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MANAGERIAL PERCEPTIONS OF STEM WORKFORCE SUPPLY AND DEMAND ISSUES

Kristie Abston, Middle Tennessee State University
Sam Zaza, Middle Tennessee State University
Murat Arik, Middle Tennessee State University
Patrick Geho, Middle Tennessee State University

ABSTRACT

We investigated managerial perceptions of the STEM workforce by surveying over 1,000 managers and executives across five southeastern states that comprise the Tennessee Valley Corridor. We explored their views on the supply of STEM workers in their states, their predictions regarding the demand for STEM workers 12 months out, and their views on how their organizations would be impacted if they could not fill open positions in the short- and long-term. Using open-ended items and textual analysis, we studied the managers and executives' input on the challenges affecting their states' supply of STEM workers and on the major challenges affecting their organizations' recruitment of STEM workers. Lastly, we considered their assessments of their organizations' human resource management practices that relate to securing and maintaining a STEM workforce. Results indicate that our managers and executives are challenged by sustaining a STEM pipeline in their states, including the educational components, as well as economic factors, such as competitive wages. Other implications for sustaining a quality STEM workforce are presented.

DESIGN AND IMPLEMENTATION OF A RESOURCE MANAGEMENT SYSTEM FOR ASSISTING INTERNEES' FAMILIES

Ghasem S. Alijani, Southern University at New Orleans
Obyung Kwun, Southern University at New Orleans
Louis C. Mancuso, Southern University at New Orleans
Kalese D. Jefferson, Southern University at New Orleans

ABSTRACT

According the Bureau of Justice there are approximately 2.2 million people incarcerated in the United States today. This Research Project discusses the challenges prisoners and their families face and the importance of resources that can be made available to help make their transition easier. When a person is sentenced to prison it not only affects the prisoner, it has a traumatic and emotional impact on his/her family. In this case the family members are referred to as the hidden victims of the criminal justice system who or neither acknowledged nor given a platform to be heard. It is important to take the hidden victims into consideration because they receive little support and face a host of challenges. Technology can play a vital role of providing families with required supports. In this project an attempt was made to design and implement a system to facilitate accessing to the available resources for inmates and their families. The project looks at the effect of incarceration on families, their challenges, and their needs through the scope of available data. The second part of the project describes the process of developing an application and its outcome in facilitating the clients. The effectiveness of the project measured in term of the use of application (website) by clients. The result of this project can be helpful to families and individuals who are confined and useful to the officials concerning inmates and their families.

Keywords: Internees and family essentials, resource availability, technology effectiveness

AN INVESTIGATION OF FACTORS RELATED TO THE CONSIDERATION OF ACTIVITY-BASED COSTING

M. Meral Anitsal, Tennessee Tech University
Ismet Anitsal, Missouri State University
Jeel H. Patel, Tennessee Tech University

ABSTRACT

Close investigation of any business reveals that there are several activities working together to manufacture products, or services. Of those several activities, not all of them are directly linked to any specific product or service; and the costs of these activities, not directly associated with any products or services, are generalized as overhead costs. These costs need to be allocated to any specific product, or service to determine the actual total cost of the product or service. The cost information of these products or services are essential to know the profit or loss on each of these products or services. Costing systems can be classified as either traditional, focusing on volume and labor (in other words job order or process costing), or contemporary, focusing on efficient and suitable cost drivers. (Onat, Anitsal, and Anitsal 2014)

Traditional costing methods allocate overhead using predetermined overhead rate which is based on volume or labor. Traditional costing methods are built upon assumption that production volume (not the operating activities) drives the production costs. (Tse and Gong, 2009) "Traditional cost methods also fail by emphasizing high volume activities; consequently, highly important but less volume-generating activities incur fewer costs." (p. 150, Onat, Anitsal, and Anitsal 2014) They create difficulties especially for service industries where multiple activities use the same resources.

Activity based costing (ABC) introduced as an alternative to traditional costing models, and attracted attention of scholarly research and used especially in different parts of the world. A growing trend is the increased emphasis on capital instead of labor as automation becomes the new manufacturing normal and fixed or 'common' costs represent greater percentages of the production process (Gunasekaran, Marri, and Yusuf, 1999). The promise of ABC is a more accurate allocation of these overhead costs based on activity drivers, which in theory will provide managers with more useful cost reports.

Service firms and non-manufacturing related activities such as promotions, selling, and customer service use ABC (Stapleton, et al 2003). In some locations, service firms employ ABC more frequently than manufacturers (Cohen, Venieris, and Kaimenaki, 2005). Some of the perceived benefits of adopting ABC include operational efficiency, customer profitability, and insights into cost causation (Cohen, Venieris, and Kaimenaki, 2005). ABC may also help identify costly activities and offer more meaningful comparisons and optimize the service mix (Adams 1996). Shields (1995) found implementation success to be strongly linked with behavioral and organizational variables, such as top management support, a link to competitive strategy, culture,

and ownership by non-accountants, but not to technical variables—for example, the type of software used.

There are also many perceived problems of adoption. Managers may have difficulty identifying activities and selecting cost drivers to use in ABC and may have trouble replacing an established costing system (Cohen, Venieris, and Kaimenaki, 2005). During the implementation phase, ABC proponents may experience a lack of top management support and cooperation from suppliers, and discover that employees are not able to manage an ABC system competently (Kiani and Sangeladji, 2003).

The rate of adoption of ABC is relatively slow among the US corporations. Recently, research reporting successful implementation of ABC come from mainly abroad. In fact, adoption of ABC in a Jordanian commercial banks helped in calculating the costs accurately and the pricing of bank services (Al-Bawab and Al-Rawashdeh, 2016). ABC also assisted hotel's financial managers in Greece by generating more detailed, relevant, and accurate cost information (Diavastis, et al 2016). Strategic information provided by ABC in an Indian steel plant lead to making more informed management decisions and also helped with monitoring various activities of the department to implement those decisions (Dwivedi and Chakraborty, 2016). Kannaiah's (2015) survey results from Singapore also proved that ABC definitely helps the company to compete in this competitive market. Additionally, ABC also helps in reducing costs and maximizing profitability in the industrial companies listed in Amman stock exchange (Al-Hanini, 2018).

This study intends to empirically investigate the influencing factors of the adoption of ABC in the US. The model is based upon the investigation into these factors by White, Anitsal, and Anitsal (2014) proposal using Abrahamson's approach. The proposed model of ABC decision process, divided into three stages: consideration, decision, and outcome. The framework is based upon the consideration stage where companies evaluate and decide to "seriously look into" adopting ABC. The actual adoption/non-adoption decision or implementation stages are beyond the scope of this research.

A questionnaire has been designed and tested based on the suggested model (Figure 1). The field study will follow shortly. Sample is driven from practicing accountants working as employees of companies and CPAs who provide accounting services to businesses.

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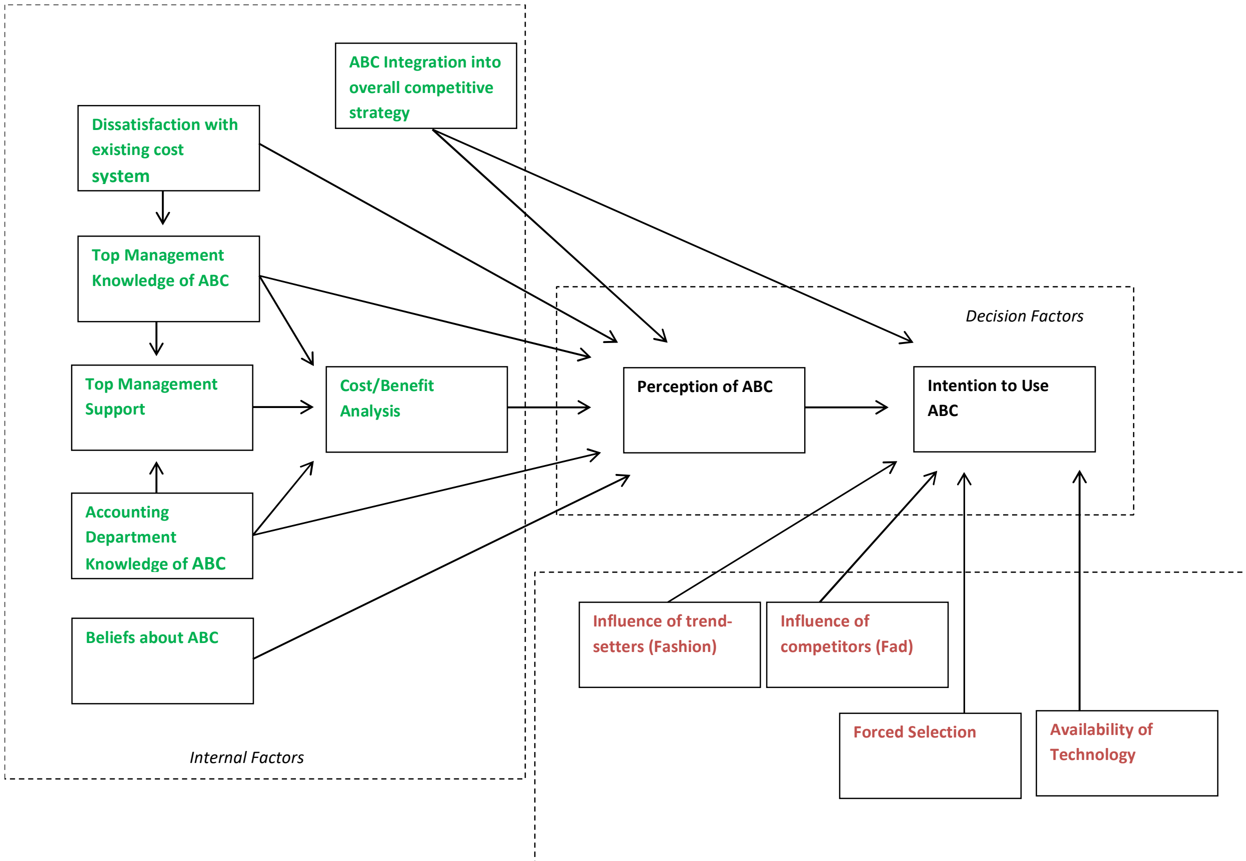

Figure 1: Factors influencing the Consideration stage of Activity Based Costing

AN ACCOUNTING ETHICS TEACHING AID UTILIZING LANDMARK STUDIES IN PSYCHOLOGY: ONLINE AND IN-CLASS APPLICATIONS

Donald Ariail, Kennesaw State University
Larry Crumbley, Texas A&M Corpus Christi

ABSTRACT

The Milgram Experiment conducted by Stanley Milgram (1963) and the Stanford Prison Experiment conducted by Philip Zimbardo (1971) are landmark studies in the field of psychology. Milgram's study focused on destructive obedience to individual power (an authority figure), while Zimbardo's study focused on obedience to institutional power. Documentaries of both of these experiments are available online. The videos of these experiments, along with the teaching aids provided in this can be an interesting tool with which to reinforce the need for courage in the practice of accounting—having the courage to resist the unethical requests of superiors. Not subordinating one's professional judgement is a principle included in AICPA's Code of Professional Conduct (2014). In addition, these videos point out the potential adverse effects on the ethical conduct of accountants that situational factors such as stress or an unethical tone-at-the-top can have. Many of the accounting frauds have been found to had unethical cultures: e.g., WorldCom, Enron, HealthSouth, Colonial Bank (cf. Ariail & Crumbley, 2019), Volkswagen's Dieselgate (cf. Ariail, Cobb & Crumbley, 2019).

PRIOR USAGE

While these experiments and their replications are of interests in the study of psychology, the authors have found them useful in the teaching of accounting ethics: either used to augment the content of a course dedicated to accounting ethics or as an ethics component of other accounting courses (the integrated approach to teaching ethics). The lead author has successfully used videos of these experiments for a number of years in graduate online courses in professional judgment (accounting ethics) and as an online component to upper-level courses in fraud and forensic accounting.

BRIEF SUMMARY OF MILGRAM EXPERIMENT

The Milgram Experiment is named after Stanley Milgram who conducted this experiment at Yale University. The results of the experiment were published in 1963 in the *Journal of Abnormal and Social Psychology* (Milgram, 1963). This experiment, which was on the effects on behavior of destructive obedience, was motivated by the results of the massive deaths at the hands of the Nazi's during the Holocaust. How could so many people have participated in such atrocities?

> It has been reliably estimated that from1933-1945 millions of innocent persons were systematically slaughtered on command. Gas chambers were built, death camps guarded, daily quotas of corpses were produced with the same efficiency as the

> manufacture of appliances. These inhuman acts may have originated in the mind of a single person but could only be carried out on a massive scale if a very large number of persons obeyed orders. (Milgram, 1963, p. 371).

The subjects in the Experiment were 40 adult males 20-49 years of age who had various levels of education and who worked in various occupations. The subjects were paid to participate in what they believed to be a study on the effects of punishment on learning when the punishment is delivered by adults of various ages and occupations to an adult learner. Subjects (teachers) were given instructions by a stern appearing 31-year old experimenter (a confederate). The learner, also a confederate, was a 49-year old accountant. Subjects were led to believe that they were randomly assigned to the teacher role. However, the selection was rigged so that subjects always were assigned the teacher role (Milgram, 1963).

The learner was supposedly strapped into a chair in a second room and was supposedly hooked up to a machine that generated electrical shocks. The teacher located with the experimenter in another room, sat in front of a fake shock generating machine with 30 toggle switches showing shock levels of 15-450 volts. These toggle switches were grouped by shock intensity: slight shock, moderate shock, strong shock, very strong shock, intense shock. The teacher communicated with the learner by microphone (Milgram, 1963).

The mock learning activity was composed of the subject (teacher) reading a number of word pairs to the learner and then giving him a first word prompt to one of the word pairs. "The subject[s] [were] . . . told to administer a shock to the learner each time he [gave] a wrong answer" . . . , and, importantly, ". . . to move one level higher on the shock generator each time the learner [gave] . . . a wrong answer" (Milgram, 1963, p. 373-374). As needed due to pauses or questions showing reluctance of the subjects to continue administering the punishment, the experimenter gave the subjects a standard set of prods to continue that included the following: "it is absolutely essential that you continue" (Milgram, 1963, p. 374).

