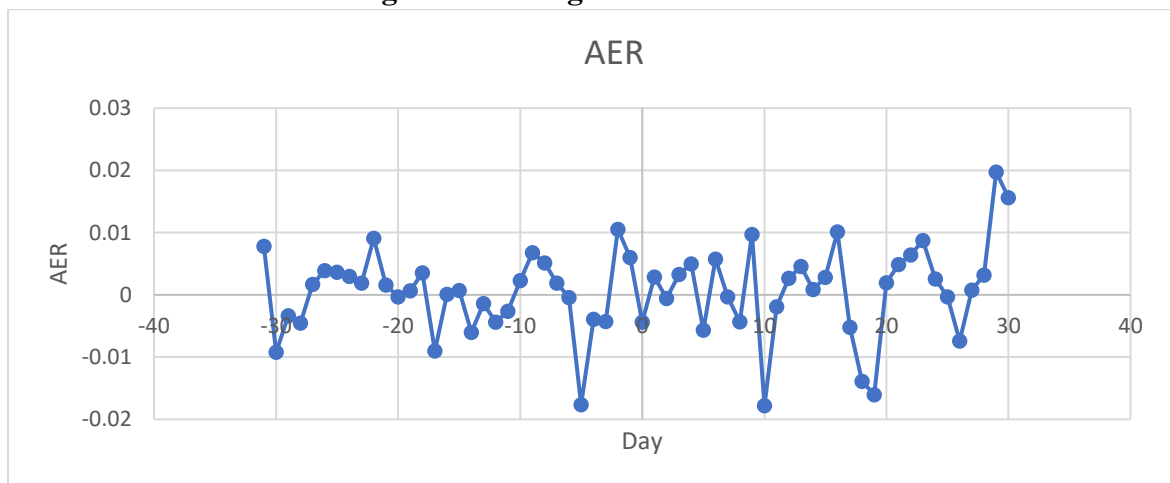
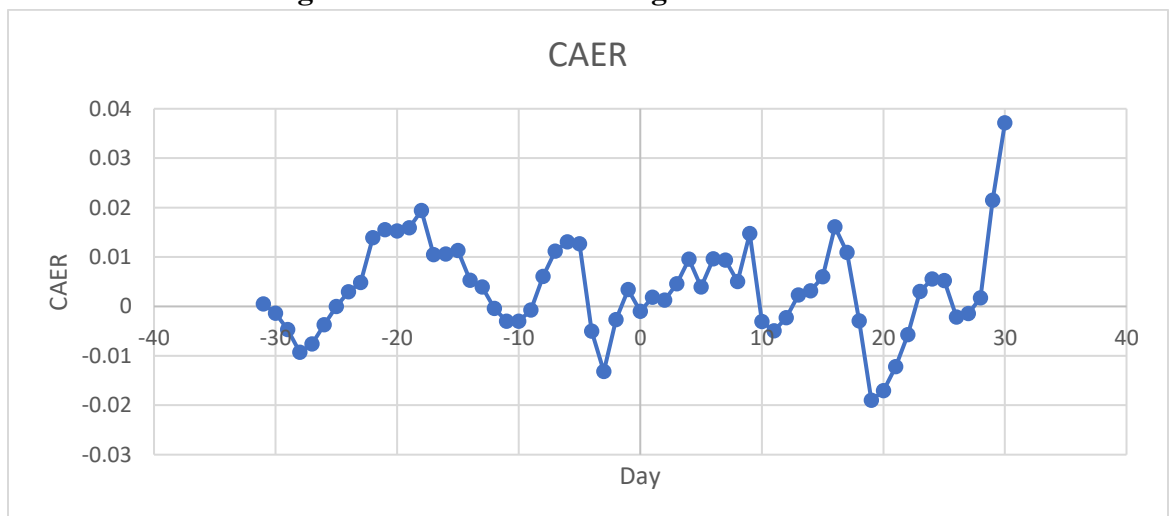


Figure 2. Cumulative Average Excess Returns



QUANTITATIVE TESTS AND RESULTS

How did the market react to the landfall of Hurricane Florence? Was the information provided significant? This type of predicted event should provide new information to the market that causes a fluctuation in stock prices. If new, significant information is provided to the market, one would expect the Average Excess Returns (AER) to be significantly greater than 0, and different from the Cumulative Average Excess Returns (CAERs) over the event period. If significant risk adjusted difference is observed, then the information did in fact affect the market as hypothesized. To statistically test for a difference in the risk adjusted daily average excess returns and the cumulative average excess daily returns (for the event period days -30 to +30), a paired sample t-test was used. From the t-test, a p-value was obtained to compare to the level of significance at 5%. The results from the t-test, with a p-value of 0.015, showed noteworthy difference at the 5% level of significance for the sample of property and casualty insurance firms. The level of significance that was calculated rejects the null hypothesis for this study and supports the alternate hypothesis. Alternate hypotheses $H1_1$ and $H2_1$ were accepted that the risk-adjusted return of the stock price of the sample of property and casualty insurance was significantly affected by this information on and around the event date.

CONCLUSION

This study tested the effect of Hurricane Florence on stock prices' risk-adjusted rate of return on fifteen property and casualty insurance companies. Statistical tests that were conducted concluded that Hurricane Florence was significant and created negative impact on the risk-adjusted rate of return on the sample of fifteen property and casualty insurance companies, accepting the alternate hypotheses, $H1_1$ and $H2_1$. Results as depicted on Figure 1 and Figure 2 above show a significant drop in stock prices right before the event date of September 14, 2018.

The results support the semi-strong market efficiency because it shows that the market anticipates the devastation of Hurricane Florence before landfall. Hurricane Florence caused some devastation to property and casualty insurance stock prices, but the graphs show the recovery of the market and an upward trend starting about twenty days after landfall. After a devastation occurs to the market, the market will eventually correct itself, which is what can be seen in these results.

REFERENCES

- Angbazo, L. A., & Narayanan, R. (1996). Catastrophic Shocks in the Property-Liability Insurance Industry: Evidence on Regulatory and Contagion Effects. *The Journal of Risk and Insurance*, 63(4), 619. doi:10.2307/253474
- US Department of Commerce, & NOAA. (2019, January 10). Historical Hurricane Florence, September 12-15, 2018. Retrieved from <https://www.weather.gov/mhx/Florence2018>
- Yahoo Finance - Business Finance, Stock Market, Quotes, News. (n.d.). Retrieved from <http://www.finance.yahoo.com/>

THE 2011 FUKUSHIMA DAIICHI NUCLEAR MELTDOWN: A TEST OF MARKET EFFICIENCY

Amy Widdows, Longwood University

Frank Bacon, Longwood University

ABSTRACT

The purpose of this event study is to analyze the effects of the announcement of the 2011 Fukushima Daiichi nuclear meltdown on the stock price returns of nuclear energy companies. Specifically testing the semi-strong form efficient market hypothesis which believes that stock prices react so quickly to all public information that no investor can earn above normal return. Previous studies have shown that a previous nuclear meltdown in Chernobyl had a significant negative effect on companies' stock prices, leading to the hypothesis that the Fukushima Daiichi nuclear meltdown will have a similar effect. This study supports the semi-strong form of market efficiency; results suggest that the market reacted to the announcement of the nuclear meltdown, specifically in a negative way.

INTRODUCTION

The event chosen for an event study should have an assessable impact that can be theoretically justified in order to ensure a proper test of the market. The chosen event for this study is the Fukushima Daiichi nuclear meltdown which occurred on March 11, 2011 after an earthquake struck Japan. This event can be theoretically justified due to the expected negative reactions nuclear energy firms would experience because of the potential disaster of a nuclear meltdown from 30 days before the event and 30 days after the event.

LITERATURE REVIEW

Stock markets are efficient only when stock prices fully reflect all available information to investors, and when markets are inefficient, available information that has been previously ignored can be used by investors in order to reap abnormally high returns (Madura, 2003). There are three forms of market efficiency that reflect different degrees of what information can be used by investors to gain an abnormal return; weak form, semi-strong form, and strong form. Weak form reflects reactions to past information, semi-strong form means the market reacts quickly to public information, and strong form means that the market reacts quickly to all public and private information (Fama, 1970).

After the Chernobyl nuclear meltdown, a test of market efficiency on publicly traded U.S. electric utility stock was performed. Results from this study indicated significant negative returns during the 20-day period after the event, firms that used nuclear power showed greater losses than firms that did not (Fields & Janjigian, 1989). With this, it seems likely that the 2011 Fukushima

Daiichi nuclear meltdown will also have negative results on nuclear energy firms and support the semi-strong market efficiency theory.

METHODOLOGY

The study sample includes eleven energy companies that use nuclear energy. The study tests how quickly the 11 energy firms' stock prices react to the Fukushima Daiichi nuclear meltdown defined as March 11, 2011. Analysis of the nuclear meltdown event included observations of the 11 energy firms' stock prices and the corresponding Standard & Poor's 500 Index (S&P 500) from 180 days before the event date to 30 days after.

To test semi-strong market efficiency regarding the Fukushima Daiichi nuclear meltdown and to examine the effect of the event on stock return around the date of the reactor explosion, this study proposes the following null and alternate hypotheses:

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

H1₁: The risk adjusted return of the stock price of the sample of energy firms is significantly affected by this type of information on the event date.

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

H2₁: The risk adjusted return of the stock price of the sample of energy firms is significantly affected by this type of information around the event date as defined by the event period.

The event study methodology follows the following steps in accordance to the risk-adjusted method:

First, an event is chosen. The event can be either predicted or unexpected. The chosen event of this study is the Fukushima Daiichi nuclear meltdown beginning on March 11, 2011 to observe the effects on the stock prices of nuclear energy firms.

Second, after the event has been chosen, day zero is identified as the date of the announcement. The nuclear meltdown began on March 11, 2011 and will be identified as day zero. The event period ranges from 30 days before the announcement to 30 days after the announcement.

Third, a company's stock or multiple stocks must be chosen to research. In this case, eleven nuclear energy companies were chosen to be analyzed. Once chosen, the adjusted close prices were obtained from Yahoo! Finance.

Fourth, an estimation period must be identified. In this study, the estimation, or pre-event, period ranges from 180 days before day zero to 31 days before day zero. Using the priced from this period, the holding period returns (HPR) for the companies and corresponding S&P 500 index for each day were calculated using the following formulas:

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

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

Then a regression analysis was performed using the daily HPRs as the dependent variable and the corresponding S&P 500 index return as the independent variable to calculate the alphas and betas for each firm as shown in Table 2.

Table 1: Sample Firms' Alphas and Betas		
FIRM	ALPHA	BETA
AEP	0.00022	0.52926
DUK	0.000220088	0.511057406
D	-0.000159613	0.711589915
EXC	0.000195776	0.540186843
SO	0.000564545	0.415171097
ETR	-0.000733496	0.663591283
PEG	-0.000704381	0.728786091
FE	7.06153E-05	0.613741102
SCG	0.000361638	0.683638642
XEL	0.000423049	0.561548568
LNT	0.000536814	0.716481703

Fifth, expected returns are calculated for the event period. The expected daily returns for each firm were calculated using the formula $E(R) = \alpha + \text{Beta}(R_m)$, where R_m is the return on the market (S&P 500 index).

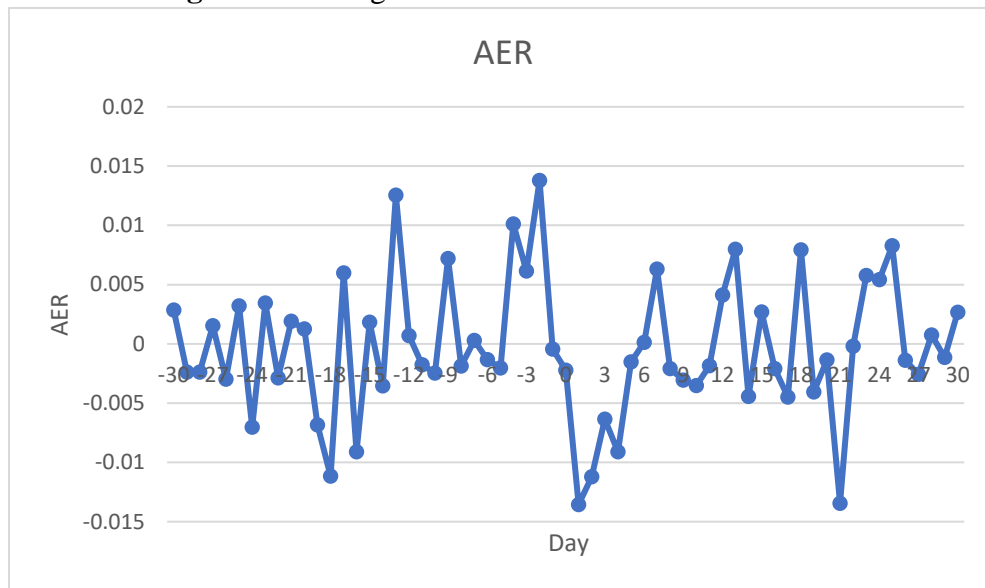
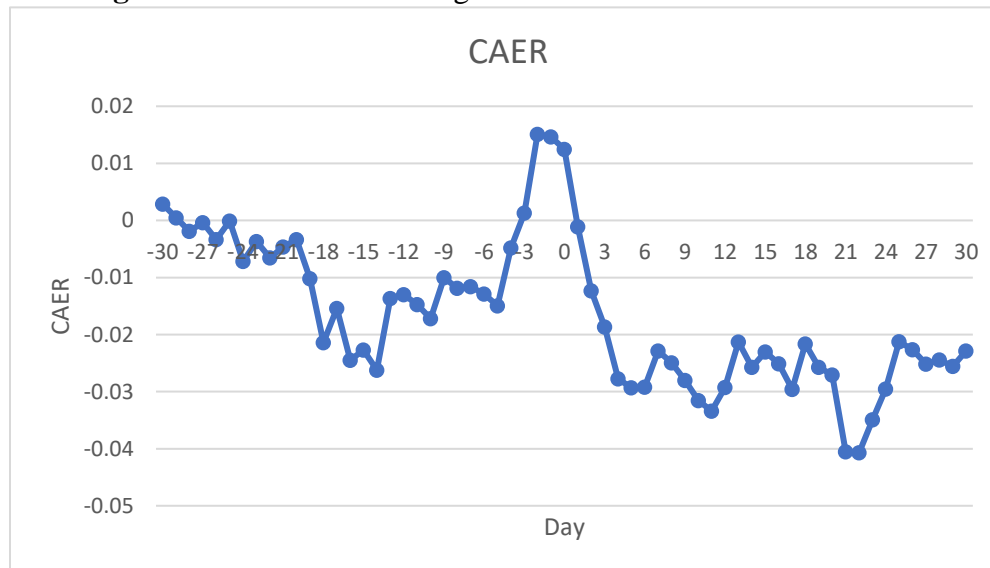
Sixth, the average excess returns (AER) are calculated for the event period. Excess returns are calculated by subtracting the firm's expected return from the firm's HPR. Then all sample firms' excess returns are added together and divided by the number of sample firms (eleven in this case) to calculate the AER.

Seventh, the significance of AERs is tested. In this study, a regression analysis was conducted using the market return as the dependent variable and the AERs as the independent variable. From the regression analysis, the p-value was taken to test if the differences were significant.

QUANTITATIVE RESULTS AND TESTS

Did the market react to the Fukushima Daiichi nuclear meltdown? Was the information surrounding the event significant? One would expect the event that presented new information to the market to cause a fluctuation in the stock price.

After obtaining average excess returns, cumulative excess returns were calculated by adding the AERs for each day during the event period as shown in Figure 1 and Figure 2.

Figure 1: Average Excess Returns Over Event Period**Figure 2: Cumulative Average Excess Returns Over Event Period**

To statistically test for a difference in the AERs and CAERs for nuclear energy firms over the event period, a paired t-test was used and found a statistically significant result at the 5% level with a two-tailed p-value of $1.1E-13$ which is less than .05. This supports the alternative hypotheses $H1_1$ and $H2_1$ that the risk adjusted return of the stock price of the sample nuclear energy firms is significantly affected by this type of information on and around the event date. The event did introduce new information to the market and this information was significant.

CONCLUSION

This event study examined the effect of the 2011 Fukushima Daiichi nuclear meltdown on the stock prices of eleven sample nuclear energy firms. The statistical tests in this study tested for significance and show that the Fukushima Daiichi nuclear meltdown had a significant impact on the risk adjusted rate of return on the eleven sample nuclear energy firms' stock prices over the event period. Specifically, the results show that the nuclear energy firms' stock price returns negatively fall around the event date. These results support the semi-strong market efficiency, which states that the market efficiently acted on the announcement of the Fukushima Daiichi nuclear meltdown, and that no abnormal return could have been made if an investor had acted upon the information.

REFERENCE

- Fama, E. F. (1970). "Efficient Capital Markets: A Review of Theory and Empirical Work." *Journal of Finance*, Volume 25 (May), 383-417.
- Fields, M. A., & Janjigian, V. (1989). The Effect of Chernobyl on Electric-Utility Stock Prices. *Journal of Business Research*, 18(1), 81-87.
- Madura, J. (2003). *Financial Markets and Institutions* (J. W. Calhoun & A. McGuire, Eds., 6th ed.). United States: Thomson South-Western.
- www.finance.yahoo.com

EMPLOYER BRANDING ON CAREER WEBSITES

Rebekah Lambert, Austin Peay State University

Kirsten Nicholson, Austin Peay State University

Katie Palmer, Austin Peay State University

Terry Damron, Austin Peay State University

ABSTRACT

The war for talent in the 1990s brought about the concept of employer branding, which posited organizations must devote focused attention to what they have to offer employees if they wish to attract the best candidates (Ambler & Barrow, 1996; Ind, 2017). In organizational websites, employers find a cost-effective and efficient employee recruitment method (Breagh, 2008). However, research indicates such corporate websites may elicit an overwhelming number of applications from job seekers who are not well suited for advertised positions (Maurer & Liu, 2007). Organizations, including those seeking prospects who are capable of delivering exceptional customer service, may combat this effect through the development of websites designed to signal brand personality traits, attracting prospects who believe they share such attributes (Celani & Singh, 2011). The purpose of this study is to explore and identify how supermarkets and department stores of varying service quality signal company commitment to customer service through organizational career web pages.

COMMUNICATING EMPLOYER BRAND IMAGE

The employer brand is “the package of functional, economic and psychological benefits provided by employment, and identified with the employing company” (Ambler & Barrow, 1996). Employer brand images contain instrumental information (factual/objective job attributes like pay, location, and task requirements) and symbolic information (subjective/intangible attributes prospects use to make character inferences about company personality and values) (Nolan et al., 2013). Using employer branding effectively, businesses can portray they are a “distinct and desirable employer” (Lievens et al., 2007, p. 48). Many studies have demonstrated employer branding is used to differentiate a firm from competitors and make it more appealing to job seekers (Sokro, 2012; Ito, Brotheridge and McFarland, 2013).

Brand images guide prospective employee beliefs concerning degree of fit with a job opportunity, with instrumental information guiding perceptions of person-job fit (degree of alignment between job tasks and job seeker abilities; degree of alignment between job seeker needs and employer provisions) and symbolic information guiding person-organization fit (degree of alignment between prospective employee personality and values and those of the organization) (O'Reilly, 1991; Cable & Judge, 1996; Lievens & Highhouse, 2003; Nolan et al., 2013). Perceptions of fit significantly impact a job seeker's intentions to apply for a job, meaning employer branding significantly influences both the number and quality of applicants (Nolan et al., 2013). The influence extends beyond recruitment, as perceptions of fit later influence job

satisfaction and organizational commitment (Nolan et al., 2013). In effect, it is important for employee recruitment websites to clearly communicate job tasks, employer provisions, corporate personality, and corporate values. For the purposes of this study, researchers examined how supermarkets and department stores signal the importance of customer service tasks (instrumental information) and the existence of a customer service-oriented culture (symbolic information) on organizational career web pages.

SERVICE QUALITY

Service quality is the extent to which firms meet customers' expectations based on the customer's perspective (Zeithaml, Parasuraman, & Berry, 1990). With the shift to a service economy comes the need for firms to realize maintenance of a sustainable competitive advantage requires meeting consumer demands for superior customer service (Woodruff, 1997; Gloppen, 2011). Development of a firm's service quality standard begins with the level of importance executives place on customer service and employee appreciation (Ugboro & Obeng, 2000; Bartley, Gomibuchi, & Mann, 2007). There are measurable and significant positive outcomes for firms that abandon the common cost-center view of service-related activity that focuses on reducing cost and, instead, embrace a strategic view whereby customer service is viewed as a revenue preserver and generator, and the focus is on maximizing the impact of customer service on revenue (Goodman, 2019, p. 114). Meeting customers' expectations is key in creating customer satisfaction and the satisfaction in service quality has been shown to positively facilitate customer loyalty and repurchase behavior (Taylor & Baker, 1994). In low-difficulty service situations, customers are (a) able to distinguish between high, medium, and low-quality customer service and (b) show greater satisfaction when shown high quality service (Kernbach & Schutte, 2005).

HIRING FOR SERVICE QUALITY

High-quality service depends on frontline employees and positively impacts customer loyalty (Hartline & Ferrell, 1996; Chi & Grandey, 2019). Firms committed to delivering high-quality customer service must first commit to attracting job applicants capable of delivering high-quality service. In their recruiting efforts, a firm must translate expectations and promote their position as a customer-oriented firm (Braddy et al., 2009; Celani & Singh, 2011). Organizations can look to signaling theory (Celani & Singh, 2011) and person-organization fit principles (Schwepker, 2018) to achieve great success in attracting qualified individuals.

SIGNALING THEORY AND INSTRUMENTAL-SYMBOLIC FRAMEWORK

By utilizing the instrumental-symbolic framework (Lievens and Highhouse, 2003) in conjunction with signaling theory, firms can improve the effectiveness and attractiveness of their individual and organizational activities used to reach qualified applicants (Celani and Singh, 2011). Signaling theory posits that, in the absence of complete information or presence of uncertainty concerning one's position, a person will interpret cues using the information available to them (Spence, 1974). Frequently, the theory is used to explain how sharing information about

organizational characteristics, including those that are unknown, during recruitment activities influences applicant attraction to an organization (Rynes, 1991).

In examining the role of specific types of information in the employer branding process, researchers frequently rely on the instrumental-symbolic framework. Grounded in both marketing and recruitment literature, the instrumental-symbolic framework centers on the idea that brand images include both symbolic and instrumental information (Lievens & Highhouse, 2003). In a study of online recruitment advertisements, Nolan et al. (2013) found job advertisements featured four times as many instrumental attributes (job tasks and employer provisions, which inform perceptions of person-job fit) as symbolic attributes (corporate personality and values, which informs perceptions of person-organization fit). The study noted the most commonly mentioned symbolic attributes expressed a firm valuing personal achievement, excellence, leadership, and customer service. Firms that explicitly mention customer service or quality of service in their mission statements are more likely to hire and reward employees who fit with that core value (Spence & Kale, 2008; Braddy, et al, 2009).

RECRUITING VIA ORGANIZATIONAL WEBSITES

Recruiting through organizational career web pages enables firms to attract many applicants at a lesser cost than using job boards or other alternatives (Braddy et al., 2006; Breugh, 2008). The process also is faster than the traditional paper-based application system, as technology speeds both the application submission and application review processes. Organizations are able to quickly and effectively filter applications and identify preferred applicants (Fister, 1999; Lee, 2005). There are some limitations attached to using organizational career website pages for recruitment and receipt of applications. With the ease of applying online, a firm may receive an excessive number of applications from prospective employees who are not a good fit (Breugh, 2008). Further, prospective employees perceive information from unaffiliated websites as more credible than information shared on employer websites (Van Hove & Lievens, 2007).

Firms electing to use websites for recruiting must consider the important role of web design, particularly the need to develop and maintain an easy-to-manuever site that benefits both the employer and the job seeker (Williamson, 2003). According to research from Brown (2004), company-designed websites are so complicated that about three-quarters of all job seekers are unable to use them successfully. Additionally, Pastore (2000) found 20% of job seekers rejected opportunities because of poorly designed websites. Firms should work toward maintaining a balance between interaction and aesthetics, as these two aspects of design are highly appealing to consumers and applicants but too much of one or the other can distract a prospect from their initial reason for visiting the site (Maurer & Liu, 2007). Firms also should consider research evidencing employee testimonials, awards received, pictures of employees, and stated organizational policies are useful in communicating information about an organization's culture (Braddy, 2009).

RESEARCH QUESTIONS

Tying together concepts from signaling theory and the symbolic-interaction framework, this study explores how grocers and department stores communicate a commitment to customer

service through organizational recruitment web pages. Through content analysis, the research seeks to answer the following questions:

RQ1: How do supermarkets and department stores signal the importance of customer service tasks on career and customer-facing position landing pages?

RQ2: How do supermarkets and department stores signal an organizational culture of service quality on career and customer-facing position landing pages?

METHODS

The purpose of this study is to explore how supermarkets and department stores signal a company commitment to customer service through organizational career web pages. Specifically, this research uses an inductive approach to determine how supermarkets and department stores signal the importance of customer service tasks and the organization's culture of quality service.

To develop a list of supermarkets and department stores for inclusion in the study, researchers referenced the American Customer Satisfaction Index (ACSI) Retail and Consumer Shipping Report for 2018-19. Promoted as "a national economic indicator of customer evaluations of the quality of products and services available to household consumers in the United States", the report is developed using data from annual interviews with approximately 300,000 customers concerning products and services they most frequently use (About the American Customer Satisfaction Index, n.d.). According to ACSI, there is a strong relationship between survey results and important indicators of performance at the microeconomic and macroeconomic levels, as companies with higher-level customer satisfaction are apt to report higher earnings and stock returns, and customer satisfaction is predictive of consumer spending and gross domestic product growth (ACSI, 2019; About the Customer Satisfaction Index, n.d.).

The Supermarkets report within the ACSI Retail and Consumer Shipping Report for 2018-19 included 17 branded supermarkets and four parent companies representing more than one branded supermarket. Parent companies were not included in this study. The Department and Discount Stores report listed 18 retailers, including the eight department stores examined in this study.

Organizational career web pages include a variety of information on an array of positions ranging from in-store services to manufacturing. Because high-quality service depends on frontline employees and positively impacts customer loyalty (Hartline & Ferrell, 1996; Chi & Grandey, 2019), this study will include an assessment of each firm's careers landing page and in-store/customer-facing positions landing page. For each page, researchers will record (1) the types of information shared (e.g. instrumental or symbolic) and (2) how information is shared (e.g. text, photo, video, link). Results will be analyzed to determine whether approaches to employer branding differ according to ACSI ranking and/or service-centric mission statement.

REFERENCES

About the American Customer Satisfaction Index. (n.d.). Retrieved March 20, 2019 from <https://www.theacsi.org/about-acsi>

- Ambler, T. & Barrow, S. (1996). The employer brand. *The Journal of Brand Management*, 4(3), 185-206.
- ASCI. (2019). ACSI Retail and Consumer Shipping Report 2018-2019. ACSI, LLC.
- Bartley, B., Gomibuchi, S., & Mann, R. (2007). Best practices in achieving a customer-focused culture. *Benchmarking: An International Journal*, 14(4), 482-496.
- Braddy, P.W., Meade, A.W., Kroustalis, C. M. (2006). Organizational recruitment website effects on viewers' perceptions of organizational culture. *Journal of Business and Psychology*, 20(4), 525-543.
- Braddy, P.W., Meade, A.W., Michael, J.J., Fleenor, J.W. (2009). Internet Recruiting: Effects of website content features on viewers' perceptions of organizational culture. *International Journal of Selection and Assessment* Number, 17.
- Breaugh, J. A. (2008). Employee recruitment: Current knowledge and important areas for future research. *Human Resource Management Review*, 18, 103-118.
- Brown, D. (2004). Unwanted online job seekers swamp HR staff. *Canadian HR Reporter*, 17(7), 1-2.
- Cable, D.M. & Judge, T.A. (1996). Person-organization fit, job choice decisions, and organizational entry. *Organizational Behavior and Human Decision Processes*, 67(3), 294-311.
- Celani, A., & Singh, P. (2011). Signaling theory and applicant attraction outcomes. *Personnel Review*, 40(2), 222-238.
- Chi, N., & Grandey, A. A. (2019). Emotional labor predicts service performance depending on activation and inhibition regulatory fit. *Journal of Management*, 45(2), 673-700.
- Fister, S. (1999). Online recruiting: Good, fast and cheap? *Training*, 36(5), 26-28.
- Goodman, J. (2019). *Strategic Customer Service: Managing the Customer Experience to Increase Positive Word of Mouth, Build Loyalty, and Maximize Profits*. New York, NY: HarperCollins Leadership.
- Gloppen, J. (2011). The strategic use of service design for leaders in service organizations. *FORMakademisk*, 4(2).
- Hartline, M. D., & Ferrell, O. C. (1996). The management of customer-contact service employees: An empirical investigation. *Journal of Marketing*, 60(4), 52.
- Ind, N. (Ed). (2017). *Branding Inside Out: Internal Branding in Theory and Practice*. Great Britain, UK; Kogan Page Limited.
- Ito, J. K., Brotheridge, C., & McFarland, K. (2013). Examining how preferences for employer branding attributes differ from entry to exit and how they relate to commitment satisfaction, and retention. *Career Development International*, 18(7), 732-752.
- Kernbach, S., & Schutte, N. S. (2005). The impact of service provider emotional intelligence on customer satisfaction. *Journal of Services Marketing*, 19(7), 438-444.
- Lee, I. (2005). The evolution of e-recruiting: A content analysis of Fortune 100 career web sites. *Journal of Electronic Commerce in Organizations*, 3(3), 57-68.
- Lievens, F., & Highhouse, S. (2003). The relation of instrumental and symbolic attributes to a company's attractiveness as an employer. *Personnel Psychology*, 56(1), 75-102.
- Lievens, F., Greet, V. H., & Anseel, F. (2007). Organizational identity and employer image: Towards a unifying framework*. *British Journal of Management*, 18.
- Maurer, S. & Liu, Y. (2007). Developing effective e-recruiting websites: Insights for managers from marketers. *Business Horizons*, 50, 305-314.
- Nolan, K. P., Gohlke, M., Gilmore, J., & Rosiello, R. (2013). Examining how corporations use online job ads to communicate employer brand image information. *Corporate Reputation Review*, 16(4), 300-312.
- O'Reilly, C.A., III, Chatman, J. & Caldwell, D.F. (1991). People and organizational culture: A profile comparison approach to assessing person-organization fit. *Academy of Management Journal*, 34(3), 487-516
- Pastore, M. (2000, March 29). Web expands role in corporate recruiting. *ClickZ Network*.
- Rynes, S. L. (1991). Recruitment, job choice, and post-hire consequences: A call for new research directions. In M. D. Dunnette & L. M. Hough (Eds.), *Handbook of industrial and organizational psychology*, 2(2), 399-444.
- Schweperker, C. H. (2018). Strengthening customer value development and ethical intent in the salesforce: The influence of ethical values person-organization fit and trust in manager. *Journal of Business Ethics*, 1-13.
- Sokro, E. (2012). Impact of employer branding on employee attraction and retention. *European Journal of Business and Management*, 4(18), 164-173.
- Spence, A. M. (1974). *Market signaling: Information transfer in hiring and related screening processes*. Cambridge, MA: Harvard University Press.
- Spence, M. T., & Kale, S. H. (2008). Optimizing the internal value chain: Principles and practices. *Journal of Management & Organization*, 14(2), 193-206.
- Taylor, S. A., & Baker, T. L. (1994). An assessment of the relationship between service quality and customer satisfaction in the formation of consumers' purchase intentions. *Journal of Retailing*, 70(2), 163+.

- Ugboro, I. O., & Obeng, K. (2000). Top management leadership, employee empowerment, job satisfaction, and customer satisfaction in TQM organizations: An empirical study. *Journal of Quality Management*, 5, 247-272.
- Van Hove, G., & Lievens, F. (2007). Investigating web-based recruitment sources: Employee testimonials vs. word-of-mouth. *International Journal of Selection and Assessment*, 15, 372-382.
- Williamson, I. O., Lepak, D. P., & King, J. (2003). The effect of company recruitment web site orientation on individuals' perceptions of organizational attractiveness. *Journal of Vocational Behavior*, 63, 242-263.
- Woodruff, R. (1997). Customer value: The next source for competitive advantage. *Journal of the Academy of Marketing Science*, 25(2), 139-153.
- Zeithaml, V. A., Parasuraman, A., & Berry, L. L. (1990). *Delivering quality service: Balancing customer perceptions and expectations*. New York, NY: The Free Press.

HIGHER EDUCATION INSTITUTIONAL USE OF INSTAGRAM

Sarah Robinson, Austin Peay State University

Rachel Wheeler, Austin Peay State University

Terry Damron, Austin Peay State University

ABSTRACT

Charged with communicating with an array of stakeholders ranging from prospective students to parents to alumni, colleges and universities employ a wide variety of marketing communication strategies and tactics. In alignment with consumers' pervasive adoption of smartphone technology and social networking sites, many higher education institutions utilize the popular social networking site Instagram as part of their promotions mix. In order to efficiently and effectively manage this and other social networking sites, institutions need to understand which types of Instagram posts elicit higher-involvement consumer online brand-related activities (COBRAs) such as sharing and commenting. Utilizing the nonprofit organization social media post type schema initially developed by Lovejoy and Saxton (2012), the purpose of this study is to explore and identify the ways top-ranked, nonprofit, regional U.S. higher education institutions use Instagram to communicate with stakeholders and, through application of the consumer online brand-related activities (COBRA) framework (Muntinga, Moorman, and Smit, 2011), identify which types of Instagram communication elicit the strongest consumer response.

UNIVERSITIES' USE OF SOCIAL MEDIA

Consumers, organizations, and businesses have readily adopted social media. More than two billion active users frequent social media sites, enabling firms to connect with a mass audience in a cost effective and simplistic way (Kodish, 2015). Social media enables organizations to engage in social listening, which allows for better understanding of consumers and the opportunity to observe competitors (Newberry, 2018). Through social media, the organization can create brand awareness, improve customer service, build community, and manage their reputation (New Social Media Insights for 2018, 2019). A majority of Americans use social media sites, with YouTube (73%), Facebook (68%), and Instagram (35%) representing the top three sites (Smith & Anderson, 2018). As consumers have adopted this new media, so too have higher education institutions recognized a need to focus on online branding strategies on social media platforms (ComScore, 2013; Stuart, Stuart, & Thelwall, 2017).

In developing social media plans, organizations must bear in mind social media's collaborative nature and potential for fostering interactive communication and strong relationships (Turri, Smith, & Kemp, 2013; Kodish, 2015). Further, they must consider the complexity of relationship building and the importance of engaging in two-way communication with stakeholders on social platforms (Kodish, 2015). The literature suggests universities have used

social media extensively for teaching and learning purposes but fail to use it effectively for marketing (Linvill, McGee, & Hicks, 2012; Stuart et al., 2017). There is a limited amount of research concerning how higher education institutions use social media, however the existing studies indicate higher education institution marketers tend to base their social media activity on instinct and feeling rather than planned strategy which results in oversaturated feeds and little engagement (Peruta & Shields, 2017).

INSTAGRAM

Purchased by Facebook in 2012, Instagram is a social networking site designed for the primary purpose of photo and video sharing. Account holders can include captions with their posts. Users, connected within the network by virtue of various relationships, respond to posts through liking, commenting, saving, or messaging. More than eight million business have an Instagram profile (Cohen, 2017). Approximately 35% of U.S. adults use the platform, but the site is exceptionally popular among those ages 18-24 as 71% of the country's youngest adults use the site (Smith & Anderson, 2018). Snapchat enjoys even greater popularity with this age cohort, with 78% of its members using the site (Smith & Anderson, 2018). College students spend more time on Instagram and Snapchat than Facebook and Twitter, and use the sites with greater intensity that reflects more favorable cognitive and affective attitudes toward the sites (Alhabash & Ma, 2017).

The recent increases in use of photo sharing apps parallels increases and advances in smartphone photography (Rainie, Brenner, & Purcell, 2012; Pew Research Center, 2018). Research concerning consumer information processing offers additional insights useful in understanding consumer investment in image-heavy social platforms like Instagram and Snapchat. Research suggests 90% of information sent to the human brain is visual (Trafton, 2014). The brain can process images 60,000 times faster than text alone (Vogel, Dickson, & Lehman, 1986), making a scroll through an Instagram feed a faster experience than a text-rich feed such as those on Twitter or Facebook. In addition to faster processing, images also are more likely to be recalled as humans remember 80% of images they see (Lester, 2006). Even the pairing of an image with text is useful, as colorful infographics and pictures increase a person's willingness to read by 80% (Green, 1989).