Prior to the experiment, a group of psychology students had estimated that only about 1.2-3% of the subjects would administer the highest level of punishment. The results were thus unexpected. None of the subjects stopped administrating the electrical shock until the voltage reached 300. Of the 40 subjects, only 14 (35%) refused to administer the highest punishment—the supposedly sever shock of 450 volts. Therefore, 65% of the subjects obeyed the experimenter (an authority figure) (Milgram, 1963). In discussing the results, Milgram (1963) noted that subjects continued with apparently hurting another person despite having learned from childhood that such actions are opposed to acceptable moral conduct (ethical behavior) and it being clear in debriefings that ". . . in punishing the victim they . . . [were] often acting against their own values. . . (Milgram, 1963, p. 376).

While we would like to think that Milgram's results were not representative of a "normal" reaction to demands for obedience, a number of study replications have produced similarly discouraging results (e.g., ABC, 2007; Dailymotions, 2013). A Milgram Experiment replication carried out in 2015 by Doliński et al. (2017) found little defiance to the demands of the authority figure: 90% of the 80 subjects (female, n=34; male, n=38) shocked the learner at the highest voltage.

BRIEF SUMMARY OF STANFORD PRISON EXPERIMENT

The Stanford Prison Experiment was conducted in 1971 at Stanford University by Phillip Zimbardo (cf. Zimbardo, n.d.; Haney & Zimbardo, 1998; Zimbardo, Maslach, & Haney, 2000; Drury, Hutchens, Shuttlesworth, & White, 2012; Zimbardo, 2018). It was originally meant to be "bookend" to Milgram's (1963) experiment (Zimbardo, 2018). The subjects were psychology students who were paid $15 per day to participate in the two-week long experiment. Students who answered a newspaper solicitation were carefully screened. The ones selected were randomly assigned to two groups: a group of prisoners and a group of guards. The prisoners were arrested at their homes, handcuffed in front of their neighbors, fingerprinted at the real police station, and then taken to the Stanford campus where they were admitted to the mock prison located in the basement of the psychology building (Zimbardo, n.d.).

Both groups were given symbols of their positions. For example, the guards wore uniforms, had a Billy club, and wore dark glasses; while the prisoners were dressed in a white dress, went barefoot, were chained, and had bags put over their heads (Zimbardo, n.d.).

The guards were not allowed to hit the prisoners. In their effort to control the prisoners, the guards devised various forms of torture: e.g., exercise, verbal abuse, putting the prisoners in solitary confinement (a closet), taking away prisoner blankets, and having prisoners verbally punish non-compliant fellow prisoners. Zimbardo, who participated in the experiment as the prison superintendent, seems to have encouraged this aggressive behavior (Zimbardo, n.d.).

There was a rebellion on the second day of the experiment. Zimbardo offered the leader of the rebellion the opportunity to stay in the experiment as a snitch. However, this student soon left the experiment and was replaced by an alternate. The experimenters heard that the student who left the experiment was planning to return with some friends to rescue the other prisoners.

Realism was promoted in several ways. A Catholic priest who had formerly been a prison chaplain visited the prisoners. Instead of giving spiritual guidance, he told them to have their parents contact a lawyer regarding their rights. The families of the prisoners were allowed a short visit with the prisoners; and a former prison inmate played the role of a parole officer (Zimbardo, n.d.).

On the sixth day the experiment was ended. The tipping point was when the guards decided to punish a prisoner who had refused to exercise by leaving him overnight in solitary confinement. In subsequent debriefing, a guard indicated that once he put on the uniform of a guard, he became that person—he had internalized the role. A guard also indicated that he was surprised that none of the prisoners said anything to stop him from being abusive; none lashed out at him. One of the prisoners, who at the time of the interview had been a prisons psychologist for 14 years, stated that he had felt out of control (Zimbardo, n.d.).

According to Zimbardo, an outcome of the experiment was the indication that human behavior under stress is mainly influenced by situational forces, not by character or personal traits such as values. Subsequently, Zimbardo indicated that he felt the experiment was ethical in that it had led to prison reform (Zimbardo, n.d.).

Milgram Experiment Teaching Aids

The following instructor teaching aids are provided:

1. A link with viewing time for the Milgram Experiment Documentary.
2. Links to supplemental videos and research

a. Links with viewing times of two documentary videos depicting modern replications of the Milgram Experiment.

b. A link to the text of the original publication of Stanley Milgram's Experiment.

c. Other supplemental videos with viewing times.

d. A PDF of the Stanley Milgram's experiment on obedience published in 1963 in the *Journal of Abnormal and Social Psychology*.

3. A Quiz that tests student knowledge of the content of the full documentary.
4. Ethics focused questions (Appendix 1).
5. A list of key word prompts for discussion (Appendix 2).

Stanford Prison Experiment Teaching Aids

The following instructor teaching aids are provided:

1. A link with viewing time for the Stanford Prison Experiment Documentary.
2. Three supplemental videos with viewing times:

a. An interview with Phillip Zimbardo.

b. A good summary of the Experiment.

c. A short clip on the torture used in the Experiment.

3. Links to supplemental research.
4. Four Discussion or essay topics (Appendix 3).
5. A 27 item content quiz on the Documentary (Appendix 4).

Suggested Procedures

1. Assign the out of class viewing of the main documentary.
2. Assign supplemental videos as desired.
3. Assign supplemental readings as desired.
4. Administer a graded content quiz to encourage complete viewing of the documentary: online or in class.
5. Have students participate in a graded discussion of selected topics or key words: Online or in class. Alternately, students can be assigned the provided topics, key words, or questions. For online discussions, the authors suggest that the class be divided into groups using the first letter of student surnames. A topic is then assigned to each student within that group. Students are required to make an online post (a paragraph of 4-5 sentences) of on their assigned topic and then respond to the post of two other students, with each response being on a different topic. These responses should be substantive and thoughtful but concise (1-2 sentences).

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Appendix 1
Milgram Experiment
Student Questions

1. How does obedience to authority as depicted in these experiments relate to having ethical character—courage to act ethically?
2. How does the tone at the top in companies relate to the experimenter in the white coat in the Milgram Experiment?
3. How would you react to authority as depicted?
4. How does an evil environment affect those that are working within it and how is this related to an unethical environment?
5. Did you see the "good soldier" defense illustrated?
6. Can one ethical person make a difference in an unethical environment?
7. In what instances was the "I'm just doing my job" justification used?
8. In the Stanford Experiment was there evidence of group psychology and how might this relate to the Andersen debacles?
9. Did men and women react differently in the replication videos by Dailymotions and the ABC Channel?
10. How did the experiment conducted by Milgram differ from that conducted in the videos of two replications? Were the rates of obedience similar? How did the methodology differ?
11. How do you think that you will react to pressure to act unethically exerted by a future superior such as a Controller, a CFO or a CEO?
12. How does this discussion relate to the phrase "forewarned is forearmed"?
13. Could an authoritarian government in this day and time find people that would operate horrific death camps like those of the Nazis?

Appendix 2
Milgram Experiment
Discussion Topics

Moral courage	Not accepting responsibility	Peer pressure
Effects of unethical	Following illegal or unethical orders	Good soldier
Tone-at-the-top	Nazi atrocities	Colonial Bank
Obedience	WorldCom	HealthSouth
Authority	Lethal voltage	Unethical culture

Due to Length Restrictions, Appendix 3 and Appendix 4 Are Not Included

HOW DIFFICULT IS IT TO FILL MANUFACTURING POSITIONS? A CROSS-SECTIONAL ASSESSMENT OF SURVEY RESULTS

Murat Arik, Middle Tennessee State University
Kristie Abston, Middle Tennessee State University
Sam Zaza, Middle Tennessee State University

ABSTRACT

For many communities, the manufacturing sector is still an important source of employment and economic vitality. However, the traditional manufacturing sector, where many of the jobs were low-skilled but high-paying, has been replaced by the advanced manufacturing operations, which create occupations that require a mix of experience and education. National and local surveys suggest that many human resource managers have difficulty filling open positions that require a blend of education, skill, and experience. This study explores the relationship between the difficulty of filling certain manufacturing positions and the position, company, and location characteristics using survey data from human resource managers representing about 300 manufacturing organizations in the Southeast. A comprehensive survey was conducted in 2019, targeting nearly 1,300 manufacturing operations. The findings can help organizations and human resource managers prioritize their resources by focusing on the areas of concerns in filling the targeted jobs.

CORPORATE BANKRUPTCY PREDICTION MODEL FOR INTERNET STARTUP COMPANIES

Benjamin Bae, California State University, Bakersfield
C. Christopher Lee, Central Connecticut State University

ABSTRACT

The purpose of this paper is to present a new approach to developing a financial distress prediction model that analyzes factors affecting success or failure of dot-com companies. In a new model, both demand side and supply side categories account for the performance of firms following IPOs. Huyghebaert et al. (2000) and Lewis et al. (2000) serve as a framework for the new model. This research uses a multiple discriminant analysis to build the proposed model. The demand side category includes an underwriter reputation factor and a market condition factor, while the supply side category includes a funds flow factor. The statistical results show that independent variables such as Gross Profit Margins, Cash Flows, Receivables, Accounts Payables, and Market Value are significant whereas Stock Holders' Equities, Dividends, Capital Expenditures, and Inventories are insignificant.

INTRODUCTION

In 2001, many Internet start-up companies, so called Dot-Com companies went bankrupt, yet many of Internet-related start-ups are managing to get funded. McGee and Edmonston (2001) reports that about $5 billion will be invested in dot-com companies in 2001, which is not as big as $17 billion in 2000 but almost the same as in 1999. In other words, dot-com companies are not extinct, but will continue to exist. To avoid the same mistakes that they made during 1999 and 2000, venture-capital firms should be more cautious when they make investments in dot-com companies. Stock investors wonder how to distinguish a successful dot-com company from a bad one. A reliable corporate bankruptcy model is needed for investors and venture capitalists in order to evaluate the financial performance of dot-com companies.

Much research has been done on financial distress prediction models in the last three decades, and a few studies have investigated start-up firms' financial performance. Recently, a few studies have attempted to analyze financial distress of dot-com companies. Most of these studies employ explanatory variables in the supply side category such as financial measurements such as financial ratios for determining an Internet startup company's bankruptcy likelihood. According to Lewis et al. (2000), variables in the demand side category such as a market condition, an underwriter reputation affect a firm's financial performance significantly.

A survey of prior literature reveals that there is no study that accommodates both supply side category variables and demand side category variables in financial distress prediction modeling for dot-com companies. A lack of literature in this important field and a strong demand for a reliable model motivates this study. Huyghebaert et al. (2000) and Lewis et al. (2000) serve a framework for developing a new approach.

A logistic regression analysis is employed for the model development. Therefore, the purpose of this paper is to develop a financial distress prediction model that analyzes both supply side category factors and demand side factors affecting success or failure of dot-com companies, using a logistic regression analysis.

It is expected that the new approach makes a significant contribution to the financial literature and the E-Business community, and help investors make proper decisions on Internet start-up companies. In the next section, a review of literatures on the financial distress is given. Section 3 explains a methodology for the proposed model. Statistical results are reported in Section 4, followed by discussion in Section 5. Section 6 summarizes and concludes this study.

LITERATURE REVIEW

There is considerable literature on financial distress prediction models which have focused on mature listed firms. On the other hand, research on newly established firms' survival process in the post entry period is very limited.

Literature on the long-term performance of firms following initial public offerings (IPOs) can be divided into two main categories: the demand side and the supply side categories. The demand side category studies suggest that investors are periodically overoptimistic about the potential of newly established firms (Ritter 1991; Loughran and Ritter 1995). This is especially true when young growth firms go public in high-volume years. An application of the demand side theory is Lewis et al. (2000), which reports the quality of underwriters and the market status (high vs. low volume) have significant impacts on prediction of financial distress.

The supply side category studies identify earnings-based performance measures, cash flow factors, and non-financial factors as representatives of issuers' long-term performance. Earnings-based performance measures have been employed in numerous studies (Altman 1968; Zmijewski 1984; Gilbert, Menon and Schwartz 1990; Hopwood, McKeown and Mutchler 1994; Ward and Foster 1996). Cash flows factors have been often reported in prior studies (Huyghebaert et al. 2000; Aziz and Lawson 1989; Aziz et al. 1988; Gentry et al. 1987; Casey and Bartczak 1985). Recently, non-financial factors are drawing more attention (Ueng and Lee 1996; Gartner, Starr and Bhat 1991; Flamholtz and Aksehirli 2000). Existing literature in the supply side category suggests that funds flow measures may be better than traditional financial ratios for earlier prediction of financial distress (Huyghebaert et al. 2000; Laitinen 1992; and Aziz et al. 1988).

In summary, literature shows both demand and supply side category studies are significant. This new approach of including both side factors is especially appropriate for studying the subject of this paper because most dot-com firms are established and gone public in a hot issue market. Accounting data is also very limited due to the short lives of these companies. Therefore, it is expected the prediction reliability may increase if both demand side factors and supply side factors are included in a corporate bankruptcy prediction model. However, no study has been done on developing such model. As a result, this study hypothesizes that a new model including both demand side and supply side factors shows statistically significance in predicting financial distress of Internet start-up companies.

RESEARCH METHODS

As discussed in the previous section, this study develops a statistical model that includes both demand and supply side factors, to account for the long-term performance of Internet start-up firms following IPO. In the logistic regression model, a dependent variable is a binary variable which codes 1 for a bankrupt firm and 0 for a non-bankrupt firm. Independent variables are the demand side and supply side factors.

Lewis et al (2000) and Huyghebaert et al (2000) serve as a framework for a new model. Regarding the demand side, this paper includes underwriter reputation factor and market condition factor in a new model, based on the findings from Lewis et al (2000). For the supply side, a funds flow factor is employed in the proposed model, based on the findings from Huyghebaert et al. (2000). Therefore, two main factors are proposed as explanatory variables for a financial distress prediction model in this study: Market Condition Factor, Funds Flow Factor.

Funds Flow Factors

Three measures are developed for variables describing funds flow factors: Operating Cash Flow, Financing & Investing Fund Flow and Working Capital. These measures are defined similar to Gentry, Newblood and Whitford (1987).

First, operating cash flow variable is included in a new model as a funds flow factor. It is widely accepted that liquidity constraints play an important role in business survival, especially at the start-up stage. Accordingly, firms, which are able to generate more operating cash flow during their earlier years, have higher chances of survival. To capture operating cash flows, three measures are used: Gross Margin (GM) and Residual Cash Flow (RCF). It is expected that the higher the gross margin and the larger the cash residual, the better the chances of survival.

Second, a new model also includes financing and investing funds flow variables for the funds flow factor. The choice between equity and debt financing and the selection of the optimum capital structure is thoroughly discussed in the finance literature. Firms that choose equity financing are less vulnerable and hence are less likely to fail. To the contrary, debt financing increases the obligations and commitments of start-up firms. Monetary obligations are of more importance and greater influence when the operating cash flows are not enough to cover the operating activities. To capture the impact of financing and investing activities, Equity Financing (EQ), Dividends (DVD), and Capital Expenditures (CAP) variables are used.

In addition, working capital variables are considered for the fund flow factor. Consistent with the operating cash flow variables, firms have greater incentive to control their working capital in order to enhance the survival chances. To capture the working capital variables, Inventories (INV), Accounts Receivables (AR), and Accounts Payables (AP) are used. It is hypothesized that the higher the current assets and the lower the current liabilities, the higher the chances of survivals of start-up firms. A high dependence on current liabilities to finance operating activities increases the dependence of start-up firms on external sources and increases vulnerability to failure. Hence, the following hypotheses are tested in this paper.

H_1 *The higher gross margin is, the higher the chances of survival of start-up firms are likely.*

H_2 *The higher cash inflows are, the higher the chances of survival of start-up firms are likely.*

H_3 *The higher equity financing is, the higher the chances of survival of start-up firms are likely.*

H_4 *The higher capital expenditures are, the higher chances of survival of start-up firms are likely.*

H_5 *The higher current assets are, the higher the chances of survival of start-up firms are likely.*

H_6 *The higher current liabilities are, the lower the chances of survival of start-up firms are likely.*

Capital Market Condition Factor

Bayless and Chaplinsky (1996) reports that investors are less fearful of buying overvalued equity in high-volume issue markets. They attribute that to either the herding theory or reduced levels of information asymmetry between issuers and investors during such periods. The Herding theory suggests that investors become overly optimistic and more receptive to investing in poor-quality firms in bull markets. Accordingly, investors are expected to be less astute during hot markets. The information asymmetry interpretation assumes that busted IPOs are more likely when market conditions are poor, while the herding theory assumes that busted IPOs are more likely when market conditions are favorable (Lewis et al. 2000).

To measure the market condition, this paper uses market values of the firm as proxy for marker condition. It is hypothesized that the higher the firm's market value, the higher the chances of survivals of start-up firms. Accordingly, the third hypothesis is as follows:

H_7 *The higher the market value, the higher chances of survival of start-up firms.*

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ACCOUNTING FOR CANNABIS

Hilary Becker, Carleton University, Ottawa, Canada

ABSTRACT

The Cannabis market is expected to exceed $9B in Canada by 2025, with an economic impact and spin-off (merchandising, licensing, tourism, transportation, security, etc.), making it larger than the Spirit and Wine markets in Canada. This has led to the Stock Market gold rush as firms and investors rush to cash in on this growing opportunity in this nascent industry. As a company's compete for market share and capacity, while facing the ever-present black market, stock price volatility has fluctuated widely.

This has caused investors to look more closely into trying to understand firm valuations, however this has been complicated as Canadian GAAP requires the use of IFRS accounting standards including IAS2 – Inventory and IAS 41 – Bearer Plants under Biological Assets to value Cannabis inventory. The use of IAS 41 has greatly affected the ability of users to understand financial statement pronouncements from firms. The current research looks at the use of IAS 41 in this context and its impact to the markets and users of the Financial Statements, in helping to understand firms financial reporting and valuations.

MINDFULNESS IN MANAGEMENT AND MARKETING

Stephen C. Betts, William Paterson University
Emine Erdogan, William Paterson University

ABSTRACT

One of the primary concepts to come from the positive psychology movement is mindfulness. In this paper we examine how mindfulness is interpreted in the management and marketing literature and applied in practice.

Mindfulness has been positively linked to individual and group performance (Hanne Adriansen & Krohn, 2016), job satisfaction and, turnover intentions (Andrews, Kacmar & Kacmar. 2014), creativity(Byrne & Thatchenkery. 2019), emotional intelligence(Chapman-Clarke. 2017), work engagement (Coo & Salanova, 2018; Kotzé & Nel, 2016), burnout (Kotzé & Nel, 2016), psychological and emotional well-being (Brown & Ryan, 2003), ethical decision making (Ruedy & Schweitzer, 2010), innovativeness and creativity (Lebuda, Zabelina, & Karwowski, 2015; Swanson & Ramiller, 2004), problem-solving capability (Ostafin & Kassman, 2012) and other organizationally relevant outcomes. It has been used in training (Allen, Eby, Conley, Williamson, Mancini & Mitchell, 2015), individual and organizational learning (Cacioppe, 2017; Langer 1989), organizational transformation (Aviles & Dent, 2015) and other organization processes. In applying mindfulness to marketing, researchers consider mindfulness outside of the organization such as consumer mindfulness (Bayraktar, Uslay, & Ndubisi, 2015) mindful consumption (Malhotra, Lee & Uslay. 2012) and social mindfulness (Oyedele, Saldivar, Hernandez & Goenner, 2018).

In this paper we look at the many interpretations, applications and findings regarding mindfulness in management and marketing. Our goal is to develop a comprehensive model of mindfulness that reconciles and incorporates the essential characteristics and dynamics of the various conceptualizations. This model can inform further research and applications.

TEACHING ENTREPRENEURSHIP AS ART, SCIENCE AND CRAFT: USING BLOOM'S TAXONOMY TO ALIGN PERSPECTIVE AND COURSE CONTENT

Stephen C. Betts, William Paterson University
Vincent Vicari, Bergen County Small Business Development Center

ABSTRACT

Entrepreneurship can be considered a combination of art, science and craft. The art of entrepreneurship involves creativity and inspiration. The science is analysis and experiment. The craft relies on practice and experience. Each perspective is important, however frequently entrepreneurship courses are taught in ways that give emphasis to one or two perspectives at the expense of the other(s). Even when all three perspectives are present in a course, they often are taught at different levels of development and depth. To assist course developers deal with these problems we propose using Bloom's taxonomy of educational objectives to align course content with entrepreneurship perspective. In this paper we will first briefly review the art, science and craft perspectives of entrepreneurship and Bloom's taxonomy. We will then examine how each perspective can be addressed at different levels in the taxonomy. Specific examples of course elements (activities, assessments, exercises and so on) will be matched with entrepreneurial perspective and learning level

THE RISE AND FALL OF THE SUPERSTAR CEO

Devon Branch, Graduate Student, Valdosta State University
Raymond J. Elson, Valdosta State University

ABSTRACT

$150 million! This was the amount of compensation allegedly misappropriated by the CEO of the world's largest automobile manufacturing company (the organization). Born in Brazil to Lebanese immigrants, the CEO found fame and fortune in Paris which led to his superstar status in Japan. Here, not only did he revive a struggling automobile manufacturing company, but he was also the main character in a number of comic books. Unfortunately, he is now languishing in his Japanese prison cell awaiting trial for the allegedly misdeeds.

The case discusses the conditions within the organization that contributed to the rise and fall of the superstar CEO. Students are asked to use the Control for Sponsoring Organizations of the Treadway Commission (COSO) framework to assess the control environment of the organization that created the fraudulent conditions and steps that could be taken to prevent the incident from occurring.

MINDING YOUR BUSINESS: HOW ENTREPRENEURS MANAGE STRESS

Martin S. Bressler, Southeastern Oklahoma State University
Linda A. Bressler, Southeastern Oklahoma State University

ABSTRACT

According to Sigmund Freud, the act of birth is the first experience of anxiety, and thus the source and earliest source of anxiety (www.brainyquote.com/sigmund_freud_151773). In many aspects of our lives, there is as much stress with success as there is with failure.

In modern-day American culture, successful entrepreneurs often achieve celebrity status. Celebrity entrepreneurs such as Mark Zuckerberg and Elon Musk are as popular as top entertainers and sports figures. But many entrepreneurs have hidden secrets: before becoming a successful entrepreneur, they first struggled with periods of anxiety and despair. There were times when it seemed everything might crumble. The pop-culture suicides of Kate Spade and Anthony Bourdain provide entrepreneurial faces to much wider statistics, that is, the 30% increase in suicide in America since 1999.

In this paper, the authors examine how mindfulness can assist entrepreneurs with stress management, but also assist in opportunity recognition and management decision making.

INTRODUCTION

> *"Physical comforts cannot subdue mental suffering, and if we look closely, we can see that those who have many possessions are not necessarily happy. In fact, being wealthy often brings even more anxiety".* --------The Dalai Lama

Dr. William Shiel, author for MedicineNet, defines stress as being "a physical, mental, or emotional factor that causes bodily or mental tension" (https://www.medicinenet.com/script/main/art.asp?articlekey=20104). The author also reveals that stress can be internal such as an illness or fear from a future medical procedure. Stressors can also come from a psychological stressor, from interacting in social situations, or from the environment or workplace stress (Oosthuizen &Van Lill, 2008; Ryan, et al., 2017).

Colligan & Higgins (2005) reported that workplace stress can be defined as depending upon a perceived threat or challenge in the workplace (toxic workplace), an individual's physical and mental state can change. Shiel also reports that individuals under workplace stress develop flushing of the neck or face, elevated blood pressure, poorly controlled diabetes or even irritable bowel syndrome (https://www.medicinenet.com/script/main/art.asp?articlekey=20104). Watland, et. al. (2004) noted that stress in the workplace can be decreased through the use of self-care or self-management techniques and spoke about the use of books, web-based training (Wantland, et al., 2004) on behavioral changes, and individuals can now download APS giving them access to e-Health applications.

Considerable research can be found regarding work stressors (Batista & Reio, 2019; Colligan & Higgins, 2005; Eddy, et. al, 2017; Oosthuizen & Van Lill, 2008; Ryan, et. Al., 2017 and Wantland, 2004) but limited research can be found regarding entrepreneurial stress.

Stress and other mental health conditions appear to be greater for entrepreneurs than other workers. The Gallup Weinberg Index reports that 45% of entrepreneurs indicate stress in comparison to 42% of "other workers." Entrepreneurs also report being "worried a lot" in higher percentages than other workers— 34% vs. 30%.

Initially, those variations do not appear significant. However, another study published in the journal *Small Business Economics* reported: "Mental health differences directly or indirectly affected 72% of the entrepreneurs in this sample, including those with a personal mental health history (49%) and family mental health history among the asymptomatic entrepreneurs (23%). " The researchers also found that entrepreneurs were more likely than comparison participants and the general population to experience stress.

Unfortunately, Kate Spade and Anthony Bourdain are not the only successful entrepreneurs to have committed suicide. Others include Ilya Zhitomirskiy, CEO of Diaspora, who, in 2011, took his life. Aaron Schwartz, of Reddit, Jody Sherman, the founder of Ecomom, and his colleague Ovik Banerjee, took their lives in 2013. Also, in 2015 Austen Heinz, the CEO of Cambrian Genomics, and Faigy Mayer, the CEO of Appton, committed suicide. Many find the stress and anxiety in their lives to be overwhelming.

- Depression: 30% compared to 15% and 16.6% (American Psychiatric Association)
- ADHD: 29% compared to 5% and 4.4% (National Institute of Mental Health)
- Addiction: 12% compared to 4% and 8.4% (Substance Abuse and Mental Health Services Administration)
- Bipolar diagnosis: 11% compared to 1% and 4.4% (National Institute of Mental Health)

While stress is both natural and normal, entrepreneurs tend to lead more stressful work lives, and some struggle excessive levels of stress. Symptoms of stress can typically include those listed in Table 1 below.

Table 1
Common Symptoms of Entrepreneurial Stress

Mental Symptoms	Emotional Symptoms	Physical Symptoms
Confusion, inability to concentrate, poor memory, and lack of engagement.	Negativity, depression, disappointment, and low self-esteem, loneliness, withdrawal, mood swings, loss of commitment, irritability, and increased sensitivity.	Changes in eating habits, differences in sleep patterns, increased drinking, taking drugs, smoking, muscle tension, digestive issues, and high blood pressure.

Source: Hendricks, 2019

CAUSES OF ENTREPRENEURIAL STRESS

According to Buttner (1992), most entrepreneurial stress is the result of role conflict or ambiguity, job versus non-job conflict, concern for quality, role overload, and responsibility pressure. Role conflict or ambiguity occurs when an employee does not have enough information regarding their work evaluation. Unlike the typical employee, an entrepreneur is the leader of the business and does not have a manager to provide feedback on how they are doing.

Another cause of entrepreneurial stress, job versus non-job conflict, happens due to not knowing how to manage work and family pressures that occur at the same time. Balancing both work and family pressures create conflict, and the conflict results in stress.

Concern for quality creates stress when we desire perfection in the goods and services we (or employees in our business) produce. As an entrepreneur, everything falls on your shoulders. The entrepreneurs' responsibility, coupled with many other responsibilities, creates role overload (stress).

STRESS MIGHT ONLY BE THE BEGINNING

Stress might only be the beginning, as many diseases and conditions often develop as a result of high levels of stress. According to R.M. Griffin, writing for *Web*MD, diseases found to be associated with stress include: Heart Disease, Asthma, Obesity, Diabetes, Headache, Depression, Gastrointestinal Issues, Alzheimer's, Accelerated Aging, and even Premature Death.