CONSUMER ONLINE BRAND-RELATED ACTIVITIES (COBRAS)

Given the amount of time and intense focus consumers devote to Instagram, there is little question as to whether higher education institutions should maintain a presence on the site. However the existing research offers little to no guidance concerning what types of higher education institution communication generate the strongest consumer response on Instagram.

Utilizing the concept of consumer online brand-related activities (COBRAs), researchers can categorize consumer responses to brand posts on a continuum ranging from consuming (minimal involvement such as viewing content) to contributing (moderate-involvement activities like commenting or liking a post) to creating (high-involvement activities such as producing user-generated content specific to a brand) (Muntinga, Moorman, & Smit, 2011). The higher the level of involvement, the more likely members of a consumer's network are to observe the COBRA. In

effect, marketers that wish to expand their reach and tap into followers' personal networks should produce and post content that elicits moderate- to high-involvement COBRAs.

MESSAGE TYPES

A number of schema have been developed for categorizing brand page posts in social media. At a basic level, appeals are either informational/rational or transformational/emotional (Pluto & Wells, 1984; Pinto & Yagnik, 2016). Tafesse and Wein (2017) proposed a more complicated 12-category schema for social media posts, however – with coding challenges in mind – the authors ultimately recommended the categories be combined to create a simple three-category schema whereby posts were deemed informational, transformational, and interactional. In a study designed to examine nonprofit stakeholder communication on Twitter, Lovejoy and Saxton (2012) identified three key functions of Twitter updates: (1) information, including posts designed to solely to inform via one-way communication concerning events, facts, news, or other information of interest to stakeholders; (2) community, including posts designed to (a) trigger interactive dialogue or (b) strengthen ties between organization and online community without an expectation of dialogue; and (3) action, which includes posts designed to get consumers to do something for the organization. For the purposes of this study concerning nonprofit higher education institution use of Instagram, researchers adopted the Lovejoy and Saxton coding schema.

RESEARCH QUESTIONS

RQ1: For what communicative purposes do American higher education institutions use Instagram?

RQ2: How do American higher education institutions vary in their use of Instagram?

RQ3: Which brand-generated Instagram posts elicit the greatest levels of contribution (reactions, likes, shares)?

METHODS

Higher education institutions were selected from the Best Regional Universities section of the U.S. News and World Report Best Colleges Rankings in March, 2019. Researchers selected the top five private and top five public nonprofit higher education institutions with an institutional Instagram account from each of the report's four regions (South, North, Midwest, and West) for a total of 40 higher education institutions. The researchers completed an initial review of each institution's Instagram site to insure activity had occurred within the first quarter of 2019 and to take note of initial impressions concerning each institution's site usage.

The study will include higher education Instagram posts issued between January 1, 2019 and March 31, 2019. A coding agenda will be developed based on the nonprofit organization social media post type schema by Lovejoy and Saxton (2012). Following coder training, researchers will

code an initial sample of higher education Instagram posts not included in the study. Inter-rater reliability will be determined using Cohen's kappa. If necessary, discrepancies will be discussed and resolved and the process repeated until acceptable levels of inter-rater reliability are achieved. At that time, researchers will begin to code posts included in the study sample. For each post, the researchers will record the institution name, date and time of post, components of post (video, photo, caption, hashtag), and consumer contribution (likes, comments). The post will be coded for its primary communication purpose, meaning that any post seeming to fall into more than one category will be categorized according to the post's primary purpose (Lovejoy & Saxton, 2012).

REFERENCES

- Alhabash, S. & Ma, M. (2017). A tale of four platforms: Motivations and uses of Facebook, Twitter, Instagram, and Snapchat among college students. *Social Media + Society*. <https://doi.org/10.1177/2056305117691544>
- Cohen, David. (22 March 2017). Instagram Now Has More Than 1 Million Monthly Advertisers and 8 Million Business Profiles. Adweek.
- ComScore Inc. Proprietary. (2013). U.S. Digital Future in Focus 2013. 3-46.
- Green, R. (1989). The Persuasive Properties of Color, Marketing Communications.
- Kodish, S. (2015). Cultivating Relationships with Customers: The Social Media Challenge. *Journal of Leadership, Accountability and Ethics*, 12(2), 81-91.
- Lester, P.M. (2006) Syntactic Theory of Visual Communication.
- Linville, D. L., McGee, S. E., & Hicks, L. K. (2012). Colleges' and universities' use of Twitter: A content analysis. *Public Relations Review*, 38, 636-638.
- Lovejoy, K. and Saxton, G.D. (2012). Information, community, and action: How nonprofit organizations use social media. *Journal of Computer-Mediated Communication*, 17(3), 337-353.
- Muntinga, D.G., Moorman, M., and Smith, E.G. (2011). Introducing COBRAs: Exploring motivations for brand-related social media use. *International Journal of Advertising*, 30(1), 13-46.
- New Social Media Insights for 2018. (2019). Tribe Local.
- Peruta, A. & Shields, A. B. (2017). Social media in higher education: understanding how colleges and universities use Facebook. *Journal of Marketing for Higher Education*, 27(1), 131-143.
- Pew Research Center. (2018, February 5). Social Media Fact Sheet. Retrieved from <https://www.pewinternet.org/fact-sheet/social-media/>
- Pinto, M.B. and Yagnik, A. (2016). Fit for life: A content analysis of fitness tracker brands use of Facebook in social media marketing. *Journal of Brand Management*, 24(1), 49-67.
- Pluto, C.P. and Wells, W.D. (1984). Informational and transformational advertising: The differential effects of time. *Advances in Consumer Research*, 11, 638-643.
- Rainie, L., Brenner, J., Purcell, K. (2012, September 13). Photos and Videos as Social Currency Online. Retrieved from <https://www.pewinternet.org/2012/09/13/photos-and-videos-as-social-currency-online/>
- Smith, A. & Anderson, M. (2018, March 1). Social media use in 2018: A majority of Americans use Facebook and YouTube, but young adults are especially heavy users of Snapchat and Instagram. Retrieved from <https://www.pewinternet.org/2018/03/01/social-media-use-in-2018/>
- Stuart, E., Stuart, D., & Thelwall, M. (2017). An investigation of the online presence of UK universities on Instagram. *Online Information Review*, 41 (5), 582-597.
- Tafesse, W. and Wien, A. (2017). A framework for categorizing social media posts. *Cogent Business & Management*, 4(1), 1-22.
- Trafton, A. (2014). In the blink of an eye. MIT News. Reprinted with permission of MIT News. Trends in Enrollment, Completion, Cost and Debt. (2011). Pew Research Center, Washington, D.C. Retrieved from <https://www.pewsocialtrends.org/2011/05/15/chapter-2-trends-in-college-enrollment-completion-cost-and-debt/>

- Turri, A. M., Smith, K. H., & Kemp, E. (2013). Developing Affective Brand Commitment Through Social Media. *Journal of Electronic Commerce Research*, 14(3), 201-214.
- Vogel, D., Dickson, G., & Lehman, J. (1986). Persuasion and the Role of Visual Presentation Support: The UM/3M Study. MISRC-WP-86-11. Minneapolis, Minnesota.

SERVANT LEADERSHIP: A STUDY OF AIR FORCE OFFICERS AND ENLISTED

Robert LaFontaine II, Regent University

ABSTRACT

This study explored the interaction of servant leadership among Air Force officer and enlisted sub-cultures. Since Air Force doctrine clearly states Air Force leaders require an outlook based on service and built from core values, servant leadership provides an interesting lens into Air Force leadership. The population studied were retired and active duty members of the Air Force. To measure servant leadership, the Servant Leadership Assessment Instrument was used. The instrument was sent to the participants using an on-line survey service. Data was analyzed with SPSS 24. Descriptive statistics, simple regressions, multiple regressions, t-tests, and Pearson correlation were used to analyze the data. The enlisted sample had significant relationships throughout the servant leadership model, while the officers had nonsignificant relationships in the humility-vision-empowerment path of the model. Finally, there were no significant difference in the mean ratings on the servant leadership construct between the enlisted and officer sub-cultures.

INTRODUCTION

Leadership and leadership development are important to any organization; however, some organizations make it a key part of their culture. For example, the Air Force (AF) believes it is essential to develop officer and enlisted leaders who believe in service and core values (Air Force, 2011). Nevertheless, there is no one leadership style which has been identified as ideal. In addition, while leadership development is considered important, how is it possible to know if the people being developed feel enabled and confident in their leader's abilities? This study explored AF leadership from a servant leadership perspective in the distinct officer and enlisted sub-cultures.

Servant leadership is centered on the idea of the leader as servant to their followers (Braye, 2002; Dennis & Bocarnea, 2005; Earnhardt, 2008; Greenleaf, 2002; Patterson, 2003; Prosser, 2010). Furthermore, another key characteristic of servant leadership is they are concerned with developing their follows to become better servant leaders. While there has been research on servant leadership in military settings (Earnhardt, 2008), there had not been a cross-cultural study on the differences between officers and enlisted. The purpose of this quantitative survey study was to test the theory of servant leadership and how it relates to in AF officer and enlisted personnel.

SERVANT LEADERSHIP

Servant leadership is a leadership theory conceptualized by Robert Greenleaf (2002). According to Greenleaf, a true leader serves their followers to help them meet their needs and become servant leaders themselves. In addition, a servant leader first feels the need to serve others and then makes a conscious decision to lead. However, a servant leader is more than just serving

followers. The servant as a leader is also concerned with not harming others through their actions. Greenleaf captured this eloquently when he asked, “do they, *while being served*, become healthier, wiser, freer, more autonomous, more likely themselves to become servants? *And* what is the effect on the least privileged in society; will they benefit or, at least, not be further deprived” (Greenleaf, 2002, p. 27)? While Greenleaf provided a sound basis for a leadership theory, he did not operationally define servant leadership in way that could be empirically researched and tested.

While Greenleaf founded the modern theory of servant leadership, other scholars have built on this foundation (Braye, 2002; Earnhardt, 2008; Patterson, 2003; Prosser, 2010). Braye (2002) described 10 characteristics of servant leadership. These characteristics are awareness, foresight, conceptualizations, listening, empathy, healing, persuasion, commitment to growth of others, building community, and stewardship (Braye, 2002, p. 300). Prosser (2010) highlighted what makes a servant leader unique is “that fundamentally it concerns *servants* who lead, not *leaders* who serve” (2010, p. 42). While the servant leadership characteristics of vision, trust, empowerment, and service can fit many types of leaders, it is the softer skills that set a servant leader apart: agapao love, humility, and altruism (Earnhardt, 2008).

Patterson (2003) identified the need to build a stronger construct of servant leadership so researchers could empirically test the theory. Through interviews with servant leadership experts, anecdotal evidence, and organizations with recognized servant leaders, Patterson developed a 7-characteristic construct of servant leadership. These characteristics were agapao love, humility, altruism, vision, trust, empowerment, and service. Furthermore, Patterson (2003) argued the other aspects of servant leadership began from the leader’s agapao love.

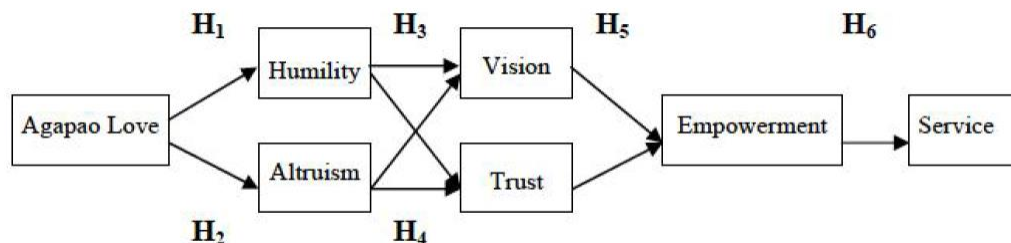
AIR FORCE LEADERSHIP DEVELOPMENT: OFFICER VERSUS ENLISTED

In the AF, the officer ranks and the enlisted ranks are two distinct sub-cultures. Officers are commissioned into service and must have a college degree. In contrast, enlisted Airmen enlist in the service and usually come in with only a high school diploma. In addition, the officer and enlisted airmen have distinct roles, responsibilities, and professional development. Nevertheless, they are bound by the same commitment to serve and abide by the AF core values: integrity first, service before self, and excellence in all we do. Furthermore, the officer and enlisted roles are not about the individual. They are about service, “service to the Nation, the Air Force, and to the unit” (Air Force, 2011, p. 82). Of critical importance is the idea and belief in service. This matches Greenleaf’s (2002) definition of servant leadership, “The servant-leader is servant first ... It begins with the natural feeling that one wants to serve, to serve *first*” (p. 27). Furthermore, the AF must take “a deliberate approach to enlisted force development, which includes career progression with increased levels of supervisory, leadership, and managerial responsibilities” (Air Force, 2008, p. 82). This matches Greenleaf’s (2002) second half of his definition of servant leadership “Do those served grow as persons; do they, *while being served*, become healthier, wiser, freer, more autonomous, more likely themselves to become servants” (p. 27)?

THEORETICAL FRAMEWORK

AF leadership development is rooted in service, values, and leadership development (Air Force, 2011). These beliefs and values are common to both officer and enlisted, however the officer and enlisted forces have distinct sub-cultures. Since AF members are developed in a climate of service and values, there could be a connection between AF leadership and servant leadership. However, since officers are developed differently with a stronger emphasis on strategic level leadership, they could have a stronger connection to servant leadership. Building from the servant leadership model developed by Patterson, Dimitrova (2008) created a series of hypothesis to test the causal relationship of the Patterson's (2003) model: see Figure 1.

Figure 1
Servant leadership hypothesized causal relationship model (Dimitrova, 2008)



To build on this knowledge, Dimitrova's (2008) framework was used to compare servant leadership between officer and enlisted cultures.

Hypotheses related to officers in the AF:

H_{1a}: A leader's agapao love is positively related to his or her humility.

H_{2a}: A leader's agapao love is positively related to his or her altruism.

H_{3a}: A leader's humility and altruism are positively related to the leader's vision for the follower.

H_{4a}: A leader's humility and altruism are positively related to the leader's trust in his or her follower.

H_{5a}: A leader's vision and trust are positively related to his or her empowerment of the followers.

H_{6a}: A leader's empowerment of the followers is positively related to the leader's service to the followers.

Hypotheses related to enlisted in the AF:

H_{1b}: A leader's agapao love is positively related to his or her humility.

H_{2b}: A leader's agapao love is positively related to his or her altruism.

H_{3b}: A leader's humility and altruism are positively related to the leader's vision for the follower.

H_{4b}: A leader's humility and altruism are positively related to the leader's trust in his or her follower.

H_{5b}: A leader's vision and trust are positively related to his or her empowerment of the followers.

H_{6b}: A leader's empowerment of the followers is positively related to the leader's service to the followers.

H₁ through H₆ will be used to empirically answer the following research questions:

RQ₁: Is there a difference in agapao love by culture (officer; enlisted)?

RQ₂: Is there a difference in humility by culture (officer; enlisted)?

RQ₃: Is there a difference in altruism by culture (officer; enlisted)?

RQ₄: Is there a difference in trust by culture (officer; enlisted)?

RQ₅: Is there a difference in vision by culture (officer; enlisted)?

RQ6: Is there a difference in empowerment by culture (officer; enlisted)?

RQ7: Is there a difference in service by culture (officer; enlisted)?

METHOD

This study used a cross-sectional quantitative research design. A questionnaire was created using the Servant Leadership Assessment Instrument (SLAI). Data was collected using the SurveyMonkey website. Data was analyzed using SPSS 24 to statistically determine relationships.

The population for this study was AF enlisted and officers: active duty and retired. The sample was a convenience sample using social media and the military professional organizations. This study received 314 participants. However, 48 participants did not complete the survey, so their data was removed in accordance with the survey instructions. Therefore, there were 266 completed surveys: 187 enlisted and 79 officers. The number of officers versus enlisted who participated in this study is close to the percentage of officers and enlisted in the active duty AF: officer 20% and enlisted 80% (Air Force, 2018).

The SLAI is a 42-item Likert type instrument with 6 items for each of the 7 characteristics identified by Patterson (2003). The response range is a 0-6 scale with “0” being a zero amount of agreement and “6” being the maximum amount of agreement. In addition to the SLAI, demographics were collected. The demographics added to the instrument are highest rank, time of service, gender, age, and highest level of education.

ANALYSIS AND RESULTS

Overall, both the enlisted and officer sample rated their leaders on the high side of each construct. This shows the concepts behind Patterson’s (2003) theory of servant leadership are used and valued by leadership in the AF. In the officer sample the simple regression models were all significant, so H_{1a}, H_{2a}, and H_{6a} were all supported. For the multiple regression models, H_{4a} was significant and supported. However, in H_{3a} humility was not significantly related to vision, and H_{5a} where vision was not significantly related to empowerment. Therefore, H_{3a} and H_{5a} were only partially supported. In the enlisted sample all the simple and multiple regression analysis were significant, so all hypothesis, H_{1b} – H_{6b} were supported. The finding of the t-tests on the research questions found no significant differences between the enlisted and officer sample. The closest construct to being significant was vision with a $p=.09$. Finally, the internal reliability of the SLAI in this study was very high with the lowest Cronbach alpha being .92. In addition, all the intercorrelations were significant at the 0.01 level.

DISCUSSION

In this study, the non-significant relationship between humility → vision → empowerment in Patterson’s (2003) model of servant leadership was the key finding. This did not match past research of the servant leadership construct in a military setting (Earnhardt, 2008). However, while Earnhardt (2008) did find a positive relationship between the humility – vision – empowerment path, Earnhardt found there was a significant difference between the vision construct by rank. This is interesting, because the enlisted sample in this study did have a positive relationship in the

humility → vision → empowerment path of the servant leadership model. In addition, while there was no significant difference between officers and enlisted in the vision construct, the significance of .09 was very close. A new study is needed to explore this finding. A focus group or interview qualitative study could be used to capture the lived experiences and meanings of military members in regard to the humility → vision → empowerment path.

There were several limitations in this study. First, the SLAI is best suited for followers to rate one leader (Dennis & Bocarnea, 2005). However, in this study it was utilized to study the application of servant leadership at a macro level where each participant rated their own leader. This provided a general picture of how the servant leadership constructs were present in AF leaders through the perception of enlisted and officers. These findings could be built upon with more focused studies in the military environment capturing the servant leadership of one leader. Second, this study used both retired and active duty AF members. This resulted in a population that was older and more experienced than the AF average. Furthermore, any findings will be specific to AF members, therefore they will not be generalizable to other populations.

Besides the nonsignificant humility – vision – empowerment progression in the officers, there was strong support for the servant leadership construct in the AF. Both cultures perceived their leaders' servant leadership the same, there was no significant differences between the two. Therefore, leadership development programs could be created to build on the current servant leadership skills, especially in the realm of humility, vision, and empowerment.

REFERENCES

- Air Force. (2009). *AFI 36-2618: The enlisted force structure*. Secretary of the Air Force.
- Air Force. (2011). *Air Force doctrine document 1-1: Leadership and development*. Secretary of the Air Force.
- Air Force. (2018, August 11). Demographics. Retrieved from <https://www.afpc.af.mil/About/Air-Force-Demographics/>
- Barlett, J. E., Kotrlik, J. W., & Higgins, C. C. (2001). Organizational research: Determining appropriate sample size in survey research. *Information Technology, Learning, and Performance Journal*, 19(1), 43.
- Braye, R.H. (2002). Servant-leadership: Leading in today's military. In L.C. Spears & M. Lawrence (Eds.) *Focus on Leadership: Servant leadership for the twenty-first century*. New York, NY: John Wiley & Sons.
- Carroll, B. C. (2013). *Servant leadership theory cross-culturally: A comparative study between India and the United States* (Doctoral dissertation). Retrieved from <http://search.proquest.com/docview/1499825107/abstract/BE40C741FADE4289PQ/1>
- Dennis, R. S. (2004). *Servant leadership theory: Development of the servant leadership assessment instrument*, (Doctoral dissertation). Retrieved from ProQuest Dissertations and Theses database. (Order No. 3133544).
- Dennis, R. S., & Bocarnea, M. (2005). Development of the servant leadership assessment instrument. *Leadership & Organization Development Journal*, 26(8), 600–615. <https://doi.org/10.1108/01437730510633692>
- Dennis, R., & Bocarnea, M.C. (2006). Servant Leadership Assessment Instrument (SLAI): Instrument profile. In R.A. Reynolds, R. Woods, R., and J. D. Baker (Eds.), *Handbook of Research on Electronic Surveys and Measurements*, pp. 336-339. Hershey, PA: Idea Group Reference.
- Dimitrova, M. (2008). *An empirical test of the servant leadership theory in a Bulgarian context* (Doctoral dissertation). Retrieved from <http://search.proquest.com/docview/304805783/abstract/D870E1C18689496DPQ/1>
- Earnhardt, M. P. (2008). Testing a servant leadership theory among United States military members. *Emerging Leadership Journeys*, 1(2), 14–24.
- Greenleaf, R. K. (2002). *Servant leadership: A journey into the nature of legitimate power and greatness* (25th anniversary ed.). New York: Paulist Press.
- Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2010). *Multivariate data analysis* (7th ed.). Upper Saddle River NJ: Prentice Hall.

- Neuman, W. L. (2006). *Social research methods: Qualitative and quantitative approaches* (6th ed.). Boston, MA: Pearson.
- Patterson, K. (2003). *Servant leadership: A theoretical model*, (Doctoral dissertation). Retrieved from ProQuest Dissertations and Theses database. (UMI 3082719).
- Prosser, S. (2010). *Servant Leadership: More Philosophy, Less Theory*. Westfield, IN: Greenleaf Center.

HOFSTEDE & ACCOUNTING IN CHINA AND THE USA

Joshua Sanchez, University of Texas, Dallas
Mohamed Abouelazm, University of Texas, Dallas
Francisco Carrillo, University of Texas, Dallas
Thong Nguyen, University of Texas, Dallas
Mark Chang, University of Texas, Dallas

ABSTRACT

"The United States has had a history of difficulty when it comes to establishing their major businesses in foreign markets. The one country that comes to mind first is China. One of the most significant differences that should be noted is the culture. Culture is most commonly defined as "the sum total of the beliefs, rules, techniques, institutions, and artifacts that characterize human populations." In short, there is a fundamental difference in how the American people and the Chinese people operate. A much easier way of viewing these cultural differences is by using Professor Geert Hofstede's "Culture Dimensions Theory." Hofstede's theory operates on the fact that there are six major culture dimensions that every major country possesses in its capacity, whether or not they are conscious of it. These six culture dimensions include: Large vs Small Power Distance, Individualism vs Collectivism, Masculinity vs Femininity, Strong vs Weak Uncertainty Avoidance, Long-Term vs Short-Term Orientation, and Indulgence vs Restraint. For example, the United States attempted to integrate one of their largest electronics companies, Best Buy, into the Chinese market. One of the first and main obstacles that Best Buy faced with the Chinese consumers were the price of their products. The American company boasted how better their products were and how top notch their customer service is compared to all the other competitors. But one of the many concepts that Best Buy failed to mention is that their trademark does not matter to the Chinese consumers. If they can find a cheaper product of the exact same quality down to its specifications, then the Western advertising becomes meaningless. In other words, Best Buy is no longer the best buy for them. Competitors also managed to manufacture counterfeit versions of the same products which did not help in the slightest. This whole issue stems from Hofstede's culture dimension of "Indulgence vs Restraint." This refers to "a culture's tendency either to allow relatively free gratification of human desires or suppress human drives though strict social norms." If we take a look at the differences regarding this culture dimension then we can see that the United States of America has a score of 68 while China sits at about 24, in terms of overall indulgence. American consumers tend to be more indulgent and will spend more money on products perceived to have premium prices, or at least seen as deserving of an expensive price tag. On the other hand, the Chinese consumers tend to be a little more price-conscious and will pay more attention to how much they are spending before making a purchase. Unfortunately, the lack of product differentiation was not the only problem this company would have to deal with. Kal Patel, Best Buy's former President of Asia & CFO, has been quoted saying: "...in China you cannot make revolutionary change. You have to work at the pace of the Chinese consumer..." A revolutionary change is exactly what they brought into this eastern country. Whenever the Best Buy stores came to China, they wanted to make sure that their presence was known and recognized. As a way to accomplish this, they made sure that their stores looked

identical to the ones back home in the United States. This included the parking, bright yellow colors, and its massive occupation of space. These inclusions did not bode well again for the Chinese consumers. The main reason being that the stores were far too large and took up too much space. One easy issue to point out is the lack of parking. China is already dealing with massive traffic jams and whole other laundry list of problems regarding the road. Take all that into account then it is no wonder why drivers would turn the other way. Chinese consumers also feel much more comfortable with smaller, local retail stores. These are basically stores that have already been perceived as having quality and being close to their homes. Best Buy's giant stores come off as intimidating and already represent a change in the status quo. This plays into Hofstede's culture dimension of "Uncertainty Avoidance." This dimension involves "a society's level of comfort with uncertainty." If we take a look at the differences regarding this culture dimension then we can see that the United States of America has a score of 46 as opposed to China's score of 30, in terms of overall uncertainty avoidance. Strong uncertainty avoidance cultures are far less likely to embrace change and are more likely to "preserve the status quo." In other words, it already seemed less likely for Best Buy to succeed in a country like China considering its culture clashing with the company's Western values. American businesses need to learn or do a more considerable amount of research on the values and cultural differences in China if they plan to succeed in the future."

"When it comes to cultural differences, both the United States and China are two complete opposites of a coin. The way of life in both countries differs complete due to the different customs that are given importance over others. But just as they are completely different, both societies value some similar beliefs as well. When it comes to China, their culture revolves heavily around family. For someone living in China, keeping the family lineage alive and continuing is one of the most important goals to achieve. Due to this, importance is mainly given to having a male offspring, due to strict laws regarding how many children can be born per family. People living in China often consult matchmakers to find a mate and once a woman is married, she is expected to move into the husband's household along with his parents. Although women may not be seen under the same light as their male counterparts in current day China, they are slowly but surely rising to higher and professional roles, so it is just a matter of time before that changes. Since people in China have an economy where political and businessmen live the wealthy life at the expense of those in the manual labor, status symbols are important to show such social class position. Things such as luxury vehicles and expensive clothes are used to demonstrate success.

In the United States, family is a big part of life, but not to the extent of how the people of China see it. In the United States, having family close is important, but the focus isn't shifted onto keeping the family lineage going or moving into in-laws homes, instead it is more focused on a personal happiness type strive. Reproduction is solely the couple's decision, and previous family does not have much say in the decision so having an offspring won't always be guaranteed within the United States. In the United States, women are on equal terms to their male counterparts, whether or not people think so is a completely different topic, but the generalization is that everyone is treated and seen as equal, so there is a way higher chance for success for women within the United States as compared to the country of China. In the United States, both political figures and businessmen also live the wealthy life, but that's not to say that working in manual labor won't lead to success. In the United States, everyone has a chance to become successful, even though some people will have a head-start as compared to others, the chance for success is still there for everybody. Hard work and education is golden within the United States, so success is often said to follow those who strive to succeed in both their education and their dedication. Some people within the United States also focus on status symbols like expensive cars and designer

clothes to show their wealth level, but the majority of people, even those of higher income levels than others within the United States, do not care for such things. Since people have the freedom to do as they please with their lives and become what they desire as well as get the goods they want, the focus shifts to that of the value a person makes for themselves. Sure a group can be very valuable, but for the most part, culture within the United States is more of that towards the individual. " It is important for people to build trust and long lasting relationships with each other before engaging in successful business (Carland & Carraher).

REFERENCES

Available upon Request

HOFSTEDE & ETHICS AMONG ACCOUNTANTS IN CHINA AND THE UNITED KINGDOM

Natasha Murty, University of Texas, Dallas
Rosemary Campbell, University of Texas, Dallas
Steven Nguyen, University of Texas, Dallas
Phu Nguyen, University of Texas, Dallas
Mark Chang, University of Texas, Dallas

ABSTRACT

Looking at Hofstede's 6D model for China and the United Kingdom, we can see the difference in values for the six dimensions between the two countries. By a large margin, China surpasses the United Kingdom in power distance and long-term orientations. The United Kingdom surpasses China in individualism, indulgence, and uncertainty avoidance by a large margin, another large margin, and small margin, respectively. Masculinity is valued equally in both countries. With a score of 35 in power distance, United Kingdom sits in the lower ranking of PDI - this score means that rank social estate and inequalities between people are considerably low. At 80, China sits in the higher ranking of PDI- this shows a high unequally between people, and this is accepted as a normal heritage in their life. At a score of 89 for individualism, the United Kingdom is much higher than China. The British are highly individualistic, and sometimes unequal extend to their hobbies, they are told to find their purpose of the life and enjoying themselves in their private little ways. At 20, China is a highly collectivist culture where people would treat their own interest as a subordination compared with the group task. The Chinese would think they are the part of the group without considering their advantage is being taken and whether their partner is doing the rest of the task well. Both countries have scored 66 in masculinity. United Kingdom is a masculine society-highly success oriented and driven. And the result reflects the fact that the society and culture emphasis on the equality between sexes. The modesty and presented sparingly behavior make foreigners confused about whether they have understood the meaning and this behavior is affected by its British culture to some extent. In China, the masculine term is characterized by some features that the solid traditional role of male achievement, the men would be proud by his children and sacrifice family and leisure time to work, especially in the poor region the men would exerted their power to manual work like crops. At this dimension, uncertainty avoidance, both countries get a low score with United Kingdom and China get 35 and 30 separately. This low score situation means that the British does not care about what brings to them, maybe related to their individual behavior, they do not have to consider the affecting results just like Chinese people. With a score of 51 for long term orientation, United Kingdom is typically western cultures with regards to having a short-term orientation. They are tackling issues in smaller parts and resolving problem as soon as possible, focus more on quarterly goals and quick results. With a score of 87, China is a highly long-term oriented society, their spirit of perseverance and persistent permeates every aspect of the Chinese way of life. It may take a long time to building a reliable and lasting relationship and must keep patient. The Chinese would like to make their money invested in the real state or save their national pension in case of some serious issues happen. Because of their imperfect social security systems and inadequate health insurance,

Chinese people would prefer to the government's function rather than the low LTO countries by the external influences such as God. With a score of 24 in the indulgence category, China is a restrained society. Restrained societies do not put much emphasis on leisure time and control the gratification of their desires. Restrained by social norms and feel that indulging themselves is somewhat wrong. A high score of 69 indicates that the British culture is one that is classified as indulgent. People in societies classified by a high score in indulgence generally exhibit a willingness to realize their impulses and desires regarding enjoying life and having fun. They possess a positive attitude and have a tendency towards optimism. In addition, they place more importance on leisure time, act as they please and spend money as they wish. We can make a quick generalization in the ethnics for both countries. For example, United Kingdom seems to have openness to new opportunity than China considering China's high value in power distance and lack of social mobility, which contributes to the high level of situationism. Therefore, China has a weaker individualism compared to United Kingdom since China tend to work very collective. That collectivism is based on a strong absolutism or belief in absolute principles in political, philosophical, ethical, and theological matters. All in all, both countries possess unique set of values that can serve as a double-edge sword depending on different perspective compared to the rest of the world.

" China has a lot of respect for superiors built into their culture and this is easily reflected in the acceptability they have for power distance. Lower level employees are happy to do their job and all it entails without challenging the manager or superior co-worker. In the United Kingdom, on the other hand, accepts more questions from subordinates and requests for more or less power to be distributed between levels which can allow the levels to be closer. Hofstede analyzes power distance, as well as 5 other dimensions and quantifies them and for this, there is a difference of 45 Hofstede points between China and the UK. At 80, China's score is high and at 35, the UK is medium to low. This wide gap is indicative of how shocking it may be for someone to enter the workforce from one country to the other. China would be more group-centric, and more absolutist than situationist or individualist, but do not want to cause others harm. China is very collectivist and would be very collaborative with their groups in their workplace and very prideful that their team is the best, and when promotions or positions are available, those who are more directly related or already incorporated in the group is most likely to get the position. The UK is dramatically opposite, yielding a 69-point difference on Hofstede's scale, which means they are more embracing of individualism. UK citizens are taught from a young age to think for themselves, and about themselves as they can contribute on their own personal and professional records. UK citizens value what they have, what they can do, and will take risks for their own gain. Both China and the UK are very private people. Curiously enough, China and the UK score equally in masculinity at a medium score that leans more masculine. Coupling this with being private, this means what is said by someone out loud is not all that is in the message and that there is still a drive to compete and achieve in both societies; however, due to the difference in power distance, UK citizens will not be afraid to stand out, whereas Chinese citizens would rather succeed as a group. Chinese citizens will sacrifice personal leisures and even being around family, which is unfortunate considering how close-knit their family values are, but this is because it is more important to be successful and financially support the family. Indulging in leisurely family time, or other desires, could be looked down upon or thought of as slacking in Chinese society because being productive and saving money is more valued than indulging. This can lead to pessimism, cynicism, and a feeling that this is a restraint by social norms. Chinese scores low in indulgence, but the UK scores high which means the value is put on enjoying life and having fun even if it

means spending money without restraint. Both the UK and China score low in uncertainty avoidance which means that they both don't mind not knowing what is coming, but due to the other characteristics paired with the countries, each country handles this differently. In the UK, due to high masculinity, there is an end goal set, but there is uncertainty in the journey of how that will be accomplished. Also, because they are a very individualist culture, being different is encouraged and seen as creative, which makes indulging easier and consumerism high. In both cultures, following the rules that do exist, is very important, but in China, everything else is interpretive. Their language is as adaptable as their entrepreneurial spirit and in their businesses, considering their power distance, most of them are family owned and/or run. Chinese citizens really set themselves up for success in this category, which they highly value, by saving money for the future without spending frivolously on indulgences, looking for thrifty deals, adapting traditions and values to modern times and situations so they can succeed and approaching new situations pragmatically. The UK scores almost exactly at the middle which means they split the difference. This could be due to valuing success, but spending their money to indulge, keeping old traditions alive and are skeptical of change, but will do so when need be in education and business." It is important for people to build trust and long lasting relationships with each other before engaging in successful business (Carland & Carraher).

REFERENCES

Available upon Request

HOFSTEDE IN CHINA & THE USA AMONG ACCOUNTANTS

Yi Lui, University of Texas, Dallas

Min Zou, University of Texas, Dallas

Xayra Balicante, University of Texas, Dallas

Sean Haas, University of Texas, Dallas

Mark Chang, University of Texas, Dallas

ABSTRACT

The definition of culture includes beliefs, values, customs, and knowledge, etc. China has five thousand years of culture and history compared to the United States which is a multi-ethnic country there having only about 200 years of history. The cultural differences between China and the United States are huge. These differences are an obstacle to communication and understanding between the two countries and are complex and multifaceted. These two cultures also show differences in how individualism are treated. Research from the Hofstede Insight 6 D, at a score of 20, China is a highly collectivist culture where people act in the interests of the group and not necessarily of themselves. In-group considerations affect hiring and promotions with closer in-groups (such as family) getting preferential treatment. Employee commitment to the organization (but not necessarily to the people in the organization) is low. Whereas relationships with colleagues are cooperative for in-groups, they are cold or even hostile to out-groups. Personal relationships prevail over tasks and company loyalty. Building relationships have an important role in Chinese culture. Chinese culture advocates collectivism. Chinese trusts each other, unity and cooperation. In measuring individual behavior, often based on moral principles, attention is paid to the maintenance of harmony and group interests. It is very different from American culture. Americans advocate personal freedom, emphasis on personal potential of the individual and the realization of personal goals and the pursuit of personal interests. In the United States, while there are many mutually beneficial relationships, there is still a great importance placed on personal interests and freedom, and personal self-awareness remains strong. According to the Hofstede Insight 6 D, Power Distance is defined as "the extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally." China has a high rate on the Power Distance scale and the United States has the low rate on it. In China, employees cannot deny or refuse jobs assigned by their bosses. The opposite occurs in the United States. The employee can go against their bosses when they disagree." Nonverbal communication of China and the United States also differs greatly. First, Chinese are not good at using body movements to express friendliness and closeness between people, such as hugging and kissing. In American culture, between parents and children, brothers and sisters and friends, a hug and a kiss are not uncommon. Second, in the United States, when people communicate with each other, it is important to look each other directly in the eyes. We always hear that you should never trust a person who can't look you in the eyes. In China however, it is considered a form of showing modesty or respect to deliberately avoid staring at each other's eyes. Again, the Chinese and American perspective on space distance has quite different requirements. Most Americans are not willing to speak standing too close together. They always keep a certain

distance. Moreover, in elevator, bus or train, Americans crowded together do not like being so close while this is an acceptable condition for Chinese people. Chinese have a considerably smaller personal space than Americans.

Countries like the United States and China are very similar in many ways also very different in others. Even on the basis of fundamentals like Hofstede's 6-dimensional model and ethics, they both have their similarities and differences. Both countries have completely opposite opinions on dimensions such as power distance, individualism, long term orientation, and indulgence. But they do have similar views on masculinity and uncertainty avoidance. The values of the ethics of Don't Harm Others, Absolutism, Situationism, and Individualism are all shared by both countries in different ways. Each aspect play a part in Hofstede's model to showcase the dynamics of each country. Power distance refers to the extent of the hierarchal differences within an organization and how power is distributed. China believes that inequalities amongst people are acceptable. The United States on the other hand sees everybody with uniqueness that makes everyone have a certain power that they hold regardless of the rank and status. Individualism is the degree of interdependence among people and how they view themselves and those around them. China is seen as a highly collectivist culture where there is a huge emphasis on groups and family, and relationships prevail over tasks and company. The USA is a very independent in nature environment. Everyone is looking out for their own best interests and be self-reliant with shallow relationships. Masculinity is a dimension where success is defined by being the best in the highly competitive field. In both countries, they are driven by success and achievement. Uncertainty Avoidance is the extent to which they react to change and risk. The ambiguity is comfortable to China and in tying with the ethics of Absolutism, deciding what is intrinsically right or wrong, and Situationism, how its contextually dependent on the circumstances, they see truth as relative, flexible, and dependent on the situation. They don't see a one single right or wrong way to handle circumstances, instead adapting to it. The US is similar in the sense that they are accepting and tolerant, allowing certain degrees of freedom. Long Term Orientations is how society views the past in dealing with the present and future. China scores on the more pragmatic end of the spectrum. They can adapt traditions easily to changed conditions with ties back in with the Situationism and absolutism ethics point. They see the truth as dependent on the situation. Here is where the US differs greatly. Americans have a strong idea of what is wrong and right, good and evil. In the long term, the choices and judgements they make usually unless convinced otherwise. Indulgence refers to how people in a society see and try to control their desires and impulses. China scores low which shows that they are a restrained society where they don't show a strong emphasis on leisure time and gratification. The restrained aspects are controlling their desires and being quite cynical about it all. The united states on the other hand has a high level of indulgence. Americans love to indulge and have fun, but also work hard. Enjoying oneself isn't looked down upon and even highly encouraged with improving company cultures to attract the younger demographic to a "fun" workplace. This ties into the ethics of Individualism, or the moral worth of the person, because they value the society's desires and do little to hide it. They see the importance of how fun and indulging adds to the value of the person.

Differences in Socio-cultural Norms and their Effect on Ethics as Measured by Hofstede-Insights and the Forsyth Ethics Position Questionnaire: The United States and China Based on data from Hofstede-Insights there are significant socio-cultural differences between The United States of America and China. These differences are apparent upon scrutiny of numerical scores encompassing six different categories; Power Distance, Individualism, Masculinity, Uncertainty Avoidance, Long Term Orientation and Indulgence (Country Comparison 2018). The different

importance placed on these categories lead to differences in ethical beliefs across the two societies, as seen in data from the Forsyth Ethics Position Questionnaire. This paper will briefly discuss the differences in country scores shown in the Hofstede data and the resulting information on ethical beliefs. The first Hofstede category is power distance, in which the United States scores 40 and China scores 80. This difference speaks to different levels of societal acceptance for hierarchical structure and the power dynamics between individuals within that structure. The United States' score under 50 alludes to greater preference towards power being disseminated throughout multiple levels of the structure. In comparison, China's score of 80 alludes to preferences towards a concentration of power within the upper echelon of the societal hierarchy. More specifically, this speaks to a belief that inequality across different classes of the society are acceptable, however this is very different from the more egalitarian views held by the United States. These differing levels of power distance have direct implications for interpersonal interactions within organizations, especially in the decision-making process. Individuals in China would likely be uncomfortable if prompted to make a decision that they feel lies outside of their rank within the power structure; whereas in the United States such a situation would likely be preferred. This difference in power distance has implications for ethics within organizations, as individuals scoring higher in power distance are more likely to face ethical pressures to conform to rules and regulations (Tian and Peterson 2016). While this research is limited in its scope to encapsulate accounting managers, the broad trends can be extrapolated across wider swaths of the population, as individuals in China who occupy a decision-making position within the hierarchical structure are more likely than their American counterparts to exhibit ethical behavior around business decisions. The second Hofstede category is individualism. Scores in this category allude to societal beliefs towards the value of the individual versus the collective group. The United States and China score 91 and 20 respectively. This stark disparity speaks to vast differences in societal value placed on individual success compared to that of the group as well as socio-cultural norms concerning self-reliance. Specifically, the United States score speaks to high levels of individualism, whereas China's score speaks to high levels of collectivism. This has implications for interpersonal relationships, as individuals in China are likely to place greater importance on groups that are seen as taking care of their own. The ties to these groups overpower the ties employees otherwise feel towards their employer or set of tasks. This lies in contrast to societal beliefs in the United States, which is far more individualistic, that place emphasis on caring for one's direct family rather than members of any social group. The disparity between the United States' individualism and China's collectivism manifests itself in the societal view on the role of ethics in organizations. The United States tends to prefer to utilize ethics in a way that promotes the success of the individual whereas China tends to view ethics as a tool to promote harmony and stability across the collective group. The third Hofstede category is masculinity or femininity, which ties in closely with the individualism aspect described above and measures what society believes motivates people. The United States and China score 62 and 66 respectively, meaning that both societies favor a focus on competitive success over caring for others. These manifests itself in societal norms that favor a meritocratic organizational environment. This focus on work-related success lends itself to individuals in both countries sacrificing personal or leisure time to perfect their work. In the United States, a culture of "winner take all" prevails, under the belief that a certain level of conflict is constructive towards progress and individual success. Masculinity has been found to be negatively correlated with ethical decision-making in business (Sholtens and Dam 2007). This means that countries scoring higher in the masculinity range, and further away from the femininity range, tend to exhibit less ethical behavior. In this regard, the United States

and China are fairly equal with similar masculinity scores. However, as previously mentioned the exact way that each society views ethics in business differs greatly. The fourth Hofstede category of uncertainty avoidance deals with the degree to which members of society feel the need to follow strict cultural guidelines and adhere to such norms. The United States and China score 46 and 30 respectively. This means that both countries tend to view pragmatism and flexibility within rules and regulations as a key facet of life. Specifically, this lends itself to a greater acceptance of new ideas and concepts that may challenge preconceived societal notions. However, when this dimension is viewed with the following dimension, long term orientation, taken into account such pragmatism in the United States is less likely. Additionally, uncertainty avoidance has been found to positive correlate with ethical business decisions (Sholtens and Dam 2007). As such, the initial inference would be to say that businesses behave more ethically in the United States due to their higher score for uncertainty avoidance; however, such a broad inference does not encapsulate all of the facets of either business behavior or ethical considerations. Therefore, the more accurate conclusion to draw would be to say that upon taking all Hofstede dimensions into account, individuals hold different views of what is or is not ethical between the United States and China. The fifth Hofstede category of Long Term Orientation deals with the way that members of society deal with cultural change. The United States and China score 26 and 87 respectively, showing another stark contrast in socio-cultural norms between the two societies. China's high score means that individuals in the society are socially adaptable and willing to accept new ideas that challenge long-held traditions and beliefs. In comparison, the United States is far more unyielding in holding onto traditions and beliefs. Additionally, societal views in the United States are based upon a commonly held belief in morality, concerning general ideas of "good" or "evil"; which then directs many of the societal beliefs. In contrast, individuals in China take a more situational view to such ideas of morality, which may make them more adaptable to new ideas. Long term orientation clearly has ethical implications, as the commonly accepted views on morality in the United States underpin many societal views concerning right and wrong. The Sixth and final category of Hofstede data, Indulgence, deals with the way in which members of society control their personal desires. The United States and China score 68 and 24 respectively, again showing another stark contrast between the socio-cultural norms of these two societies. This disparity in scores indicates a difference in societal norms for the value in personal luxury or leisure. The United States is considered an indulgent society, meaning that individuals are much more likely to take vacations or personal time from work. In comparison, China is a far more restrained society, meaning that individuals are more likely to forego personal luxury or leisure due to feelings of social pressures against such actions. Reviewing the aforementioned data points, it becomes clear that the United States and China exhibit differing but not entirely foreign socio-cultural norms. With similarities found in the categories of masculinity and uncertainty avoidance, both cultures value competitive environments and are willing to accept new ideas. However, the differences found in power distance, individualism, long term orientation and indulgence illustrates societal differences in how individuals in these societies view the social hierarchy, the value of the individual versus that of the collective, and the importance placed on personal wants and desires. It is important for people to build trust and long lasting relationships with each other before engaging in successful business (Carland & Carraher).

REFERENCES

Available upon Request

HOFSTEDE'S CULTURAL DIMENSIONS & ETHICS AMONG ACCOUNTANTS IN CHINA & THE USA

Mohammad Elashi, University of Texas, Dallas

Natalie Nguyen, University of Texas, Dallas

Sarah Kraman, University of Texas, Dallas

Chloe Chen, University of Texas, Dallas

Winona Deng, University of Texas, Dallas

S. Haas, University of Texas, Dallas

ABSTRACT

Hofstede's 6-dimensional model and ethics between China and United States. The cultural distance between China and United States has a significant impact on ethical position. We will use the Ethics Position Questionnaire of Forsyth (ethics) and the Hofstede's model (culture) to compare and contract. The Ethics Position Questionnaire of Forsyth makes decisions based on relativism, idealism, and the Hofstede's Model describes the effect it has on different cultures. The Hofstede's Model is about the decision making in international business is different depends on different culture. Power distance in China is much higher than the United States. In China, the inequalities culture between people are accepted. The relationship between superior and employee is influenced by formal authority. The United States tends to be more individualistic, while China is collective. The reason is because it depends on the type of government. In China, the employee is acting on the group's interest. They are really cold with another group in the company. The personal relationship is an advantage over the task and companies. ". "American managers are more loyal to their ethical beliefs, rather than to their superior's or company's ethical beliefs. While eastern Asian cultures focus more on the importance of acting in the best interests of the company's superior." In addition, masculinity is the distribution of roles between men and women. In masculine societies, the men have the right to say and act more than women. Otherwise, there is a great overlap between men and women's role in feminine societies. The US and China are almost on the same scale in masculinity. So, it's really important to build a good relationship with managers and other employees. Their uncertainty avoidance ability in the US is low because they tend to give opportunity for creativity and being flexible. In the other hand, China tends to follow the rules. Long term orientation is "describes how every society has to maintain some links with its own past while dealing with the challenges of the present and future, and society's priorities these two existential goals differently." In China, they make the decisions based on the context, situation, and time. Moreover, they score high on Indulgence, which mean US society tend to enjoy personal life more than being affected by others. "The individual systems of morality guide have an influence on decision making and behaviors of an ethical nature." According to Donelson R. Forsyth, the four dimensions are situationism, absolutism, subjectivism, and exceptionism. First of all, situationism is for the people with highly relativistic and idealistic. They try to get the best consequences, but sometimes is determined by surrounding circumstances. Second, absolutism believe that people should follow the moral rule yield positive consequences. Third, subjectivism is where the choices are based on personal considerations. It depends on personal point of view

to determine the actions are morally good or bad. Child labor is one of the examples in China. They are allowed child labor in China but child labor is restricting for the US. It is dangerous for a child to work in a hazardous working condition. Some businesses in China are really unethical because of the unsafe working conditions, forced labor, and low salary wage. In China family, father and son are the head of household and have the right to control everything within the family. The face is significant and has a huge impact on the business world. Many people have suicide because they couldn't attend college. Last, exceptionism is people support "moral rules as guides for action, but they will make exceptions if necessary. US is in exceptional club and is different from other countries. For example, the US invasion of Iraq because of the violation, or the US attacked Pakistan and killed Osama bin Laden. In the business world, some companies become unethical because of the competition and profit. For example, using cash payment to avoid paying tax or giving gifts. In the end, the cultural between USA and China impact company and individual ethical decision-making. So, it is important to understand the culture and ethic of each country in order to success. One way is legal in this country, may be illegal in another country. "The study also found that it is extremely important for foreigners to build a relationship with Chinese business professionals before they do business negotiations." For that reason, it is always good to learn the culture to be a successful global manager.

United States vs China Hofstede's 6 dimensions & 1. Don't Harm Others 2. Absolutism 3. Situationalism, and Individualism. The United States (US) and China do not share many common values or ways of life. According to Hofstede, they vary significantly in almost all aspects with masculinity being the exception. To speak about individualism and these two countries, it is easy to look at the six dimensions and see the stark contrast between the two countries. China with a low score of 20 and the US with a high score of 91. It is clearly shown that the US values an individualistic society while China values group orientation. This ties to absolutism. China places a strong value on absolutism because that has some influence from group orientation. For example, there was a time not long ago where the Chinese government mandated that families only have one child. This the acceptance that the government was the absolute power and they must do as they say. In the US, this is not the case. There are so many protests and opinions on social media because people disagree with legislation or the President's opinion. Furthermore, in the US situationalism is common. Meaning people believe certain situations warrant different ethics or behaviors. We see this with the indulgence scores. The US scored a higher 68 while China scored a lower 24. There is a wide variance of how people in China feel they should behave ethically is all situations vs the US. For example, Eron and Worldcom. It is blatantly obvious ethics were not asserted in these companies. China doesn't have major scandals like this because they across the board don't indulge into their own wants, they focus on the needs of the organization and society as a whole. The US has gotten into debt, people go to jail, marriages are at a 50% divorce rate... all because people choose themselves over the society/group/family as a whole. There is also a relationship between situationalism and power distance. In China there is a wider gap between employees and management than in the US. Keeping employees doing just their jobs versus involving them in management decisions keeps them from making decisions that would harm the group or organization. This also keeps them believing in their superiors and what they mandate. Finally, don't harm others can tie to long term orientation in the sense that people believe it is okay to make decisions that hurt an individual if it is in the best interest of the future. China and the US scored 26 and 87 respectively. Again, we see the belief in China that strong morals and ethics are prevalent. There aren't as many situations in China that they approve of hurting an individual as there are in the US. The US is much more individualistic as previously

discussed, therefore again looking at the history of fraudsters in the history of the US that clearly believed it was fine to take other's life savings if that meant they got rich quick. There are so many discussable differences between the two countries that it is hard to grasp all the information but don't harm others is a noticeable and strong one to keep in mind.

"Hofstede's 6D model considers 6 fundamental issues that a society needs to understand to have an organized society. Each society has unique dimensions of culture. The first issue is individualism, individualism is the individual choices and decisions expected. China is a highly collectivist culture where people act for the interest of the group rather than the individual. Personal relationships are valued in China's society. While compared to the United States, the US has a high level of individualism and is loose-knit. In the workspace, the US tends to be self-sufficient rather than relying on authority. Power distance is the extent when the less powerful members of society accept that power is spread unevenly. People with a large degree of Power Distance accept the hierarchical order and everyone has their function in society. In China, the society believes that inequalities amongst people are acceptable and society does not have aspirations to climb up the ranks. However, in the US, powerful people have the ability to influence other ideas and behavior. Masculinity between these two countries are similar meaning the society is driven by competition, success, and have a value system. While Femininity is the preference for caring and cooperation for the quality of life. Both countries are goal driven and will prioritize work. In China, the Chinese are very comfortable with ambiguity causing them to be adaptable and entrepreneurial. Chinese society does not feel threatened by ambiguous situations. China also has an extremely pragmatic culture to prepare for the future. As a result, people are flexible to altering conditions and are thrifty. Compared to the United States, China has a lower indulgence level. China is a restrained society and are usually pessimistic. Societies like these do not enjoy leisure time and are able to control gratification of their desires. Americans tend to not be pragmatic and tend to strive for a quick result in the workplace. The society in America is a indulgent and have a relatively weak control over impulses. Many Americans go by the phrase work hard play hard. This dimension can also be seen with the current drug situation within the United States. " It is important for people to build trust and long lasting relationships with each other before engaging in successful business (Carland & Carraher).

REFERENCES

Available upon Request

HOFSTEDE & ETHICS: FINANCIAL ACCOUNTANTS IN CHINA & THE USA

Andres Lau, University of Texas, Dallas
Teddy Ladd, University of Texas, Dallas
Harrison Herd, University of Texas, Dallas
Saimanoj Putlur, University of Texas, Dallas
Janel Maranca, University of Texas, Dallas
S. Haas, University of Texas, Dallas

ABSTRACT

"Introduction Geert Hofstede established a six-cultural dimension theory which is a framework for cross-cultural communication that is used to distinguish one country or culture from another. A society's culture revolves around interrelated beliefs, rules, techniques, and values which distinguish the population. These different dimensions include the power distance index, individualism versus collectivism, masculinity versus femininity, uncertainty avoidance index, pragmatic versus normative, and indulgence versus restraint. Also, cultural behavior has a strong correlation with the ethics and values a country possesses. Donelson R. Forsyth created the Ethics Position Questionnaire to measure moral thought based on four dimensions. The four dimensions are do not harm others, absolutism, situationism, and individualism. When comparing the United States to China, it can be seen how distinct and different the countries are. Power Distance The power distance dimension measures the magnitude to which members of a society expect power to be distributed unequally. One of the primary differences between the United States and China is the way people view others when it comes to management roles, which is estimated using the power distance index. China, with a high score of 80 strongly believes that inequalities are accepted among people. When doing business in China, it is necessary to be familiar with the ranks of business partners and colleagues in order to avoid offending someone. Seniority, age, rank, and title are notable and recognized which creates a hierarchical order among business and family. Moreover, with inequalities being accepted, employees are assumed to appreciate their ranks and search for directions and answers from those above them. Societal pressure causes employees to refrain from achieving a higher rank which can harm the company and the employee if they possess the knowledge and ability to be promoted. In China, it is preferred to keep the businesses and employees within the family which also makes it difficult for other employees to move up in rank. However, the United States ranks 40 on power distance which titles them a low power distance environment. In low power distance counties, people seek less control and consider themselves more equal. Leadership is less of a governance and is used more for review and consult. They believe ranks should be recognized but also believe there can be communication among ranks and the aspiration to move up among ranks. Individualism vs. Collectivism The individualism-collectivism dimension measures the degree to which people in a specific culture are mutually reliant on groups. According to Hofstede Insights, China scored a 20 on individualism which is relatively low and labels them a collectivistic society. Those in a highly collectivistic culture prefer to be in groups that will look after them in return for loyalty. The society desires to have close and

long-term relationships with groups of people. In a collectivist culture, a person's self-image is defined in terms of "we". Loyalty is also vital in a collectivist culture. In this type of culture, everyone within a group takes responsibility for fellow group member's actions. Also, China believes in building a personal relationship before conducting business. America, on the other hand, is known as one of the most individualistic cultures with a score of 91. The society is loosely connected and people are expected to look after themselves. Strong relationships and friendships are not common and people interact frequently with people they do not know. In an individualistic culture, a person's self-image is defined in terms of "I". In business, employees are to rely on themselves and display their own initiative while being rewarded for their independence. The hiring and promotion process is based on what a person can do and their individual quality. Because of the strong variations in individualism and collectivism, if Americans were to conduct business in China, it is important for them to manage the group, not individuals. They must also be patient in building an honorable and personal friendship before conducting business.

Masculinity vs. Femininity The masculinity-femininity dimension describes the distribution of roles among genders. Masculine societies are considered to be assertive while feminine countries are more caring. China has a relatively high score of 66, which marks them as a more masculine country. They tend to be more motivated by the sense of competition than wanting to do something backed by passion. The US also scores relatively high with 62 which makes them a masculine society. This means both countries are driven by achievements, success, and competition. Winning and being the best is what compels them to do well and is the primary motivator at work. Also, showing one's success and bragging is a norm among masculine societies.

Uncertainty Avoidance The uncertainty avoidance dimension describes a society's level of comfort with uncertainty and ambiguity. It revolves around the way a society approaches the circumstance that the future is unknown. China, with a low uncertainty avoidance rank of 30 allows them to not be bothered by ambiguity, it has little to no impact on them. They realize the importance of being adaptable and see it as a competitive advantage. They also feel very comfortable with their decisions and base decision making on time, context, and the situation. The United States is also considered a weak uncertainty avoidance culture with a score of 46. In weak uncertainty avoidance cultures, change and differences are not considered a threat but are understood as possessing positive qualities. They anticipate innovation, press modernism, encourage risk-taking, and support career change. Members of a weak uncertainty avoidance culture are known for accepting new ideas and trying new things while being tolerant of other's ideas and opinions. In the business world, rules and security are of less importance and the structure is considered more unbound. They make sure to implement new laws as they seem necessary but remain open to new ideas.

Pragmatic vs. Normative The pragmatic vs. normative or long-term vs. short-term dimension measures how a culture manages challenges of the present, future, and the unexplainable. China is one of the most pragmatic or long-term cultures with a score of 87. Pragmatic societies are less concerned with understanding the absolute truth and believe life is a complex process. As a Confucian ethic based society, China believes in living a harmonious and virtuous life based on good ethics and traditions. They believe in saving and persevering which means they will continue forward with something they feel deeply about even if it has brought them challenges or lack of success. In being pragmatic, South Korea is concerned in the long-term growth of their companies and the future generations of their country. They prefer to focus on education and steady market growth and do not concentrate on the quarterly profits. They care more about their stakeholders, the society, and future generations. Decisions are also based on the situation and time. Contrarily, America scores low with 26 which brands them a normative or

short-term society. They aspire to identify and analyze the absolute truth. In business, American's are likely to fact check and be sure all information is true and accounted for. American companies strive for quick results and stability. They are more likely to measure results based on short-term measurements such as quarterly profits. Americans doing business in China would have to overcome these cultural differences with patience, trust, and respect. It is critical that they do not show impatience while trying to advance quick results in gaining business with China because it will mark them as dishonorable. Moreover, because China stresses honor and loyalty, if an American businessperson showed they distrust their possible South Korean business partners it could cost them the deal.

Indulgence vs. Restraint The indulgence vs. restraint dimension defines a cultures propensity to either permit comparatively free gratification of human desires and impulses or subdue and control the human urge through strict social standards. China has a low score on the indulgence scale of 24 which makes them a society of restraint. As a restraint culture, they do not emphasize leisure time and put effort towards establishing order and structure. Chinese workers are more motivated by money and working overtime than time off for vacation. They have strong self-control over the satisfaction of their desires. They also believe indulging is wrong and dishonorable. Restraint cultures are also more pessimistic which means they doubt the truth, expect the worst to happen, and believe others are motivated by egocentricity. Adversely, the United States scores a 68 on indulgence which makes them an indulgent society. As an indulgent society, they believe they have self-control over their lives. Some may say they are immoral or have weak constraints over their desires. The US enjoys leisure time and gains satisfaction from fulfilling one's desire. While conducting business in China, Americans must portray themselves as having self-control whether it is in making a decision to play golf or attend business a meeting or indulge in a large unhealthy entre with multiple alcoholic beverages at a business dinner. If they decide to display their lack of personal control, it could cost them their partnership with China because they may consider them a disrespectful and inferior colleague.

Ethical Positions Ethically, absolutists believe in acting in ways that will yield the best moral outcome. China has little corporate governance or legal protection for their shareholders. They also view bribery, corrupt payments, and gifts of money favorably. Even though bribery and monetary favors are unethical, it does not keep China from taking part in them which means they are not a country of absolutism. In the United States, there are laws and regulations to attempt to keep business and political affairs fair and less corrupt making them a more absolute country. Moreover, China being a high power distance country harms others because it prohibits their ability to exceed higher in a company which ranks China low on the ethical position of do not harm. America, on the other hand, pushes their employees to excel in the workplace so they benefit more financially and personally. Individualists believe that ethical choices are based on personal consideration and individual values. China is a collectivistic society meaning their ethics are based on group consideration, values, and emotion. America is a highly individualistic country which also means they primarily consist of individualistic morals. Situationists believe in securing the best outcome for all concerns even if it may violate rules of right and wrong. Both China and America are situationists based on the fact that both countries have a low rank in uncertainty avoidance. They both accept uncertainty and will analyze decisions and situations to determine the most beneficial outcome and decision."

In terms of ethical solutions to a firm's strategic issues, China and the United States of America have both similarities and differences in the way each country's culture manifests in business decisions. Hofstede classifies cultures according to six different criteria: power distance, individualism, masculinity, uncertainty avoidance, long-term orientation, and indulgence. China

and the U.S. vary drastically in several of these dimensions, which may contribute to the differences between these countries' business environments. When it comes to power distance, China scores an 80/100, while the U.S. scores a 40/100. This means that there are more rigid hierarchies within the Chinese culture than within the U.S., which may lead to a more unquestioning deference to superiors in China than in the United States. This may affect the business environment of each country, with China more likely to have formal and autocratic business leader roles than in America, which is more likely to have accessible and informal leaders.

For Individualism, China scores a low 20 out of 100, while the U.S. scores a high 91 out of 100. For China, this means that there is a high degree of interdependence that it maintains within its society, which is displayed throughout China. China has a highly cooperative attitude among its citizens, with the Chinese people doing whatever it takes to bolster its own people over the those of foreigners. This may be one of the reasons why foreign companies run into intellectual property issues in China, where counterfeits and copy-cats are widely available. In America, there is a high degree of individualism, which leads to a more self-reliant attitude, and success is more likely to be tied to merit, rather than personal relationships.

China and the United States have differences among their cultures yet share some similarities more than they think according to Hofstede's country comparison values generator. Some values where they differentiate are power distance, individualism, long term orientation, and indulgence whereas they're most similar in terms of masculinity and uncertainty avoidance. In terms of power distance, it states that China acknowledges that not everyone is considered equal. Those that are higher among the ranks are more superior and individuals accept it. It means that those that are lower ranked are likely to consult with their superior before making any decisions. On the other hand, US citizens feel as though everyone is unique and it states that everyone is unequal for that reason. The US wants their voices heard, regardless of the power or position an individual has in the company. This can be beneficial in business because one person may have ideas and present it to their superiors whereas it states that those that are in lower positions are "trained" to be less ambitious. Individualism is the category where China and US are most different. When countries are lower in the individualism category, their culture is known to be more of a collectivist society – meaning they belong in groups. According to Hofstede, China is more collectivist meaning their society likes to do things in a group setting. This can mean doing the decision making process together in business and getting to know their peers more. The US in the other hand are more of an individualist society. It states that they only care for their families opposed to everyone which can lead to the lack of deep relationships. It also states that US isn't shy when approaching others they don't know in comparison to China – China feels more closed-off when working with someone new. China ranks higher in the uncertainty avoidance opposed to the US. China uses their traditions to make decisions but are able to adapt to any new changes that are needed. US on the other hand, according to Hofstede, is ranked below average and states that US is more open to the idea of newness and innovation. In fact, US strives on innovation and feel as though it leads to becoming more successful. In terms of business, US are more acceptable with working with others or working on/with something different. China is less likely to work with someone different unless they're able to develop a relationship with them since they're a collectivist country. They value friendships and getting to know others as well as keeping their traditions the same unless it calls for ambiguity. It is important for people to build trust and long lasting relationships with each other before engaging in successful business (Carland & Carraher).

REFERENCES

Available upon Request

HOFSTEDE AND ETHICS AMONG FINANCIAL PROFESSIONALS IN CHINA AND THE USA

John Laplatney, University of Texas, Dallas
Silbiya Rana Karki, University of Texas, Dallas
Edrianna Norment, University of Texas, Dallas
Jason Huber, University of Texas, Dallas
Awaz Weysi, University of Texas, Dallas
S. Haas, University of Texas, Dallas

ABSTRACT

While doing Hofstede's 6D model comparison between China and Ukraine; there was very less difference between in the power distance; China was in 80 score whereas Ukraine was in 92. Chinese society believes that inequalities among people are acceptable. The subordinate-superior relationship tends to be polarized and there is no defense against power abuse by superiors. Individuals are influenced by formal authority and sanctions and are in general optimistic about people's capacity for leadership and initiative. People should not aspire beyond their rank whereas Ukraine, scoring 92, is a country where power holders are very distant in society. Being the largest country entirely within Europe and being for almost a century part of the Soviet Union, Ukraine developed as a very centralized country. The discrepancy between the less and the more powerful people leads to a great importance of status symbols. Behavior must reflect and represent the status roles in all areas of business interactions: be it visits, negotiations or cooperation; the approach should be top-down and provide clear mandates for any task. Both countries has low score in the individualism; which means they are more into family, friends and social life which shows that they have high collective culture where people act in the interests of the group and not necessarily of themselves. In-group considerations affect hiring and promotions with closer in-groups (such as family) are getting preferential treatment. They are not self-focused like most of the western countries. The comparison represents that both of the country like to be with people and focus in the social life rather than just being alone. Compare to Ukraine China has higher level of masculinity society. Ukraine has low score on the feminine which means that values in society are caring for others and quality of life. The masculinity score between these two countries shows that male has more power in the society or basically we can say that they are male dominated society where in Ukraine it seems that female has some place in their culture as compared to China. Ukraine has high level of uncertainty avoidance and China has low which represents that Ukraine people might feel more of threatened by their situations and presentations are either not prepared, e.g. when negotiations are being started and the focus is on the relationship building, or extremely detailed and well prepared. Also, detailed planning and briefing is very common. Ukrainians prefer context and background information. If Ukrainians interact with people considered to be strangers, they appear very formal and distant. At the same time formality is used as a sign of respect. China scores 87 in this dimension, which means that, they are very pragmatic culture. In societies with a pragmatic orientation, people believe that truth depends very much on situation, context and time. They show an ability to adapt traditions easily

to changed conditions, a strong propensity to save and invest, thriftiness, and perseverance in achieving results whereas Ukraine seems that they do not express a clear preference on this dimension. In indulgence comparison between these countries, Ukrainian culture is easily visible through its very low score of 18 on this dimension. Societies with a low score in this dimension tend to cynicism and pessimism. Also, in contrast to Indulgent societies, Restrained societies do not put much emphasis on leisure time and control the gratification of their desires. People with this orientation have the perception that their actions are Restrained by social norms and feel that indulging themselves is somewhat wrong. On the other side, Chinese society seems in its low score of 24 in this dimension. Societies with a low score in this dimension tend to cynicism and pessimism. Also, in contrast to Indulgent societies, Restrained societies do not put much emphasis on leisure time and control the gratification of their desires. People with this orientation have the perception that their actions are Restrained by social norms and feel that indulging themselves is somewhat wrong.

In this paper China and the Ukraine will be compared to discover insights about ethical decision making by applying Hofstede's findings. Overall, people will have an inherent tendency to behave morally. To behave immorally will require a situation that would motivate the person to override their natural tendencies. Also, a person's culture will add to ethical decision making in a significant way. This is because a person's culture provides the lens through which they understand their environment. Hofstede's definitions and conclusions regarding individualism, power distance, masculinity and uncertainty avoidance will be used to compare and contrast the Ukraine and China. Overall, this paper will make conclusions regarding ethical decision making using these parameters created by Hofstede. According to Hofstede individualism is defined as people thinking about the group's interests rather than themselves. Individualism is low in the Ukraine and in China. Ukrainians and the Chinese take into consideration the group much more than themselves. This would make people more ethical in a business setting because people behaving in an ethical way inherently are thinking of others rather than themselves. Generally, people behave unethically to gain an advantage, become more competitive and benefit at the expense of other people. This behavior would be more likely if a person or group of people thought more about themselves rather than thinking about the group. If a person behaves unethically they damage others in their group and countries low in individualism would generally think about other's interests and not behave unethically. In China and the Ukraine power distance is ranked high in comparison to other cultures. Power distance is defined by Hofstede as people believing that individuals should not aspire to a higher rank within society. Also, in these societies the individuals that are powerful generally do not intermingle with people that are not powerful. This belief would lead to a higher level of morality than a society that has low power distance. If individuals and groups strongly believe they cannot become powerful then they will most likely not behave immorally. This is because people behave immorally to gain an advantage and move to a higher rank in comparison to others in the community. If people do not believe they can move upwards in society then they would not override their inherent tendency to behave morally. According to Hofstede masculinity in a society is the tendency to value competition, achievement and success. In China masculinity is high while in the Ukraine this same dimension is low. In the Ukraine caring for others and quality of life are valued. The concept of masculinity would lead Ukrainians to behave more morally than the Chinese. This is because behaving immorally leads to an unfair advantage. In the Ukraine according to this dimension a person or group would value caring for others more than gaining an unfair advantage to become more competitive. The opposite would be true in China where an advantage would be seen as something to value so that

a person could move to a higher rank within society. As a result the Chinese would be more apt to engage in immoral behavior to be more competitive even if it meant going against their naturally tendency to behave ethically. Uncertainty avoidance in a society is the ability of people to handle ambiguity in knowing what the future holds for them. In China uncertainty avoidance is low and means that people in China can more easily manage the uncertainty that comes from not knowing what will happen in the future. The Chinese would be less likely to behave immorally because they can handle the uncertainty that can result from not knowing the future. Behaving immorally would lead to an unfair advantage and place the outcome of a situation less in doubt. The Chinese do not need a more certain outcome that can result from cheating and as a result will be less likely to cheat. The Ukrainians are on the opposite side of this dimension in that they are not as adept at handling the emotions surrounding an uncertain outcome. As a result the Ukrainians would be more likely to cheat in order to affect the outcome of a situation to their advantage. The unfair advantage would create a more certain result and lessen the anxiety associated with not knowing the future. Due to a high level of uncertainty avoidance the Ukrainians would be more likely to behave immorally. In this paper Hofstede's research was applied to ethical decision making and insights were made into how a person's culture can affect their moral decisions. Overall, a person is more likely than not to behave ethically in a given situation. Thus a person would have to find a reason to behave immorally. Some of these reasons can be found through a person's culture because people interpret their environment through the general notions their culture espouses. This paper provided insights and reasons for individuals and groups to behave immorally or morally using Hofstede's research, specifically by comparing and contrasting the cultures of China and the Ukraine. It is important for people to build trust and long lasting relationships with each other before engaging in successful business (Carland & Carraher).