Stress can also cause muscle ache and pain. Even worse, persons with high levels of stress are more prone to accidents. Hartz-Seeley of the *Miami Herald* cites a report by the American Psychological Association that links chronic stress to the six principal causes of death, including cancer, heart disease, accidents, lung ailments, cirrhosis of the liver and suicide. Stress-related illnesses and concerns also account for more than 75 percent of doctor office visits.

HELP FOR ENTREPRENEUR STRESS

In 1979, Jon Kabat-Zinn established a stress-reduction clinic located at the University of Massachusetts Medical School (www.wikipedia.org). A PBS special titled *Healing and the Mind* hosted by Bill Moyers. Highlighted Kabat-Zinn's first book, *Full Catastrophe Living: Using the Wisdom of Your Body and Mind to Face Stress, Pain, and Illness* was not only a success but also gave practitioners and readers thorough instructions on Mindfulness. Since that time, researchers wrote thousands of articles on mindfulness, and scores of the more significant articles generated thousands of citations. Academic and professional publications are brimming with Mindfulness research. Kelly (cited in Brin, 2018) determined that between 20 to 30 percent of the Fortune 500 companies have implemented Mindfulness instruction.

Online Mindfulness-Based Stress Reduction (MBSR) is now available at palousemindfulness.com, where an individual can take an 8-week course online, based on Jon Kabat-Zinn's original work at the University of Massachusetts Medical School. Currently, there are more than 2,500 graduates from 72 different countries who have completed the Palouse Mindfulness course.

One of the first mindfulness techniques is an exercise referred to as Raisin Meditation. Listed below are the steps in the Raisin Exercise that help an individual to focus on the here and now and not let extraneous stressors cause us to feel anxious.

The Raisin Exercise

1. Sim comfortably in a chair.
2. Place a raisin in your hand.
3. Imagine it as its "plump self" growing on the vine surrounded by nature.
4. As you look at the raisin, become conscious of what you see: the shape, texture, color, size. Is It hard or soft?
5. Bring the raisin to your nose and smell it.
6. Are you anticipating eating the raisin? Is it difficult not to just pop it in your mouth?
7. How does the raisin feel? How small is it in your hand?
8. Place the raisin in your mouth. Become aware of what your tongue is doing.
9. Bite ever so lightly into the raisin. Feel its squishiness.
10. Chew three times and then stop.
11. Describe the flavor of the raisin. What is the texture?
12. As you complete chewing, swallow the raisin.
13. Sit quietly, breathing, aware of what you are sensing.

(Kabat Zinn, 2005).

Kabat Zinn describes the experience this way:

> "The raisin exercise dispels all previous concepts we may be harboring about meditation. It immediately places it in the realm of the ordinary, the everyday, the world you already know but are now going to know differently. Eating one raisin very, very slowly allows you to drop right into the knowing in ways that are effortless, totally natural, and entirely beyond words and thinking. Such an exercise delivers wakefulness immediately. There is in this moment only tasting." (Kabat Zinn, 2005).

In *Eating Mindfully*, Susan Albers recommends beginning with one mealtime: breakfast, lunch, or dinner. https://www.takingcharge.csh.umn.edu/activities/how-eat-mindfully. You should start by choosing a specific place to eat your meal, which could be your dining room table or in the lunchroom at work. Begin by Sitting there quietly. Do not get up from your seat and be sure not to answer your phone.

Before starting to eat your meal, be sure to have everything you plan to eat on the table before beginning to eat. Being mindful requires that you give your full attention to eating your meal, without any distractions. It is important that you focus on the eating process and enjoying your meal.

In addition to reducing stress and job burnout, mindfulness can assist business managers and entrepreneurs in recognizing opportunities, making ethical decisions, and feeling compassion for others. These, in turn, can increase meta-cognition and increase financial performance.

Recently, the *Harvard Business Review* detailed a study on the relationship between entrepreneurship, burnout, and passion. The authors of the article classify two types of passion, the first as "harmonious passion," which leads to high levels of concentration, attention, and absorption:

> "While these entrepreneurs said they often felt totally taken by their work, they also allowed themselves breaks from it and had more flexibility. Overall, [they] were able to balance their job with other activities in their lives without experiencing conflict, guilt, or negative effects when not engaging in work."

By comparison, the second type of passion is defined as "obsessive" and leads to extraordinary job fit. These entrepreneurs struggle to pay attention at work because of "the roles and responsibilities they were neglecting (such as family and staying healthy)." Obsessive entrepreneurs stated they "couldn't live without their work … felt emotionally dependent on their work, had difficulty imagining their lives without their work, and felt their mood depended on them being able to work."

MINDFULNESS CAN DO EVEN MORE!

Right now, at this very moment, do you feel calm? If you do not feel calm, help can be as close as your cell phone. Today, we are under considerably more stress than ever and eager to uncover new ways to lessen stress in our daily lives. Investors financed more than $150 million in developing apps to assist in lessening anxiety and increase our feeling of calm (Brin, 2018). A search for apps in the Google Play Store produced more than one hundred calming APPS. Calming APPS range from nature sounds, ocean waves, the sound of rain, and ocean waves, and soothing music.

Mindfulness may do more than lower anxiety, stress, and depression. *The New England Journal of Entrepreneurship* (cited in Brin, 2018), "non-judgmental present-moment awareness brought about by meditation, a focus on breathing, or other approaches – boosts various factors that contribute to entrepreneurial opportunity recognition."

Pickert (2014) reports that mindfulness, yoga, and other alternative medicine therapies have become so popular, that by 2007, Americans spent more than $4 billion on Mindful Based Stress Reduction (MBSR).

Kelly and Dorian (cited in Brin, 2018), estimate that between 20 to 30 percent of Fortune 500 companies have initiated mindfulness training, and they have done so because it works.

Table 2
9 Ways High-Performing Entrepreneurs Handle Stress

Find your Zen state	Deep breathing exercises and meditation can help you find your sense of balance.
Write it down	Journaling is a great way to deal with negative emotions.
Sweat it out	High-intensity cardio exercise, or even a brisk walk releases endorphin and gives you an instant pick me up.
Greet the morning with gratitude and goals	Keep a gratitude journal of things you are grateful for and all the positive things in your life. Then, write down your goals for the day.
Let it go	Learn to delegate. Although it may be difficult, it can free you up to use your entrepreneur's creativity in other important ways.

Connect with like-minded entrepreneurs	Remember, you are not alone. When you can vent with someone about a problem or an issue, you may get not only some sympathy but also some useful feedback.
Learn to pace yourself	You need time to decompress, so learn when to shut off the computer and go home. You cannot work 24/7!
Give your stress ball a workout	Stress balls work! Also, squeezing a stress ball helps get your blood pumping. Even better, use it while taking a brisk walk.
Find an engaging hobby	A good way to give your mind a break. Do something that you love, especially something hands-on that absorbs your attention.

Source: D. Patel, in www.entrepreneur.com/article/315243

The acceptance and increasing popularity of mindfulness has generated significant research on all aspects of mindfulness, including specific techniques entrepreneurs can use to reduce stress. In an article for *Entrepreneur.com*, Deep Patel offers his advice to entrepreneurs highlighted above in Table 2. Some simple changes in behavior can result in significantly less stress.

Mindfulness calls us to be in the present moment, not focus on what happened last week or what *might* happen tomorrow. Mindfulness does not eliminate stress but helps you to manage stress better.

EVERY CLOUD HAS A SILVER LINING

Much of what we know and understand about stress is negative, negative to the point where some persons may commit suicide. While there is currently no detailed research on entrepreneur suicide, the deaths of Kate Spade and Anthony Bourdain are bringing the problem to light. However, as techniques such as mindfulness can help reduce stress and anxiety, there is more than just a glimmer of hope. Mindfulness may also come with some side benefits.

Brin (2018) cites research by Kelly and Dorian that found "a direct relationship between mindfulness and the market analysis necessary for entrepreneurial discovery and idea creation." Mindfulness is also found to increase self-compassion in addition to compassion for others and can even help entrepreneurs make ethical decisions.

Kelly and Dorian also speculate that mindfulness enhances metacognition, which in turn, helps entrepreneurs "delay decision-making when experiencing strong emotions that could influence their actions." Kelly and Dorian also consider Mindfulness helpful in ethical decision making and feeling compassion for others. For instance, in a 2014 study reported in *Social Psychological and Personality Science*, the researchers found that people decrease race and age bias following viewing a 10-minute audio meditation on mindfulness.

RESEARCH ON THE BENEFITS OF MEDITATION IN CHILDREN

We use meditation to rest our mind, our body, and our spirit. The results include mental, physical, and spiritual benefits. Mindfulness meditation, as described above, is gaining traction in preventing and treating disease. Table 2 below provides several methods of meditation that can help reduce stress.

Several studies in schools also resulted in improved student attention and behavior. Additional research has uncovered benefits for students with issues, including attention deficit hyperactivity disorder (ADHD), anxiety, depression, school performance, sleep, behavior problems, and eating disorders. In an experiment of 300 middle-school students, mindfulness instruction at school led to better psychological functionality and reduced symptoms of posttraumatic stress disorder (PTSD).

Also, mindfulness provides physical benefits by calming the nervous system and decreasing stress hormones. Studies have also reported benefits concerning high blood pressure, obesity, gastrointestinal symptoms, headaches, pain sensitivity, and immune function. As an example, an experiment of 166 teens at risk for cardiovascular disease mindful breathing meditation found that breathing awareness produced a reduction in blood pressure and heart rate.

SUMMARY AND CONCLUSION

Most of us experience stress at various times throughout our lives. We might experience stress as a child, during our teenage years, while in college or at work. Stress can result in vague annoying symptoms to much more debilitating effects on people. Individuals under stressful situations can display physical symptoms such as flushing, stuttering, high blood pressure and even digestive issues. In addition, emotional symptoms can include loneliness, depression, low-self-esteem, and negativity. Additional symptoms can include confusion, poor memory, and inability to concentrate. Persons under stress may begin drinking in excess, develop heart disease, or even cirrhosis of the liver. Many of the symptoms noted above may develop due to workplace stress and anxiety.

Considerable research can be found regarding stress at work, but little research regarding entrepreneurial stress will be noted in the literature. Entrepreneurs are more than just workers; they are usually the leader of the business and many times do not have a manager providing feedback. This may cause worry/uncertainty that can lead to stress and anxiety. While corporate America continues to adopt a wide range of employee wellness programs, entrepreneurs appear to be slow in catching on to the benefits of mindfulness techniques. Entrepreneurs can also benefit from mindfulness stress-reduction techniques such as meditation and exercise and adopt mindfulness for their employees as well as for themselves.

Table 2 Types of Meditation Practice

Types of Meditation Practice

Types of Meditation Practice	Examples
Concentration on a word, thought, sensation, or image	• Transcendental meditation • Relaxation response • Breath-focused meditation • Mantra repetition • Meditation on a prayer, mandala, or other image
Mindfulness	• Mindfulness-based stress reduction • Vipassana
Movement-based meditation	• Yoga • Tai chi • Qi gong • Sufi dancing
Cultivating positive emotions (such as compassion, forgiveness, gratitude, or loving-kindness)	• Buddhist metta or tonglen practices (cultivating compassion and loving-kindness) • Institute of HeartMath training (cultivating gratitude or compassion)
Emptying	• Centering prayer • Waiting on the inner voice or inner light
Note: Some practices include more than one type of meditation. For example, yoga practices may include meditation on the breath, a word phrase, or sensation as well as movement and postures. All of these practices involve mental training that enhances the ability to focus or sustain attention.	

Source: www.healthychildren.org

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PREPARING FOR COMPETITION

Álvaro Carreras, Jr., Barry University

CASE DESCRIPTION

The primary subject matter of this case concerns changing the strategic planning process for a company transforming itself from a regulated monopoly into a fully competitive entity. Secondary issues examined include changing the company culture, addressing decisions that affected employee morale, and revising a marketing strategy. The case has a difficulty level of three, appropriate for junior level. The case is designed to be taught in three class hours and is expected to require five hours of outside preparation by students.

CASE SYNOPSIS

This case describes a company that has to completely change its strategic planning process, marketing strategy, and corporate culture as it transitions from a regulated telephone company to a competitive telecommunications entity. The company has never had to market its products and has had little to no incentive to be innovative since customers had no choice but to buy products and services from it.

Now that the market will be open to competition the company has to develop its strategic plan, redesign its marketing strategy, and change the corporate culture. It must perform marketing research to better understand its customers and their needs, remodel its promotion and advertising approach, and establish a pricing policy. All of this while dealing with possible layoffs of unqualified employees, and low morale throughout the company.

Two months after the cataclysmic effects of the death of Cara-Cara's king, his son and new king, Samuel II, decided to open the nation's telecommunication monopoly to competition. He was set on modernizing his country and bettering the life of his subjects.

Isla White was sailing her catamaran on the smooth waters of Neu Bay. Her thoughts turned to her new position as Vice President of Strategic Marketing at Caratel, the country's previously monopolistic telephone provider. She was certainly enjoying the warm sun in mid-October, but she was beginning to question her decision to accept this new position.

Isla had held a similar position at Optimum, the second largest telecommunications company in a nearby country. Unlike Caratel, that company had been very aggressively competitive. Although a monopoly which lacked innovative products, Caratel was known for its friendly customer service. However, it was used to customers calling the company rather than the company reaching out to the customers. Caratel had very little marketing skills, and worse yet, very few of its employees saw the importance of marketing. The department had no detailed information on its customers and had done no stratification or focused marketing.

After finishing dinner, Isla sat on her recliner reading some of her emails. As she stroked her cat, she thought about how much her cat seemed to enjoy her petting. Her thoughts turned back to the company and how everyone needed to be patted on the back once in a while. These thoughts made her think of her coworker, Mr. Oliver Black. Mr. Black became the Vice-President of Consumer Services after twenty-five years in Engineering. Not only did he have no marketing background, he came from a department where the employees were predominantly males. His new department was 91% female and he had no clue how to communicate with them.

Another troubling fact in the Marketing Department was the low morale. In the past ten years the number and complexity of the company's products and services had grown. Yet, employees had little technical and selling skills. For years they had been "order takers" - now they were expected to be experts in a large array of products and be able to sell them.

Along with the increase in the product line came an increase in the length of the customer contact. At the same time, the company had decided that being available to customers 24 hours a day, 7 days a week would be a strategic advantage. No other major telecommunications provider was available 24/7. The company's other commitment to reduce employees meant that the employees were being required to work six days a week and up to two hours of overtime every day. This left little or no time for training or development of the employees' technical or sales skills.

Additionally, a new scheduling system meant that the schedules changed from week to week and overtime was sometimes mandated a couple of hours before employees were to go home. Many had worked with Caratel for over twenty years and were used to a "dependable schedule". This presented several problems. Employees with young children had to make emergency arrangements for the pick-up or custody of their children. Others who were attempting to better their education had to drop out of school because they could not tell from week to week when they would be working. The employees' discontent displayed itself in higher absenteeism and attrition rates. In fact, the 2019 attrition rate was double that of 2018. By mid-2019 forty eight percent of the sales force of over 1,500 had less than one year with the company.

Even after the company decided to expand its workforce, the total number of employees did not improve for months. The hiring process that the Human Resource department had initiated required new employees to pass various tests in order to be hired. During the past six months the company had contacted 10,000 applicants in order to hire 500. This meant that the new hires were simply replacing employees who were leaving the company or transferring to departments that were only open Monday through Friday. The tests even proved to be a roadblock to a high number of "acting managers" who were now prevented from earning a promotion until they passed these tests. The failure rate varied across departments, but currently stood at 48% in Consumer Services.

In one of her first meetings with upper management Isla had told them that "the companies that transform themselves into more rapidly changing companies, more willing to change in the marketplace, are the ones that will succeed." She was intent in transforming Caratel into such a company. The President had proposed a $3 million institutional advertising campaign to change the country's perception of the company as a slow-reacting and behind the times company.

Since her position was new, Isla had no one to help her decide how to move the department towards a "marketing way of thinking". She found that an interdepartmental team called the Consumer Action Team (CAT) had been formed to coordinate and resolve problems that affected more than one department. Some of the problems the team was expected to tackle included lack of facilities, product and billing issues, and the process for introducing new products.

Isla's next step was to hold several meetings with her subordinates and the top sales and service managers in the department to see what suggestions they may have to improve the company's competitive and strategic marketing position. One interesting bit of information she had just found out was that 23% of Caratel customers lived in Multi Dwelling Units (ex. apartments and condominiums).

As she walked into the meeting, she held her notepad which had a number of ideas she thought should be tried. She wondered if any of her ideas would be suggested at the meeting.

A PRICING MODEL FOR BUSINESS PROGRAMS

John Cresson, Southeastern Louisiana University

ABSTRACT

Business programs have become a cash cow for universities, with many being offered completely online. Despite their popularity, empirical research pricing business programs is scarce. While popular publications present general information about the different programs, they do not present a statistical analysis of the programs. With costs and delivery varying across programs, it would be valuable for consumers to know which characteristics separate the programs from each other. To fill this void, I analyze the variations across business programs. With the competitive marketplace amongst universities and uncertain economic conditions, a better understanding of the driving factors of business programs is very valuable to students and administrators alike.

ESTABLISHING A STUDENT MANAGED INVESTMENT FUND FOR FINANCE MAJORS

John Cresson, Southeastern Louisiana University

ABSTRACT

Student managed investment funds (SMIF) have become enormously popular in today's competitive marketplace. They allow business schools to teach the theory and practice of Finance. Given the different constraints across universities, one model for establishing a SMIF does not fit all business schools. In this paper, I present how our university successfully established our student managed investment fund, a process that evolved over several years. Through a year-long process, our students expand their financial knowledge and improve their critical thinking, communication, teamwork, presentation, networking, leadership, and financial software skills.

ANALYZING THE RISK-ADJUSTED PERFORMANCE MEASURES OF S&P 500 INDEX FUNDS

John Cresson, Southeastern Louisiana University

ABSTRACT

Standard and Poor's (S&P) 500 Index mutual funds are enormously popular with investors. There are currently 114 S&P 500 Index funds available to investors, with some of these funds managing total assets in the billions. The Vanguard 500 Index Investor fund, for example, holds assets valued at more than a half of a trillion dollars. Since S&P 500 Index funds are supposed to be homogeneous goods, theoretically, they should all yield the same return. While the management of S&P 500 Index funds is straightforward in theory, in practice, managing the funds is far more complicated. In this study, I analyze S&P 500 Index fund risk-adjusted performance measures across funds and over time.

IS FRAUD TOO LARGE FOR BENEFITS FROM THE BIOFUEL TAX CREDIT

Larry Crumbley, Texas A&M Corpus Christi
Donald Ariail, Kennesaw State University

ABSTRACT

Biodiesel fuel is not the typical petro-diesel or corn ethanol. According to the U.S. Department of Energy, biodiesel is a renewable, biodegradable manufactured domestically from vegetable oils, animal fats, or recycled restaurant grease, but more than one-half of biodiesel comes from new or virgin crops (e.g., soybeans). In 2015, 16 billion gallons of biofuels were produced in the U.S. which was equivalent to more than 11 billion gallons of gasoline and diesel (worth more than $17.5 billion). Of this 16 billion, 14.8 billion gallons were ethanol and 1.3 billion gallons were biodiesel (worth $1.42 billion). See Sherrard, 2019. Ethanol fuel is ethyl alcohol, which is the same as the alcohol used in alcoholic beverages. Law changes at the end of 2019, made important tax benefits available to taxpayers in biodiesel fuels.

Congress first created a tax credit to subsidize the biodiesel industry in 2014. Ryan Alexander (2019) indicates that his industry has received more than $12 billion in biodiesel subsidies. He argues that the biodiesel credit should stay gone because the industry does not need it, and taxpayers can not afford it. He argues that the industry ramps production up or down based on tax subsidies and not demand. The tax credit incentivizes production regardless of whether it is necessary and subsidizes what would naturally take place without the credit. He suggests that retroactivity of the credit back to 2018 and extending it for five years will cost the government $19 billion (Alexander, 2019).

Many countries offer biodiesel incentives, so this article has international consequences (especially for Europe). In fact, the global market is increasing and could reach $41.18 billion by 2021 (Cole, 2017). There is a great deal of fraud as is pointed out in this article, especially in the U.S. If there is more fraud in the U.S., what are the reasons?

TEACHING CASE STUDY: SOCIAL MEDIA MARKETING FOR MICROBREWERIES

Terry Damron, Austin Peay State University
Kathryn Woods, Austin Peay State University

SYNOPSIS

This case explores the consumer and market behavior fueling tremendous growth in the brewing industry from 2008 forward, challenging students to examine internal and external factors as they produce strategic social media marketing recommendations for a microbrewery in Clarksville, Tennessee. On a mission to produce quality beer and build community, King's Bluff Brewery relies on social media to communicate both ever-shifting and continuous components of its offerings. Students are challenged to push beyond the case study to conduct additional market and media research as they produce promotional strategies.

RESEARCH METHODS

Personal interviews, primary, and secondary data were utilized in the creation of this teaching case study so as to provide students with critical insights concerning the firm, its competitors, the industry/consumers, the local market, and the role of social media in brand development.

RELEVANT COURSES AND LEVELS

This case is appropriate for undergraduate, upper-division marketing courses wherein junior- and senior-level students possess sufficient familiarity with principles of marketing so as to engage in critical evaluation of market, consumer, and media data to develop recommendations. Specific courses could include, but are not limited to, those in social media marketing, advertising/promotions, and consumer behavior.

THE EFFECT OF PEER AND LAB REVIEWS ON BUSINESS STUDENT WRITING

Xanthe Farnworth, Utah Valley University
Eugene Seeley, Utah Valley University
Laura Ricaldi, Utah Valley University
Xiaoli Ortega, Utah Valley University
Ron Miller, Utah Valley University

ABSTRACT

This study was conducted to compare the impact of peer reviews and writing lab reviews on student writing. The subjects of this research were junior-level business students in an international business class. This class requires a 1500- to 2000-word writing assignment from all the students, and four different sections of this class were used in the study. With one section as a control group, another section required students to participate in a student peer review of papers before submitting their own final draft for grading. A third class was required to have their papers reviewed at a writing lab before submission. The fourth class was required to do both. The papers were graded using a standard rubric and the scores compared. The results showed a significant grade improvement for either peer reviews or lab reviews. The class that had a combination of the two did show a trend to even higher performance, however it failed to reach statistical significance. The contribution of this paper is adding to the literature a confirmation of the value of peer or lab reviews of student writing.

2018/2019 U.S. GOVERNMENT SHUTDOWN: A TEST OF MARKET EFFICIENCY

Maegan N. Gregory, Longwood University
Frank W. Bacon, Longwood University

ABSTRACT

The purpose of this event study is to test market efficiency theory through the analysis of the 2018/2019 U.S. Government Shutdown on a random sample of 15 government contracting firms. This research tests whether the information surrounding a government shutdown announcement suggests semi-strong market efficiency. Evidence confirms the significant and consistent negative reaction of the risk adjusted returns for the sample of government contracting firms up to 30 days prior to the announcements of the shutdown. Results demonstrate that the announcements of shutdown had a significant negative impact on the firm's share price up to 30 days prior to announcement day 0 with a with a strong drop in price days before the shutdown ending by day +2 of the of the event period. The market was found to be most consistent with semi-strong form efficiency, because by day 0, the market had adjusted already to the news of the shutdown.

BACKGROUND

The 2018 Government Shutdown began on December 22, 2018 and lasted until January 25, 2019. This has been the longest shutdown ever seen, to date. The shutdown occurred, because President Donald Trump demanded $5 billion to build the proposed border wall, and he refused to sign any spending legislation that didn't include it. After three days of debating, the shutdown was voted to end on January 22, 2019, and it officially ended three days later.

Historically, over the past 20 shutdowns, the stock market has not seen a significant decrease in prices (Li, 2018). However, the effects of the 2018/2019 U.S. Government Shutdown have not been studied. As the most recent shutdown has been the longest in history by fourteen days, it is important to study the effects. Shutdown are costly, and they caused a gridlock in the government. Hundreds of thousands of people are forced to not work and not bring in any income. The true costs of shutting the government down must be assessed. The preferred method to measure the 2018 Shutdown's effects is through analysis of the stock market.

PROBLEM & PUPORSE

How do government contracting firms react to a shutdown? Is it possible to predict a shutdown? Are excess returns seen previous to the start date of the 2018/2019 U.S. Government Shutdown?

The purpose of this event study is the market efficiency theory on government contracting firms during the 2018/2019 U.S. Government Shutdown on a sample of 15 firms. The sample will be tested using the standard risk adjusted event study methodology found in the finance literature.

Due to a shutdown, it is expected to see a negative reaction from these firms, as a shutdown could cause a drop in employment for government contracting firms. This event study tests whether the 2018/2019 U.S. Government Shutdown exhibits weak, strong, or semi-strong market efficiency theory as defined by the efficient market hypothesis in the finance literature. The expectation from the study is that firms would be highly sensitive to the potential of a government shutdown, as a shutdown could potentially hurt their revenues. If there is a relationship between the date(s) surrounding the government shutdown and the immediate equity market price change, then opportunity to earn above normal returns will not exist and evidence supports market efficiency.

LITERATURE REVIEW

Through a market efficiency test, the effect of the 2018 U.S. Government Shutdown can be analyzed. There are three market efficiencies: weak-form efficiency, semi-strong form efficiency, and strong-form efficiency. Weak-form efficiency says that historical data cannot be used to predict future prices, so returns cannot be earned by using historical data to develop investment strategies. Semi-strong form efficiency is represented by share prices that quickly change according to knowledge that is publicly available, so the market also responds quickly and in an unbiased manner. This is due to all public knowledge being known, so no excess returns can be made by trading on public announcements. Strong-form efficiency says that stock prices reflect all public and private information, so no excess returns can be made by trading inside information. The research tests for semi-strong form or weak form market efficiency.

The government shutdown in 2013, due to failure to reach agreement on President Obama's Healthcare Bill and the 2014 U.S. Federal budget, was the second longest since 1980. It was the first shutdown in 17 years, and it was the most significant in terms of how many and how long employees were furloughed for prior to the 2018 shutdown. The two 1995 shutdowns were also caused by the inability to come to a consensus with the budget. In 2018, the shutdown was caused by failure to come to a consensus on border security. Answers to whether or not the market is efficient in respect to shutdowns would help policymakers with future shutdowns and what the true implication of a shutdown is (La Monica, 2016).

In terms of government contractors, the sample at hand, past shutdowns have resulted in a permanent loss in income. Many government contractor employers do not get reimbursed when their workers are idle. There is extreme uncertainty for contractors during recessions. Those who run government contracting firms also face heavy penalties, because a potential layoff that is not provided in advanced notice can lead to steep fines. A government shutdown poses a potential for unemployment and immigration issues. These issues alone pose a threat for stockholders and stock value (Stout-Tabackman, Neifach, Abramson, Napier-Joyce, 2018). The current evidence suggests that the market may be at least semi-strong form efficiency, however, this shutdown has not been directly studied. An abnormal return could not be made on public information such as a shutdown announcement.

METHODOLOGY

This study used the standard risk adjusted event study methodology found in the finance literature. The risk adjusted method was used to analyze 15 firms from the 2018/2019 U.S. Government Shutdown. The sample was tested for semi-strong form efficiency through the semi-strong form efficient market hypothesis. The sample contained a simple, random sample of government contracting firms. The day of the event (day 0), was December 24, 2018, which was the first business day after the shutdown. The shutdown technically began on Saturday, December 22, 2018, so the market was unable to react. All stock returns were obtained through Yahoo! Finance, including the returns of the dates for the S&P 500. Analysis was conducted as follows:

- Stock prices from -180, or 180 days prior to day 0, to +30 days were obtained. Days -30 to +30 were used as the event period, and day 0 was the event day.
- Holding period return for the sample government contracting firms **(R)** and the corresponding S&P 500 index (**R_m**) was calculated through the following formula:
  - Current daily return = $\frac{(current\ day\ close\ price - previou\ \ day\ close\ price)}{previous\ day\ close\ price}$
- A regression analysis was performed using the actual daily return of each firm (dependent variable) and the corresponding S&P 500 daily return (independent variable) over the pre-event period (day -180 to -31) to obtain alpha (intercept) and beta (standardized coefficient) for each firm selected of the 2018/2019 shutdown.
- The risk-adjusted method was used to get normal expected returns. The expected return for each stock, for each day of the event period from day -30 to +30 was calculated through the following formula:
  - **E(R) = alpha + Beta (R_m)**, where **R_m** is the return on the market (S&P 500 Index).
- Excess return **(ER)** was calculated as follows:
  - **ER** = Actual Return **(R)** – Expected Return **E(R)**
- Average Expected Return **(AER)** was calculated from day -30 to +30 by averaging the excess returns for all the firms for a given day:
  - **AER** = $\frac{sum\ of\ \boldsymbol{ER}\ per\ day}{number\ of\ firm\ \ in\ the\ sample}$
- Cumulative AER **(CAER)** was calculated by adding the **AER**s for each day from -30 to +30.
- Graphs of AER and CAER were plotted for the event period (day -30 to +30).