REFERENCES

Available upon Request

ETHICS & HOFSTEDE AMONG FINANCIAL ACCOUNTANTS IN CHINA AND THE UK

Shilpa Kurup, University of Texas, Dallas
Emily Basile, University of Texas, Dallas
Eric Vo, University of Texas, Dallas
Sterling Forsythe, University of Texas, Dallas
Taryn Camille Talley, University of Texas, Dallas
S. Haas, University of Texas, Dallas

ABSTRACT

"In using Hofstede's 6 dimensional model to compare China and the United Kingdom, one can see that they are different in most of the areas being compared, such as their Power Distance, Individualism, Long Term Orientation and Indulgence. While being similar in their Masculinity and Uncertainty Avoidance. We can also see how some of their cultural differences result in some ethical differences between the two countries. China has a score of 80 for Power Distance, which means that their society believes that it is acceptable for people to be unequal, and for power to be distributed unevenly. This will influence the Ethics Position Questionnaire's (EPQ) Individualism dimension, developed by Donelson R. Forsyth. For example, in China, what is appropriate for one person is not necessarily going to be appropriate for another person because they believe people should not have any aspirations outside of their rank, so whatever they were born as is what they will stay. The United Kingdom (UK) has a score of 35 for Power Distance, which means that they want to minimize inequalities in their society. They do have a class system, but they also believe that where you were born originally should not limit you on where you can go in your life. They also provide a National Health Service, in order to provide healthcare to all, regardless of wealth. So, no matter where someone is financially in life all UK residents can get free healthcare. For Individualism, China's score is 20, which means they focus more on the group's interests and less on the individual. In the past they put strict limitations on how many children parents could have, even requiring birth permits, and sometimes forcing abortions, or being sterilized for those that did not obey. Their cultural differences with other countries have resulted in ethical differences, especially because they believe it is okay to force people to go through abortions, or sterilizing someone against their will. Putting a limit on how many children parents could have caused them to mainly abort female fetuses because they needed a son to carry on the family name. On the other hand, the UK's score for Individualism is 89. They are highly individualist and private people. They tend to focus more on themselves, and how they can uniquely contribute to society. So the type of job that would be appropriate for one person will not necessarily be appropriate for another. China's Masculinity score is on par with the UK's score at 66. This means they are success oriented and driven. They tend to be competitive, and want to be the winner. Despite the UK's success driven culture seeming to be contradictory to their culture of modesty and understatement, what they say is not always what they mean, so oftentimes people have to read between the lines in order to understand them. China has a low Uncertainty Avoidance at 30, which means that they deal comfortably with ambiguity, which can be seen in

their language filled with vague meanings. This also influences the observed ethics of China because you can see how following the rules and laws tend to be flexible in order to be able to fit the situation. So, their ethics are different in regards to taking bribes or gifts. The UK also has a low Uncertainty Avoidance score at 35, which means they are comfortable dealing with ambiguous situations. They do not have that many rules, but the ones they do have, people follow. For example, one of the ethical absolutes they follow is queuing up for things. China's Long Term Orientation is at an 87 which means they have a more pragmatic culture. People in such a culture believe that the truth depends on the situation, context and time. They can also adapt easier to different conditions, and want to achieve results. The UK has an intermediate score of 51 in Long Term Orientation, so a preference in their culture cannot be determined. China is a very restrained society, as seen by their Indulgence score of 24. They tend to be more cynical and pessimistic, and do not have much leisure time. The UK though has a score of 69 for Indulgence, which means they indulge themselves, and have fun, and place more emphasis on leisure time. They also tend to be positive and optimistic. Not only can we see how some of their cultural differences result in some ethical differences. But, in comparing China and the United Kingdom's cultural values by using Hofstede's 6 dimensional model, one can see that they are different in most areas, while only being similar in a few of the dimensions. "

The diversity between cultural values and social belief systems are largely responsible for how strategic solutions differentiate in Chinese and British businesses. Although both countries score similarly in Hofstede's dimensional model in terms of masculinity—where success and result-oriented goals overcome personal wants and leisure—the differences between their cultures and ethical belief systems impact how issues are solved in firms. Some contrasting dimensions in Chinese and British culture and ethics include: Power Distance, Individualism, and Indulgence. Hofstede's 6-Dimensional model defines Power Distance (PDI) as the "attitude towards power inequalities in a cultural; the extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally." In People's Republic of China (PDI score of 80), there is a large disparity between those with power and those without. The common attitude towards this imbalance of power among the Chinese people is a general, optimistic acceptance. People are encouraged to take initiative in their lives, but never to detriment the hierarchy of power. Within this social framework the opportunities for the abuse of authority are widespread, along with limited protections against the abuse. Under Forsyth's Ethics Position Questionnaire (EPQ)—a survey that links "moral values and moral behavior" on a scale of idealism and relativism—China is depicted as being rather relativist regarding decision making. This relativism or idealism promotes the idea that the Chinese as a society and in business are focused on pragmatism, where there are "no moral absolutes, and ethical behavior is situational." The disparity between power is the pragmatic approach to decision making for such a populous country. In the United Kingdom (PDI score of 35), despite the previous history of peerage and social hierarchy, the general attitude across all socioeconomic classes is summarily that "inequalities should be curtailed." In British culture, traditional birth rank and customs contest with liberal meritocracy and fairness in determining one's status. Another dimension from Hofstede's 6-Dimensional model the directly emulates the culture differences between Chinese and British strategic solutions in business: Individualism (IDV). Hofstede characterizes Individualism as "the degree of interdependence a society maintains among its members." Individualism refers to how strongly self-image is reflected through one's self or as part of a group collectively. "In Individualist societies people are supposed to look after themselves and their direct family only. In Collectivist societies people belong to 'in groups' that take care of them in

exchange for loyalty.” In China (IDV score of 20), cultural ideology revolves around dogmatic collectivism. Individual wants and personal leisure are sacrificed for the interest of the group. This belief system reflects the current political party in power, the Communist Party of China. In the United Kingdom (IDV score of 89), British culture encourages individualism and personal privacy. Critical thinking and unique viewpoints are emphasized as strengths in British society as affluence spreads. Finally, a dimension that reveals some of the major differences in strategic management between Chinese and British businesses is Indulgence (IND). Hofstede describes the systematic cultural differences in Indulgence as “the extent to which people try to control their desires and impulses.” Indulgence refers to how people are socialized within their culture, and the relative importance of seeking personal fulfillment versus restraint. Indulgences typically measures the general happiness and willingness for self-gratification. The People’s Republic of China (IND score of 24) are considered a restrained society, where indulgences are extremely limited. This tendency to shun acts of leisure and personal happiness for the sake collective productivity could be another example of the impact the current political regime has on the daily life of its citizens. The United Kingdom (IND score of 69) identifies as an indulgent society. Personal fulfillment in one’s own life is important as a cultural ideal. People are encouraged to find happiness in their daily lives and have positive attitudes about the future. It is important for people to build trust and long lasting relationships with each other before engaging in successful business (Carland & Carraher).

REFERENCES

Available upon Request

FINANCE & HOFSTEDE IN CANADA & THE UK

Herd Harrison, University of Texas, Dallas

Aditya Patel, University of Texas, Dallas

Diem-Thi Le, University of Texas, Dallas

Ardi Isufaj, University of Texas, Dallas

Lilly Nguyen, University of Texas, Dallas

ABSTRACT

When it comes to comparing different countries with Hofstede's six-dimensional model of national culture, it becomes increasingly more interesting to learn about the world and how each part of the world might function. Reading about how companies, even within the same country, can have different cultures due to where the upper management is from is such an intriguing thing to analyze. Tasked with choosing two different countries, one starting with a "C" and one starting with a "U," studying how the United Kingdom and Canada compared to one another was quite an easy decision to make. These two countries seemingly are never compared to each other with the assumption that because they are both primarily well-developed, English-speaking countries, they are most likely very similar in how they measure up on the Hofstede 6-D scale. For the most part, these naysayers would be correct, but there are still some differences in the national culture that is deserving of discussion. Before analyzing how Canada and the United Kingdom measure up, it is important to note that both countries are rather individualistic countries. While Canadians tend to have the stereotype of being overtly kind, generous, and friendly, the United Kingdom is different because their stereotype is one that mimics the London weather: cold, dreary, and gray. However, when comparing their national cultures, both countries seem to fall within the same range of cultural dimensions. This only goes to show that certain stereotypes that are crafted in the general public aren't usually what the norm is. This individualistic culture is actually seen in Hofstede's model through Individualism. With both Canada and the United Kingdom coming up with two very high scores, 80 and 89 respectively, it is only clearer that these countries are truly individualistic. The next dimension that is usually analyzed is Power Distance. Typically, a larger power distance score means that there is a larger distinction between economic classes and where the hierarchy falls within a company in the society. As it will become more apparent in the rest of this analysis, both Canada and the United Kingdom rank similarly regarding power distance. Both countries have a rather low ranking with power distance with Canada pulling a 39 and the United Kingdom pulling one of the lowest scores with a 35. This is very indicative of how both countries view the executive board in their respective countries. When scores for power distance are this low, it usually is a sign that each country uses a company hierarchy for the simplicity of it. Each country doesn't necessarily need a manager or "someone in charge," but it aids in the day-to-day tasks. With a low power distance such as this, the lines of authority become hazier because it is more acceptable for a lower-level employee to develop a working professional relationship with their superior. It could be argued that a lower power distance helps to create a more productive work environment because there is less fear of making a mistake to risk termination of employment which leads to the next cultural dimension, Uncertainty Avoidance. Uncertainty avoidance deals with how comfortable people are with ambiguity and the unknown. This dimension is where

Canada and the United Kingdom differ a little, with Canada scoring a 48 and the UK scoring a 35. This difference simply means that Canadians generally accept that uncertainty is prevalent in society and they don't shy away from it, but at the same time, they don't prefer it. With the United Kingdom's again very low score, it illustrates that people in the UK are more comfortable facing every day not knowing exactly what the day will bring. With both these scores being lower; however, the opportunity for risk and innovation is higher simply because this shows that both countries are not terribly frightened of making a mistake. Now when thinking about the Ethics Position Questionnaire, there are four things to be evaluated. Absolutism, situationism, individualism, and not harming others are what is to be looked at in terms of the EPQ. Do both countries believe in moral absolutes? It's hard to say definitively because even people who have consistently studied what certain morals are universal cannot decide. There could be some things that are seen as absolutely moral, like being kind to a stranger, but at the same time in more individualistic cultures, people might not even acknowledge someone they don't know. Therefore, it isn't truly possible to go through the EPQ for each individual country without having contradictory information for each thing. Power distance in Canada has a score of 39 which means that there are no different statuses in society. Information is shared freely with others and there are no secrets. Canada also scores an 80 for individualist culture where the people take care of themselves and their family's only. Masculinity in Canada is on a moderate level where the people in this country slightly care about being the best in their respective fields. Have a score of 52 means that the masculinity and feminist levels are similar where people like what they are doing and also want to be successful in their roles. They have a good balance between their personal and work life. Canada scores a 48 on uncertainty accepting which means that the people don't worry too much about the future and are ready to embrace the changes that occur in the future. They are not very emotionally expressive. Canada is a normative society when it comes to long term orientation. This means that the people in this country do things in a routine and treat any new experience with suspicion. They have a score of 36 in long term orientation. Another dimension is indulgence, where people try to control their desires and impulses. Canada scores a 68 in this aspect which means that they have weak control. The people are more optimistic and realize their impulses with regard to enjoying life and being happy. United Kingdom has a score of 35 for power distance. Which means that the people realize that power is distributed unequally amongst people and must be reduced. Interestingly is that research shows PD index lower amongst the higher class in Britain than amongst the working classes. The U.K is an extreme individualist society with a score of 89. The people in this country are very private and focus more on developing their personal lives and taking care of their loved ones. Britain is a masculine society with a score of 66. The citizens spend a lot of their time improving themselves and try to be the best in their respective fields. They don't spend too much attention to the quality of life and caring about others welfare. For uncertainty avoidance, the U.K has a score of 35, which means that people are fine with not knowing what comes next. They are ready to embrace new things by effectively adapting to the new environment. Long term orientation deals with how well people deal with challenges in the present and future. With a score of 51, it is difficult to determine if they are a normative society or not. The people equally balance out the challenges they face by carefully tackling them or embracing them with open arms. The British society is highly indulgent. With a score of 69, the people realize their desires by having fun and enjoying everything life has to offer. They usually don't think twice if they have to spend money on their leisure time because it is very important to them. These two cultures place a great deal of importance on their leisure time. It is important

for people to build trust and long lasting relationships with each other before engaging in successful business (Carland & Carraher).

REFERENCES

Available upon Request

HOFSTEDE & ETHICS IN CANADA & THE US AMONG ACCOUNTANTS

Veronica Vazquez, University of Texas, Dallas

Tara Tucker, University of Texas, Dallas

Mohammad Elshi, University of Texas, Dallas

Janette Soto, University of Texas, Dallas

Ratko Cvjetkovik, University of Texas, Dallas

Lilly Nguyen, University of Texas, Dallas

ABSTRACT

Canada and the United States are both fairly similar countries, even when exploring their culture through Hofstede's 6-D Model. When looking at their Power Distance levels, Canada and the United States are almost identical, with Canada having a 39 and the United States having a 40. This signifies that both countries value interdependence amongst their citizens and with a hierarchy in organizations established for convenience. On Individualism, again both countries are similar with Canada scoring a 80, however the United States is a bit higher in this category with a 91. These high Individualism scores, including Canada's highest dimension score, translates to the idea that people are responsible for their own selves in private and in business, as well as looking after their immediate family. For Masculinity, Canada scores 52 while the US scores 62. Canada's score is relative to a moderately Masculine society with high standards of performance and is described as being more subdued in respect to achievement, success, and winning, when compared to the United States. The United States' slightly higher Masculinity score is believed to cause a goal to be "the winner". Canada and the United States are once again nearly identical in Uncertainty Avoidance at 48 and 46 respectively. Canada's 48 indicates a culture that is more accepting of uncertainty. The United States', while slightly below average with a lower score of 46, indicates that while there is a degree of acceptance for innovation, there is still some hesitation. The Hofstede's 6-D Model suggests this may be due to 9/11 causing a high amount of fear in society that the government will be monitoring all citizens. Canada and the United States' Long Term Orientation is also similar, but Canada at a slightly higher score of 36 compared to the United States' score of 26. This establishes Canada as a normative society with great respect for traditions and a focus on achieving quick results. The United States score is low at 26 and is reflected in the way Americans are prone to analyze on if new information is true or not and have very strong thoughts on the difference between good and evil. Lastly, Canada and the United States have identical Indulgence scores of 68, meaning both cultures are classified as Indulgent. A highly Indulgent score indicates a high desire to enjoy life and have fun. This is reflected in their "work hard, play hard" behavior and higher importance on leisure time and work-life balance. Interestingly, because the province of Quebec has such a different culture due to its French roots, French-Canadians have entirely different scores with Hofstede's 6-D Model. French-Canadians are more formal, hierarchical, moderately relationship focused, and more emotionally expressive. The formality is due to a higher power distance score of 54. Quebec's Individualism score of 73 causes them to be moderately relationship focused, compared to the rest of Canada being more

individualistic with a higher score of 80. The last score reported on Hofstede's 6-D Model is a higher Uncertainty Avoidance score of 60 which is reflected in French-Canadians being more emotionally expressive than Anglophone Canadians.

Two Countries that we are compering here are: United States of America and Canada. Canada is under the rule of Constitutional Monarchy, while United States is not. They both have free market economy, which helps them do internationally business easy. Both countries they have big values and its important to them to stick to it. Using Hofstede six-dimension model to compare them it really is impressive how much they are similar. Countries that are similar it is much easier to do business than the countries that are not. Power distance in United States and Canada are almost the same. Inequality still exists in both countries between less powerful members of institutions and leaders. Inequality in these two countries is not so bad as some countries out there in the world. The lover power distance the better because there are more equalities in organizations. Individualism is really high in the United States, one of the highest in the world. Canada is right behind the United States. People in these two countries only care about them self's and they close family. They like to work individually and try to grow with companies and get promoted. For business in these two countries it is good that we have a lot of people who are competitive, because we have more options to choose from. Having high score in masculinity tells us that this country is ready to compete and there is nothing that will stop you from achieving goals. Country with high masculinity is always better because people are ready to get staff done and they are more competitive than countries with low masculinity. People want to always be best and number one. Here in United States everywhere you go you can see people always want to show off and be better than other ones. Uncertainty avoidance score for United States and Canada is pretty love which means people in these two countries are more open to new things and new ideas. For business this is a good thing because people are more comfortable about trying new things. So if new business comes to the country people will be more open to it and want to try it unlike countries with high score in uncertainty avoidance. Long Term oriented in these two countries is pretty low. Business and people everybody looking to score quickly and make money. Nobody likes to take their time and wait everything in these two countries is a fast score and making quick money. Overall the countries are pretty similar if you move business from one country to another there won't be much difference. People in these two countries are similar. Similar culture, tradition, religion, government makes it easy to get used to a new business strategy in new country. Expending business from United States to Canada would be good move because they are similar in business strategy. It is important for people to build trust and long lasting relationships with each other before engaging in successful business (Carland & Carraher).

REFERENCES

Available upon Request

CHILE AND UKRAINE: A COMPARISON USING HOFSTEDE'S CULTURAL MODEL

Sean Haas, University of Texas, Dallas
Selina Weber, University of Texas, Dallas
Carlos Martinez, University of Texas, Dallas
David Abney, University of Texas, Dallas
Gloria Mendez, University of Texas, Dallas
Sandeep Mishra, University of Texas, Dallas
Lilly Nguyen, University of Texas, Dallas

ABSTRACT

The Power Distance dimension deals with the fact that all individuals in societies are not equal. It is defined as the level to which the less powerful members within a country expect and accept that power is distributed unequally and therefore, they get treated differently. Chile scored a 63, an intermediate to high position on this dimension. Organizational arrangements show taller pyramids and low degrees of delegation. Status symbols are used to underline power differences. A hierarchical social structure and rather rigid social classes are present; common cafeterias are rare, privileges for the power holders common. Ukraine, scoring 92, is a country where power holders are very distant in society. Being the largest country in Europe and being for almost a century part of the Soviet Union, Ukraine developed as a very centralized country. The difference between the less and the more powerful people leads to a great importance of status symbols. Behavior has to reflect and represent the status roles in all areas of business interactions. Individualism deals with the degree of interdependence a society maintains among its members. It has to do with whether people's self-image is defined in terms of being an individual or more of a group. In Individualist societies people are supposed to look after themselves and their direct family only. When it comes to the individualism, Chile scores a low 23 on this dimension. Blue and white collar workers tend to look for more autonomy and variety in their positions, are more assertive and do not hesitate to change employers. These changes can be expected given the remarkable increase of Chile's GDP and the fact that economic development fosters individualism. The Ukraine scores a 25. Family, friends and the neighborhood are extremely important to get along with everyday life's challenges. Relationships are crucial in obtaining information, getting introduced or successful negotiations. They need to be personal, authentic and trustful before one can focus on tasks and build on a careful to the recipient, rather implicit communication style. For the Masculinity dimension, a high score (Masculine) indicates that the society will be driven by competition, achievement and success, with success being defined by the winner / best in field. On the other hand, A low score (Feminine) means that the dominant values in society are caring for others and quality of life. A Feminine society is one where quality of life is the sign of success and standing out from the crowd is not admirable. Chile scoring a 23, says that Chilean men and women show a modest behavior or attitude. In Feminine countries the focus is on "working in order to live". People need to feel a sense of "belonging" within a social group; they place value on warm interpersonal links and tacitly search for the approval of their group. People value

equality, solidarity and quality in their working lives. Consequently, they tend to be supportive team members and managers strive for consensus. Conflicts are resolved by compromise and negotiation. Incentives such as free time and flexibility are favored. Focus is on well-being and status is not shown or emphasized. Ukraine's score of 25 says that Ukrainians tend to understate their personal achievements, contributions or capacities. They talk modestly about themselves and scientists, researchers or doctors are most often expected to live on a very modest standard of living. Dominant behavior might be accepted when it comes from the boss, but is not appreciated among peers. The dimension Uncertainty Avoidance has to do with the way that a society deals with the fact that the future can never be known and it begs the questions, should we try to control the future or just let it happen? At 86 Chile scores high on Uncertainty Avoidance. This shows a strong need for rules and elaborate legal systems in order to structure life. In line with its high Uncertainty Avoidance score and to some extent also fostered by its authoritarian past, there was a great dependence on experts, the authorities, particularly among non-managerial employees. Scoring a 95, Ukrainians feel very much threatened by ambiguous situations. Detailed planning and briefing is very common. Ukrainians prefer to have context and background information. As long as Ukrainians interact with people considered to be strangers they appear very formal and distant. At the same time formality is used as a sign of respect. This Long-term Orientation dimension describes how people in the past as well as today relate to the fact that so much that happens around us cannot be explained. With a moderately score of 55, Ukraine is seen to not express a clear preference on this dimension. With a low score of 31, Chile is said to have a normative culture. People in such societies have a strong concern with establishing the absolute Truth. They exhibit great respect for traditions, a relatively small propensity to save for the future, and a focus on achieving quick results. The Indulgence dimension is defined as the extent to which people try to control their desires and impulses, based on the way they were raised. Relatively weak control is called "Indulgence" and relatively strong control is called "Restraint". A high score of 68 in this dimension means that Chile has a relatively Indulgent orientation. People in societies classified by a high score in Indulgence generally exhibit a willingness to realize their impulses and desires with regard to enjoying life and having fun. They possess a positive attitude and have a tendency towards optimism. In addition, they place a higher degree of importance on leisure time, act as they please and spend money as they wish. The Ukrainian culture is easily visible through its very low score of 18 on this dimension. Societies with a low score in this dimension have a tendency to cynicism and pessimism. Restrained societies do not put much emphasis on leisure time and control the gratification of their desires. People with this orientation have the perception that their actions are Restrained by social norms and feel that indulging themselves is somewhat wrong.

Chile and Ukraine Hofstede's comparison One of the Latin American with the lowest Power Distance is Chile that scores at 63. Chile has a hierarchical social structure and a rigid social class. Also, it has an organizational arrangement that reflects taller pyramids and low levels of delegation. Having privileges for the power holders in Chile is common. On the other hand, Ukraine is scoring at 92 which makes this a high-Power Distance country. For Ukraine, power holders are distant in society. This European country was developed as a centralized country, and powerful people give the country a status symbol. Manners reflects in all areas of business interactions; this includes business ethics, negotiations, and cooperation. Also, the approach should be top down. It is common for Latin American countries to score low on individualism dimension and Chile is no difference scoring a low 23. Usually white- and blue-collar workers tend to look for autonomy in their job position. Now workers tend to be more assertive than years

before. It is expected because Chile GDP has grown enormously, and economic growth brings individualism. Nevertheless, people outside of Santiago still practice paternalistic values. Surprisingly, Ukraine scored a 25 not too far from Chile. It is normal for Ukrainians to express affection between each other and they usually say, "We with friends" instead of "I and my friends." Good relationships are crucial because of this way people can obtain information. Also, this is another way for people to get introduced to other people. Good relationships also bring successful negotiations when it comes to business. Ukrainians look for people who are trustworthy, unique, and personal. Chile scored a 28 on the masculinity dimension; this means that the Chilean culture works together and are united within the society. The people value a warm interpersonal skill, and they search for the group's approval. This culture appreciates equality, solidarity, and quality in their working lives. Usually, any conflicts are resolved by negotiating and compromising. For masculinity, Ukraine scored a low 25. Ukrainians like to leave a modest lifestyle this includes doctors, scientist, and researcher. If the boss has a dominant attitude, Ukrainian does not appreciate. On uncertainty avoidance Chile scored a high 86, this means that the society shows a strong need for rules. Compare to other Latin countries Chile shows a low corruption index. For Ukraine, under uncertainty avoidance, it scored a 95. It's common for Ukrainians to have detail planning and briefing. Also, they like to have a full background of information and context. They are distant to a stranger which is a sign of respect. For the long-term orientation Chile scored a 31 it is said to have a normative culture. People in this society have a concern in establishing the truth. Chileans show great respect for traditions, and they focus on achieving quick results. Ukraine scores a 55 in the long-term orientation dimension it is not clear what preference they would like. Lastly, on the indulgence Chile scored a 68, this means that the people generally exhibit the willingness to enjoy life and have fun. People tend to be optimistic and have a positive attitude towards life. On the other hand, Ukraine scored 18; this means that the people tend to be pessimistic. People in this culture don't put much emphasis on leisure time. They feel that indulging themselves is wrong. Overall with a few differences both countries are mainly similar in their values and ethics. It is important for people to build trust and long lasting relationships with each other before engaging in successful business (Carland & Carraher).

REFERENCES

Available upon Request

HOFSTEDE IN CHILE, COSTA RICA URUGUAY & THE USA AMONG ACCOUNTANTS

Wei Xaio, University of Texas, Dallas
Estefani Maldonado, University of Texas, Dallas
Kenneth Sweeney, University of Texas, Dallas
Joshua Jesudass, University of Texas, Dallas
Lilly Nguyen, University of Texas, Dallas

ABSTRACT

Using Hofstede's model, Chile ranks higher than the U.S. in the following dimensions: power distance, long term orientation, and uncertainty avoidance. However, The U.S. ranks higher in individualism and masculinity. Both countries rank the same in the indulgence scale. The power distance dimension deals with the fact that all individuals in societies are not equal. Chile scores intermediate to high in this dimension. In Chile, status symbols are used to emphasize power differences. A hierarchical social structure and rather rigid social classes are present; common cafeterias are rare, privileges for the power holders are common. In Chilean companies there is a larger power distance between workers and managers than in the United States. The United States scored lower on the power distance dimension than Chile did but higher in the individualism dimension. The Individualism dimension has to do with societies self-image. In individualist societies people are supposed to look after themselves and their direct family only. In Collectivist societies people belong to "in groups" that take care of them in exchange for loyalty. The combination of both scores for the U.S.A. reflects the American premise of "liberty and justice for all." There is an emphasis on equals rights in all aspects of American society and government. Within American organizations, hierarchy is established for convenience, superiors are accessible, and managers rely on individual employees and teams for their expertise. In the business world, employees are expected to be self-sufficient and display initiative. When it comes to individualism in Chile, Chile scored low. Chile's norm in the past has been working in groups and thinking about what is best for the group. However, Blue- and white-collar workers alike tend to look for more autonomy and variety in their positions and are far more assertive than in the past and do not hesitate to change employers. This could be due to the positive change in the economy. The long-term orientation dimension describes how every society has to maintain some links with its own past while dealing with the challenges of the present and future, and how societies prioritize these two existential goals differently. Chile scored low on this scale and is said to have a normative culture which means they prefer to maintain time-honored traditions and norms. Chileans have a strong concern with establishing the truth, a slight tendency to save for the future, and a focus on accomplishing quick results. Although The U.S.A scored lower than Chile they are still considered a normative culture. Americans tend to analyze new information to confirm whether the information is true or not. American businesses measure their performance on a short-term basis, with profit and loss statements being issued on a quarterly basis. This also drives individuals to strive for quick results within the work place. The uncertainty avoidance dimension is the way that a society deals with the fact that the future can never be known. Chile scored high in this dimension. Chilean society has a strong need for regulations and elaborate

legal systems to structure life. Chile shows rather low corruption indices compared to other Latin America countries. Chileans have high dependence on experts, authorities, particularly among non-managerial employees. The U.S.A. scored low in the uncertainty dimension. Americans have an open-minded acceptance for new ideas, innovative products and a willingness to try something new or different, whether it pertains to technology, business practices or food. Americans tend to be more accepting of ideas or opinions from anyone and permit the freedom of expression. At the same time, Americans do not need a lot of rules and are less emotionally expressive than higher-scoring cultures. However, because of recent events fear amongst American society spiked culminating in the efforts of government to monitor everybody. The masculinity dimension pertains to what motivates people, wanting to be the best (Masculine) or liking what you do (Feminine). Chilean scored low which means Chileans are more feminine. Chilean men and women show a modest behavior or attitude. In Feminine countries the focus is on "working in order to live". People need to feel a sense of "belonging" within a social group; they place value on warm interpersonal links and tacitly search for the approval of their group. Consequently, they tend to be supportive team members and managers strive for consensus. People value equality, solidarity and quality in their working lives. Conflicts are resolved by compromise and negotiation. Incentives such as free time and flexibility are favored. The score of the U.S.A for the masculinity dimension is high which can be seen in the typical American behavioral patterns. This can be explained by the combination of a high Masculinity drive together with the most Individualist drive in the world. In other words, Americans, so to speak, all show their Masculine drive individually. Being successful per se is not the great motivator in American society but being able to show one's success. Many American assessment systems are based on precise target setting, by which American employees can show how well a job they did. There exists a "can-do" mentality which creates a lot of dynamism in the society, as it is believed that there is always the possibility to do things in a better way. Typically, Americans "live to work" so that they can obtain monetary rewards and consequently attain higher status based on how good one can be. Many white-collar workers will move to a fancier neighborhood after each substantial promotion. Lastly, the indulgence dimension is defined as the extent to which people try to control their desires and impulses, based on the way they were raised. A tendency toward a relatively weak control over their impulses is called "Indulgence", whereas a relatively strong control over their urges is called "Restraint". Cultures can be described as Indulgent or Restrained. Chile and the USA scored the same in this dimension. Both Chile and The U.S. have a relatively indulgent orientation. People in societies classified by a high score in Indulgence generally exhibit a willingness to realize their impulses and desires enjoying life and having fun. They possess a positive attitude and have a tendency towards optimism. In addition, they place more importance on leisure time, act as they please and spend money as they wish.

In terms of cultural dimensions, Chile and Uruguay encompass an extremely high ranking in uncertainty avoidance, intermediate positions of indulgence and power distance, and low standings of individualism, masculinity, and long-term orientation. Ideally, these country's support a hierarchy organizational design, hence, entailing inequalities within the structure. The ultimate decision will solely be made by the highest power of authority with little to no power given to subordinates. Centralization is popular throughout the cultures as there is a belief in autocracy. Chile and Uruguay share the common belief in the cultural element of collectivism. They encompass the belief that individuals have the commitment and hold responsibilities among groups, relationships, and family. In a collectivist culture, the workplace entails relationships, morality, and interconnectedness as the central and core values. Decisions are made mutually and

collectively as a management group in the hiring, firing, and promotion process. In terms of the cultural division of masculinity, Chile and Uruguay obtain a low score meaning that society is not aspired by competition and achievement. Rather, they are driven by the quality of life and the care of others. Henceforward, these countries are moderately comprised as a femininity society where people strive for consensus, equality, and harmony, and the overall well-being of society at whole. Decision making is achieved through immersion. Chile and Uruguay comprehend an extremely high preference of the cultural component of uncertainty avoidance. In this context, both nation's national identity contains ideals of rigid codes and behavior, punctuality, and security are the core values within the culture. Uruguay tends to avoid innovation and development, and are dominantly resistant to change. Meanwhile, Chile has grasped the idea of innovation, therefore, moving forward in their advancement of technology and communication. Chile and Uruguay ranked low in terms of long-term orientation meaning that their cultures' value social mores and norms, with no intention of swaying away. Their society is normative in their thinking. They tend to resist the pragmatic approach which encrypts the encouragement of modernization. However, Chile has gained traction in constructing and transforming into a more capitalist way of thinking. Within the social dimension of indulgence, Chile and Uruguay consume an intermediate score, in turn, means their societies contain both elemental controls of indulgence and restraint. Roughly half of the society allows self-fulfillment and the ability to have fun. Whereas, the other half are accustomed to suppress gratification through means of strict regulation and norms. In rapport to the rule of law of Chile, property rights remain secure, the government has a low scale of corruption, although, intimidation is the cause of the substandard score of judicial effectiveness. In the political area, Chile contains a stable democratic system as it grows in local government to ensure the growth and stability of the business environment. Economically, Chile is reaching to become a fully developed country. They have engaged in internationalization successfully through the investment and integration of universal markets. The services sector of the market is the established leading segment of their economy. In the aspect of social factors that drives Chile's culture, they have remarkably reduced the poverty rate, however, the levels of inequality and welfare have increased dramatically. Chile is facing positive economic growth, but on the other hand, hazardous environmental issues have arisen leading to rising costs in corporate social responsibility and health care. Foreign investment seems to be the foremost source of Chile's economic growth. They practice free trade without international importing and exporting barriers of trade. Government regulates and enforces safe and health working conditions and have a large labor force susceptible to foreign trade.

Costa Rica is a small, well-developed Central American country. Its population ranges in at around 4.9 million, with over 2 million of those living in the capital, San Jose, and the surrounding metropolitan. Its economy has a GDP of \$57.4 million, with a breakdown of 5.5% agriculture, 18.6% industry, and 75.9% services. GDP per capita is approximately \$16,800. Of Hofstede's 6 Dimensions, data was only available for 4: power distance, individualism, masculinity, and uncertainty avoidance. The United States, by comparison is a global power, large in both size and population it stands as an imposing figure on the American continent, with most of its states dwarfing Costa Rica in size, population, and economic scale. The US boasts a GDP of over \$20 trillion, with a breakdown of 0.9% agriculture, 18.9% industry, and 80.2% services. GDP per capita is among the highest in the world at around \$65,000. Its population comes in at around 330 million, most of whom make their homes in urban centers. Data for all of Hofstede's 6 Dimensions is present for the US. These are two very different countries, and the above facts highlight that. Not only do they differ in economic size and demographics, they also

show contrasts in many values and aspects of culture. However, one of the biggest similarities within Hofstede's 6 dimensions is both countries presenting with low Power Distance scores, 35 for Costa Rica and 40 for the US. Both countries, believe in a lower degree of separation between those in power and those beneath them. For Costa Rica, much of this stems from its time under military rule, a commonality among many Latin American countries. However, Costa Rica separates itself from the pack by having abolished its military in 1948, evident of the highly collectivist and accepting culture. It remains as one of the only sovereign nations with no standing army. Costa Rica also has a stellar human rights and worker's rights record with very little distance between blue-collar and white-collar workers. These more equal relationships are shown in the next Hofstede dimension, Individualism, with Costa Rica scoring a very low 15, representing a highly collectivist culture. Family is the most important unit in Costa Rican culture, and families tend to be very matriarchal. Additionally, the culture is very high context, with directness being looked at unfavorably. Furthermore, Costa Rica's collectivist culture also ties back to its low masculinity score of 21, representing one of the most feminine cultures in the world. Costa Ricans are driven by doing what they want, rather than being driven by value and achievement. Women are very accepted in business and education. Furthermore, the country's economy isn't driven by growth creation and power, but rather to empower and educate individuals to create a more stable, equal, and harmonious society. This is shown in their economic policies, with Costa Rica producing 98.1% of its energy from green, renewable sources and goals of becoming carbon-neutral by 2021. The United States on the other hand is an oxymoron on paper, with a low Power Distance score and a sky-high Individualism score of 91. This stems from the mentality of "liberty and justice for all." A country built on the idea that the individual is the most important agent of all, it believes ultimately in the freedom one has to better themselves. This means that culture is very low context, with directness and open communication being highly prized, but it also shows little separating between superiors and inferiors, with direct communication between different power levels being a key part of conducting business. This also ties in with America's high masculinity score of 61, one of the highest in the world. This low-context, highly individualistic culture highly values the very masculine traits being the best, achieving the most, and seeking work out. This go-getter attitude is what allows America to have a both a low power distance and high individualism and it means that anyone can work to better themselves and become successful. However, this highly competitive culture also creates huge divides in socioeconomic status, with the economy often favoring those who have already made it, rather than those working towards it. In the future this widening disparity may cause the US to increase its power distance and lower its individualism, present in the widening gaps between classes. Finally, the last Hofstede Dimension for Costa Rica is Uncertainty Avoidance. Costa Rica scores incredibly high at 86, far overshooting the US which scores below average at 46. For Costa Rican culture this means high levels of bureaucracy and a stricter set of cultural norms, like dress codes and behavioral expectations. The culture is very set in its ways and highly conservative, with change being frowned upon. Conversely the US's low score shows its allowance for new ideas, innovation, change as well as looser and less defined cultural expectations, tying back to its high levels of individualism. It is important for people to build trust and long lasting relationships with each other before engaging in successful business (Carland & Carraher).

REFERENCES

Available upon Request

HOFSTEDE & SUPPLY CHAIN: CHILE, USA, & UK

Moises Vilchis, University of Texas, Dallas

Noah Koo, University of Texas, Dallas

Aajza Kordi, University of Texas, Dallas

Karina Nunezs, University of Texas, Dallas

Mark Chang, University of Texas, Dallas

ABSTRACT

When a country like Chile announces its goals to become the first country in South America as an attempt to join the ranks of the United Kingdom as a first world country, the endeavor can be deemed admirable, yet a bit ambitious. The two countries we will be comparing are Chile and the United Kingdom. The first area of comparison is power distance. According to Hofstede, power distance is "defined as the extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally". When it comes to power distance in Chile, the score is high and that is because of an authoritarian history of Chile's government. The United Kingdom is quite the opposite, as they score much lower for the power distance index. This means that there is less inequality amongst the different social classes. The next area of comparison is individualism. According to Hofstede, individualism is defined as "the degree of interdependence a society maintains among its members". Individualism is Chile's lowest score out of all six of Hofstede's dimensions, and that is because Chile is a collectivist society. This means that people within the society identify with groups. Societies that behave in this manner think about the greater good of the group, and not one individual person. The United Kingdom has one of the highest scores for individualism, which can be explained by their culture of looking out for oneself and their immediate family. According to Hofstede, masculinity refers to what a society values, whether that is achievement and competition, or a more nurturing society that values the quality of life for those in the society. Chile scores low in this dimension, which is not surprising since they scored low on individualism. They are a society that cares a lot more about things that benefit society as a whole, so it makes sense that they are more concerned with the value of quality life, such as caring for the elderly. The United Kingdom scored higher than Chile and is definitely a masculine society that values achievement and competition, which again speaks to the fact that they are an individualistic society. Uncertainty avoidance is defined as "the way that a society deals with the fact that the future can never be known". Chile scores quite high in this dimension because of their political background and them used to the government having so much control. In contrast, the United Kingdom scores low in this dimension, meaning they are content with the information they have currently and will adjust as needed. The next dimension is long term orientation, which Hofstede defines as "how every society has to maintain some links with its own past while dealing with the challenges of the present and future". Chile scores low in this dimension due to their strong ties to their tradition. The United Kingdom scores in the middle for this dimension. The last dimension is indulgence, which Hofstede defines as "the extent to which people try to control their desires and impulses". Chile and the United Kingdom only have a one point difference in their scores, as they both score high. This indicates that both cultures enjoy having fun and making the most of their time.