In order to test semi-strong market efficiency with respect to the 2018/2019 U.S. Government Shutdown, the following null and alternative hypotheses were used:

$H1_0$: The risk adjusted return of the stock price of the sample of 15 government contracting firms is not significantly affected by this type of information on day 0 of December 24, 2018 of the government shutdown.

$H1_1$: The risk adjusted return of the stock price of the sample of 15 government contracting firms is significantly negatively affected by this type of information on day 0 of December 24, 2018 of the government shutdown.

$H2_0$: The risk adjusted return of the stock price of the sample of 15 government contracting firms is not significantly affected by this type of information around day 0 of December 24, 2018 of the government shutdown as defined by the event period.

$H2_1$: The risk adjusted return of the stock price of the sample of 15 government contracting firms is significantly negatively affected around day 0 of December 24, 2018 of the government shutdown as defined by the event period.

The government contracting firms that encompassed sample were randomly selected; each firm as well as their corresponding alpha and beta are listed below.

Figure 1.1

Government Contracting Firms	Alpha	Beta
Honeywell International Inc. (HON)	0.00024196047556542	0.872512613565463
Accenture plc (ACN)	0.000561628807003098	1.10754699063145
BAE Systems plc (BAESY)	-0.000934305668031348	0.562584527709862
Insight Enterprises, Inc. (NSIT)	0.00162717489074618	0.961286658825064
FedEx Corporation (FDX)	-0.00129889023254775	1.26350604428935
General Dynamics Corporation (GD)	-0.00103302896989119	0.860969918979065
Northrop Grumman Corporation (NOC)	-0.0010727076880368	0.750783451534661
ManTech International Corporation (MANT)	0.0000589639005559649	1.08160557338005
Tetra Tech, Inc. (TTEK)	0.000515500283526215	1.02123528183235
Royal Dutch Shell plc (RDS-A)	-0.0000893104164437131	0.720102862222938
Science Applications International Corporation (SAIC)	-0.000664221827514223	0.9897373964081
Raytheon Company (RTN)	-0.000956848858781466	0.83572510984966
Serco Group plc (SRP.L)	0.00113287879263056	0.0259254160708378
AT&T Inc. (T)	-0.000640311842884076	0.608136530298521
Rolls Royce Holdings plc (RR.L)	0.000414479333492999	0.293387640234281

QUANTITATIVE TESTS & RESULTS

Did the market react the 2018 U.S. Government Shutdown announcement? If the shutdown brought new and significant information that affected market price, then there to be a significant difference in the Actual Average Returns **(AAR)** and the Average Expected Returns **(AER)** from day -30 to day +30. The risk adjusted difference was statistically significant at the $\alpha = 0.01$ level. Therefore, the null hypotheses are rejected in favor of the alternative. The result reject hypotheses $\mathbf{H1_0}$ and $\mathbf{H2_0}$ in favor of hypotheses $\mathbf{H1_1}$ and $\mathbf{H2_1}$. The risk adjusted return of the stock price of the sample of 15 government contracting firms is significantly negatively affected around day 0 of December 24, 2018 of the government shutdown as defined by the event period. This finding supports the significance of the information around the event since the market's negative reaction was observed.

Average Excess Return **(AER)** graph as well as the Cumulative AER **(CAER)** are shown in Figures 1.2 and 1.3 below. As seen in both figures, there is a significant drop when news of the shutdown breaks at day 0. The market reacted negatively to the 2018 U.S. government shutdown.

Figure 1.2

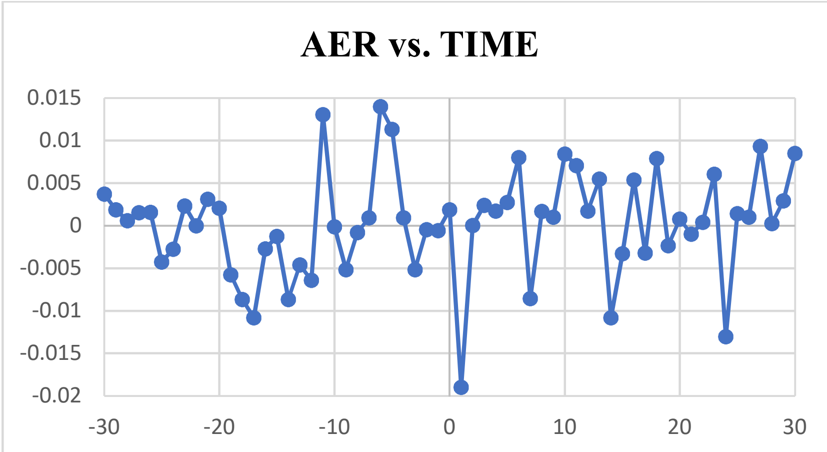
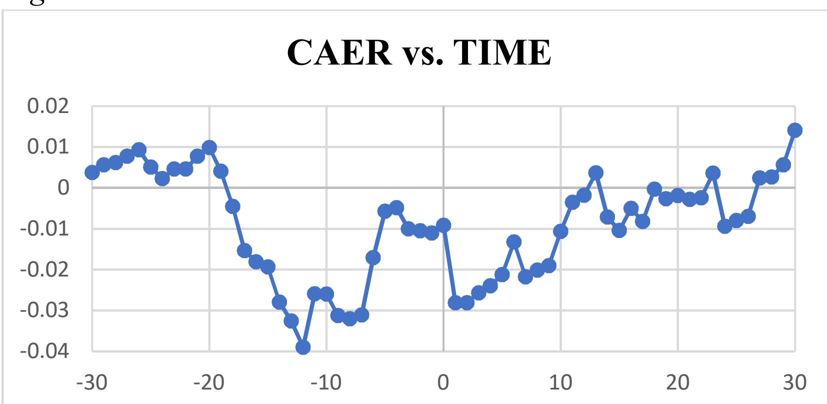


Figure 1.3



To analyze the data for market efficiency, it must be determined if **AER** and **CAER** differ significantly from zero. Additionally, it should be recognized if there is a relationship, either graphical or statistical, between time and either of the variables.To test, a t-test was used to see if either variable shows a difference from zero that is statistically significant. Results confirmed the negative reaction to the news of the shutdown. Both **AER** and **CAER** tested different at the $\alpha = 0.01$ level. From the evidence shown, an investor could not use public information to make an abnormally higher return. A drop is seen in **CAER** from day -4 to day -3 leading up to the government shutdown. **AER** begins to drop from day -6 to day -5.

From the evidence suggested, it appears that the market is consistent with semi-strong form market efficiency. As of day 0, the market had adjusted to the public information of the government shutdown. While there is a significant dip after day 0, it reduced again by day 2. However, there is significant around the time period of the shutdown, so there is evidence to suggest that investors may have predicted a shutdown. With news stations reporting the trouble with coming to a deal in Washington, it is not inaccurate to believe that investors may have sold to avoid the effects of the shutdown on their portfolios.

CONCLUSION

The results suggest semi-strong form market efficiency, because the market reacted to the public information of the shutdown. The study analyzed 15 government contracting firms around the time of the 2018/2019 U.S. government shutdown announcement. The research tested for semi-strong form market efficiency and whether the public information influenced the market or not. The risk adjusted return of the stock price of the sample of 15 government contracting firms was analyzed and found to be significantly negatively significant around day 0 of December 24, 2018 of the government shutdown as defined by the event period. Through the evidence analyzed, both **AER** and **CAER** were found to be statistically significant.

The risk adjusted return differs significantly from 0. By day 0, the market had already adjusted to the publicly available shutdown news, so semi-strong form market efficiency is further supported. Additionally, there is a significant drop around 4-6 days prior to the shutdown announcement, so there is some evidence suggesting that investors may have anticipated the shutdown and its negative effects. Across the board, there were drops leading up the shutdown as well as 1-2 days afterward with the steepest drop being right after day 0.

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VOLUNTARY DISCLOSURE THEORY AND LEGITIMACY THEORY IN SUSTAINABILITY REPORTING—THE CASE OF SOUTH AFRICA

Brandon Di Paolo Harrison, Austin Peay State University
Susan R. Cockrell, Austin Peay State University
Ben Ferrell, Austin Peay State University
Stephen Smith, Austin Peay State University

ABSTRACT

The need for quality, comparable, and dependable reporting of sustainability initiatives continues to increase as precious resources globally are diminished. Various reporting constructs and incongruous standardization make comparability difficult. South Africa initiated their effort of creating a framework of required integrated reporting since 2010. Endeavors of this nature provide an example of corporate governance for emerging markets in reporting sustainability.

Extant research on the disclosure and performance of sustainability initiatives has been concentrated on the quantity of disclosure instead of the quality of information reported. Due to the lack of consistency in reporting expectations and regulatory oversight, the accuracy and verifiability of information reported presents potential issues (Leuz & Wysocki, 2016 Mahmood, Ahmad, Ali and Ejaz (2017) determined that the theories of legitimacy and voluntary disclosure can be reconciled by evaluating the level of performance of an organization to improve the generalizability of empirical results.

Disclosure theory posits that superior sustainability performance within firms provides incentives whereby exceptional performance is more likely to be disclosed; thereby leading to a firm choosing to signal a company's sustainability achievement (Mahmood et al., 2017). The results of the Mahmood et al. (2017) found that companies opt to report based on their performance. Therefore, if a company has superior achievements relative to their sustainability efforts, the organization with select to report. Conversely, Mahmood et al. (2017) also noted that an increase in reporting by organizations exhibiting poor performance could be a signal the organizations are attempting to change public perception.

Legitimacy theory provides a construct for the evaluation of the mechanisms by which organizations "fulfill their social contract" (Burlea-Schiopoiu & Popa, 2013). Hummel and Schlick (2016) expanded legitimacy theory focusing primarily on organizations without sustainability reporting requirements mandated by their governance committee. Behram (2015) denote that the designated sector of an organization also lends to the applicability of legitimacy as a framework for evaluation.

Previous studies provided mixed conclusions regarding the motivating factors behind voluntarily disclosing of sustainability initiatives (Gamerschlag, Moller, & Verbeeten, 2011). Romolini, Fissi, & Gori (2015) denoted that organizations, as well as stakeholders have been

exhibiting increased focus on sustainability reporting. Alrazi, de Villiers & van Staden (2015) expressed that organizational motivations could shift based on whether reporting is mandated or voluntary. However, the researchers noted that these motivations were routed in legitimation of the organization. Lock and Seele (2016) determined that the information provided by organizations improved in applicability and relevance when utilizing a framework that was consistent. Conversely, Ahmed & Schneible (2007) determined that information provided by organizations decreased in value and quality under a construct that was voluntary in nature.

This study provides an opportunity to evaluate the influence of regulation on the reporting quality of sustainability disclosures under a construct where a consistent reporting framework is applied. An empirical approach will be utilized to evaluate the variations in quality and reporting initiatives of organizations based on whether organizations are located within a country that requires integrated reporting (IR) on sustainability. Hummel and Schlick (2016) provided hypotheses that will be utilized to evaluate the positive relationship between IR and organizations deciding to participate in sustainability disclosure and the negative relationship between IR and low-quality sustainability disclosure when the organization operates in an environment of mandated reporting. This study will investigate the impacts of existing required reports relative to the quality of disclosure for organizations engaging in voluntary supplemental disclosures. We further expand the evaluation of supplementary disclosures and legitimacy theory by concentrating our empirical evaluation on whether the relationship between sustainability conduct and disclosure quality occurs in a required reporting environment. This evaluation will also evaluate the impact that an environment of required reporting has relative to the quality of sustainability disclosures and thereby provide an improved understanding of the signals influencing the quality and reliability of sustainability disclosures.

INVESTIGATION OF THE RELATIONSHIPS BETWEEN A PUBLIC COMPANY'S FINANCIAL FACTORS AND ITS STOCK PRICE: AN EMPIRICAL STUDY

Morsheda Hassan, Grambling State University
Raja Nassar, Louisiana Tech University
Aaron Witherspoon, Grambling State University

ABSTRACT

Public companies are required by the US Securities and Exchange Commission (SEC) to file a 10-K report documenting, among other things, their financial data. This information is supposed to be for the benefit of investors so they can make wise decisions about their investments. The 10-K report is complex and it is not clear how much investors depend on it for their investments. It is useful, therefore, to determine which financial factors, if any, are related to the stock price of a company. In this study, we report on 49 public companies in which we analyze for relationships between financial factors of a company and its stock price. The financial factors utilized for the study are long-term debt divided by total assets, total debt divided by total assets, cash and short-term investments divided by total assets, cash and short-term investments divided by Current assets, return on assets, return on equity per share, and total return on equity. Regression techniques, corrected for autocorrelation and multicollinearity, were used where, for each company, the dependent variable was stock price and the independent variables were the above financial factors plus their first lags as well as the price lag. Results indicated that not many financial factors were related to stock price. For all companies (except one), price lag was significantly positively related to price. Of the financial factors, long-term debt / total assets was negatively related to price in five companies. Total return on equity was positively related to price for only four companies. One company showed a positive relationship between return on assets and price. Lag of cash and short-term investment / current assets was positively related to stock price in two companies. Total debt / total assets was negatively related to price for two companies. Cash and short-term investment / current assets and cash and short term investment / total assets were positively related to stock price for three companies each. Return on equity per share was positively related to stock price in the case of three companies. Lag of long-term debt / total assets was negatively related to stock price in the case of one company. Lag of total debt / total assets was negatively related to price for two companies. One company showed a positive relationship between stock price and lag of cash and short-term investment / total assets. Based on these results, it does not appear that a company's financial factors are influential since they do not relate substantially to the stock price. Investors do not appear to depend on a company's financial data when investing in the company.