In comparing the countries of Colombia and the United States, first we will take a look at each individual countries values by using the Hofstede's six dimensions scores. The six values are not ranked however when comparing countries, they can be interpreted differently based on the similarities and difference of countries. We will then review how these dimensions play a part in the ethics and values in of each country. This will allow us to see the similarities as well as the differences between them. The first value we will review is "Power Distance", Colombia scores at a 67 and America scores at a 40. Hofstede describes power distance as the extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally. What does that mean for Colombia scoring a 67? Simply put means that they accept the difference of power between groups as matter of fact. That leaves people in authority viewed in an elevated light of status and authority. Leading to higher influence other people's ideas and behavior. Now comparing America with the score of a 40 that would mean that our view in power distance is lower. That results in Americans belief of that everybody is unique implies that we are all unequal. This leads Americans to judge and evaluate the decisions taken by a leader as opposed to accept the opinions of leaders. As hierarchy is established for convenience, superiors are accessible, and managers rely on individual employees and teams for their expertise. The second value is "Individualism", Colombia scores at a 13 and America score at a 91. Hofstede describes Individualism as the degree of interdependence a society maintains among its members. Colombia scores one of the lowest levels of individualism among the world. This means Colombians are one of the most collectivist cultures of the world. That leads them to value the opinion of others an align themselves with the group's thoughts. People who do not alight with the groups thoughts and opinions can be alienated and seen as an enemy. The collectivism also effects their communication by using a style is context-rich, so public speeches and written documents are usually extensive and elaborate. In comparison America is a polar opposite with a score of 91 leading the culture to be highly individualistic. Self-reliance is expected in society. In the business world, employees are expected to be self-reliant and display initiative. Therefore, they will be rewarded based on their achievements and merits. The third values is "Masculinity", Colombia scores at a 64 and America score at a 62. Hofstede describes Masculinity as how much a society will be driven by competition, achievement and success, with success being defined by the winner / best in field. In not much of a difference between the countries both believe to be in healthy competition however Colombian society as it is a collectivist culture, they would compete with others outside of their groups in order to not offend their group. Americans focus on displaying their success as it is a healthy degree of competitiveness amongst their peers. The forth value is "Uncertainty avoidance", Colombia scores at a 80 and America score at a 46. Uncertainty avoidance is the extent to which a member of a culture feels threatened by ambiguous situations and have created institutions that try to avoid these situations. Colombia scores at 80 in which the culture creates methods in which to avoid uncertainty leaving things to be openly expressed such as rules and regulations needed to be followed by different groups. Therefore, there is a set status quo unless a leader can lead to a change in the community. In comparison the US has a low uncertainty avoidance 46 that leads Americans to be more comfortable with risk. Innovations can not happen frequently unless risk is seen to have a positive outcome like in the US. Increasing the tolerance for new things that can be seen in their freedom of expression. The fifth value is "Long term orientation", Colombia scores at a 13 and America score at a 26. A culture view on long term orientation paces the value of society in dealing with time such as short term or long-term future. Colombia's's score of 13 leads them to be short term focused who value tradition. This can also be seen in their score of indulgence as they like to live

in the moment as opposed to think about the future. America is not far from Colombia in score however they are more pragmatic in their short-term orientation. As of result of quarterly reviews in the workplace Americans tend to think of the next quarterly results as opposed of a long-term strategy. The sixth value is "Indulgence", Colombia scores at a 83 and America score at a 68. Indulgence can be defined as the amount of control people have of their desires and impulses. Colombia is shown to be an Indulgent country therefore they will prioritize enjoying their life. Having a high indulgence score can be correlated to their optimism in viewing the future. Americans score can be seen as very contradictory as they can be between indulgent and show restraint. The Hofstede dimension comparison allows us to see the US and Colombia in different perspective. This perspective allows us to analyze how a country react in business practices. In terms of business practices Colombians will be more willing with someone they have built a relationship with as they will trust someone to be part of their group. Americans have to learn to understand Colombians want of power distance when working together and the different authority that entails for leaders and employees. When working together each county should be flexible in the other societies values and understand how they can work together. It is important for people to build trust and long lasting relationships with each other before engaging in successful business (Carland & Carraher).

REFERENCES

Available upon Request

HOFSTEDE & ETHICS IN COLUMBIA & THE USA

Taryn Talley, University of Texas, Dallas

Mitchell Hunter, University of Texas, Dallas

Maanasa Pamganamamula , University of Texas, Dallas

Mitra Mohammadian, University of Texas, Dallas

Liza Flores, University of Texas, Dallas

Mark Chang, University of Texas, Dallas

ABSTRACT

The countries we will be comparing are the United States and Columbia. To start of we will compare the greatest cultural difference between the two, Individualism. Columbia has among one of the lowest scores, coming in at only 13 on Hofstede's model, compared to the United States at 91. Columbia believes strongly in a collective society that regards group opinion very highly. People here rely on each other greatly, however outsiders can easily be excluded or perceived as enemies. In a business sense, relationships are more essential or important than what the task at hand is. The United States believes that one should look after their selves and their own, and should not rely too much on others. Employees here are expected to be self-reliant and promotions are based on merit or performance. Americans are good at relationships and are among the best joiners in the world; however, it is especially difficult among men to develop strong relationships. Another great difference between these countries is Uncertainty Avoidance. Columbia scored an 80 compared to the United States at 46. In Columbia, emotions are openly expressed and the status quo is very difficult to change. They are socially conservative and there are many rules, however these rules are not always followed because power holders make their own rules. The United State's score is below average, which means American's behavior is not as impacted by culture as much as Columbia. There is a fair amount of freedom of expression and an acceptance of new ideas and products. Americans are usually less emotionally expressive and do not require a lot of rules. Next we will discuss Power Distance. Each country ranks over a score of 40 with Columbia about 25 points higher than the United States. Each believes that inequalities amongst people are common and part of life. Columbia believes more so in inequality of power throughout all layers of society where business leaders and those in the highest positions of government will have power over others. The United States people are able to influence other people's ideas or behaviors with more ease. Each country scored almost identically in the dimension of Masculinity, at a score of 63. These are high scores that reflect the combination of high masculinity drive together with the most individualistic in the world. Americans show their masculine drive individually and is typical American behavior. Similarly, Columbia is highly success oriented, driven and status-oriented, while being a collectivistic society. This is unique because this means competition is directed towards members of other groups or classes, and not towards those members in your own group. Columbians seek memberships which give them status and rewards linked to performance and often sacrifice leisure over work. Americans likewise believe in a "winner takes all" mindset and will talk freely about their success and achievements in life. Americans live to work so that they are able to attain higher status, because the overall goal is to be the winner. It is intriguing that this mentality undermines the concept of liberty and justice for all. This kind of inequality is

leading to a widening gap among classes and may cause power distance to rise and individualism to decline in the United States. Another similar dimension aligned to both Columbia and the United States is Indulgence. Both countries scored over 65, with Columbia even more indulgent than the United States. Columbians have a high degree of importance on leisure time and spend money as they wish. Both Columbians and Americans show a willingness to realize their impulses and desires with regard to enjoying life and having fun. Each possesses a positive attitude and a tendency towards optimism. The United States follows the “work hard, play hard” model and also enjoys their leisure time. Lastly, Long Term Orientation. Both countries scored relatively low in this dimension, at around 20. Both countries are prone to analyze new information to confirm that it is true. Each are practical in most senses and have a strong idea about what is good and what is evil. Business performance is measured on a short-term basis which drives individuals to produce quick results within the work place. There is also a great respect for traditions, not much drive to save for the future.

Hofstede's six dimensions, offer a comprehensive analysis of the cultural aspects and tendencies of a nation. By comparing two countries, it becomes easier to understand culture and the factors that influence growth and stability among a population. Specifically for this analysis, the United States and Columbia will be compared on the basis of: power distance, individuality vs. collectivism, uncertainty avoidance, masculinity vs. femininity, long vs. short term orientation and indulgence vs. restraint. An in-depth evaluation of these components will allow management to work with a larger variety of people with different cultural backgrounds especially from these two countries. The first dimension, power distance, explains the extent to which members who are less powerful in a society accept and also expect that the distribution of power takes places unequally. According to the results, Columbia scores high on the PD index with a value of 67, indicating that it is a society that believes that inequalities amongst people are a common way of life. Even though this statistic is seemingly alarming, it comes as no surprise as many individuals in the country who are high end workers, view business leaders as less important. These higher end government employees feel as though they play a more important role than business leaders. In contrast the United States falls lower on the power distance scale with a value of 40, reflecting the American premise of “liberty and justice and for all”. Even though power disparities still exist in the U.S and have been highlighted more with the #MeToo movement, it still lies ahead of where Columbia is today. This is mainly shown through the importance of equal rights in every aspect of the United States government and society. In many American organizations hierarchy is established for convenience as managers rely on individuals below them for expertise. Because of this, communication is direct and participative in the U.S whereas in Columbia it may be disoriented. In addition to power distance, uncertainty avoidance is another dimension that describes the extent to which people in society are not at ease with ambiguity and uncertainty. Columbia scores a value of 80 on the scale, indicating that as a nation it is seeking mechanisms and efforts to avoid ambiguity. The country also scores just as low as the U.S in long-term orientation as they both nations strive to maintain links between the past and present while dealing with the challenges of the future. Furthermore Columbia, doesn't necessarily follow any rules, but highly relies on whether a certain group establishes regulations that direct way of life. In the workplace this concept can reflect the detailed planning that may not be necessarily followed in practice. However, because of this certain approach it becomes harder in the country to challenge the “status-quo” unless a figure of authority is able to rally a large group of people towards a certain change. The United States scores below average in uncertainty avoidance with a value of 46. In comparison to Columbia, it is evident that there is a fair degree of acceptance for new ideas

and innovation in the U.S. American culture emphasizes the need for freedom of expression further explaining why it's uncertainty avoidance isn't as high as Columbia's. In contrast to other dimensions in which the U.S and Columbia both differ in, they score an average of 63 on masculinity. Masculinity implies a society's preference for assertiveness and achievement for attaining success. This value system is highly influenced from childhood and continues throughout an individual's life both in professionally and personally. The score of 62 for the U.S is highly expected as this can be explained by a high masculinity drive that is also reflected in the country's high individuality dimension. Columbia also places higher importance on competition and success, scoring 64 in the masculine vs. femininity dimension. It does however differ from the U.S in placing a higher emphasis on groups rather than individuals in its approach to align society. In Columbia groups are the main contributors as to why it's masculinity component is so high. When there is an issue in a group, all members gather together and provide their input to create a solution. Lastly in the indulgence vs. restraint dimension, Columbia scores higher at 83 with the United States falling below at 68. This particular component of Hofstede's dimensions revolves around the degree to which societies can exercise control over their impulses and desires. People living in countries tend to score higher in this dimension and usually possess a positive attitude; because of this they may also place more importance on leisure time. The United States' score is primarily determined by a normative score which is reflected by its contradictory attitudes and behaviors such as "work hard and play hard". Overall, the United States and Columbia differ greatly when it comes to culture as evidenced by the Hofstede six dimension analysis. The United States individually scores lower in power distance and indulgence dimensions in comparison to Columbia which scores much higher in these particular components. However as Columbia continues to grow economically its scores will also change accordingly. As a result in the future, it will be easier to strategically manage businesses that are moving abroad to establish a network around the world. Importantly, as the world becomes more globalized the Hofstede Dimensions become even more useful in identifying and understanding cultural boundaries and differences. It is important for people to build trust and long lasting relationships with each other before engaging in successful business (Carland & Carraher).

REFERENCES

Available upon Request

HOFSTEDE & ETHICS IN COLUMBIA & UKRAINE

Veronica Storaci, University of Texas, Dallas

Lucas Bauer, University of Texas, Dallas

Victoria Zaragoza, University of Texas, Dallas

Mark Chang, University of Texas, Dallas

ABSTRACT

"Along with being located on separate corners of the earth, the countries of Ukraine and Colombia also share key differences in the ways their respective cultures reach ethical solutions to strategic issues. Ukraine, which only separated itself from the defunct Soviet Union less than 30 years ago and has faced a number of geo-political threats since, is known for still having soviet-style values engrained into its culture. Colombia on the other hand, while independent for over 100 years, has seen its cultural framework evolve dramatically in recent years, particularly because of successful stabilization efforts. When considering the cultural differences between these two countries, it's essential to keep these historical contexts in mind. When evaluating Ukraine using Hofstede's Cultural Dimension's model, one immediately notices the country's extreme ratings in the power distance and indulgence/restraint categories. Countries scoring high in power distance and restraint are categorized as having a preference for a very clear hierarchy of command, definitive central leader(s) and more rigidness in the way they approach work. Based on Ukraine's historical association to the Soviet Union, it's not necessarily surprising to see these categories possess such extreme ratings, however it does provide clear context around how workers from the country would support the realization of solutions to issues being faced. For a firm comprised of workers with Ukrainian cultural values, one would likely find a bureaucratic and centralized organization where specific leaders are responsible for developing solutions they view as necessary. Once identified, workers would possess clear understanding around how their specific roles support the realization of the solution identified and would avoid any sort of personal indulgences separate from what is offered by the centralized leadership. While Ukrainian culture is characterized by centralized leadership structures and minimal indulgences, Colombian culture focuses more on a willingness to compete for solutions favorable to the group identified with and increased liberty in pursuing opportunities to celebrate success. For firms possessing strong Colombian cultural influences, they would operate similarly to Ukrainian environments in terms of workers preferring established organizational structures to dictate the work needed, but differ in terms of workers feeling motivated to compete against decisions viewed as harming the group(s) they identify with. This openness to competing and the tendency to focus and indulge in short-term successes makes it essential for firm leaders to identify ways to consistently keep pulse on the attitudes held by individual groups. This competitive nature and willingness to indulge impulses extends into the ethical framework of Colombian culture. According to results from Inglehart's World Values Survey, Colombians have an above average score in self-expression. This characterizes them as being generally more open to engage in activities related to their political and social lives. While self-expression is prevalent in Colombian society, it is buoyed by a separate high score in Traditional values. Countries with high scores in Traditional values tend to embrace traditional family values, defer to authority figures and possess high degrees of national pride. This blend between traditional and self-expressive is interesting when viewed through the lens of

possibly influencing the ethics behind a strategic decision. In a workplace dominated by Colombian culture, one would expect to see a centralized decision structure, however it could be prone to short-sighted decisions if they are identified as potentially providing immediate benefits. This tendency may be a blessing or a curse depending on the magnitude of the decision being made. When reviewing Inglehart's World Values Survey results for Ukrainian culture, one is immediately struck by the country's high score in the Survival value category. A high score in this category indicates Ukrainians are more concerned about economic/physical security and are fearful of groups (or individuals) perceived as interfering with this. When applying this view to the process of reaching an ethical solution, workers from Ukraine are more likely to exercise caution when pursuing decisions viewed as even remotely interfering with their fundamental securities. This inherent fear could make it difficult for outside firms to effectively collaborate with Ukrainian-based firms. "

"Through cultural values, we see how each country determines what is and is not ethical. These choices are affected by the country's societal principles and morals that are instilled in the people since childhood. Hofstede's six cultural dimensions help us better understand just how a country operates. By understanding these six dimensions we can then calculate how a country's ethical choices may be affected. When analyzing Columbia and Ukraine using Hofstede's dimensions, we can compare and contrast what could be considered two very different cultures. The first dimension is Power Distance, which explains how accepting the less powerful are of unequal power distribution. While Columbia scored a 67, Ukraine was even higher with a 92. So both countries have a society that accepts unequal power without question. This transfers over to business practices, where the leader or higher ranking employees are hardly ever challenged. Ukraine's more drastic number shows the importance placed on status and power, so when dealing in business they would never expect to negotiate with members of the lesser authority. Next is Individualism and how independent the people feel, as opposed to them leaning towards relying on a group or Collectivism. This dimension, when compared to the others, is the closest in score with Columbia having a 13 and Ukraine a 25. This conveys how Collective both societies are, falling in line with the larger group is important to the people. Masculinity covers how the country as a whole is expected to act in regard to gender roles. Whether, in society, there is more force or delicacy when dealing with a certain matter. Having a 64 and 27 for Columbia and Ukraine respectively, the countries greatly differ under this dimension. Columbia leans towards a more driven and competitive environment, and with their tendency towards a short-term gain, quick success is preferred. On the other hand, Ukraine has a much more attentive and sympathetic society. Their business choices will be more careful and planned due to a more collective and cautious society. Then there is Uncertainty Avoidance which deals with how intolerant the people are of change and uncertainty. In business, this means how much risk is placed on decisions. At 80 for Columbia and a soaring 95 for Ukraine, this is the second most similar dimension between both countries. Both countries are not willing to make riskier decisions. Their business practices will tend to be safer and decisions may take longer to deliberate unless there is a guaranteed outcome. Ukraine, in particular when their low indulgence score is taken into consideration, is much more conservative in their practices. The fifth dimension is Long Term Orientation, the self-explained basic notion of how prepared the country is for the future. Columbia's low score of 13 implies the country is focused on short-term gain versus long-term plans. Meanwhile, Ukraine's average score of 55 implies more mixed thinking. The last dimension is Indulgence. This encompasses how free society acts towards life and whether they act on near impulse or wait for timing. This dimension is where both countries differ the most, with Columbia at 83 and Ukraine

at 18. Columbia's higher score is not transferred over from uncertainty avoidance, where it would have been inferred that the people do not take risks in many aspects of life. So although as a whole the people do not like facing uncertainty, they do indulge and are more impulsive. Based on Hofstede's dimension, it would be inferred that Ukraine would not only be more reserved in business practices but also have a more ethical approach. Ukraine's high Uncertainty Avoidance and high Power Distance indicates reserved practices with rules and regulations that are well established and followed. This isn't to say that Ukraine is fault free, it could just indicate and acceptance of ethical issues such as corruption. Columbia's more collective society and short-term planning infers that in business the other negotiating party will more likely be seen as an outsider and a possible risk. Corruption is also clearly associated with Columbia as the people strive towards quick business and high impulse. Rather than focus on the ethical issues, the people may lean more towards whether or not their decision will benefit them regardless of it being morally right." It is important for people to build trust and long lasting relationships with each other before engaging in successful business (Carland & Carraher).

REFERENCES

Available upon Request

HOFSTEDE & ETHICS IN COLUMBIA AND THE UK

Dilip Kumar Seripalli, University of Texas, Dallas

Victoria Zaragoza, University of Texas, Dallas

Adeel Surahio, University of Texas, Dallas

Alyssa Rico, University of Texas, Dallas

Maria Velasco, University of Texas, Dallas

Mark Chang, University of Texas, Dallas

ABSTRACT

Colombia and the United Kingdom may seem like polar opposites when glancing over their social body. The United Kingdom is a monarchy, predominately English speaking while Colombia is a democratic republic and is predominately Spanish speaking. Obviously, there's much more to a society than their languages or governments, there are details to many different aspects that embody a culture. Surprisingly Colombia and the United Kingdom share some differences but also many similarities in those details. One of the major differences between these two countries is their types of government. The United Kingdom is known for upholding a monarchy, with that comes the royal family and a separation of power between them and their people. The royal family holds more power in the United Kingdom than say the president in Colombia would have over his country. The gap between these higher individuals and their lower power holding counterparts is called power distance. According to Hofstede's six-dimensional model, United Kingdom's score on the power distance scale was at a low 35 compared to Colombia's high 67. The United Kingdom believes that the power distance gap should be minimized and that social rank from birth should not determine your social progress in life. Colombia on the other hand, accepts the fact that there will be a difference in power amongst society. It is almost ironic that these were the analyzations of each country but could also be very predictable. The United Kingdom is limited when it comes to moving up in social classes which would cause their people to feel like the power distance gap is an issue to their personal success or experience. Being a democratic republic, Colombia has more freedom to progress through social classes but recognize that the power held will never be at an equilibrium. Sometimes because of the difference in power, a society will develop a mentality of "I" or "We." This is called Individualism. Colombia, as a Hispanic country, is big on family. Their culture and traditions revolve around supporting the family unit and remaining united. Therefore, their low score of 13 on the individualism scale only supports their preference of success of a group over success for oneself. The United Kingdom, although family is still a very important factor in a person's life, are raised differently. They are raised to think for oneself at a young age and to focus on their personal fulfillment. The United Kingdom's score of 83 is one of the highest of all countries on the individualist scale. The British are more likely to search for opportunities and experiences for themselves rather than for the "greater good." The high individualism may even be a factor to a low uncertainty avoidance in this country. Uncertainty avoidance meaning the awareness and acceptance that the future cannot be controlled. The British are embracing and open to the uncertainty of what the future might hold. Colombia, on the other hand, is at a score of 80 when it comes to uncertainty avoidance. Colombians feel the need to prepare for the worst or plan, so the worst never even happens. There are many rules and

regulations in reflection of this societal characteristic. They may feel this way because of their tight knit society, they feel they must protect one another in distinction to the British mentality of really only looking after themselves. Despite their many differences, these two countries do have a couple of similarities. Masculinity and indulgence are two characteristics that Colombia and the United Kingdom are not too different in. A masculine society would be a society that values success and competitiveness and achievement. Work and education are a valuable asset and is desirable. Both the United Kingdom and Colombia are very masculine cultures with very close scores of 66 and 64. Although they may have different motives for doing so, Colombians and the English desire personal fulfillment in a professional aspect. Finally, indulgence is the extent in which desires are controlled. Both countries have high scores on the indulgence scale and are optimistic countries. They submit to their wants and enjoy life, so to speak. At the end of the day, every country will have their differences as to why they do things or how they think of them but the overall goal of efficiency is always present.

Colombia and the United Kingdom are both quite different when compared against each other within Hofstede's 6D cultural model. When it comes to power distance, Colombia accepts inequality easily. They don't challenge the differences. On the other hand, the UK believes everyone should be treated equally and that the inequality gap should be minimized. With respect to individualism, Colombia is a nation that believes in being part of an "in-group". They believe in sticking together as a group. The British believe that everyone should think for themselves. They don't believe in the collectivistic view, but more so, they think people have a unique purpose in life. Regarding uncertainty avoidance, Colombia tries to avoid ambiguity as much as possible. Colombia does have a lot of rules in place, but they are not necessarily always followed. The decision of whether or not rules should be followed generally comes from people in higher positions. The United Kingdom is comfortable with ambiguous situations. They don't need to plan everything out ahead of time. The British are not very detail oriented. Instead, employees believe that the planning process needs to be flexible in order to prepare for emerging changes that are likely to occur. When it comes to masculinity, both Colombia and the United Kingdom rank high. Both countries are very driven by success. There is a sense of competition amongst both nations. When comparing Hofstede's 6D cultural model for Colombia and the United Kingdom, another element that needs to be considered is the Ethics Position Question of Forsyth. First, observe the following position question: Ethical considerations in interpersonal relations are so complex that individuals should be allowed to formulate their own individual codes. Taking into consideration Hofstede's individualism analyzation of the United Kingdom, as a nation, the UK would largely agree with this statement. The British would likely agree that each individual person should come up with their own moral principles surrounding interpersonal relations. No two people would think the same regarding how to handle interpersonal dilemmas. This particular way of thinking could be problematic in the workforce given that most employees have contact with peers and customers every single day. Leaving it up to the employee to come up with their own code of conduct could potentially pose risks within the Human Resources realm. One employee may view discrimination as highly immoral, while another employee could view it as acceptable. In order to solve for this, the Human Resources department would have to provide constant training to employees in order to clearly spell out the rules and consequences for inappropriate behavior. These types of issues could lead to legal action and high turnover, which both are costly for a company. Analyzing this same concept, Colombia would largely disagree with this statement. As a very collectivistic nation, they are quite conservative and believe in having rules. They would feel comfortable following the same set of rules for given situations. However, if it's decided by people in higher rankings that

they should not to follow a certain rule, then the rule would probably be abandoned by most people in the group. It is important for people to build trust and long lasting relationships with each other before engaging in successful business (Carland & Carraher).

REFERENCES

Available upon Request

HOFSTEDE & ETHICS IN THE UAE, CHINA, AND COLUMBIA

Habeeb Ur Rahman Mohammed, University of Texas, Dallas

Sameer Ahmed, University of Texas, Dallas

Nebin Luke, University of Texas, Dallas

Veronica Storaci, University of Texas, Dallas

Mark Chang, University of Texas, Dallas

ABSTRACT

So, in order to compare China and the United Arab Emirates through the 6D model we must look at 6 different dimensions. The first one is Power Distance, after that it is Individualism. The third one is Masculinity. After masculinity, we look at Uncertainty Avoidance, and after that we look at Long Term Orientation. Finally, we will look at Indulgence. China's score for Power Distance is 80 while the United Arab Emirates is 90. China's score for Individualism is 20 while United Arab Emirates is 25. China's score for Masculinity is 66 while United Arab Emirates is 50. China's score for Uncertainty Avoidance is 30 while United Arab Emirates is 80. China's score for Long Term Orientation is 87 and United Arab Emirates has no score for Long Term Orientation. China has an Indulgence score of 24 and United Arab Emirates has no score. Power Distance is the extent to which less powerful countries in institutions expect and accept that the power within the country is distributed unequally. The United Arab Emirates has a high score meaning people accept a hierarchical order more willingly. China's score of 80 is also a high rating meaning that their society tends to believe that inequalities between people are alright. In individualism China has a rating of 20 meaning it is a highly collectivist culture. Individualism pertains to the degree of interdependence a society has amongst its members. United Arab Emirates has a score of 25 which places it as a collectivistic society. The next dimension is Masculinity which deals with how competitive a country is and success being defined as a winner. United Arab Emirates has a score of 50 so it is neutral, neither masculine or feminine. China is at 66 meaning it is a masculine society. They are more success driven than other countries. Uncertainty Avoidance is the next dimension it should do with the way that society deals with ambiguous and unknown situations and the beliefs they create to avoid these situations. China has a score of 30 which is low which means the Chinese are comfortable with ambiguity. United Arab Emirates has a score of 80 which is a stark contrast to China. The people in the United Arab Emirates prefer to avoid uncertainty. Long Term orientation shows how every society must maintain some link with its past while dealing with the present and future challenges. United Arab Emirates has no available information on this topic right now. China has a score of 87 meaning it is a pragmatic culture. The final category we are going to explore is Indulgence which is defined as the extent to which people try to control their impulses and desires. China is defined as restrained which is seen by its score of 24 which is low. This means China doesn't put an emphasis on leisure time which goes hand in hand with the culture in China. There is no information currently for United Arab Emirates. These dimensions go hand in hand with surveys done for culture and ethics in China and United Arab Emirates.

How do two completely different countries compare based on Hofstede's 6D model? The two countries to be compared are Colombia and the United Arab Emirates. The first dimension is Power distance, this dimension deals with how the less powerful members of institutions within a country expect and accept that power is distributed unequally. Colombia scores a 67, which is high, but UAE scores a whopping 90 on this dimension. The fact that both countries have high scores means that inequality is accepted, more so in UAE than Colombia, but accepted nonetheless. The next dimension is individualism, it has to do with the degree of interdependence a society maintains among its members. Colombia has one of the lowest individualism scores at 13, UAE is not far above with 25, which means that people in these countries are close-knit with groups, whether it be family, extended family or friends. Loyalty is very important to the people in both countries and people take care of each other. The third dimension is Masculinity, surprisingly Colombia's score is higher than that of UAE, 64 and 50 respectively. A high score in this dimension indicates that the society is driven by competition, achievement, and success. UAE's score of 50 puts it in neither a feminine nor masculine position, Colombia on the other hand is more masculine in nature. Uncertainty Avoidance the extent to which the members of a culture feel threatened by ambiguous or unknown situations and have created beliefs and institutions that try to avoid these, both countries have a high score of 80 which means uncertainty is avoided and rules are set in place to keep things in line. Long-term orientation is how every society must maintain some links with its own past while dealing with the challenges of the present and future. Colombia has a low score of 13, which means that Colombia is a normative society, this means that people want the absolute truth, respect traditions, do not really save for the future and want quick results. UAE does not have a score for this section. Indulgence is the final dimension in Hofstede's model, this dimension is defined as the extent to which people try to control their desire and impulses, based on how they were raised. Colombia scores very high at 83, which means that Colombia is classified as an indulgent country, people have a willingness to realize their desires and have an optimistic attitude. Currently, there is no score for this dimension for UAE. It is important for people to build trust and long lasting relationships with each other before engaging in successful business (Carland & Carraher).

REFERENCES

Available upon Request

ETHICS & HOFSTEDE IN CHINA, THE USA, AND URUGUAY AMONG GLOBAL SUPPLY CHAIN MANAGERS

Sandeep Misra, University of Texas, Dallas
Josh Sanchez, University of Texas, Dallas
Samantha Duong, University of Texas, Dallas
Linh Diep, University of Texas, Dallas
Mark Chang, University of Texas, Dallas

ABSTRACT

Geert Hofstede is a Dutch psychologist who previously worked at IBM and is a professor of Organizational Anthropology at Maastricht University in the Netherlands. Hofstede is mostly known for his research in cross-cultural groups and organizations where he developed the cultural dimensions theory. In this theory he describes national cultures within six dimensions which are Power Distance, Individualism, Uncertainty avoidance, Masculinity, Long Term Orientation, and Indulgence. I chose to compare China and Uruguay. Power Distance China has a score of 80 which is higher than average. China is a society which believes inequalities among their society is acceptable. The subordinate-superior relationship tends to be opposing and there is no safe guards against power abuse by superiors. Individuals are influenced by formal authority are generally express a positive outlook towards people in leadership. Individuals in China shouldn't have aspirations to go beyond their position. Uruguay scores higher than average as well with a score of 61. This means that citizens of Uruguay accept a hierarchical order in which everyone has a place and no explanation is required. Employees expect to be told what to do and would ideally like a manager who is a kind and caring autocrat. Individualism China has a score of 20 which means they emphasize family and work group goals above individual needs or desires. In-group considerations can affect hiring and promotions individuals who are closer in-groups like family members and allows them to receive preferential treatment. Personal relationships are more important than an individual's employer. Uruguay has a score of 36 which means they also emphasize family and work group goals above individual needs or desires. Uruguayans consider loyalty to be above all else and is considered most important within their societal rules and regulations. Masculinity China has a score of 66 which means they are a masculine society that is driven by success. The Chinese will sacrifice family and leisure to work on a regular basis. Leisure time isn't that important. Uruguay has a score of 38 which means this society is relatively feminine. Feminine countries like Uruguay focus on working to live rather than living to work. Conflicts are resolved by compromise and negotiations. Free time and work flexibility are highly incentivized. Uncertainty Avoidance China has a score of 30 which is considered low. The Chinese are comfortable with ambiguity and an example of this is the Chinese language is full of ambiguous meanings which can make it difficult for non-Chinese individuals to interpret. The Chinese are adaptive and entrepreneurial and approximately 75% of Chinese companies are small to midsized. Uruguay has a score of 99 which means they have a considerably high preference to avoid uncertainty. This means Uruguay likes to maintain firm codes of beliefs and behaviors

and they aren't open to unknown behaviors and beliefs. *Long Term Orientation* China has a score of 87 which means it is a very sensible and practical society. The Chinese believe that truth is very dependent on situation, context, and time. The Chinese have a strong inclination to save and invest, they are thrifty, and they are perseverant in achieving their goals. Uruguay has a score of 26 which is considered low and they are more normative than they are pragmatic. Uruguayans focus on achieving quick goals and they have a low propensity to save and invest for the future. *Indulgence* China has a score of 24 which means they are a restrained society. The Chinese are more prone to exhibit signs of cynicism and pessimism. The Chinese also put less emphasis on their indulgences and leisure time. The Chinese even believe that catering to your indulgences is considered wrong. Uruguay has an average score of 53.

According to Hofstede's cultural dimensions, the comparison of each dimension between China and the United States of America is assessed based-off of the perspective of societal norms and norms: Hofstede's Six-Dimensions overview (China/USA) out of 100: *Power Distance*: 80/40 *Individualism*: 20/91 *Masculinity*: 66/62 *Uncertainty Avoidance*: 30/46 *Long-Term Orientation*: 87/26 *Indulgence*: 24/68 Philosophical practices like Confucianism encourage social order are highly common in China. Generally, they favor better treatment towards older persons and education. Typically, male members in China are favored compared to their female counterparts, as they continue the legacy and reputation of their family name and wealth. This is due to China's long-term orientation, where good education and strong male family heads indicate a lifetime of well-being provided. As well as pride influenced by the generated popularity of displaying wealth and good fortune. Continuing, the political and cultural structure of China upholds value to higher-authoritative individuals who are exclusive when making decisions and have limited contact with other individuals depending on their rank or merit. The power distance is well-respected in China and is part of their cultural mannerism. Centuries of social practices alike these support the point that China's *Power Distance* and *Long-Term Orientation* is high while maintaining a low *Individualism* and *Indulgence* as a trade-off. Incorporated in the high level of *Individualism* and *Indulgence* in the United States, *Power Distance* and *Long-Term Orientation* scores low. Considering that the history of the United States is based-off of decades of diverse groups immigrating to create a melting pot, the sophistication of the new society emerges an urgency for individualism and indulgence. The "American Dream" is an analogy that incoming immigrants pursue with the expectation of freedom and opportunity. As these immigrants and their offspring are pressured into hard work, the expectancy of rewards and redemption increases, which may lead to higher indulgence in the United States. Supporting their spending habits on leisure products and services, the United States may use this to compensate for the lack of vacation time offered to the United States workforce compared to other countries like Western Europe, which permits more vacation time to their citizens, and the culture of the United State's marketing sector encourages spending for personal purposes. Continuing from the diverse background of the United States, the accumulation of experience in this background may stunt social interest in adapting alike social trends. Meaning, it is difficult to be unique in a diverse community since *Individualism* influences much of the social functions in the United States of America. One striking feature shared between the United States and China is their *Masculinity* level. Both have their own history experiencing social revolution, but although they both have had their own experience with feminist movements, they both score slightly higher in *Masculinity*. It can be argued in China that this is due to the society's idea that men lead and care for the family. In the United States, their acceptance of equal-rights marriage, growing respect for gender equality, and number of ranking female leaders does not explain why they score very closely to

China. Perhaps more research should be done analyzing the influence of immigrants to the Masculinity level of the United States.

Traditionally the cultures of China and the United States have had distinct areas of difference which have tended to color still other disparities that have become apparent in the ethics positions of these countries. While recent times have found more cultural and ethical overlap amongst a well-globalized youth, there remains still the echo of these divergences today. Of Hofstede's six cultural dimensions, only two, at the time of survey, offer points of parity between the two countries: the masculinity dimension, which measures how much import the society in question places upon what are traditionally considered men's values, and the uncertainty avoidance dimension, which measures the extent to which that society feels threatened by ambiguous situations. From this it can be gleaned that American and Chinese societies are similarly driven by success and ambition - as indicated by a high masculinity dimension - and have on whole a fairly mild fear of the unknown - given by the low uncertainty avoidance dimension. The latter fact gives further cause to believe that the cultures of both countries are given to risk-taking and care little for institutional remedies against ambiguity. Where these countries diverge, then, is in the remaining four Hofstede dimensions. China is measured as high in power distance and long term orientation, but low in individualism and indulgence, indicating a highly restrained society fraught with high context communication. Chinese society gives little consideration towards people as single units and expects extreme deference toward social superiors, creating a culture in which an individual is expected to sacrifice for both their peers and their betters. Its tendency towards the long term indicates a resolve to last through adversity, and further suggests that the Chinese are likelier to make far-sighted investments rather than think in the present. The United States, by contrast, measures high in individualism and indulgence, but low in power distance and long term orientation. The United States' high indulgence goes hand in hand with its individualism score, marking a free-spirited society given to its own whims and encouraging of members to pursue their own ambitions. The greater American disregard for social ranks likely springs from that individualistic nature, with a higher indulgence score being similarly complementary of a shorter term orientation in that regard. How do these pronounced differences in cultures and cultural dimensions tie into the ethics position of these countries? Studies have found that western societies trend towards an exceptionist ethic, meaning that they place low on both relativism and idealism, while eastern societies tend toward subjectivism and situationism, indicating generally high relativism, but a broad spectrum of idealism. In the case of the former, such an ethics position can be easily seen in American society, where the majority of individuals possess a guiding set of moral principles, but retain a realist perspective, where one "can't make an omelet without breaking a few eggs." In American culture, where individualism is measured high and power distance low, it logically follows that members generally care little to consider differing contexts in ethics. As might be suggested by the United States' high masculinity score however, ambition and success drive members of its societies, meaning that "eggs" might stand to be broken in pursuit of said success. In the case of the latter, China then, according to the aforementioned studies, would place itself ethically towards subjectivism and situationism. In the most elementary mode of thinking, a high context of culture placing high on relativism - and therefore, low in absolutism - seems to be a given. Considering it more critically, low individualism indicates a tendency towards communal-thinking in which the greater group holds priority, yet success and ambition, such as in America, remain of importance. In such a case, it makes sense that Chinese society would be given to a broad spectrum of idealism; the moral choice is the one that serves the greatest good, but with ambition driving actions, a more pragmatic - or cynical -

perspective may prove necessary. It is important for people to build trust and long lasting relationships with each other before engaging in successful business (Carland & Carraher).

REFERENCES

Available upon Request

ETHICS & HOFSTEDE IN CHINA AND THE USA

Reshma Maliakkal, University of Texas, Dallas

Qiaoling Lin, University of Texas, Dallas

Shilpa Kurup, University of Texas, Dallas

Donald Faught, University of Texas, Dallas

Mark Chang, University of Texas, Dallas

ABSTRACT

"Cultural Differences How do we grade other countries from our own? How do we get the way we are? How do we know what's socially accepted and not? How are different cultures looked at? These are all very good questions and we might not have a correct answer for all of them. Maybe a couple of them make sense and others we have no idea why countries act the way they do. Well, all these questions were asked many times and in many different ways. A social economist by the name of Geert Hofstede created a cultural map to help out normal people to see through a different glass. He decided to break up the cultural reading onto 6 segments Power Distance, Individualism, Masculinity, Uncertainty Avoidance, Long Term Orientation, and Indulgence. Every one of these has its very own meaning and significant value. This map or values help determine the insight of countries. We selected 2 very powerful countries that have large volume populations in the world and wanted to see the difference Hofstede saw and if we could see what he sees. The 2 powerhouses we choose were the United States and China. Not knowing a great detail about the Chinese background, we felt this was a great opportunity to get a better understanding. When you say it like that, we might not know the very own country we grew up in as well as we think we do. Hopefully, this helps us 2 completely different cultures in a new light. Power distance is the characteristics of societies that have high and low power. For instance, China has a rating that doubles the US 80-40. In the reading, we can determine that China has power seen as a social order, resources available to just a minimal amount of people, and its society is segmented into classes. While in the US there is a huge middle class, Power is linked to corruption, the social mobility is able to fluctuate up or down, and resources are available to almost everyone. Never really looked at it that way or understood it but it makes sense. Next category is the Individualism. We looked at this and knew why the US is so dominant. The US prides itself to be the land of the free. Free to do what you want to, dress as you want, live where you want to... you get the picture. The US has over quadrupled the score to China 20-91. To understand China's low score more one would say China would be so low means they have a shame culture. "We" goes further than "I". A family is more likely to stay closer to you. They would say China is more traditional when it comes to agriculture and having security through their social network. Another category would be Masculinity. We saw that Hofstede rates this fairly equal 66-62. At first sight, when reading this you would think masculine and feminism the way we portray this every day but it's not the case. With being in the 60% and higher we can conclude both countries believe money is important, live in order to work, economic growth is a high priority, and the old tale boys don't cry only girls do. Many more but you get the point. Being brought up this way you can completely agree. Then we have one that is close but not entirely. The Uncertain Avoidance category. This grades cultures how they adapt to change and how they

deal with ambiguity China has a lower score than the US 30-46. With low uncertainty avoidance, a grade would determine a high interest in politics, openness to change, tolerance of diversity, and fewer gender roles. The argument can be made for both countries and it's correct. This has huge implications on how cultures are produced. Another term is Long-Term Orientation. This is China's highest score with an 87. As this is the US lowest score of 26. Couldn't agree more with this. The low readings mean the bottom line is important, quick results are more important, status is not important, investing, and leisure time is important. Growing up in America all those are true. It makes you laugh seriously. The last category is Indulgence. This is the US second highest score and it makes sense. Totalling out to 24-68. We are the country to overindulge and impulse on a lot of things This tells us China is patient and more relaxed. One to allow free gratification and is all about having fun. All this while China has a suppressed gratification and more strict norms. No arguments here. This is screaming the US. Now having a better understanding we are able to answer more questions about 2 completely different cultures. This was a real eye-opener and glad Hofstede designed this help out the people who didn't have a clue. This will be used by millions of people and continued to be updated with data every day. It would be fun to write down the answers from today's analysis and go back to check it in 10 years. How much do you think it would change if at all? Guess we will just have to wait.

Power distance China's index is 80. People generally recognize the inequality of power in the organization. The relationship between the upper and lower levels tends to be polarized, and the lower level cannot resist the authority of the superior. The lower level is willing to be instructed and led. This index for the united states is 40. In various organizations in the United states, the hierarchy is established for the convenience and the superiors are approachable. Managers rely on the expertise and skills of employees. Managers are willing to take the opinion from the employees and open to discuss. The supervisors in the United States also communicate in the informal way. *Individualism* What is defined here is the independence of members of society. In a society with a high independence index, everyone values their own value needs and relies on individual efforts to make their own interests. A society with a low degree of individualism or a collectivist society means that members are often distinguished by "beyond the group" and "outside the group", and members are obliged to take care of the "within the group" in exchange for their loyalty. China has an index of 20, which is a high degree of collective culture and tends to seek collective interests rather than personal interests. Most Chinese emphasize on what their family and friends want at the most and disregard the individual needs which means Chinese place the core member of the group in the first place. The United States has an index of 91, employees must be able to perform their tasks independently and must have original capabilities. *Masculinity* China's index is 66, In order to ensure the success of the business, many Chinese will sacrifice the time and entertainment time of accompanying the family, giving priority to more time and energy on the work. Many industries, especially those in the service industry, will work for long time during the day. The time of entertainment and leisure is not too importance in China. The United States scored 61, a masculine society. "Efforts to be the strongest" The common values of "winners get all" are reflected in all aspects of life. *Uncertainty avoidance* This dimension reflects the extent to which members of society feel worried about and feel threatened by unknown, vague situations. In this dimension China scores 30. The degree of uncertainty avoidance is low, reflected in the rules and even some laws are flexible according to the actual situation. Cheating and plagiarism are in fact exist. The Chinese are not disgusted with ambiguity. The United States is 46.3. *Long term orientation* This dimension describes the extent to which a society's challenges in the face of modernity and the future are linked to history. Countries with low scores

in this dimension tend to maintain old traditions and old customs in the face of social change. In a culture with high scores, people advocate pragmatism and encourage frugality and diligence. China scores 87 and has a high degree of pragmatic culture. People believe that the truth depends on different situations and different times. They have great ability to improve traditions to adapt to new situations, and are very keen on saving, investing, and frugal. They are persistent in order to achieve success. The United States has a score of 26 and they are very keen on establishing standards and rules and actively complying. They respect the tradition quite a lot, and people have little habit of saving. Indulgence China's index is 24, and people tend to control their emotions and feelings to establish superior conditions for themselves. People do not value leisure and entertainment time and limit the satisfaction of the original desire. People are constrained by the customary behavioral norms and believe that eating, drinking, and playing are incorrect lifestyles, and life should struggle. The United States scores 68, an indulgent society, people tend to be optimistic, and enjoy the joy of life.

Hofstede's 6D Model and Ethics and/or Values in China and the United States Chinese and American people have many cultural differences although they share basic values. Geert Hofstede developed a 6-dimensional model that examines how values in the workplace are influenced by culture. Looking into the United States' and China's culture through this model gives us a comprehensive analysis of these six areas with the greatest impact. First, power distance is different in these two countries. In the US, people believe that power is distributed equally; regardless of being a leader or a follower, society unanimously endorses this aspect. Contrastingly, China has accepted inequality amongst its people. Unlike the US, people in China cannot protest when leaders abuse office. The Chinese society does believe some people are more powerful than others; however, they accept this inequality and feel people should not have aspirations beyond their rank. Next comes Hofstede's element of individualism which peeks into the degree of interdependence a society maintains among its members. While Americans celebrate the "I", Chinese commend the "We". The United States believes in meritocracy, allowing individuals to shine; whereas, China is a highly collectivist culture where an individual considers how his actions affect a group. The third comparable dimension is Masculinity, studying "tough versus tender" cultures. Surprisingly, both countries are not too different in this aspect. The Chinese are success oriented whereby they can sacrifice family and leisure priorities for work. Similarly, in the United States, behavior in school, work, and play are based on the shared value that people should "strive to be the best they can be". As a result, their "successes" and achievements are freely displayed and discussed. The biggest dissimilarity here is that the Chinese just need to "be" successful, but Americans need to "show" their successful. Hofstede's uncertainty avoidance examines how society deals with the unknown future. China scores lower than the United States, as their people are more comfortable with ambiguity. They are more adaptable and entrepreneurial. Likewise, Americans are tolerant of new ideas, but will proceed with a bit more caution. The fifth dimension compared is long term orientation, interpreting the manner in which society maintains links with its past. Americans are practical and usually analyze new information to make decisions, but they have very strong ideas about what is "good" and "evil". Contrastingly, the Chinese are more pragmatic as they believe that truth is dependent on time, context and situation. It is easier for them to adapt their traditions to changed conditions or situations. Hofstede's last dimension is indulgence. China scored lower than the US because people tend to be cynical and pessimistic. Social norms restrict people from indulging in something wrong. Americans portray contradicting attitudes and behaviors. They are not bound by any social norms like the Chinese people. Schwartz's Theory of Basic Values The approach to ethics is

different between China and the United States. According to Schwartz, basic human needs are important to derive fundamental human values. The needs are divided into three groups that comprise of biological needs, need to coordinate with others, and the need for group survival. Schwartz's theory consists of ten values that demonstrate motivational goals. First, benevolence, the United States is a more open society, hence they show more personal contact compared to the Chinese. Secondly, universalism is better portrayed in the US as society protects the welfare of individuals. The Chinese government is authoritative to its people. On self-direction, the United States has more freedom than China, where there are many societal restrictions. On security, relationship and societal aspects, there is more stability in China than the US. The 9/11 fear is still haunting people. The fifth value is conformity which is high in China compared to the US. Societal actions restrict people's actions more in China than in the US. The sixth value is hedonism that is common among Americans. The society restriction is high in China so enjoying life is no similar to the US. Achievement and tradition values are almost identical, only that China has strong traditional ties. Chinese respect traditions more than Americans do. Simulation between the two countries is almost similar. Lastly, on the value of power, dominance over people is high in China compared to the US. China has authoritative leaders and living there comes with lots of restrictions compared to the United States. It is important for people to build trust and long lasting relationships with each other before engaging in successful business (Carland & Carraher).

REFERENCES

Available upon Request

HOFSTEDE'S DIMENSIONS & ORGANIZATIONAL ETHICS IN CHINA AND THE USA

Sunna Farook, University of Texas, Dallas

Natalie Nguyen, University of Texas, Dallas

Kumar Manglam Khandelwal, University of Texas, Dallas

Dilip Kumar, University of Texas, Dallas

S. Haas, University of Texas, Dallas

ABSTRACT

USA and China are the 2 largest economies of the world. They engage in international trade of billions of dollars. China's rich natural sources and huge market potential has offered great opportunities for a greater trade volume between the two countries. Both countries vary a lot when it comes to their cultural differences. Thus, it is very important for companies to understand what will work in US and what will work in China. In this paper, we will focus our attention to understand the cultures, ethics and values of USA and China through Hofstede's six culture dimensions and Forsyth's ethical position questionnaire model. Using Hofstede's model, China's power distance score is 80 compared to 40 of USA. At 80, the society in China believes that inequalities amongst people are acceptable. Whereas, low power distance of USA suggests that people in US believe in keeping relationships equal and promote equality in the society. In China, superiors remain distant from the subordinates whereas in USA, the culture is more open. The second dimension addresses the degree of interdependence a society maintains amongst its members. It has to do with whether people's self-image is defined in terms of "I" or "We". A low score of 20 in China suggests that it has low individualism and a highly collectivist culture where people act in the interests of the group and not necessarily of themselves. This affects hiring and promotions with closer in-groups getting preferential treatment. Employee commitment to the organization is low and personal relationships prevail over task and company. In this regard, US has one of the most individualist cultures of the world with a score of 91. Americans are the best joiners in the world. They're accustomed to doing business or interacting with people they don't know well. US has a masculinity score of 62 and China has a masculinity score of 66 suggesting that both the societies are driven by competition, achievement and success, with success being defined by the best in the field. Both the societies are success oriented and driven and while the people in China will sacrifice family and leisure time for work, people in USA have shared values that people should "strive to be the best that they can" and that the "winner takes all". The way that a society deals with the fact that the future can never be known is measured by Hofstede's 4th dimension Uncertainty Avoidance. USA has a below average score of 46 and China has a low score of 46. This leads to suggestions about Chinese being comfortable with ambiguity. Both the countries abide by the rules, regulations and laws of the society. China has a score of 87 in long term orientation dimension meaning it is a very pragmatic culture. They have a strong tendency to invest and save, thriftiness, and perseverance in achieving results. In comparison, the US has relatively low scores of 26 which means that Americans analyze new information to check whether it is true. In Indulgence, i.e. the extent to which people try to control their desires and impulses, China is a restrained society as can be seen in its low score of 24. Societies with a low score in

this dimension tend to cynicism and pessimism. In comparison, USA scores as an Indulgent (68) society on the 6th dimension. Americans approach to business ethics is unique as they are more individualistic than countries like China. Americans are more loyal to their own ethical beliefs than China who are stressed with the companies or superiors interests due to its collectivism nature. Forsyth's ethical position questionnaire (EPQ), speaks about relativism and Idealism. Idealism refers to considering to harm others in a situation whereas Relativism is to disregard the universal moral values when making moral judgements. The studies indicate that Americans adopt less idealistic moral philosophies than Chinese because of the individualistic nature of Americans whereas Chinese would lean more towards relativism because of its collectivistic nature. In summary, it is very important for the MNCs to understand the differences in cultures, ethics and values of different countries in order to be successful in business. "The two largest economies of world, USA and China, engage in international trade of billions of dollars. Each of these countries have their own distinct ethics, values and cultures that are built historically and serve as a backbone of the nation. It is very important to understand the cross-culture differences, ethics and values to be successful in international business. In this paper we are focusing to understand the cultures, ethics and values of USA and China through Hofstede's six culture dimensions and Forsyth's ethical position questionnaire model. It is important for people to build trust and long lasting relationships with each other before engaging in successful business (Carland & Carraher).

REFERENCES

Available upon Request

HOFSTEDE & GDP IN CHINA AND THE USA

Kumar Manglam Khandelwal, University of Texas, Dallas

Xiaofan Kang, University of Texas, Dallas

Veronica Vazquez, University of Texas, Dallas

Minahil Khan, University of Texas, Dallas

Eugenie Hou, University of Texas, Dallas

S. Haas, University of Texas, Dallas

ABSTRACT

The countries that will be compared using Hofstede's 6-dimensional model are China and United States. Both countries are striving in GDP and in the global market despite them being complete opposites in most of the dimensions. For power distance, China scored an 80 for its acceptance of inequality among people. The relationship between subordinates and their superiors are diverged, with no resistance to the abuse of power. People should not aspirations beyond their categorization in society. United States on the other hand with a score of 40 points to the fact that Americans have rights as individuals, superior are always accessible, and management recognize their need for feedback and support of all employees. Communication is informal, direct and participative to a certain extent. For individualism dimension, China scored a 20 making a highly collectivist society, people place the group interests above their individual interests, relationships with colleagues are cooperative and hostile attitude with anyone out of the group. The personal relationships are most important than the task at hand or company as a whole. United States scored a 91 in this dimension, American are able to interact easily with people they don't know, they are not shy about approaching someone for information, tend to be independent and display motivation and initiative to succeed. The masculinity dimension is the only dimension where both countries had a similar score. China scored a 66 and is described as success orientated and driven, they ensure success is a priority even sacrificing leisure time to achieve it. U.S. scored a 62 in this dimension, it's said that Americans show their masculinity up front and individually. The strive for success is the only common factor between China and U.S. For the uncertainty avoidance dimension, China ranked 30 because Chinese are comfortable with ambiguity, as it is explained, similar to their language and alphabet is full of ambiguous meanings that is difficult for outsiders to understand. U.S., on the hand, scored a 46 because Americans are more willing to try new things, experiences, food, and/or business practices. They also are more tolerant of people from different cultures or backgrounds and they welcome freedom of expression. In the long-term orientation, China scored an 87 meaning they have a propensity to plan for the future by being thrifty, save and invest and persistence to complete a goal. With a low score of 26 the U.S. is described as short term oriented, seeking quick results as in business where they focus on quarterly performance measures and have a very strong perspective of right/wrong and good/evil. In the indulgence dimension, China scored a 24 while U.S. scored a 68. China's low score proposes that Chinese are restrained in nature, don't put much effort in leisure time and control their desires. Restrained by social norms, Chinese view indulging in pleasures as morally wrong.

Power Distance is defined as the extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally. China

thinks that inequalities amongst people are acceptable, and citizens are used to being controlled by the higher authority. However, in the United States, the power distance is less powerful compared to in China. Individualism represents the degree of interdependence a society maintains among its members. China is a highly collectivist culture where people work together and act in the interests of the group, this can be due to the culture in which Chinese are raised in. Starting in kindergarten until college, Chinese students are always being put into a class and share the same schedule with their classmates. In the United States, students can choose their own schedule and have more flexibility in choosing professors and different courses depending on their various interests. According to Hofstede, the United States is one of the most individualist cultures in the world. It is often difficult, especially among men, to develop deep friendships. Americans are accustomed to doing business or interacting with people they don't know well. Consequently, Americans are not shy about approaching their prospective counterparts in order to obtain or seek information. In the business world, employees are expected to be self-reliant and display initiative. Also, within the exchange-based world of work we see that hiring, promotion and decisions are based on merit or evidence of what one has done or can do. In a society, masculine represents wanting to motivate people and be the best, whereas feminine is liking what you do. China and the United States' masculinity is relatively similar, but China is a little more masculine than the United States. China is a masculine society and is success oriented and driven. The need to ensure success can be exemplified by the fact that many Chinese will sacrifice family and leisure priorities to work. Service people (such as hairdressers) will provide services until very late at night. Leisure time is not so important. The migrated farmer workers will leave their families behind in faraway places in order to obtain better work and pay in the cities. Another example is that Chinese students care very much about their exam scores and ranking as this is the main criteria to achieve success or not. In the United States, behavior in school, work, and play are based on the shared values that people should "strive to be the best they can be" and that "the winner takes all". As a result, Americans will tend to display and talk freely about their "successes" and achievements in life. Uncertainty avoidance represents the extent to which the members of a culture feel threatened by ambiguous or unknown situations and have created beliefs and institutions that try to avoid these. The Chinese are comfortable with ambiguity; the Chinese language is full of ambiguous meanings that can be difficult for Western people to follow. Chinese are adaptable and entrepreneurial. However, Americans tend to be more tolerant of ideas or opinions from anyone and allow the freedom of expression. It is important for people to build trust and long lasting relationships with each other before engaging in successful business (Carland & Carraher).

REFERENCES

Available upon Request

HOFSTEDE'S CULTURAL DIMENSIONS & ETHICS IN GLOBAL BUSINESS FROM THE USA AND CHINA

Karishma Desai, University of Texas, Dallas

Yi Liu, University of Texas, Dallas

Tao Xu, University of Texas, Dallas

Rabin Subedi, University of Texas, Dallas

S. Haas, University of Texas, Dallas

ABSTRACT

Hofstede 6-D model comparison between China and United States Power distance Power distance involved in how society deals with the fact that people are unequal. Small degree of inequality in society means small power distance, big degree of inequality in society means big power distance. The degree of inequality is measured by the power distance scale, which runs from 0 to 100. China power distance score is 40 compare with U.S score 80, which means Chinese society that believes that inequalities amongst people are acceptable, individuals in china are influenced by formal authority and sanctions and are in general optimistic about people's capacity for leadership and initiative. On the other hand, U.S with score of 80, means the fact that all individuals in societies are not equal, and it expresses the attitude of the culture toward these power inequalities amongst us. It has to do with the fact that a society's inequality is endorsed by the followers as much as by the leaders. Individualism is the degree of interdependence a society maintains among its members. In individualist societies people are supposed to look after themselves and their direct family only. Collectivist societies people belong to in group that they take care of them in exchange for loyalty. At score of 20 China is highly collectivist where people act in the interests of the group and not necessarily of themselves. Self-interest is less important than group achieve goal, Compare with U.S with score of 91, which is much higher score means Americans are mostly likely to be individualism, they put their personal goal and self-interest as priority than organization goal achievement. The American society is loosely-knit in which the expectation is that people look after themselves and their immediate families only and should not rely too much on authorities for support. Masculinity This dimension issue involved is the division of roles between the sexes in society. Hofstede classify societies on whether they try to minimize or to maximize the social sex role division. Some societies allow both men and women to take many different roles. Others make a sharp division between what men should do and what women should do. In masculinity society (high score), the traditional masculine social values permeate the whole society-even the way of thinking of the women. These values include the importance of showing off, of performing, of achieving something visible, of making money, of "big is beautiful". In femininity society(low score), the dominant values – for both men and women – are those more traditionally associated with feminine role: not showing off, putting relationship with people before money, minding the quality of life and preservation of the environment, helping others, in particular the weak, and "small is beautiful". China and United States have very similar scores and they are both over 60, which means in both society masculinity are little more often appear in work and life environment. There is different between what men should do and what women should

do, but the difference is not big, which means male and female almost have equal right and male is little higher.

Uncertainty avoidance This dimension is involved in how society deals with the fact that time runs only one way; some society socialize their members into accepting this uncertainty and not becoming upset by it, these societies are weak uncertainty; other societies socialize their people into trying to beat the future, there will be a higher level of anxiety in people, people are more aggressiveness in those societies, these societies are strong uncertainty. With score of 30 for China, which means Chinese society are adaptable and entrepreneurial, they don't feel threat by future uncertainty. Compare with United States, with low score of 46, on the uncertainty avoidance dimension. U.S has fair degree of acceptance for new ideas, innovative products and willingness to try something new or different, whether it pertains to technology, business practices or food. American tend to be more tolerant of ideas or opinions from anyone and allow the freedom of expression. At the same time, Americans do not require a lot of rules and are less emotionally expressive than higher-scoring cultures.

Long term orientation This dimension describes how every society has to maintain some links with its own past while dealing with challenges of the present and future. With score 87 of China in this dimension, which means that it is a very pragmatic culture, in societies with a pragmatic orientation, people believe that truth depends very much on situation, context and time. They show an ability to adapt tradition easily to changed conditions, a strong propensity to save and invest, thriftiness, and perseverance in achieving results. Compare with score of 26 of U.S, which means Americans believe analysis new information to check whether it is true is more reliably than just reference from past, they believe it is case by case, their culture doesn't make most Americans pragmatic, but this should not be confused with the fact that Americans are very practical.

Indulgence This dimension is defined as the extent to which people try to control their desires and impulses, based on the way they were raised. Relatively weak control is called "indulgence" and relatively strong control is called "restraint". With score 24 of China in this dimension, societies with a low score in this dimension have tendency to cynicism and pessimism. Also, in contrast to indulgent societies, restrained societies do not put much emphasis on leisure time and control the gratification of their desires. People with this orientation have the perception that their actions are restrained by social norms and feel that indulging themselves is somewhat wrong. Compare with score of 68 of U.S, which means American are more likely to be indulgence. They work hard and play hard, the states have waged a war against drugs and is still very busy in doing so, yet drug addiction in the states is higher than in many other wealthy countries. It is a prudish society yet even some well-known televangelists appear to be immoral.

"China is currently the most populous country with the fastest growing economy. The United States is presently the most powerful country in the world. When we put these two countries When we compare the cultures of these two countries, what are the differences would be? According to the result from Hofstede Insights, China's power distance is more obvious at workplace compare to the American workplace. In the United States, any employee can directly call their superior or boss's name. In contrast, subordinates in China will not directly call the name of the boss because of the power distance. For example, Chinese employees will call their superiors Manager Smith or President Smith (job title plus last name). However, the superiors can always call the name of the subordinate and even reprimand the subordinate. Regarding the power distance, I think the workplace in the United States is more ethical than China. Through "The American premise of "liberty and justice for all." This is evidenced by an explicit emphasis on equal rights in all aspects of American society and government," One of the reasons is that

because American culture respects equality for everyone, everyone will fight for what they want, and which position they want to be. Conversely, the educational view of China is that the interests of the family, the team, and the country are always more important than the personal benefits. Therefore, Chinese' individualism is not apparent. For masculinity, China and The United States have a similar score which China at 66 and U.S.A. has 62. In other words, most Chinese people and Americans are willing to sacrifice their time for a better life. For instance, many Chinese men will leave their hometown and go to a bustling and remote city to find better job opportunities. They may visit their family for a few months or even years; they don't have any leisure time. Therefore, the most common stereotype that other countries give to Chinese works is working day and night. The American life used to be a combination of work and rest, but now it is getting closer to China's style because of the pressures. On the one hand, the "uncertainty avoidance" could be a term to describe unknown innovation in the American society. Likely, no one can either predict who is the next president nor the next Apple's CEO because "there is a fair degree of acceptance for new ideas, innovative products and a willingness to try something new or different, whether it pertains to technology, business practices or food" (Hofstede Insights). On the other hand, China has a low score of Uncertainty Avoidance because Chinese companies or ancient empire are hereditary systems. In other words, people know that the emperor's son will become the next king and the boss's son will become the next boss. Generally, the long-term orientation means a process of making long-term changes based on experience. If a country has a high score on this dimension indicates it has a pragmatic culture. Additionally, people in these counties, like Chinese, they more likely to decide with the results of cultural background and happened stories. Nevertheless, those countries with a low score, like Americans, they are prone to analyze information and real-time data to get a reliable result. Everything is a double-edged sword. Hence, there are two different works for people over or under control their desires and impulses. The United States represents the relatively weak power, which is called "Indulgence"; furthermore, China represents the relatively strong control is called "Restraint." Indulgence makes people ignore some ethics. Indulging in drinking will turn into alcoholism, and indulging yourself in smoking marijuana may induce you to take drugs...etc. Likewise, excessive constraints will curb people's novel ideas that lead to the loss of innovative ideas. From our point of view, the culture of each country is formed by the tempering of hundreds or thousands of years, and we need to respect one's culture and religion. Consequently, we cannot judge anyone's lifestyle. We should try to understand the communication patterns of others as much as possible when we are talking to someone from another country. " It is important for people to build trust and long lasting relationships with each other before engaging in successful business (Carland & Carraher).

REFERENCES

Available upon Request

HOFSTEDE'S CULTURAL DIMENSIONS IN MARKETING FROM THE USA AND CHINA

Chloe Chen, University of Texas, Dallas
Eugenie Hou, University of Texas, Dallas
Brendan Kouns, University of Texas, Dallas
Kaitlin McCluskey, University of Texas, Dallas
S. Haas, University of Texas, Dallas

ABSTRACT

Looking into Hofstede's 6 dimensions has been illuminating. One can receive a good overview of any countries deep driving factors based on these dimensions and truly come to understand the norm of society. Society and its corresponding culture can be generalized to its population because no one person will deviate too much away from the norm. The United States and China are the two countries that will be viewed through their resulting six dimensions. Power distance by definition is the extent to which less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally. China ranks 80 on the scale in this category where the United States is half that at 40. China's society believes that the inequalities amongst individuals are acceptable. This allows superiors and other authority figures to abuse their power and reaffirm their overall superiority to those ranks less than their own. The United States understands the natural difference in individuals because everyone is born unique which automatically makes them unequal. The United States culture identifies respect to those in leadership roles by their subordinates but allows movement in the ranks so not one person is defined to a single role. Individualism is defined as the degree of interdependence a society maintains among its members. China is a highly collective culture with a score of 20, so their citizens act in such was that benefit the group such as families. Chinese clusters can be cold or even aggressive to groups that are outside their circle. The United States is one of the most individualistic cultures in the world at a score of 91. The very idea of the American dream instills ideals of equality and freedom to do whatever one wants. Individuals are allowed to speak freely and act in a way that benefits themselves instead of a group. Masculinity is defined as the fundamental issue here is what motivates people, wanting to be the best (Masculine) or liking what you do (Feminine). Both China and the United States maintain high scores in the 60s. At 62 the United States participates in sayings such as the winner takes all and be the best that one can be. These ideals allow individuals to be self-interested and motivated to climb the career ladder to obtain more monetary funds and a subsequent higher-class symbol. China at 66 is also very success driven because they are seen to sacrifice family and private pleasures to work. Leisure is not very important in either country because both cultures focus on working. Uncertainty avoidance is defined as the extent to which the members of a culture feel threatened by ambiguous or unknown situations and have created beliefs and institutions that try to avoid these. China has a low score at 30 but are adaptable and therefore okay with ambiguity. The language, in general, has a lot of ambiguous terms that are dependent on the situation at hand like most of life. Whereas the United States has a slightly higher score at 46 because the culture is adaptable to ideas, business practices, and technology. Long Term Orientation is defined as how every society has to

maintain some links with its own past while dealing with the challenges of the present and future. China has a very pragmatic culture which allows it to have a high score at 87. China encourages thrift and efforts to educate and prepare for the future. The United States has a low score of 26 which means the culture is such a way where individuals allow for change but need to check facts before a change is instituted. Indulgence is defined as the extent to which people try to control their desires and impulses. The United States scores high at around 68 which means the culture is very accepting of self-love. The motto "work hard, play hard" is instilled in society so individuals buy and do what they want and please. China on the other spectrum has a low score at 24. Their society is restrained and doesn't put much emphasis on gratification and leisure so they typically don't indulge.

"As professor Geert Hofstede stated, "the collective programming of the mind distinguishing the members of one group or category of people from others". The most distinctive dimension of Chinese workplace is individualism. Compare to 20 points China scores, U.S gets a fairly higher score of 91 on this aspect. In the U.S society, every person was seen as a unique individual, people praise that uniqueness and respect privacy outside of working environment. The mindset of "liberty and justice for all" has long been rooted in American's hearts. However, in China, people act in the interests of the group. Chinese pay close attention to group's future direction and are willing to sacrifice themselves when needed in order to survive in the group sometimes. Whereas relationships with colleagues are cooperative for in-groups they are cold or even hostile to outsiders. Personal relationships only prevail over task and company. In Chinese business world, every single member in the company is willing to follow office regulations made by the upper level motors. Employees do not want to challenge their boss or supervisors' guidelines and want to obey the decisions or orders their superiors make. The high power distance deals the fact that Chinese people believe all individuals in societies are not equal, which is very uncommon in the U.S workplace. In the U.S, workers and employers are cooperative partners, new ideas are allowed to express and suggestions or personal issues can be put into considerations.

Both United State of America and China have high scores on masculinity, which means that both societies are driven by competition, achievement and success. Chinese and Americans share the same value of being successful and standing out from the crowd is admirable and remarkable. However, the indulgence dimension reflects a drastic difference, China scores only 24 points compare to 68 points the U.S gets. China is a restricted society, people are willing to sacrifice their pleasure time to work more and control the gratification of their desires. However, Americans attach importance to social life. Americans believe that taking rests and having fun is necessary to keep motivative in working. The long term orientation describes how a society maintains its links with its own past history. China is one of the world's oldest civilizations, which can be traced back to seven thousands years ago. The long history has a huge impact on Chinese peoples' values and norms. Chinese society emphasize the past experiences and traditions while doing things, especially in working fields. They show an ability to adapt traditions easily to changed conditions, a strong propensity to save and invest, thriftiness, and perseverance in achieving results. Chinese also respect and praise elderly because older people have more experiences and wisdom than younger generations. In contrast, United States of America is a fairly younger nation with only two hundred years old. Americans tend to analyze and check whether new information is true or not. They also hold an open-minded attitude toward innovation skills and knowledge. American business measure the workers' short-term basis, with profit and loss statements issued on a quarterly basis. They also drives individuals to strive for quick results within the work place."

Each dimension will provide the score and analysis behind that score. It is important to note that this score is relevant for comparing countries. Additionally, this analysis represents the respective country's score in a general sense, not on an individual basis. *Power Distance* United States – 40. This relatively low score indicates that the culture in the United States resists against power being distributed unequally. Though everybody is unique and thus unequal, this is not supported by the culture. Inequality is not advocated for and often fought against. China – 80. This considerably high score indicates that the culture in China perceives inequality in power as acceptable. Relationships divided among power are often fiercely split and lack any grey areas. Formal authority is encouraged and submissive behavior under leadership is desired. *Individualism* United States – 91. This extremely high score indicates that the culture in the United States is highly individualistic. In other words, each individual is only expected to care for themselves and their immediate family. Communication is informal and direct which leads to a very approachable work environment in which individuals are encouraged to express their opinion. China – 20. This very low score indicates that the culture in China is a highly collective. Groups are considered to be greater than individuals. In fact, one is expected to put the needs of the group before one's individual needs. As a result, there is a highly cooperative work environment. *Masculinity* United States – 62. This high score indicates that the culture in the United States is driven by competition, achievement, and success. Behavior in all areas of life are defined by one striving to be the best. There is always growth as a result of attempting to be better and showing others one's accomplished feats. China – 66. This high score, similar to the United States, indicates that the culture in China is masculine. The driven determination of individual's work ethic causes work to be prioritized so that one's family may be taken care of. *Uncertainty Avoidance* United States – 46. This relatively low score indicates that the culture of the United States is tolerant of new ideas, but not necessarily fearful of what the future holds. Innovation, change, and the expression of ideas are welcomed and responded well to. However, a significant amount of anxiety from ambiguity is not experienced. China – 30. This low score indicates that the culture of China is comfortable with ambiguity. As a result, a significant amount of flexibility within the culture exists. *Long Term Orientation* United States – 26. This low score indicates that the culture of the United States addresses issues as presented rather than drawing from revered traditions. Performance is driven by short-term results. China – 87. This very high scored indicates that the culture of China attempts to adapt traditions to current conditions. The culture is pragmatic and strives for perseverance in high-performing results. *Indulgence* United States – 68. This middle-ranged score indicates that the culture of the United States places a fairly equal emphasis on work and play. As a result, a balance exists between controlling and pursuing one's desires. China – 24. This low score indicates that the culture of China is a restrained society. Leisure time is not sought after and one is expected to control the gratification of desires. Indulging oneself often feels wrong and is associated with perceived cynicism. It is important for people to build trust and long lasting relationships with each other before engaging in successful business (Carland & Carraher).

REFERENCES

Available upon Request

OREO'S, SALES EXPERTISE, & HOFSTEDE'S CULTURAL DIMENSIONS IN CHINA AND THE USA

Lucas Baur, University of Texas, Dallas
Yihua Li, University of Texas, Dallas
Karishma Desai, University of Texas, Dallas
Zakaria Gharbieh, University of Texas, Dallas
Lucy Liu, University of Texas, Dallas
S. Haas, University of Texas, Dallas

ABSTRACT

Oreo's Product Localization in China Since its introduction in March of 1912, Kraft's Oreo has seen major success as America's number one selling cookie. This success is based off of its innovation as one of the first interactive foods. With the memorable catchphrase of "twist, lick, and dunk," it has allowed its consumers a very individual way of eating their Oreo cookies. However, this same success was not found in China. Sales were dismal since it decided to enter the Chinese market in 1996, and by 2005 it was clear that the Oreo cookie was not making the same amount of impact it had in the States. Kraft decided to rethink its marketing strategy and realized that it had completely missed the mark. They found that the marketing strategy used was a replica of the one in the US, and that the Chinese customers simply did not like the cookie because it was too sweet. This led to the introduction of a lightly sweetened version to acclimate to Chinese tastes called "Light Sweet Oreo." This was a big success and not only doubled sales in two years, but also pivoted Oreo to the number one selling cookie in China. In addition to adjusting the sweetness of the original Oreo, Kraft also looked into what the Chinese liked in their cookie related snacks and found that the wafer biscuit is very popular. So, they created a chocolate coated wafer that tasted the same as the "Light Sweet Oreo" but has the texture of a wafer. This immediately sold well in the Chinese market, even gaining 30% of wafer sales. Eventually these Oreo wafers were also sold in Canada, Australia and Korea with equal amounts of success. The cultural differences that may have influenced these decisions made by Kraft in the Chinese Cookie market include the six dimensions dictated by Geert Hofstede. The first dimension is power distance, and the difference is drastic between China and the United States. China has very high power distance, meaning in Chinese businesses, superiors should not be concerned with the wellbeing of their subordinates, whereas in the United States, the power distance is half of China's. This means that people working in the US have more lenient view on subordinates talking with their superiors. The second dimension is individualism, and again, the difference between the two countries is drastic. China has extremely low individualism, which means that people in china prioritize the group rather than their individual wants. US, on the other hand, highly prioritizes individual wants and needs. With more than 70 points difference, it is clear that this may be one of the factors that may have impacted Kraft's initial failure in the Chinese cookie market. The third dimension is masculinity, and both China and the US have very similar scorings on this dimension. This means that both China and the US strive to be the best in what they do. The fourth dimension is uncertainty avoidance, and similar to masculinity, both China and the US have

similar scores. Both countries fall on the less uncertain half, meaning that both countries are fairly comfortable with uncertainty, China being the more comfortable of the two. The US is slightly more concerned with uncertainty, but is still comfortable with adapting to circumstances. The fifth dimension is long term orientation, and China scores very high on this dimension, as to the US which scores much lower. This means that China is very likely to plan for the long term, whereas the US is less likely to do so. Finally, the sixth dimension is Indulgence and China is a very restrained society, compared to the US which would be considered a very indulgent society. This means that China is less likely to put emphasis on leisure time and work life balance, and more likely to emphasize focusing on work and putting in overtime. The US on the other hand is much more indulgent meaning leisure time is important and people want a good work life balance. This kind of thinking or preference often times makes people living in restrained societies feel guilty for relaxing. By adapting their product to suit the tastes of cultures other than their own, and being mindful of the cultural differences between the two countries, Kraft was able to successfully demonstrate that product localization is a good and necessary thing that companies should do to expand into new markets.