SOCIETAL ESTIMATES THAT INFLUENCE THE SURVIVOR SYNDROME MODEL

Robert D. Hatfield, Western Kentucky University

ABSTRACT

In 2019, a model for understanding the "survivor syndrome" in public higher education was offered at IGBR. The model intends to help us understand the negative and positive impacts of layoffs and downsizing among university survivors (faculty and staff). In this paper the influence of external social opinions and estimates is added to the original model. There are differences between what Americans think about cuts or additions to funding in public higher education. These differences are important in placing the internal employee estimates into context. The addition of this variable extends the original model on staff and faculty survivors of layoffs at colleges and universities.

NICK SABAN – A CASE STUDY FOR RECRUITMENT METHODS AND APPLICATION OF TUCKMAN'S MODEL OF TEAM DEVELOPMENT

Ashley Hildebrandt, West Texas A&M University
Jackie Marr, West Texas A&M University

CASE DESCRIPTION

This case is well-suited to an introductory-level management class where curriculum includes concepts of recruiting, managing teams, and Tuckman's Model of Team Development. For this case, the primary subject matter concerns recruitment methods; the importance of team development; identifying the characteristics of each stage of team development; and how leadership can guide teams through the team development process. A brief overview of the history of college football will be presented. In addition, it will analyze the career and recruitment tactics of Nick Saban, head coach of the University of Alabama football team. Tuckman's Model of Team Development will be presented and the ability to implement Saban's recruitment success in the world of business will be examined for viability.

This case has a difficulty level of three-four (junior-senior level) and is designed to be taught in an introductory management principles class. The case can be taught in less than two class hours with an additional one to two hours of outside preparation time by students.

CASE SYNOPSIS

College Football has become one of the most popular and most watched sports in America. As games, conferences, and rivalries become competitive, teams and coaches must turn to their recruitment and team development techniques as a way to ensure success for years to come. As players graduate, enter the NFL draft, or get injured, teams need a dependable group of players ready to step up and be productive members of the team. Businesses work to recruit and retain employees of high value who will be beneficial to their business for the foreseeable future. While there may be obvious differences in the recruitment needs of coaches and managers, they are all working towards the goal of finding the best person for the job. Tuckman's Model of Team Development can be used to analyze recruitment and team development methods of both college football teams and standard businesses.

HISTORY OF COLLEGE FOOTBALL

The National Collegiate Athletic Association (NCAA) recognizes the first official college football game as the 1869 matchup between Rutgers University and the College of New Jersey, which is now known as Princeton University. With little to no official rules, the game resembled more of a soccer match than what we know today as American football (Parlier, 2019).

The first rivalry in college football, which is still very active today, was Harvard v. Yale. The pair played their first matchup in 1875, and this is one of the first games that began using more regulations and rules that were more akin to modern-day football (Jost, 2011).

Seven years after the first official game, the first set rules for American football were established by representatives from Columbia, Harvard, Princeton, and Yale. Today, there are various conferences, bowl games, rivalries, and championships. A major factor in the creation of these divisions and matchups is the use of rankings, which was not common until 1936. That year, the Associated Press released the first set of rankings that included 20 teams. At the end of the season, Minnesota was at the top of the list, making them the official champion (Parlier, 2019).

In 1998, the Bowl Championship Series (BCS) was established to revamp the ranking system. This system now matched top-10 teams with one another to compete in an end-of-season bowl game. The No. 1 and No. 2 ranked teams were to compete for the championship title. The first year of this system, Tennessee defeated Florida State (Parlier, 2019). 2014 saw another revamp of the system with the introduction of the College Football Playoff (CFP). In this system, the top 25 teams are ranked each week of the regular season. After the final regular season week, the top four teams are matched up to play in a playoff round. The winners of the first round of playoffs then play one another in the CFP National Championship game. The first CFP National Championship game saw Ohio State defeating Oregon (Parlier, 2019).

NICK SABAN'S CAREER

Coach Nick Saban recently completed his thirteenth season as head coach for the Alabama Crimson Tide football team. He started with the program in 2007 after coaching stints with Louisiana State University, the Miami Dolphins, and other various college and professional programs. His overall college coaching record boasts over 240 wins and less than 70 losses (The University of Alabama, n.d.).

Saban's first season at Alabama was dismal compared to where the program stands today. Saban and his team went 7-6, with a sixth straight loss to rival Auburn in the Iron Bowl (The University of Alabama, n.d.). However, the shift in leadership and level of trust for the still new coach was evident as Saban and the Tide went 12-0 in the 2008 season. Since then, under Saban's leadership, the Crimson Tide has produced overwhelmingly successful results, boasting at least 10 wins each season since 2008. Saban is a six-time National Coach of the Year, SEC Coach of the Year, Bobby Dodd National Coach of the Year, and was the first recipient of the Bobby Bowden National Coach of the Year Award. He is one of only two coaches to ever win six national titles in the poll era, with the other being former Alabama coach, Paul "Bear" Bryant (The University of Alabama, n.d.). He is widely considered one of the greatest coaches in the history of modern college football.

TUCKMAN'S MODEL OF TEAM DEVELOPMENT

In 1965, Bruce W. Tuckman introduced a model that described four stages to team development according to his study, "Developmental Sequences in Small Groups" (Tuckman, 1965). Tuckman's model of team development has been classified as linear-progressive (Mennecke, 1992). Therefore, to become a functioning team, members will progress through the following four sequential developmental stages: forming, storming, norming, and performing (Tuckman, 1965). In 1977, Tuckman and Mary Ann Jensen reviewed teaming literature and determined is was necessary to add a fifth stage to the model: adjourning (Tuckman & Jensen, 1977; Knight & Tippett, 2006). Although teams will experience all stages of development, Tuckman's model does not account for the length of time teams will spend in each developmental stage (Sutherland & Stroot, 2010). Consequently, the longevity of the team as well as the tasks needing accomplished are determining factors as to how long groups will stay in each stage (Sutherland & Stroot, 2010).

According to Tuckman's research, each stage of team development has two dimensions: interpersonal and task (Tuckman, 1965). The interpersonal dimension relates to the human side of teams (Mackey, 1999). This incorporates how members interact with one another; the team's behaviors; and the relationships formed among team members (Mackey, 1999; Sutherland & Stroot, 2010; Noel & Patterson, 2006; Anderson, 2010). Trust and conflict among members; task accomplishment; and team's morale and cohesion are all impacted by the interpersonal dimension (Mackey, 1999; Sutherland & Stroot, 2010; Noel & Patterson, 2006; Anderson, 2010). For a team to be successful, it is important to note that cohesion is imperative (Severt, et al., 2016; Yalom, 1995). The task dimension pertains to the necessary activities being divided among team members so the assigned work can be completed (Mackey, 1999 Sutherland & Stroot, 2010).

The stages of team development are distinct and well-defined (Mackey, 1999). In the initial stage of team development, forming, the team members come together for the first time and interpersonal relationships begin (Tuckman, 1965; Knight & Tippett, 2006; Francis & Young, 1979; Weinberg & Gould, 1995). During the forming stage, team members are getting acquainted with one another; determining their roles within the team; becoming acclimated to the task; and forming a team identity (Noel & Patterson, 2006; Knight & Tippett, 2006; Anshel, 1995; Weinberg & Gould, 1995; Yalom, 1995). In addition, boundaries may be tested between the team's leaders and members to help alleviate any ambiguity as to who will be on the actual team (Tuckman, 1965; Roeske-Carlson, 2000; Francis & Young, 1979; Weinberg & Gould, 1995).

Storming is the second stage of team development (Tuckman, 1965). This stage is plagued with conflict and competition: members' resistance to the team's influence; rebellion against one another; and defensive and emotional responses to task demands (Tuckman, 1965; Knight & Tippett, 2006; Mackey, 1999; Roeske-Carlson, 2000). Conflict in unavoidable when people are working together and there are numerous reasons for conflict to occur (Seck & Helton, 2014). First, members may become arrogant and/or comfortable enough with the team to express their honest thoughts (Kurland & Salmon, 1998). This will inevitably lead to differences of personalities and opinions. Second, issues relating to one's power, control, and position within the team's hierarchy can lead to conflict and opposition among members (Weinberg & Gould, 1995; Anshel, 1995; Carron, 1982; Cartwright & Zander, 1968; Francis & Young, 1979; Tuckman, 1965; Weinberg & Gould, 1995). Finally, team members face the challenges of how to effectively address, handle, and resolve conflict (Noel & Patterson, 2006). Even though conflict can be difficult for members to endure, avoiding it is not advantageous for teams (Mackey, 1999). Teams must create an environment where members can present their issues and concerns without being disrespected or attacked (Mackey, 1999). It is essential for members to manage their differences in a cooperative manner for the team's overall effectiveness, growth, cohesion, and success (Yalom, 1995; Seck & Helton, 2014).

The third stage in Tuckman's model of team development is norming (Tuckman, 1965). The norming stage is marked with trust, openness, cooperation, and shared understanding and expectations of team members (Knight & Tippett, 2006; Seck & Helton, 2014; Carron, 1988; Roeske-Carlson, 2000). Since trust and respect are present, members candidly communicate their ideas, concerns, and constructive criticism (Mackey, 1999; Seck & Helton, 2014; Roeske-Carlson, 2000). With the open lines of communication, the team has the ability to establish new roles, ground rules, goals and acceptable behavior and norms (Seck & Helton, 2014; Mackey, 1999;

Carron, 1988; Weinberg & Gould, 1995; Noel & Patterson, 2006; Roeske-Carlson, 2000). In addition, members finally begin to function and grow as a team as they work together to accomplish their goals and assigned tasks (Mackey, 1999; Knight & Tippett, 2006; Carron, 1988). Members develop team unity and cohesiveness as they appreciate the value of working together instead of individually (Knight & Tippett, 2006; Anshel, 1995; Carron, 1982; Cartwright & Zander, 1968; Francis & Young, 1979; Tuckman, 1965; Weinberg & Gould, 1995; Carron, 1988).

When the team becomes highly functional, productive, and cohesive, they have reached the fourth stage of team development, performing (Tuckman, 1965; Noel & Patterson, 2006; Mackey, 1999; Carron, 1988; Yalom, 1995)). In this stage, members have strong relationships allowing them to communicate effectively in order to solve problems and make decisions in the best interest of the team (Carron, 1988; Yalom, 1995; Noel & Patterson, 2006; Mackey, 1999; Weinberg & Gould, 1995). Members focus on effectively working together to successfully achieve task completion and team goals (Carron, 1988; Yalom, 1995; Seck & Helton, 2014; Noel & Patterson, 2006). For this to happen, confidence, cooperation, and trust are demonstrated by each team member (Weinberg & Gould, 1995; Seck & Helton, 2014; Carron, 1988; Yalom, 1995). It is important to note that people who have had the opportunity to work in highly performing teams state that it is personally beneficial; however, it is extremely difficult to obtain and remain at this stage of optimal team development (Mackey, 1999).

In the final stage of team development, adjourning, the team is disbanding (Tuckman & Jensen, 1977; Sutherland & Stroot, 2010). Here, members complete or postpose their final tasks and objectives (Tuckman & Jensen, 1977; Seck & Helton, 2014). In addition, members may become emotional as they reflect on how the team's strengths, goal accomplishments, relationships, and the team's journey impacted them on a personal level (Sutherland & Stroot, 2010; Seck & Helton, 2014).

Team development is a complex process (Roeske-Carlson, 2000). Glacel and Robert stated, "In the development of any team, certain stages of behavior [Tuckman stages model] take place which impact how well the individuals and the team accomplish their task" (Glacel & Robert, 1996). Irvin Yalom provided further explanation on the importance of group development and how it is an actual process. He demonstrated that if particular learning and growth processes were bypassed in the early phases of team formation, then the team will be incapable of reaching the performing stage of team development (Yalom, 1995). Numerous individuals and organizations believe a team's productivity and performance can be significantly enhanced if leadership properly navigates members through Tuckman's stages of team development (Glacel & Robert, 1996; Knight & Tippett, 2006).

HOW DOES NICK SABAN RECRUIT AND DEVELOP HIS TEAM

Many aspects of Saban's tactics are different and distinct from other programs, such as the fact he is constantly recruiting. He chooses not to rest on his current roster and their talent. Rather, he works to better his team and fill their weak spots (Busch, 2017).

Saban seems to have a recruitment pitch that is carefully prepared and polished. Based on reports from past players, fellow coaches, and staff members, Saban seems to use many symbols as a way to relate to players and their families. One of these symbols is reported to be a grand piano. As the story goes, Saban and his wife purchased this piano when they could not truly afford it. They spent several years paying off the piano. This demonstrates that Saban is willing to have persistence when working towards a goal and expects his players to do the same. Lastly, it allows

Saban to relate more to potential players as it shows he once struggled with finances and lived more humbly.

In addition, Saban uses more conventional tactics. His home office is decorated with photos of his National Championship winning teams and his National Championship rings. All of this seems to serve as a way to show potential players that they can and most likely will win with Alabama (Gallo, 2019). He ends the pitch by stating, “We want you, but know that we will win with or without you”. Again, this sets him apart from other coaches as it puts more hype around the program, instead of the potential individual player (Gallo, 2019).

The Tide is on a tight schedule when it comes to team development. A football season only lasts from August through early January, which does not allow time for mistakes to take place. To combat this, Saban and his team practice throughout the off-season. This allows them time to work through the initial stages of team development during a less risky time. Conflict occurring in the off-season is much easier for a team to manage than if it came during a high-stakes week in the regular season.