The United States and China are two countries that are very different culturally. While they do share some similarities in five out of the six dimensions, they could not be any more different. China ranks very high on the power distance scale, meaning that it believes inequalities between people are acceptable. This also means that they think individuals should not dream big or "have aspirations beyond their own rank". The United States ranks much lower on the power distance scale, so while they do believe in equality and such, there is still a slight power distance when it comes to superior-subordinate relationships. When it comes to individualism China is not for it. China ranks at 20 on individualism indicating that is a highly collectivist culture where people act in the interests of the group and not necessarily of themselves. The United States on the other hand ranks at 91, which has a lot to do with the society being loosely knit. Individuals are expected to look after their immediate family and nothing else. The masculinity ranking is where both the United States and China are very similar. They are both ranked at about 60 meaning they are success oriented and driven. The Chinese will sacrifice free time to work late, in addition to this, rural workers will leave their farms and families in order to find better work in the cities. In the US a combination of high masculine drive and a very individualistic culture drive the people. When it comes to taking risks, China is flexible. Following laws and rules is less important than adhering to the actual situation and making do. In the US the situation people are in impacts their behavior as well. China is very long term oriented, everything from saving and investing to adapting their traditions to fit the times. While in the US people tend to be very short term oriented. In the US the indulgence rating is 68, the work hard play hard mentality comes into play. In China the indulgence levels are much lower. The Chinese don't care for leisure time and try to control their desires.

"Hofstede's 6-D scores graph shows 6 different data about power distance, individualism, masculinity, uncertainty orientation, long term orientation and indulgence of China and USA. There are some similar parts about those two countries. For power distance, China has score of 80 compare to 40 score which USA has. Even those two scores are very different from each other, they still have a same idea that the more power comes with great right to do something. However, Chinese think that because of the subordinate-superior relationship, everyone is unique, so they are unequal that's what American believe. China and USA have almost the same scores on Masculinity: 66 vs 62. Both cultures believe success oriented and driven. In addition, China and USA are adaptable and willing to take new ideas, that is the reason why they have a low score on

uncertainty avoidance. Also, there are big differences between those two countries on the individualism, long time orientation and indulgence. Chinese more likely to put group value over self-success. Relationships between people are more important than task and company. American culture is just on the opposite way, the data points out they have a high score of 91 on individualism. People in this culture more care about themselves and their immediate families. When we take look at the long term orientation part, we can easily tell the huge difference by looking at the score. China has 87 high score compare to 26 which means USA is not a long term orientation culture. Finally, work hard and play hard is the symbol of the US. People are more restrained in the Chinese culture. Ethics and values can be different depends on which culture that person comes from. The differences in thinking styles, communication methods, legal concepts, and leadership styles brought about by different cultural backgrounds are mainly reflected in the following aspects: For example, The US market economy is influenced by the American cultural background and values, showing aspects that are different from those of other capitalist countries. Based on the difference in value orientation, the US market economy is called individual capitalism. While China is in the process of transition from the traditional planned economy to the socialist market economy, it has extensively studied various advanced management methods and forms a socialist market economy with Chinese characteristics. In Sino-US joint ventures, they face management problems, or managers ignore the cultural frictions, which makes the global strategy of multinational companies encounter obstacles. A certain decision is impeccable in theory, but it has encountered many obstacles in its implementation. The same decision-making has achieved good results in the implementation of A, but it may not be handy in B. The friction caused by culture is difficult to overcome through business strategies such as product diversification and organizational structure complexity. The deviation caused by culture can only be corrected by adjusting culture. In the management of the United States, Microsoft has instilled in every employee the idea of failing to treat correctly, respecting failure, and even proposing that ""no failure to explain the work and no effort."" It is because of the failure that Microsoft has succeeded in making opponents chill. In Microsoft's own words: ""Failure is a need for success."" Microsoft also strongly advocates management concepts such as ""release information"", ""work any hour"" and ""no need to open another meeting."" It is important for people to build trust and long lasting relationships with each other before engaging in successful business (Carland & Carraher).

REFERENCES

Available upon Request

SUPPLY CHAIN MANAGEMENT & CULTURAL DIMENSIONS IN CHINA AND THE USA

Yaser Baqatyan, University of Texas, Dallas
Allen Jung Lee, University of Texas, Dallas
Reshma Maliakkal, University of Texas, Dallas
Minyi Liu, University of Texas, Dallas
Mehdi El Ahmadi, University of Texas, Dallas
S. Haas, University of Texas, Dallas

ABSTRACT

Based on Hofstede's model there are six factors that play into defining a country's culture: power distance, individualism, masculinity, uncertainty avoidance, long term orientation, and indulgence. It is important from a managerial point of view to be aware of the various cultures of those on your team, because it allows one to facilitate better communication and understand potential pitfalls that could come from varying underlying personal work objectives. When comparing the countries of the United States (U.S.) and China, the two countries have similar score in masculinity, 62 and 66 (out of 100) respectively; having a similar masculinity score indicates that both countries are driven by success where success is defined by best in the relative field. China's higher masculinity score could cause for a disagreement at what could be justified as ethically acceptable in the work field compared to its (U.S.) counterparts. The disparity in masculinity scores also leads to a comparably more intense work environments in China versus the U.S. and that could lead to individuals feeling like someone is putting in not enough or too much time into their role. The power distance scores between the U.S. and China are 40 and 80 respectively. China has more polarized relationships between superiors and those working under them. As a U.S. manager, it is important to understand that this could lead Chinese members of his or her team to be more apprehensive to approach them if something they might see as unfair occurs. Additionally, a U.S. employee in a Chinese company has to be careful in how they approach their superiors, because the same level of openness that would occur in a U.S. company could be deemed as too forward or disrespectful. The vast difference between the U.S. and China when it comes to their individualism scores, 91 and 20 respectively, shows that both cultures have polarized views on how interdependent members of society are. China's score shows that as a society they are highly collective and this can lead to things such as nepotism to be less discouraged or even accepted when it comes to company promotions. Additionally, the success of the team outranks the needs of an individual. Meanwhile, the U.S. scores indicate that Americans are more self-reliant and have a more loosely-knit society. The varying opinions on the importance of the collective can lead to points of contentions culturally that even affects regulation between the countries, this can already be seen in the differences of copyright laws regarding intellectual property in the United States versus China. When a society highly views the collective as more important than the individual it makes less sense to have such strict regulations in place over intellectual property that could benefit everyone. The United States and China both have relatively low uncertainty avoidance scores with 46 and 30 respectively. Chinese individuals are more

comfortable with ambiguity than Americans and this can lead to potentially issues when it comes to communication between individuals that are on the same team, but from different backgrounds. The U.S. has a long term orientation score of 26 while China has a score of 87. The Chinese culture is a lot more pragmatic with emphasis placed on saving. The U.S. scores low due to the propensity of Americans to analyze new information constantly. In a work setting this causes a culture where Americans work for quick results. The U.S. and China's indulgence scores are 68 and 24 respectively. China exhibits more restraint than the U.S. when it comes to controlling its desires. They put aside less time for leisure time, which can ultimately lead to a difference in values. As a manager, it is important to acknowledge which attributes make a work environment desirable can also change between the two cultures.

According to Hofstede's 6D model, the positioning of 4 of the 6 factors were widely different. These 4 factors included: Power distance, individualism, long term orientation, and indulgence. The two factors that were very similar were masculinity and uncertainty avoidance. China, being a communist country, would sit high on the power distance as the people are told what to believe while the United States would sit low as people have the freedom of their own beliefs. For individualism, Chinese people as a whole act in the benefit for the group rather than for themselves while the opposite is true for the United States. On long-term orientation, China scored high because their society as a whole believe that adaptability and flexibility is key while Americans believe in an old-school type of thinking. Lastly on indulgence, the Chinese scored low because they believe that indulgence is somewhat wrong while Americans scored high as they believe that they should receive equal gratification in work and rewards.

Power Distance: The fact that each one of us is special shows that we are not equal. Power distance deals with the idea that all human beings in societies are not equal, and it conveys the attitude of the culture regarding the power inequalities amongst us. China with a score of 80 sits in the higher rankings of PDI, a society that considers inequalities among people are allowable. **Individualism:** The main problem explained by this dimension is the level of interdependence a society keeps among its members. It has to do with whether one's self-image is described in terms of "I" or "We". The American belief of liberty and justice for all reflects one of the most individualist cultures in the world. This is proved by the significance and importance of equal rights in all sides of American society and government. At a score of 20 China is a highly collectivist culture where individuals act with regard to the group and not particularly in the interests of themselves. **Masculinity:** A high score on this dimension shows that the society will be guided by competition, accomplishment and prosperity. This behavior starts at a young age and continues throughout people's lives both in a professional and personal level. The score of the United States on masculinity is at 62, and it can be noticed in the typical American behavioral patterns. This can be interpreted by the combination of a high masculinity drive together with the most individualist drive in the world. On the other hand, China is at 66 and is also a masculine society, success oriented and driven. Many Chinese will sacrifice family and other priorities to their professional careers. **Uncertainty Avoidance:** At 30 China has a low score on Uncertainty Avoidance. Commitment to rules and laws may be flexible to enhance the actual circumstance and pragmatism is a fact of life. The Chinese are comfortable with uncertainty; the Chinese language is full of uncertain meanings that can be hard for Western people to follow. Chinese are entrepreneurial and adapt well to different environments. The US scores below average, with a low score of 46, on the Uncertainty Avoidance dimension. As a result, the perceived context in which Americans find themselves will affect their action more than if the culture would have either scored higher or lower. **Indulgence:** One of the challenges that face humanity, now and in the

past, is the degree to which small children are socialized. Without socialization we cannot become human. Indulgence is explained as the scope to which we try to keep our desires and impulses controllable, based on the way we were raised. The United States scores as an Indulgent (68) society on the sixth dimension. It is reflected by attitudes and behavior such: work hard and play hard. China is a controlled society as mentioned by its low score of 24 in this dimension. Moderate societies tend not to put much importance on leisure time and control the satisfaction of their desires. Individuals with this orientation have the belief that their actions are controlled by social norms and feel that indulging themselves is not right. It is important for people to build trust and long lasting relationships with each other before engaging in successful business (Carland & Carraher).

REFERENCES

Available upon Request

HOFSTEDE IN CHINA & THE UAE

Vina Pham, University of Texas, Dallas

Yaser BaQatyan, University of Texas, Dallas

Abraham Mathew, University of Texas, Dallas

Ruth Alotaibi, University of Texas, Dallas

Lilly Nguyen, University of Texas, Dallas

ABSTRACT

Power Distance The United Arab Emirates scores high on the power distance index (90) which implies that people are more accepting of the authority of others based on their hierarchal order in society as a whole and within organizations. Canada, on the other hand, lacks acceptance of power inequality both on organizational and social level as suggested by the small power distance index of 39. In the Canadian culture, on an organizational level, hierarchy is established for convenience, but in everyday work operations, a consultative approach of decision-making is the customary and dominant style of management. Comparing the same aspect of management to that of the UAE, a more centralized approach to the decision-making process within organizations in the UAE is more dominant as subordinates expect to receive orders from higher up the hierarchy of power without justification and with confidence in the benevolence and efficacy of the leader. On a societal level, the strong variation in PDI between the two countries is reflected by distinction of social status that is expected to be more prevalent in societies with high power distance index such as the UAE. Though, the power inequality in a society does not necessarily reflect an objective power differential within the society, rather, it is an indication of the perception of people to the power disparities within the society or among families. In the UAE, distinction by social status could be attributed to the tribal cultural background of the UAE and is also reflected in the type of state governance in the UAE where certain positions in government are exclusive to members of certain families and not others and people are collectively loyal and accepting of that power distribution. However, in an egalitarian society such as Canada, social distinction is lacking and is often considered to be unethical as members of society are less accepting of power inequality and more conscious of their rights.

Uncertainty Avoidance Uncertainty avoidance deals with how a society deals with the ambiguity of the future and the extent to which members of the society are threatened by ambiguous situations and in an attempt to avoid such situations, societies resort to beliefs and institutions. Canada's relatively low score of 48 in the uncertainty avoidance dimension suggests a culture of tolerance for ambiguity and uncertain situations. The UAE, on the contrary, has an uncertainty avoiding culture (score of 80) in which members of the society try to minimize the possibility of uncertain situations by strict laws and rules, safety and security measures, and on the philosophical and religious level by a belief in absolute truth. With respect to innovation, new technological innovations are adopted at a faster rate in uncertainty accepting societies than they are in uncertainty avoiding societies where innovation is resisted.

Individualism vs. Collectivism This dimension has the greatest variation between Canada and the UAE. Canada with a score of (80) is considered an individualistic society in which the emphasis is on the personal achievements of the individual and members of society are primarily motivated by self-interest. The UAE, in comparison, scores a relatively lower score of (25) in individualism,

which implies a higher degree of collectivism and interdependence amongst members of the society. *Masculinity vs. Femininity* With a masculinity score of 50, and 52 for the UAE and Canada respectively, both societies can be considered to be neutral on this dimension. Although, with a score of (52) is considered to be slightly more masculine. Overall, both societies exhibit features of a feminine and masculine society at the same time in such a way that individuals are motivated by the desire to become the best (masculine) and equally care about others and the quality of life (feminine). There is currently no score available for the UAE in both “indulgence” and “Long-Term vs Short-Term Orientation” dimensions. Canada and United Arab Emirates have differences in the cultures, ethics and values. Canada values diversity, unity, freedom and Individualism. They gained that values throughout the years. United Arab Emirates values tradition, religion and familial ties. United Arab Emirates and Canada are similar for having some extreme climates. Canada had extreme cold area throughout the year because of this most Canada is inhabitable. Similar to the United Arab Emirates with extreme hot weather and having some area of the countries are deserts which is most part inhabitable. According to the Hofstede insights, Canada and United Arab Emirates are different in power distance and individualism. Power Distance in Canada is in the low end compared to United Arab Emirates. Canada has a relatively low power distance index score of 39. This means that there is equality between social levels, government and families therefore, this also means that the cultural environment is stable because the Canadian public sectors are more accessible to the public in terms of the fact that they usually hire from within the country and they are more willing to share information within the organization. However, the tension between provinces stops the number from going lower. Whereas, in United Arab Emirates the power distance index is at 90 which is considered high. This differs from Canada because of their hierarchy system which includes different social classes. This indicates that there is a central leader that has control over every aspect of an organization such as the finances, production and distribution. Furthermore, it expected for the employees to follow the orders that are in place by a higher social class without engaging in questioning of such orders. This power distances appears from the respect that people have for leaders through the social norm and the Islamic religion. Individualism in the United Arab Emirates is a not highly considered part of their culture. They are a collectivistic society because they do value family and traditions in United Arab Emirates. Therefore, In United Arab Emirates corporate social responsibility is strongly based on the teachings of Islam which influences business ethics and community involvement. This is achieved by putting its main focus on generosity by philanthropists funding organizations for the betterment of the community. Whereas, Canada is considered to be more of individualistic society. Canada’s approach to society derives from an individualistic stance as providing for themselves and their close families is a major part of their lifestyle. Canada scores 80 on this dimension score which is the highest dimension score between all the countries. Throughout businesses, employees are expected to be self-driven and motivated to complete their work for person gains rather than community gain. Moving up higher in the organizational ladder based on personal achievement and presentation of how well someone works at their job. In summary, the differences between Canada and United Arab Emirates are shown in numerous aspects including power distances and societal approaches as well as culture. Power distance show differences within the two countries because in Canada, there is more respect between each other in work places while, in the United Arab Emirates, there is a strict norm of respecting the leaders of the company and the orders that are provided to the employees. In terms of individualism, UAE is more of a cooperative to bring more communal gains while Canada is more driven to employ a self-sufficiency approach. It is important for people to build trust and long

lasting relationships with each other before engaging in successful business (Carland & Carraher).

REFERENCES

Available upon Request

CULTURAL DIFFERENCES IN UKRAINE, THE CZECH REPUBLIC, AND CANADA

Vamsi Salagundla, University of Texas, Dallas

Sarah Hassan, University of Texas, Dallas

Veronica Vazquez, University of Texas, Dallas

Ahmed Salim, University of Texas, Dallas

Lilly Nguyen, University of Texas, Dallas

ABSTRACT

Ukraine is one of the countries where the societies have high scores in secular-rational and survival values. Czech Republic is one of the countries where the societies have high scores in secular-rational and self-expression values. The Ukraine scored higher compared to the Czech Republic in Power Distance and Uncertainty Avoidance. The Czech Republic on the other hand scored higher in Individualism, Masculinity, Long Term Orientation, and Indulgence. The Czech Republic has a hierarchical society because of its high score in power distance. A hierarchical society is accepted by the people to where everyone has a place and does their own thing. It reflects an inherent inequalities, centralization is popular, and the subordinates are expected on being told what to do. The individualism score is a lot higher than the Ukraine which means that there is more of a preference for a loose social framework. A loose social is when individuals are expected to take care of themselves and their immediate families only. These societies usually causes guilt and a loss of self-esteem, the employer and employee relationship is a contract based on mutual advantage, hiring and promotions decisions are supposed to be based on merit only, management is the management of individuals. When it comes to the masculinity dimension. A high score on the masculine dimension indicates that the society will be driven by competition, achievement and success, with success being defined by the winner. This is a value system that starts in school and continues throughout organizational life. A low score on the feminine dimension means that the dominant values in society are caring for others and quality of life. A feminine society is one where quality of life is the sign of success and standing out from the crowd is not admirable. The Czech Republic scores 57 on the dimension and it's a masculine society. In these countries, people "live in order to work", managers are usually assertive, they emphasize on equity, and conflicts are resolved by fighting them out. The next dimension is long term orientation. Long term orientation describes how every society has to maintain some links with its own past while dealing with the challenges of the present and the future. The Czech Republic's culture has illustrated to be pragmatic. When societies have a pragmatic orientation, people believe that truth depends very much on situation, context and time. The last dimension is indulgence. Indulgence is the extent to which people try to control their desires and impulses based on the way they were raised. Relatively weak control is called indulgence, and relatively strong control is called restraint. So, the two options cultures can have are indulgent or restrained. The Czech Republic has a low score of 29 which means that the Czechs are generally not indulgent. The societies that have a low score in this dimension have a tendency to pessimism. In contrast, restraint societies do not emphasize on leisure time and control the gratification of their desires. People or societies that have this orientation have the perception that their actions are restrained by social norms.

In analyzing the differences in Hofstede's six dimensions and values between Canada and Ukraine, it is clear to see that these two countries function significantly differently. Beginning with Hofstede's six dimensions, Ukraine and Canada demonstrated their differences through their scores being the opposite of each other in each category. When Ukraine scored high, Canada scored low and vice versa. A prime example of this is the discrepancy in the two country's scores in regard to power distance and uncertainty avoidance. Canadians place value on egalitarianism, and the hierarchical structure of organizations is predominantly in place due to convenience rather than necessity. Conversely, Ukraine scored a 92 in this category, signifying a strong emphasis on division of status. The Soviet background and history of the country plays a pivotal role in the shaping of power distance, causing Ukraine to develop as very centralized and keep power holders at a distance. This variance in outlook regarding power distance transfers over to the views about uncertainty avoidance of both Canada and Ukraine as well. For example, the strong emphasis on uncertainty avoidance in Ukraine leads to formality in new relationships or relationships with those at a different status. It is crucial to provide context and detailed plans in the Ukraine because ambiguity is not embraced and causes individuals to feel threatened. On the other hand, Canadian culture does not only accept new ideas but embraces them. Whereas formality is ingrained in Ukraine society, Canadians will tolerate and hear ideas from anyone, allowing freedom of expression. Though power distance and uncertainty avoidance are the two extremes in terms of the largest differences in score amongst Hofstede's dimensions, this trend is prevalent in the four other categories as well. The closest Ukraine and Canada do see eye-to-eye is in respect to long term orientation, however this relation still holds a difference in perspective. Canada is seen as a normative society, holding great respect for traditions and seeking to establish the absolute truth. They are able to distinguish themselves when it comes to the question of being a normative or pragmatic society, whereas Ukraine scores in the middle of the scale. As a result, this country simply does not demonstrate a clear preference on this dimension. Furthermore, after analyzing individualism, masculinity, and indulgence, Canada reveals a stronger view on all three categories. Overall, this comparison of Ukraine and Canada regarding all six of Hofstede's dimensions reveals that the two countries are fundamentally different, if not opposites, due to the variability in their outlooks. In terms of values, the two countries do share a slight similarity when the question of traditional values versus secular-rational values is proposed. Both countries are slightly over 0 when put on the scale, meaning that they do not identify strongly as traditional or secular. Canada is a little under 0 and identifies as having slightly more traditional values while Ukraine is a little above 0 and identifies as having slightly more secular-rational values. This means that Canadian values place more importance on aspects such as religion and parent-child ties, but Ukraine society has the opposite perspective. Since both countries are still close to the middle, though, it means that they are not strongly one value or the other in this category. However, when it comes to survival versus self-expression values, the two countries mimic the strong differences seen amongst their Hofstede's dimensions. Ukraine places emphasis on economic and physical security, exhibiting their survival values identity. This means that Ukrainians have low levels of trust and tolerance, which can be linked back to their relationship with uncertainty avoidance that causes formal customs and a need for detailed context within a situation. Canada holds self-expression values and promotes a more accepting environment for expression. The environment is held in high priority and gender equality for all is seen as important. Additionally, Canadians demand participation in decision-making decisions in economic and political life, thereby promoting expression and the opinion of citizens. These drastic differences between Canada and Ukraine illustrate the varying ideals between the two

countries and their people. While small similarities may exist, ultimately, the two are fundamentally different and perceive society and its values with two distinctive lenses. It is important for people to build trust and long lasting relationships with each other before engaging in successful business (Carland & Carraher).

REFERENCES

Available upon Request

HOFSTEDE & ETHICS IN CANADA & URUGUAY

Hunter Mitchell, University of Texas, Dallas

Intisaar A. A. Haq, University of Texas, Dallas

Tri Luu, University of Texas, Dallas

Pratistha Shrestha, University of Texas, Dallas

Lilly Nguyen, University of Texas, Dallas

ABSTRACT

Although both are in the Western Hemisphere, Canada and Uruguay are vastly different countries: while one is practically landlocked, the other boasts thousands of miles of coastline; while one is one of the largest countries in the world, the other is the second smallest in its continent; and while one loves its ice hockey, the other can't get enough of the beautiful game. These differences transcend geographical and entertainment differences, however, as both countries differ on nearly every single dimension of Hofstede's 6 insights – sometimes drastically so. In this paper, we will examine the different approaches to business of the United States' big neighbor to the North and a country about the size of North Carolina. To first address the similarities, Canada and Uruguay are both moderately Indulgent, falling just a bit into the acceptable range, while both have fallen into the "Not" category for Long Term Orientation. In both categories, the two countries are less than 16 points apart, showing a significant similarity between the values for both nations in these categories. From the similarities in both categories, it can be concluded that both countries favor short-term gratification over struggles which would result in a possibly larger win. When thinking of these values in terms of addressing issues in corporate strategy, we can further conclude that businesspeople in these two nations would both favor short-term solutions that would satisfy shareholders, board members, managers, what have you. To give an example, according to the values received, both Canadians and Uruguayans should address a temporary loss in productivity with firing poorly performing employees. While this would temporarily reduce costs and possibly solve the issue at hand, the loss in labor could result in greater losses in productivity during any planned expansion. Between Canada and Uruguay, the two smaller differences in categories lie in Power Distance and Masculinity. While Canada just barely rates in the upper echelon of masculinity, Uruguay falls in the mid-range of Femininity. Similarly, while Uruguay rates 11 points into the upper half of Power Distance, Canada only rates 11 points into Low Power Distance. Translating these values into business terms, Canadians are more likely to be a bit more logical and self-serving than Uruguayans in terms of career gain, and they also do not feel as great of a reverence for a CEO as someone in Uruguay. In terms of corporate strategy issues, we can assume that a Canadian would not feel so nervous to present a solution to a Vice President that would benefit their division much more than others. In Uruguay, due to their more Feminine nature, they would push for a solution that would be accepted and valued by all involved, and send the proposal up the chain of command. In terms of ethicality, we can argue that the Canadian method would be unethical, due to its purposeful lack of consideration for other divisions. The Uruguayan solution would be decidedly more ethical as the solution takes into account the best of the company and the best of others, which is typically tied more to Femininity. The most striking values that we received were for Individualism and

Uncertainty Avoidance – both countries scored in the top 20% of one category each. While Canada scored an impressive 80 points in Individualism (Uruguay scored a 36), Uruguay scored all the way at the top of the spectrum for Uncertainty Avoidance – a whopping 99, the highest score we have seen in quite a while (Canada scored a 48 in this category, just barely falling into the lower half). Since Canada’s culture resembles the United States’ quite closely, it makes sense that they have such a high score in individualism. Being a Latin American country, it makes sense that Uruguay is a collectivist nation (as every single one is rated as a collectivist nation by Hofstede). When we observe these values in the workplace, Canadians, when faced with a strategic issue in the office, would choose whatever benefits themselves the most, even at the expense of the company. Uruguayans, rather, would choose whatever they felt best helped the company as a whole, since they feel kinship within the whole. In a practical application, when faced with a proposal that would cause great personal gain at the expense of others, Canadians are more likely to move forward with it while the Uruguayans would not. When we look at the most striking score for either nation, we wonder how such a high score for Uncertainty Avoidance affects Uruguayan decision making. Scoring a startling 99, Uruguayans would virtually never take any project on unless they were absolutely sure of its success. Canadians, on the other hand, barely fall into Low Uncertainty Avoidance at a score of 48. In the context of strategic decision-making, this means Uruguayans would never make a decision without the biggest guarantee of success, while Canadians can go either way based off of risk alone. This can cause issues for the Uruguayans, as they are quite likely to miss large payouts that involve high risk. In summary, Uruguayans are more likely to take a more conservative approach to strategic issues due to high scores in Feminism, Collectivism and Uncertainty Avoidance. We can expect to take longer to make decisions with them due to a greater value placed on group buy-in and benefit. Canadians, on the other hand, would be more likely to act segmented and value logical self-interest above all (due to their Masculinity, high Individualism and Low Power Distance). From our observations, any company doing business in both nations would observe success from radically different strategies in decision-making. When comparing the two countries Uruguay and Canada, it was reported that Uruguay was low on individualism, masculinity, long term orientation, and indulgence compare to Canada. However, when it came to the power distance and uncertainty avoidance Uruguay had a drastically higher cultural impact compare to Canada. Even though these two countries are having a different mindset of cultural differences in leading business organizations. There are still quite a few similarities in ethical perspective. In both countries indulgence is almost the same, so that means both countries control their desires and impulses in a similar way. Another similarity both countries have is long-term orientation. This describes how every society has to maintain some links with its own past while dealing with the challenges of the present and future. Both of the countries scored below 50 which indicates a low number which means both countries prefer to maintain time-honored traditions and norms while viewing societal change with suspicion. This symbolizes that both countries are more normative than pragmatic, and it exhibits great respect for traditions, a relatively small propensity to save for the future, and a focus on achieving quick results. This also goes well with the indulgence, because they both score above 50 but below 70, so relatively not too high and not too low, which means that there is restrained, however, there is also indulgence in both cultures. This makes both countries able to relate to the business strategy. The best solution to cultural differences in ethical solutions is being open, and learning the culture, so it's harder to offend one another, but also, not getting offended so easily and teaching each other what is right and wrong would be the ethical solution to a firm’s strategic issue. If a firm is able to do this then there is a growth mindset and better communications which

are important in strategic. Hofstede and Schwartz's Theory will work better if compared and analyzed together for each of Hofstede's insights there is Schwartz's theory to back it up. Since both firms want to achieve goals quicker and have a good amount of restraint, it makes up the solutions to cultural differences in an ethical way to a firm's strategic issues. It is important to acknowledge these six dimensions when hiring, employing, and interacting with other countries and cultures. It is important for people to build trust and long lasting relationships with each other before engaging in successful business (Carland & Carraher).

REFERENCES

Available upon Request

HOFSTEDE: A COMPARISON IN THE UK, CAPE VERDE, URUGUAY, JAPAN, & THE US

Carolina Wilkins, University of Texas, Dallas

Natasha Murty, University of Texas, Dallas

Stephanie White, University of Texas, Dallas

Saqif Rahman, University of Texas, Dallas

Lilly Nguyen, University of Texas, Dallas

ABSTRACT

While not located all that far from one another, but Cape Verde and the UK score very differently on Hofstede's 6D Model. A lot of the differences between the two countries can be attributed to the fact that Cape Verde is not nearly as developed of a country as the UK. Cape Verde scores extremely high on power distance as a country that honors hierarchy within an organization. Everyone has a role to play and is expected to remain within the bounds of that role. On the other hand, the UK, a more developed country, doesn't encourage those inequalities. With a relatively low power distance, the UK believes in providing equal opportunity to all. In the case of individualism, Cape Verde scores very low. This means that they have a collectivist culture, and are loyal to the group that they identify with. The UK has an extremely individualistic society. This is evident not only in the way they conduct business, but even in their personal lives – they are extremely private by nature. In terms of masculinity, Cape Verde scores low, classifying them as a feminist society and one that is not driven by competition. Being that the country is still developing, they work to live and are not encouraged by competition to strive for higher status or wealth. The UK is a masculine society that is driven by competition. People in the UK are known for a strong work ethic and strive for excellence. Both countries score very similarly in terms of uncertainty avoidance. While both are low, Cape Verde is actually a little higher than the UK. In Cape Verde people are willing to take risks and try new things. This is likely the reason that they have grown so much in recent years and are one of the richest countries in Africa. The UK is much more willing to go with the flow, and are more comfortable with uncertainty. Cape Verde does not have a long term orientation. This goes along with the fact that they are a more feminine society. Saving and planning for the future is not as important as living in the now for them, and they are more focused on reaching their goals quickly than coming up with a long term fix. The UK has a higher long term orientation which means they are more forward thinking than Cape Verde, however in terms of all countries, it falls right in the middle of the pack. Cape Verde is highly indulgent, something that correlates directly to its lack of long term orientation and the fact that it is a more feminine society. There is an emphasis on fulfilling one's desires, optimism, and relaxation. These three characteristics tie in with the fact that Cape Verde is not driven by competition, there is more of a focus on enjoyment. The UK is also classified as an indulgent society, likely as a result of their development. People in the UK are accustomed to a certain lifestyle that is indulgent in nature. While both countries are very different, they do share some of the 6 characteristics, and for very different reasons.

Power Distance - the extent to which the less powerful members of organizations and institutions (like the family) accept and expect that power is distributed unequally. The higher on

the scale, the society as a whole is comfortable with leaders having more power than subordinates. Both Cape Verde and Uruguay are at the higher end of this dimension. Cape Verde is slightly higher at 75 than Uruguay's 61, but both societies feel comfortable having a hierarchy of power. Subordinates would be less likely to question the authority of the bosses. Individualism – the extent to which people feel independent, as opposed to interdependent as members of larger wholes. The higher on the scale, the society as a whole would be expect individuals to make their own choices and not be influenced by what are otherwise social expectations. The scores in this dimension are both relatively low (Cape Verde 20 and Uruguay 36) and both societies would be considered collectivistic. Loyalty would be important and groups would have strong relationships. This extends beyond the immediate family groups. The good of the group serves as a moral guide. Masculinity - the extent to which the use of force is endorsed socially. The higher on the scale, the society as a whole would be more competitive regardless of actual gender of the individuals. Uruguay's 38 is over twice as high as Cape Verde's 15 in this dimension. Both are still less than 50, so they would more on the Feministic scale as a society. Enjoying what they do is going to be more important than being better at it than others. Uncertainty Avoidance - society's tolerance for uncertainty and ambiguity. The higher on the scale, the society as a whole prefers structure and rituals to reduce anxiety for the unknown. The Uncertainty Avoidance dimension is the largest difference between Cape Verde and Uruguay. Cape Verde is on the lower end with a 40 and more flexible and relaxed when it comes to taking risks. Cape Verde citizens would plan for change, but they would also be open to adjusting those plans as needed. Uruguay is to the extreme high end with a 99 and would find rules and structures important to feel secure. Uruguay citizens would be opposed to trying something new. Long Term Orientation – deals with change. The higher on the scale, the society as a whole is inclined to be preparing for the future since the world is continually changing from the past. With both societies being on the lower end, Cape Verde (12) and Uruguay (26) are more short-term oriented. Both are driven to maintain traditions in society and be less focused on making changes today that would have impacts to encourage a change in the future. Cape Verde is exceptionally low in this dimension. Indulgence – is about the good things in life. The higher on the scale, the society as a whole is less inclined to control their impulses and more willing to do what feels good. The Indulgence dimension is the second highest variance of all the dimensions between Cape Verde and Uruguay. At an 83, Cape Verde citizens are not likely to control their impulses. They are going to want to spend their time and money as they wish. Uruguay would be more middle of the road with their 53 and slightly more inclined to be indulgent than restrained on their impulses. They may not want to have as much fun as Cape Verde, but Uruguay citizens still want to have fun!

Power Distance; US: 40, Japan: 54 Japan is described as a borderline hierarchical, and borderline because it isn't as hierarchical as most other Asian cultures. Japanese society's decision making process within their business experience is also describe as very slow, having a decision for a company or organization have to go up the hierarchy for evaluation. If you look into their method of Kaizen, you can understand that Japan values slight improvement over time for an already existing product/process rather than something drastic that could give more unpredictable results. Individualism; US: 91, Japan: 46 Japan is known to be a collectivist society, putting harmony of the group over the expression of the individual's opinions. One thing I had learned in my Psychology of Creativity class is that Japanese parents are likely to keep a baby at their side during bedtime, where as in the US, parents are likely to have the baby at its own crib, showing the development stages of both these different ideologies. For Western Standards, Japan is considered collectivist, yet for Asian standards, Japan is considered much more individualist. I

believe this is a result from Japan having much influence economically and culturally from the United States after World War II, and over the years have taken favor to some individualist tendencies that the US promotes. Masculinity; US: 62, Japan: 95 Rather than a competition between individuals, due to their collectivist nature, Japan favors competition between groups which adhere to the Masculinity of their culture. Children in the country learn to work in a team through sports days. The Japanese are also known to be workaholics, which can be difficult for Women in the nation to climb the corporate ladders due to the long working hours demanded. Uncertainty Avoidance; US: 46, Japan: 92 Japan is one of the most uncertainty avoiding countries in the world, most possibly due to the fact that they face so many natural disasters. Not only do they want to prevent or prepare for natural disasters, but aspects of their society as well. They're known for collecting as much information as possible before making a decision, as they greatly favor predictability. Referring back to Kaizen, the Japanese prefer smaller changes to an already existing system that favorably works, rather than something more far out that could show more varying results at some form of risk. Long Term Orientation; US: 26, Japan: 88 Very long term oriented in comparison to the like of the United States, Japan aims for the durability of their societal infrastructures, as most people serve to the stakeholders of the companies they work for and their society's generations to come after. Japan is also known as one of the most Atheist countries in the world. Most do not believe in a higher power that conducts and controls their present or future, but rather feel they can be responsible for what their future holds with careful hands. Indulgence; US: 68, Japan: 42 A culture of much restraint unlike their neighbors across the Pacific ocean. The Japanese do not emphasize on leisure time and the gratification of desires. Most have the perception that they are restrained by the social norms and find indulgence in general with little importance in one's life. It is important for people to build trust and long lasting relationships with each other before engaging in successful business (Carland & Carraher).

REFERENCES

Available upon Request

A COMPARISON OF THE CZECH REPUBLIC TO THE UK, US, AND UKRAINE ON HOFSTEDE'S DIMENSIONS

Donald Faught, University of Texas, Dallas
Ryanne Kamal, University of Texas, Dallas
Weston Tuttle, University of Texas, Dallas
Jessica McKinnon, University of Texas, Dallas
Dennis Q. Ly, University of Texas, Dallas
Lilly Nguyen, University of Texas, Dallas

ABSTRACT

In the Czech Republic, justification is not needed in regard to the country's hierarchical society. Members of the country's society accept the hierarchical method followed. The boss makes the rules, and subordinates are expected to follow what is asked. In the United Kingdom, the idea of minimizing inequalities among people in their society is somewhat supported. Where we are born should not limit how far we can excel in life. Any individual can hold a high position in a company, regardless of their background. In the Czech Republic, individuals are expected to care for themselves along with their immediate family members. We work as a team in order to support one another as a family. Sacrifices are made in order to care for family members to our best ability. In the United Kingdom, people are taught from an early age to be private, think for themselves, and find out their true purpose and calling in life. Personal fulfillment is the key to happiness. We find our mission and life and aim to achieve it; little attention is given to how our actions may affect others. The Czech Republic follows a masculine outlook: people live in order to work. If there is a problem, it will be fixed, even if it leads to a fight. Managers are expected to be firm and decisive. The United Kingdom is known as a masculine society: people are success oriented. The British are known for saying things that are not necessarily meant to be said; we must "read between the lines" in order to understand the British. In the Czech Republic, society has a high fondness for dodging uncertainty. In the work field, there is a clear expectation of what must be done, and it is strictly followed. In the United Kingdom, society is content with accepting uncertainty. There are not many rules to follow. In the work field, there may be an end goal, but the details of how it will get done are not strictly enforced or planned. Being different and unique in the work field is positive; it allows for individuals to stand out in industries such as marketing and advertising. In the Czech Republic, society's outlook is realistic and practical. The ability to adapt traditions to changed conditions is practiced in this country. They prepare in the present in order to be secure for the future. People work hard in order to save and invest for future purposes. The idea of "living in the moment" is not followed in this country. A dominant preference in the United Kingdom's culture cannot be determined. In the Czech Republic, society has a pessimistic view on life. In some ways, it is somewhat wrong to indulge ourselves. There is no time to waste. In the work field, tasks must be completed, with little emphasis on leisure time. In the United Kingdom, society believes that life is short; enjoy the moment and have fun! We must be optimistic and give ourselves leisure time to spend money and enjoy life. These two countries are very different when comparing Hofstede's six dimensions. The Czech Republic follows a strict

and planned-out outlook on work and life. The United Kingdom, however, is the complete opposite. The idea of “going with the flow” and enjoying a creative life is the outlook followed in the United Kingdom.

In the comparison of ethics and culture measured by Hofstede’s 6 dimensional model in Czech Republic and the United States, it is apparent that these two countries vary in several important categories. The 3 dimensions with the most difference was uncertainty avoidance, long term orientation, and indulged. The major similarity within these countries was the masculinity dimension. Interestingly enough when further broken down into the four dimensions measured by the Ethics Position Questionnaire of Forsyth, you are able to see the clear divide between the two countries perception on ethics and how their culture could majorly impact every day decisions. The first dimension of the EPQ “Don’t Harm Others” is the only dimension with the most similarities. The Czech Republic and the United States ranked high on the Hofstede’s masculinity scale, meaning they are driven by success. When asked “The existence of potential harm to others is always wrong, irrespective of the benefits to be gained.” In a culture that is extremely competitive and always has the need to be the “best”, one might disagree. Although the U.S ranked much higher on the individualism scale than Czech, it comes to play in both cultures when you are focus on “self” and your own family, you are less likely to take into account the welfare of others. This does not mean these countries completely disagree with the statement “Don’t Harm Others”, but it does mean that there are cultural factors that influence their decisions. The second dimension of the EPQ is “Absolutism”. The Czech Republic ranked (57) which is relatively high on the scale of power distance, meaning people accept hierarchy. This has resulted into a society that needs structure, and thrives under rules. There is a clear and distinct right and wrong, meaning if you think out of the “norm” you will be judged. This culture is drastically different when compared to the score of (40) in the U.S. Although the U.S has laws and regulations, there is more freedom when it comes to right and wrong. It isn’t black and white, there are things taken into consideration when making a moral decision. Such freedom is what is causing much of the political turmoil today concerning topics such as abortion, gun laws, and immigration. “Ethical considerations in interpersonal relations are so complex that individuals should be allowed to formulate their own individual codes.” This is a statement that these two countries would disagree on. The third dimension is “Situationalism”. The biggest difference between the two countries is on the long term orientation scale, where the Czech Republic scored (70) compared to the low score of (26) that of the U.S. The U.S is considered to be very traditional when it comes to ethics and morals. A country that is fairly religious as well as governed by laws that were implemented when it was founded, creates conflict in today’s society. The U.S struggles to make any changes to legislature resulting in it being outdated. Although the Czech Republic’s culture is structured, unlike the U.S it has the ability to adapt to the changes in today society. This is due to the fact that their culture isn’t tied to tradition. They are considered to be a society with a pragmatic culture, meaning that truth is very much situational, and depends on the context. It is important for people to build trust and long lasting relationships with each other before engaging in successful business (Carland & Carraher).

REFERENCES

Available upon Request

A COMPARISON OF CROATIA WITH THE UK, THE US, AND URUGUAY ON HOFSTEDE'S MODEL

Carlos Martinez, University of Texas, Dallas

Michael Sessions, University of Texas, Dallas

Danielle Bailey, University of Texas, Dallas

Marlen Jauregui, University of Texas, Dallas

Estela Sierra, University of Texas, Dallas

Lilly Nguyen, University of Texas, Dallas

ABSTRACT

Croatia and the United Kingdom are quite different on all of Hofstede's 6 different scales except for long term orientation. Geographically wise these two countries aren't super far away from each other, with the United Kingdom on the far west side of Europe and then Croatia mostly situated in central Europe. The main part in the section of power distance for most countries is if the people are fine with a big gap between the working class pay and then the upper class, and the other way people look at it is that there shouldn't be such a wage gap between the two and they should meet in the middle. This is where the viewpoints of both countries differ, where in Croatia the people are fine with hierarchy between the bosses and the working class, whereas in the United Kingdom they are trying to decrease these inequalities in pay because they believe that the importance of your birth rank and where you are born shouldn't decide what life path you choose and how successful you are. When comparing the two societies and their individualistic tendencies it is mostly defined by their income, with the United Kingdom being one of the wealthier societies they are more individualistic and having their youth choose their own path of life, but in Croatia it is more known as a collectivist type society with society being more like an extended family in the workforce sense. This type of collectivist society and the way the workforce is in Croatia ties into their masculinity score being lower than most making it a more feminine society because they focus more on survival and working to live. The highly success oriented and driven people of the United Kingdom live to work and perform, and they do it more because they want to. The uncertainty avoidance mostly deals with how stable the people of the country feels about the future and therefore Croatia has a much higher uncertainty avoidance because they don't have as stable of a country with them just winning their independence in 1995 where the United Kingdom is one of the oldest and most stable places. This very high score for this section for Croatia ties into their very strict rules in the workplace and have a high standard for punctuality and getting things done right so that their country can grow. The one similarity between the two countries is their long-term orientation which is surprising since the United Kingdom has a very historic past with it being one of the oldest societies and keeping a lot of the same things similar. Croatia was no surprise with it having a mediocre long-term orientation with it just gaining independence in 1995 splitting Yugoslavia up into Croatia and Slovenia, so it makes sense why they didn't keep a lot of their older history. Finally, in the sixth category of indulgence the United Kingdom has a higher indulgence rate just because of the amount of wealth that is in London and some other smaller cities in England, it is mostly seen around London of the lavish lifestyle of people enjoying life and

spending money. In Croatia it is a much different look at indulging yourself with them mostly thinking about their jobs and providing for their families and putting less emphasis on their leisure time. All these different aspects are what create and differentiate each of these countries culturally and economically. The values and cultural differences are because of the differences in how each country was started and how it got to where it is today, with the United Kingdom being one of the oldest countries who colonized and helped build the modern world we live in, and Croatia being a lot younger with more hardships and change.

The two countries that we wanted to differentiate from each other are Uruguay and Croatia since we believed they will both have similar culture backgrounds and beliefs and wanted to see how different they actually are. The first of the 6 dimensions is power distance. Power distance is how a certain country distributes their power and how its viewed between people. Croatia has a higher power distance than Uruguay, meaning that people are not considered as equal and the people with higher titles have more power than others. The higher the level means the leader or people with power have more authority than the people in lower power since they get their jobs/responsibilities dictated to them. For individualism, Croatia is considered a collectivistic society due to having a score of 33. That means that people from Croatia are loyal to their families and like to have close relationships with them. Personally, this seemed right to me because Croatian people are close to families due to their culture. Uruguay is in the middle rankings and is the most individualist of all Latin countries with have a median score of 36. Although, when it comes to whether a country is more masculine or feminine Uruguay is considered a more feminine country. This was a shocking result since Uruguay seems to have its people especially the man be the boss and they tend to tell their wife's what to do. They are more focused on working to be able to make a living and there are not focused on quality instead of quantity. Meanwhile, Croatia has a slightly higher ranking with a score of 38 has more masculine elements but not much different than Uruguay. They are more driven by success, achievements and are big on competition which is why they're considered masculine. The next dimension is uncertainty avoidance which has to do with the future. It is when as a society they believe you can control what your future looks like or if they're the type of people that tend to believe in whatever is meant to happen, it will happen concept. Uruguay score is fairly high, which is no coincidence since it is believed that most Latin American countries are high. They tend to be strong with the laws and if they cannot be followed then they will be dictated. Croatia is also high on this spectrum with a score of 80 so it has a high preference for avoiding uncertainty. They believe that that time is money, therefore they are people who tend to always be busy with jobs or doing something and punctual. For the next dimension the country can either have long term or short-term orientation. Uruguay has a very low score of 26, meaning that their present or past is more important to them than the future. They highly respect and value their traditions and enjoy living in the now, on the other hand Croatia has a median value of 58, in which they're pragmatic meaning that they believe in the past and in the now, but they don't seem to forget about their future too.

Cultural differences exist among all countries. Every country is unique and when it comes to doing business ventures across the globe, it is crucial to know the country you want to do business in. Not only will cultures be different but so will peoples values or ethics. Hofstede's 6D model and the World Values Survey of Inglehart, can help analyze countries and then allow a business to form a successful strategy. If a business in the United States wants to do international business in Croatia, it would be wise to analyze and compare the cultural and ethical differences between both countries.

Beginning with Hofstede's 6D model, there are six cultural dimensions within the model. These dimensions are power distance, individualism, masculinity, uncertainty, long term orientation, and indulgence. When comparing the United States with Croatia, a business can find that Croatia ranks higher than the United States in power distance, uncertainty avoidance, and long-term orientation. People in Croatia accept a hierarchal order that no one questions. In an organization people will look up to and expect orders from the boss or person in charge. Therefore, as opposed to the United States the unequal distribution of power is not questioned in Croatia. In addition to this, Croatia prefers avoiding any uncertainty. In the United States, Americans do not require a lot of rules and are more accepting of new ideas or changes when business practices are involved. However, in Croatia people find a need for rules and there is no tolerance for unorthodox behavior or ideas. In Croatia, time is money, working hard and being punctual is important. Moreover, they will consider all efforts made today so that they can be successful and be more prepared for the future. People will save, invest and persevere so that they can achieve their long term goals. Meanwhile, Americans like to see quick results. They will focus on achieving their short-term goals. While Croatia ranks high in power distance, uncertainty avoidance and long-term orientation, it ranks lower than the United States in individualism, masculinity and indulgence. Croatia is classified as a collective society and is not an individualist society like the United States. In the United States, people are expected to look after themselves and their direct family only. However, because Croatia is more of a collective society, people belong to groups who take care of them. Another difference among the US and Croatia is their ranking in masculinity. While the United States ranks high in masculinity, Croatia does not and is therefore considered to be more feminine. In the United States people are driven by competition and success. People are motivated by the idea of being the best and people in Croatia are motivated by liking what they do. In Croatia, people are more focused with their well-being and happiness, while those in the United States are more concerned with achieving success. Lastly, Croatia ranks lower than the United States in indulgence. The United States puts more emphasis on leisure time and the gratification of their desires. This is the opposite in Croatia, where people follow social norms and feel like they cannot have fun. After figuring out the cultural differences between both countries, an international business venture has a higher chance of being successful. A business from the United States will be better prepared when approaching a business in Croatia. Due to the hierarchal order in Croatia, the US business will know that they need to contact and conduct business with the person in charge. In addition to this, they will also be aware of Croatia's low acceptance of changes and new ideas. It will not be easy to convince them to accept a business deal. The US business should instead take their time when negotiating and not pressure them to make a decision. It is also important to note that Croatia puts emphasis on achieving long-term goals. As opposed to the US, the people of Croatia do not care for short term goals; therefore, the US business should focus on proposing long-term achievements. In order to compare ethics or values, the World Values Survey of Inglehart can be used to help with this. The Worlds Values Survey can demonstrate how people's beliefs play a role in their economic development. This is important to consider when conducting international business. The survey compares traditional values versus secular-rational values, and survival values versus self-expression values. In the case of the United States, the country has a high score in traditional and self-expression values. The United States views religion and traditional family values as important. Following authority is also something they value. In terms of self-expression values, the US gives priority to environmental protection and also has increased its tolerance towards foreigners and gender equality among other things. However, Croatia has a high score in secular-rational values and

survival values. Croatia is the opposite of the United States. In Croatia, there is less emphasis on religion, authority or traditional family values. In addition to this, because of their survival values, they also tend to put emphasis on their economic and physical security. Due to this, they have low levels of tolerance and trust. By knowing the differences in values that exist between both countries, the business in the United States cannot expect the people in Croatia to be on the same page and agree to everything right away. Given that they have opposing values, the United States business will have to come up with a business strategy that aligns with the views and values found in Croatia. After knowing that Croatia values their economic and physical security, the US business should make sure that their business proposal helps ensure their security. It will be easier to gain their trust and approval if the US has similar business goals and values. Due to differences in values and culture, decisions and the manners used to conduct business may need to change. They are open to innovation and trying new things. It is important for people to build trust and long lasting relationships with each other before engaging in successful business (Carland & Carraher).

REFERENCES

Available upon Request

STRATEGIZING CSR FOR SMALL BUSINESSES

Ellen M. Raineri, Penn State University, Hazleton

ABSTRACT

Although small businesses engage in CSR activities, the activities and approaches have been criticized for lacking structure and formalized management tools. Small business entrepreneurs have access to a subset of resources to assist with their business ventures. In some instances, these entrepreneurs acquire formal for-credit education from entrepreneurship major, minor, or specialization programs. Additionally, entrepreneurs derive knowledge from non-credit programs such as those offered from the Small Business Development Centers, the Family Business Alliance (FBA), and university continuing education seminars. Self-study is another possibility as entrepreneurs read or watch videos such as those available from the U.S. Small Business Association. Last, entrepreneurs receive one-on-one consulting from the Small Business Development Centers and from the nonprofit organization, SCORE. These resources span topics on business plan development, legal structures, accounting, record keeping, marketing, selling, finance, website development, Search Engine Optimization (SEO), and e-commerce platforms. With the types of resources mentioned, entrepreneurs are still missing resources to assist them with creating structured CSR initiatives. One proposed resource is assisting entrepreneurs to create a CSR plan to supplement entrepreneurs' business plan. Accordingly, this paper examines key themes within the top 100 Global CSR companies, as ranked by the Reputation Institute and suggests how entrepreneurs can use such themes as resources to create a CSR Plan.

Keywords: Small and Midsized Businesses (SMB), Small and Midsized Enterprises (SMEs), entrepreneurs, Corporate Social Responsibility (CSR), Reputation Institute, entrepreneurship curriculum

INTRODUCTION

The use of CSR by small businesses has resulted in numerous benefits such as increased number of customers, increased recruitment of millennials, and increased trust with millennials (Pollack, 2017). Yet, when small businesses engage in CSR initiatives, their approach is often informal, and formalized management tools are lacking (Baumann-Pauly, Wickert, Spence, & Scherer, 2013). Keck (2016) recounts similar challenges as well as solutions stating that CSR activities for SMBs are not systematic or continuous. A solution implemented by the German government was to provide CSR consulting through a CSR helpdesk teams for the Chamber of Crafts in Berlin. Some of the deliverables as part of the customized CSR support structure include an analysis of "enterprise vision, values, stakeholder and CSR issues along the action fields of workplace, marketplace, environment and local community" (para. 21). Additional deliverables include identification of CSR goals and timelines, development of CSR measurements, formulation of communication strategies of internal and external stakeholder, and identification of continuous impairment within CSR initiatives.

Keck (2016) also discusses another initiative: GILDE Business development agency of the City of Detmold was selected to assist small and midsize enterprises into becoming CSR enterprises throughout 10 locations in Germany. This initiative includes 4 phases: 1). CSR Impulse Focus (theory of CSR and CSR presentations), 2). CSR Basics (sustainability and CSR),

3). CSR Practice (SWOT analysis), and 4). CSR Experience Exchange (CSR fieldtrip to see and experience local CSR initiatives as enterprises).

In general, small business entrepreneurs have numerous resources to assist with their business ventures. They can take credit or non-credit classes from universities. Additionally, entrepreneurs can take non-credit courses from Small Business Development Centers, the Family Business Alliance (FBA), and the U.S. Small Business Association. Last, entrepreneurs receive one-on-one consulting from the Small Business Development Centers and from SCORE. However, the topics that comprise classes and the topics as part of consulting are not on structured, systematic CSR initiatives to assist entrepreneurs such as those discussed by Keck (2016). To assist with that void, this paper introduces an example of a structured approach of Strategizing CSR that can supplement a small business entrepreneur's business plan. An analysis is performed to identify key themes within the top 100 Global CSR companies, as ranked by the Reputation Institute and suggests how entrepreneurs can create a CSR plan by using such themes as resources to make their businesses more successful.

CSR BENEFITS

CSR focuses upon the social and environmental aspects and can be defined as “an integrated, systemic approach by business that builds, rather than erodes or destroys, economic, social, human and natural capital” (Visser, 2011, p. 7). Benefits include increased customer loyalty, improved employee attraction and retentions, improved organizational image, cost reductions, increased innovations, increased revenue, reduced risk, increased millennial recruitment, increased employee morale and loyalty, and increased production (Gharleghi, Jahanshahi, & Nawaser, 2018; Pollack, 2017; Nitu-Antonie, Feder, & Munteanu, 2015; Patrizia, 2012; Pastrana & Sriramesh, 2014; Wheelan & Fink, 2016).

Looking at some percentages of comparing sustainable companies, it was shown that with sustainable companies, morale was 55% higher, and productivity was 16% higher (Wheelan & Fink, 2016). Last, within the millennial group, 92.1% of applicants felt that CSR was of significance such that CSR one of the criteria when evaluating job opportunities. Additionally, about half of millennials were even willing to accept a 20% salary reduction if the company were actively involved in CSR initiatives (The Adecco Group, 2017).

Internal and external CSR activities collectively have a positive impact on an organization's performance. However, when there is wide gap of an organization having significantly more internal CSR activities than external CSR activities, there can be a negative impact on the organization's performance (Hawn & Ioannou, 2016). Internal CSR had a positive impact on employees' internal motivation, but external business partner CSR customer related activities did not (Skudiene & Auruskeviciene, 2012).

ENTREPRENEURSHIP EDUCATION AND PRACTICE

Numerous avenues of education are available for entrepreneurs to increase their knowledge as they can acquire formal credit-based education from university entrepreneurship major, minor, or specialization programs. Entrepreneurs receive one-on-one consulting from the Small Business Development Centers and from the nonprofit organization, SCORE. Self-study is another possibility as entrepreneurs read or watch videos such as those available from the U.S. Small Business Association or from MOOCS such as Coursera or Udemy.

Additionally, entrepreneurs derive knowledge from non-credit programs such as those offered from the Small Business Development Centers, the Family Business Alliance (FBA), and university continuing education seminars. For example, the New Jersey SBDC (2018) offers extensive courses to entrepreneurs. Participants can take five courses to earn an Accounting and QuickBooks certificate. An entrepreneurial certificate can be earned by taking courses that include topics on business plans, sales, marketing, taxes, mental health, record keeping, and financial statements. A digital blue print certificate can be earned by completing courses in website planning, WordPress, SEO, Google AdWords, Google Analytics, video creation, blogging, and social media. Participants can also take courses that are not within the certificate programs such as marketing, networking, insurance, e-commerce, employee handbooks, leadership, business valuation, self-care, crowdfunding, trade shows and more.

Once entrepreneurs become educated, they can practice what they learned by creating a business plan which can be done manually or electronically. Business plans are often divided into these sections: Executive Summary, Business Summary, Products/Services, Target Market, Competition, Sales, Marketing, and Financials (Barrow, Barrow, & Brown, 2012; Woodruff, 2018).

Although there are resources representing a variety of topics important to entrepreneurs, resources focusing on a structured approach for CSR activities is missing. A proposed solution is to provide entrepreneurs with assistance in Strategizing CSR that supplements the commonly created business plan. It is recommended that content of such plan be based upon key themes used by socially responsibly recognized firms, namely those evaluated by the Reputation Institute.

REPUTATION INSTITUTE STUDY

The Reputation Institute (2017) had conducted research of companies within 15 countries. It was required that the companies had to have a reputation that was considered above average. Also, these companies had to be recognizable (at least 40%) on a global scale. 170,000 ratings were evaluated resulting in the Global 100 most socially responsible companies such as LEGO group, Microsoft, Google and more.

MAJOR THEMES

From the study, five themes emerged.

Theme 1

The first theme focuses on the strong participation from leaders in the companies' CSR initiatives (Reputation Index, 2017). Leaders must set the tone and champion projects within their organizations. For example, Cisco, Chuck Robbins states, "I've never been more certain that what is good for people, society, and the planet is good for business" (Cisco, 2017, p. 1).

Theme 2

The second theme focuses on synchronization of an organization's brand with CSR (Reputation Index, 2017). Abratt and Kleyn (2012, para. 15) describe "corporate identity is an internal organizational strategic decision, and the corporate brand is the mechanism that allows for alignment between the desired identity and how stakeholders 'see' the identity." Brand positively impacts employees and external stakeholders (Makasi & Munyoro, 2014).

In some instances, it may be difficult for a small business to be able to afford CSR initiatives that align with brand on a solo basis. As an example, consider the eyeglass company, Warby Parker that offers the “Buy one get one” program. To date, Warby Parker (n.d.) has given away about 3,000,000 glasses. Since start-ups are not dealing with such magnitude, Hughes (2017) recommends working with a partner to ease cost and volume. In this example, a small business optometrist might engage in some initiative to support the nonprofit, Eye Care 4 Kids. Hughes (2017) additionally recommends choosing a CSR initiative that aligns with brand and involves customers. As an example, a small business vet or groomer might have a contest in which customers can pay a fee to enter a picture of their pets into different categories. The winner can receive a partial payment that is shared with a donation to the local SPCA. Last, Hughes (2017) recommends contributing to community education. For example, a small business law firm can establish a \$1,000 scholarship at a local university for a law student.

Theme 3

The third theme focuses on organizations having evidence of CSR in walk, not just talk – actions, not just words (Reputation Index, 2017). Schons and Steinmeier (2016) formulated four categories that depict how companies talk or act regarding CSR as follows: Neglectors (no talk or actions), Greeners (all talk), Silent Saints (only walk), Balanced Engagers (talk and action) in relationship to high proximity or low proximity. Further research on walking the CSR talk shows that the Greeners’ significant CSR actions were not always noticed by low proximity stakeholders (customers). Rather, the high proximity stakeholders (employees) scrutinized the CSR talk being paired with CSR actions. However, beyond the results of this study, Schons and Steinmeier (2016) note that customers have become increasingly skeptical about touted CSR initiatives that are missing accompanying CSR actions. Skarmeas and Leonidou (2013) have also observed customers’ attention to companies’ active CSR involvement.

Theme 4

The fourth theme focuses on organizations participating in internal and external CSR activities such as internal fair decision making, equitable wages, workplace safety, training and development, and work life balance (Hameed, Riaz, Arain, & Farooq, 2016; Shen, & Zhu, 2011). In addition to people, internal CSR can focus on improving internal actions – i.e. implementing policies to improve efficiency (Hawn & Ioannou, 2016). External can focus on environment and social causes (Hameed et al., 2016).

Theme 5

The fifth theme focuses on organizations participating in both human and social types of initiatives (Reputation Index, 2017). As an example, Cisco has been supporting fair wages within the human needs. The company has also implemented an initiative to foster entrepreneurship thinking among its employees through its Innovate Everywhere Challenge. Employees can present their ideas which may be selected and supported with mentoring and funding. An example of a winning project is Connected Medical Military Response. Through the use of sensors and analysis of data, diagnosis and treatment time of soldiers’ injuries can be improved. Another example is PTO to Give. Employees can choose to have the monetary equivalent of their net PTO time donated to charities (Chen, n.d.).

Cisco (2018) has also been supporting social needs. As an example, in 2017, grants to 154,000 nonprofit organizations were awarded. 96% of this organization’s employees Cisco’s employees participated in education that focused on human rights. Last, this organization has donated 355,000 to community organizations.

APPLICATION OF THEMES TO ENTREPRENEURS

As we review at the strong participation from entrepreneurs with CSR initiatives, numerous actions can occur. When creating a business plan, entrepreneurs have choices for numerous types of software that provide electronic templates such as Business Plan Pro, LivePlan, or Enloop. However, this type of software with templates does not exist for Strategizing CSR. A recommendation is to create a CSR Plan that is an appendix to the Business Plan. It can consist of two main areas: Leadership's CSR statement and company activities. Then, when completed, a set of checklist questions, based upon the earlier presented five themes, can be used to evaluate of appropriate CSR content is included.

The entrepreneur should consider profitability, the company's purpose, employees, and customers. Other components may include a company CSR website, identification of a CSR theme, and charities supported (Idowu & Towler, 2004). Last, Gond and Igalens (2008) state "CSR in a SME depends very much upon the personality and persona convictions of its managing director (as cited in Kechiche & Soparnot, 2012, p. 99).

Following are some questions to consider to generate ideas for the Leader's CSR statement for CSR actions:

1. Leadership Participation: What is your leadership statement linked to CSR? How will you communicate that statement (i.e. annual report, website, framed print on wall)? How will you personally fan the CSR flame (i.e. speak of CSR topic at staff meetings, attend company CSR activities, other?)
2. What nonprofits align with your brand?
3. What actions will your company engage in to continuously fan the CSR flame?
4. How will your company support professional development for employees?
5. How will you ensure fair salaries?
6. What activities can be conducted that support the well-being of employees?
7. Will there be formal or informal rewards for employees who participate in CSR activities?
8. Are there ways in which you will publicize CSR activities that have been completed?
9. How might you involve customers in your CSR activities?
10. How will you educate employees on ethical decision making?

SAMPLE CSR PLAN

This is a sample high-level CSR Plan for a start-up entrepreneur that has opened a diner. The purpose is to illustrate how the five themes from Reputation Institute's study can be applied and to utilize checklist questions to ensure the application of such themes. The proposed CSR Plan is recommended to be incorporated in the Appendix section of the Business Plan.

CSR Leader's Statement

Our organization strives to be successful in the creation of profit as well as from its positive impact upon its employees, society, and the environment.

CSR Tasks

Our organization will engage in the following tasks to support CSR:

1. Inclusion of CSR Leader's Statement in Welcoming letters to new employees

2. On our website, include link for viewers to make donation to food related non-profits such as Feeding America, The Hunger Project, Meals on Wheels, or The Soup Kitchen
3. Have a sign-up sheet to invite customers and employees to participate at a local soup kitchen event.
4. Make sandwiches and partner with other industries (i.e. local bakery, local beverage store) to distribute a meal to homeless. Invite employees and customers.
5. Contact nonprofits to see if they want left over food (i.e. women's' or men's' shelters or food banks)
6. In the lobby waiting area, key up content that can be made into a poster or framed that discussed nonprofit food organizations like Feeding America, The Hunger Project, Meals on Wheels, or The Soup Kitchen
7. Choose a nonprofit food organization from Amazon Smile
8. On Facebook account, include posts for CSR activities participated in by organization, as well as highlights of different food nonprofit organizations
9. Include a CSR suggestion box that employees or customers can contribute to
10. Include a collecting bank by the register for a food non-profit organization that is changed every two months
11. Make a monetary donation monthly to a food non-profit even if the donation is initially small like \$20
12. Provide human rights education for employees when initially hired and on an annual basis. Content can include handouts as well as YouTube videos with questions to answer
13. Employees will participate in a variety of mandatory (safety) and optional training (personal development) topics
14. Funding will be provided for approved MOOCS (i.e. Coursera or Udemy)
15. A Code of Ethics will be developed and utilized as well as regularly analyzed
16. Information such as ethical decisions making and sample cases from the Markkula Center for Applied Ethics will be shared with employees at meeting and will be distributed for self-reading
17. Employees will receive coaching, performance reviews, respect, and appreciation
18. A CSR Innovate Challenge contest will be open to the employees and public
19. The diner will have recycling bins for paper, plastics, cans, and glass
20. The diner will use energy efficient light bulbs

CHECKLIST QUESTIONS

Once the plan is developed, an entrepreneur can use the following questions to see if content in the CSR plan incorporates the five themes:

1. Is there leadership involvement?
2. Are the brand and CSR activities in alignment?
3. Is there a mix of internal and external CSR/human and social activities?
4. Is there evidence of CSR actions instead of only CSR talk?

IMPLICATIONS TO THOSE SUPPORTING ENTREPRENEURS

Universities continuing ed programs and Small Business Development Centers can offer a seminar to assist small businesses to create a CSR plan. Coaches from Score and the SBDCs can develop a list of probing questions to assist entrepreneurs with such plans. Universities can include a small business CSR plan as part of the entrepreneurship curriculum. Last, business plans and business plan pitches would also need to change to include a CSR plan added to the standard business plan.

CONCLUSION

Universities, Small Business Development Centers, and SCORE provide many training and consulting opportunities to small business entrepreneurs. However, still missing is assisting small business entrepreneurs with formalizing their CSR activities which contrasts the assistance provided for the Chamber of Crafts and for the city of Detmold (Keck, 2016). Content for a small business CSR Plan has been presented that is based upon common themes used by the Global 100 most socially responsible companies as evaluated by the Reputation Institute. Universities, Small Business Development Centers, and SCORE can also assist with this initiative. Future research can focus on additional ways that small businesses can add structure to their CSR activities.

REFERENCES

- Abratt, R., & Kleyn, N. (2012). Corporate identity, corporate branding and corporate reputations. *European Journal of Marketing*, 46(7), 1048-1063. doi:<http://dx.doi.org.ezaccess.libraries.psu.edu/10.1108/03090561211230197>
- Barrow, C., Barrow, P., & Brown, R. (2012). *The business plan workbook*. Retrieved from <https://ebookcentral.proquest.com>
- Baumann-Pauly, D., Wickert, C., Spence, L. J., & Scherer, A. G. (2013). Organizing corporate social responsibility in small and large firms: Size matters. *Journal of Business Ethics*, 115(4), 693-705. doi:10.1007/s10551-013-1827-7
- Chan, S. (n.d.). Innovate everywhere challenge discovers the greatest ideas within Cisco. Retrieved from <https://newsroom.cisco.com/feature-content?type=webcontent&articleId=1852795>
- Cisco. (2017). 2017 Corporate Social Responsibility report. Retrieved from <https://www.cisco.com/c/dam/assets/csr/pdf/CSR-Report-2017.pdf>
- Cisco. (2018). Benefits to society. Retrieved from <https://www.cisco.com/c/en/us/about/csr/impact/csr-priorities.html#~:stickynav=2>
- Gharleghi, B., Jahanshahi, A. A., & Nawaser, K. (2018). The outcomes of Corporate Social Responsibility to employees: Empirical evidence from a developing country. *Sustainability*, 10(3), 698. doi:10.3390/su10030698
- Hameed, I., Riaz, Z., Arain, G. A., & Farooq, O. (2016). How do internal and external CSR affect employees' organizational identification? A perspective from the group engagement model. *Frontiers in Psychology*, 7, 788. doi:10.3389/fpsyg.2016.00788
- Hawn, O., & Ioannou, I. (2016). Mind the gap: The interplay between external and internal actions in the case of corporate social responsibility. *Strategic Management Journal*, 37(13), 2569-2588. doi:10.1002/smj.2464
- Hughes, B. (2017, December 6). Why Corporate Social Responsibility is essential for brand strategy. Retrieved from https://www.huffingtonpost.com/brian-hughes/why-corporate-social-resp_b_9282246.html
- Idowu, S. O., & Towler, B. A. (2004). A comparative study of the contents of corporate social responsibility reports of UK companies. *Management of Environmental Quality*, 15(4), 420-437. Retrieved from

- <http://ezaccess.libraries.psu.edu/login?url=https://search-proquest-com.ezaccess.libraries.psu.edu/docview/204618459?accountid=13158>
- Kechiche, A., & Soparnot, R. (2012). CSR within SMEs: Literature review. *International Business Research*, 5(7), 97. doi:<http://dx.doi.org/10.5539/ibr.v5n7p97>
- Keck, W. (2016). Do we really think small first? how to go further with CSR on micro enterprises. *Uwf UmweltWirtschaftsForum*, 24(4), 361-367. doi:10.1007/s00550-016-0424-5
- Makasi, A., Govender, K., & Munyoro, T. (2014). The effects of Corporate Social Responsibility (CSR) on corporate brand positioning. *Mediterranean Journal of Social Sciences*, 5(20), 2597. Retrieved from <http://www.mcser.org/journal/index.php/mjss/article/view/4129/4039>
- New Jersey SBDC. (2018). NJSBDC at RVCC course schedule. Retrieved from <https://www.sbdcrvcc.com/wp-content/uploads/SBDC-Brochure-Spring-2018.pdf>
- Nitu-Antonie, R. D., Feder, E., & Munteanu, V. P. (2015). CSR benefits and costs in a strategic approach. *Annals of the University of Craiova: Economic Sciences Series*, 1(43), 93-103.
- Pastrana, N. A., & Sriramesh, K. (2014). Corporate Social Responsibility: Perceptions and practices among SMEs in Colombia. *Public Relations Review*, 40(1), 14. doi:10.1016/j.pubrev.2013.10.002
- Patrizia, G. (2012). Social performance enhances financial performance. benefits from CSR. *Annals of the University of Oradea: Economic Science*, 1(1), 112-121.
- Pollack, B. W. (2017, July 6). Corporate Social Responsibility: What your business needs to know [blog post]. Retrieved from <https://www.sba.gov/blogs/corporate-social-responsibility-what-your-small-business-needs-know>
- Reputation Institute. (2017). 2017 Global CSR RepTrak. Retrieved from <file:///C:/Users/emr13/Documents/Global%20CSR%20RepTrak%20100%202017,%20Reputation%20Institute.pdf>
- Schons, L., & Steinmeier, M. (2016). Walk the talk? How symbolic and substantive CSR actions affect firm performance depending on stakeholder proximity. *Corporate Social Responsibility Environmental Management*, 23, 358-372. doi: [10.1002/csr.1381](https://doi.org/10.1002/csr.1381)
- Shen, J., & Jiuhua Zhu, C. (2011). Effects of socially responsible human resource management on employee organizational commitment. *The International Journal of Human Resource Management*, 22(15), 3020-3035. doi:10.1080/09585192.2011.599951
- Skarmas, D., & Leonidou, C. N. (2013). When consumers doubt, watch out! the role of CSR skepticism. *Journal of Business Research*, 66(10), 1831-1838. doi:10.1016/j.jbusres.2013.02.004
- Skudienė, V., & Auruskeviciene, V. (2012). The contribution of Corporate Social Responsibility to internal employee motivation. *Baltic Journal of Management*, 7(1), 49-67. doi:<http://dx.doi.org.ezaccess.libraries.psu.edu/10.1108/17465261211197421>
- The Adecco Group. (2017, August 16). Why millennials choose CSR. Retrieved from <https://www.morningfuture.com/en/article/2017/08/16/millennials-csr-companies-responsible/60/>
- Visser, W. (2011). *The age of responsibility: CSR 2.0 and the new DNA of business*. Retrieved from <https://ebookcentral.proquest.com>
- Warby Parker. (n.d.). The whole story begins with you. Retrieved from <https://www.warbyparker.com/buy-a-pair-give-a-pair>
- Wheelan, T., & Fink, C. (2016, October 21). The comprehensive business case for sustainability. Retrieved from <https://hbr.org/2016/10/the-comprehensive-business-case-for-sustainability>
- Woodruff, J. (2018, April 13). Different parts of a business plan. Retrieved from <http://smallbusiness.chron.com/different-parts-business-plan-2601.html>