Saban and his team participate in several team bonding activities. For example, following the team’s spring game, which is a scrimmage between players on the team, the winning group joins Saban for a steak dinner. The losing team is left with pork and beans (Byington, 2017). This has been a long-standing tradition. Both players and fans enjoy the jokes and comradery that transpire because of the team’s spring game. The University of Alabama has countless other traditions, especially concerning their football program. These traditions assist and encourage the team members’ bonding, especially when it comes to the team’s new players. By ensuring his players become familiar with each other early in the off-season, Saban builds a positive norming stage.

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THE PERCEPTION OF SERVANT LEADERSHIP IN HEALTHCARE SETTINGS

Johnathan Hill, Regent University

ABSTRACT

Servant leadership is based on the idea that a leader will deny their personal fulfillment and focus on the needs of their followers. Servant leaders are more concerned about others than themselves. The behaviors exhibited by the leader are believed to motivate the followers to follow their leadership. Traditional leadership is perceived as a method to acquire and maintain power. However, servant leadership is associated with developing within an individual. Servant leaders are motivated by the desire to serve others. This desire leads to the decision to aspire to leadership to accomplish their goal of serving others.

One of the key success factors for servant leadership are relationships. These relationships are cultivated by being aware, empathetic, listening and creating and environment for others to grow. The notion of developing relationships and serving others are prevalent traits among individuals who work in a healthcare setting, specifically, nurses. These individuals often volunteer and advocate on behalf of others because it is the right thing to do which often times allows them to be committed to places where they can make a difference. Their desire to serve often takes precedence over the desire to occupy a formal leadership position. Servant leadership is demonstrated when those who are served by servant leaders are transformed positivity in numerous ways ultimately becoming servant leaders themselves.

A key value in nursing is a commitment to their employing organization which is linked to several personal variables and environment of the organization. Organizational commitment is a multidimensional construct that can take on various forms and has a psychological impact on individuals and their relationship with an organization. It reflects agreement with organizational values and goals in addition to the feelings of personal satisfaction which derived from involvement within the organization. Decreasing turnover intentions, increasing job performance and organizational citizenship behaviors are important implications of organizational commitment.

This study seeks to determine if there is a positive relationship between perceived servant leadership and organizational commitment in acute and clinical healthcare settings. The scales used for this study are Winston and Fields "Seeking and measuring the essential behaviors of servant leadership" and Cook and Wall's instrument on organizational commitment. A 23-item questionnaire using a 5-point Likert scale is being utilized to determine if a positive relationship exists. A correlation analysis will be conducted determine the relationship between servant leadership and organizational commitment and a two-sample t-test in order to determine the difference in servant leadership and job commitment by healthcare setting.

UNIVERSAL BASIC INCOME AND THE IMPACT ON HEALTH

Peggy Johnson, Lander University
Stanley Vinson, Lander University

ABSTRACT

The following abstract introduces an investigation of the literature concerning Universal Basic Income and the impact on the health of a population that benefits from this approach to addressing the distribution of income. Universal Basic Income or UBI, is a version of Social Security that allows all citizens of a country to receive an amount of money each month that is not dependent on their work status or income. UBI is a term that means that the government distributes cash universally. It is different from the traditional welfare schemes by ensuring sustenance for all.

The concept of basic income has gained proponents throughout the world. It is being acknowledged by social thinkers as the best route for transforming capitalism into a more just vehicle for equally distributing gains and by the tech community concerned about the job-destroying consequence of technology. UBI pilot projects exist throughout the world. In various forms, UBI has captivated activists and intellectuals since the 1500. Thomas Moore's novel advanced the idea at the time. Many who have labored in health care over the decades have long recognized the link between poverty and poor health.

INTRODUCTION

A three year universal basic income experiment in Stockton, California started in 2018 has almost reached the halfway mark. During this time period, a select group of residents will receive $500 a month, without constraints on how they spend the money. Stockton Mayor Michael Tubbs is a proponent of basic income and believes it can be the solution to the persistent poverty in his city. The Universal Basic Income concept, which has roots dating back to the Civil Rights Era, has recently gained more national traction with Democratic presidential candidate Andrew Yang politicizing it in his presidential campaign promoting the idea as necessary to prepare for a future when automation makes most jobs obsolete. Yang and others like tech founders like Mark Zuckerberg and Elon Musk believe all Americans should be paid a "freedom dividend" of $1,000 a month.

Researchers are releasing data on the impact of the $500 a month given to a select group of resident and are looking at how it has affected the lives of 125 residents. Stockton, California is expected to become the first US city to launch an experiment in universal basic income, however, the idea is not new and in the United States has roots in the Civil Rights Movement. The idea has generated renewed interest in the past few years.

Mayor Tubbs is quoted as saying that In Stockton, like much of America, there's this Puritan ethos of, 'I work hard. If you don't work, you shouldn't eat'. Tubbs hopes the experiment will illustrating to people, there are people just like you who are working hard and are struggling, not because they're lazy, but because wages haven't kept up with inflation, wages haven't kept up with costs.

And the economic decisions they made during the first five months of the program were "really rational," said Stacia Martin-West, an assistant professor at the University of Tennessee College of Social Work and the co-principal investigator on the project. Each recipient was given a debit card that automatically loads with $500 each month, so the researchers can categorize spending. Of the money tracked, 40 percent went towards food. Sales and merchandise made up another quarter of the monthly spending, and about 12 percent was spent on utilities.

The positive correlation between health and income per capita is one of the best-known relationships in international development according to Harvard economist David Bloom. Bloom's says that empirical studies show that health improvements provide a substantial elevation to economic growth in developing countries. The popular view theorizes that health, like education, is a fundamental component of human capital, and suggests the notion of health-led growth. Bloom explains that better health leads to higher income, but there is also a positive feedback effect, giving rise to an advantageous situation where health and income improvements are mutually reinforcing (Bloom and Canning, 2000).

Between 2011 and 2013 in the United States, 38% of the households with incomes less than $22,500 per year reported being in poor or fair health. Only 12% of households making more than 47,700 per year reported being in poor to fair health during the same time period.

HEALTHIER MEANS WEALTHIER

The first major advance in recent years in our understanding of economic growth has to do with the link between population health and economic growth. Generally, economists have believed that population health is a consequence of economic growth, and that health is just a social indicator that improves when incomes grow. Which makes sense, when people have more money, they tend to have better nutrition, better access to safe water and sanitation, access to more and better health care, and better psycho-social resources like community recreation facilities and mental health counseling. Many studies have shown this positive association between health and income. Causality has not been proven in these studies, economists think that perhaps causality could run in the other direction, from health to income. Economists have rigorously explored this possibility for the past two decades, which is quite plausible. Consider that a healthier workforce is naturally a more productive workforce. Additionally, healthier children tend to have better school attendance, remain in school longer, have higher cognitive function, and achieve more in school. Also, healthy populations have higher savings rates as people save more in anticipation of longer periods of retirement. And finally, healthy populations are like a magnet when it comes to attracting foreign direct investment. (Bloom DE, Canning D, Fink G.)

The returns achieved by investing in health are remarkable. There are reductions in mortality that account for about 11% of recent economic growth in low-income and middle-income countries as measured in their national income accounts. (Jamison, et al 2013)

WHITEHALL STUDIES

Dr. Michael Marmot in 1967 England, completed the study examining the connection between health and wealth. The Whitehall study of 18,000 men in the Civil Service was initiated. The initial Whitehall study showed that men in the lowest employment grades were much more likely to die prematurely than men in the highest grades. The second Whitehall study was set up to determine what underlies this phenomena in death and disease and to include women. Income levels in both studies predicted disease burden and mortality.

The second study examined the independent impacts of income and wealth on the burden of illness. Income is highly correlated with the level of employment, so much so that once the level of employment was accounted for, income made no additional contribution to predicting illness. Wealth is a predictor of illness and represents a balance of income and expenditure over the entire lifetime, including wealth that was inherited from previous generations. The Marmot studies identified an association between wealth and health and may represent the effect of accumulation of material and psychosocial factors on health. Additionally, wealth relates to financial security and prospects for the future, which can have an impact on rates of illness. Other studies offer similar conclusion, however, the opportunity to investigate the impact of a Universal Basic Income on health aids in further understanding the impact of increased wealth on the health of populations.

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MACROCONOMIC ANALYSIS OF FREE TRADE AGREEMENTS OF US WITH CHILE, COLUMBIA, COSTA RICA AND MEXICO

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

ABSTRACT

The current paper investigates the interrelatedness of macroeconomic variables of specific countries that have a free trade agreement with the United States. The countries investigated include Chile, Columbia, Costa Rica, and Mexico. Due to their geographic and socioeconomic similarities, we would anticipate possible comovement among macroeconomic variables such as output and unemployment. The four countries will be investigated in terms of the impact expanded trade with the US has had on their overall economy.

Perhaps the most widely known free trade agreement that the United States has entered into is the one with Mexico and Canada. The initial trade agreement was NAFTA in 1993 and the current agreement is the USMCA. Since the ratification of NAFTA, US exports to Mexico have increased by 538% whereas imports from Mexico increased by 767%.

The US has also entered into other trade agreements with South American and Central American countries. The U.S.-Chile Free Trade Agreement went into effect on January 1, 2004 but was not fully implemented for another 11 years. The US exports to Chile have increased by 465% since the adoption of this agreement and its imports have risen by 207%. The liberalization of trade of goods and services between the United States and Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and the Dominican Republic took place under a free trade agreement signed on August 5, 2004, referred to as CAFTA-DR. Although the US does not have a bilateral free trade agreement with Costa Rica; CAFTA-DR did have some impact on trade between these two countries. The export of U.S. goods to Costa Rica have increased slightly by 14.4% while imports have risen by 23.9%. The free trade agreement with Colombia was signed in 2006 and entered into force on May 15, 2012. Since the inception of the United States-Colombia Trade Promotion Agreement (CTPA), export to Colombia have only risen by 5.7% whereas imports from this trade partner have decreased by 40.4%.

ANALSYIS OF THE RATIONALE AND ADMINISTRATION OF TAXES: TURKISH TAXPAYERS' POINT OF VIEW

Yunus Kishali, Beykent University
Hari Sharma, Virginia State University
J Rajendran Pandian, Virginia State University
Ferdi Asim Hellac

ABSTRACT

The purpose of this study is to examine taxpayers' opinion from several perspectives including public priorities, public trust and sensitivity in tax system, Government accountability, fairness of tax rules and regulations, inspection and audit processes. The analysis reveals that the opinion varies based on the demographic characteristics including gender, education, age, and profession. The study is based on the data collected by one of the authors. The detailed questionnaire contains over 40 questions covering demographic data as well as their opinions on questions related to understanding of taxes and the use of taxes by the government. The findings of the study will be useful from various perspectives including academic, accounting profession and policymakers. This area of research needs more attention globally to bridge the gap between the opinion of taxpayers and policymakers.

A COMPARATIVE STUDY OF FOREIGN EXCHANGE RATE VOLATILITY IN BRICS ECONOMIES

Surender Kumar, Jaipuria Institute of Management
J Rajendran Pandian, Virginia State University
Hari Sharma, Virginia State University

ABSTRACT

The purpose of this paper is to analyze the foreign exchange rate volatility in Brazil, Russia, India, China and South Africa (BRICS) after the financial crisis in 2008. The understanding of volatility helps investors to manage risk and make better investment decisions. The understanding of volatility transmission drives the management of a diversified portfolio. The data was collected for the period from January 2009 to December 2018. We applied EGARCH model to measure the asymmetric impact of information in the market. The study successfully examines the asymmetry and volatility transmission in the market. The study will be helpful for investors and portfolio managers to manage the risk adjusting to the vitality of the market.

Keywords: *BRICS, Foreign Exchange Rate, Volatility, EGARCH, Leverage Effect*

GAPS BETWEEN STUDENTS AND INSTRUCTORS DURING HELP-SEEKING BEHAVIOR

Obyung Kwun, Southern University at New Orleans
Ghasem S. Alijani, Southern University at New Orleans
Mary N. Ntukogu, Southern University at New Orleans

ABSTRACT

This study attempted to investigate the differences between students and instructors in help-seeking context. A self-report questionnaire was administered to 95 students and 68 full-time faculty members in a Historically Black Colleges and University (HBCU) located in a metropolitan area. Most students surveyed are characterized as nontraditional students who work while they are taking care of family. The results show there is a significant gap between types of help that students seek and types of help instructors give. The results also show that students do not get help from instructors as much as instructors express. Both students and instructors prefer instrumental help, as opposed to the expedient help. But due to some factors, students often get expedient help. Gender appears to be a factor that affects student help-seeking behavior, which is consistent to prior studies.

A SPECTRUM OF PRODUCT DEVELOPMENT PROCESSES: A FRAMEWORK FOR MATCHING METHODS TO OUTCOMES

Robert J. Lahm, Jr., Western Carolina University
Martin L. Tanaka, Western Carolina University

ABSTRACT

Selecting the best process for product development is highly correlated with the investment required to develop a product. When products that are complex, expensive, or require expensive tooling, it is usually best to develop them using a more structured approach in order to avoid financial loss resulting from design errors, system integration problems or unforeseen events. When the product is simple or it requires little investment in tooling, less structured methods are often beneficial because they avoid unnecessary bureaucracy, reports, and presentations, enabling developer(s) to focus effort on the product and quickly shift the design if needed. Most products that entail higher risks tend toward the more structured side of the spectrum. Such risks are not only embodied in direct development costs, they can also be associated with loss market opportunities and profits. In this paper, we will present a "Spectrum of Product Development Processes" illustrating where commonly used product development processes lie upon a continuum of approaches used for new product development. We will discuss different aspects of a company including the complexity of products that are developed, annual volume, risk of product failure, need for innovation, frequency of new product introduction, time to respond to market factors, and risk aversion of the company. Using these factors, we will develop general guidelines that can be used to customize the product development process for an individual company.

INTRODUCTION

As recounted by Archibugi (2017), according to Schumpeterian theories "economic expansions are associated with the introduction of successful new products, processes and services" (p. 535). At a firm (organizational) level, when facing highly competitive environments, organizations must be able to expeditiously develop and market new products (Ahmadi, Roemer, & Wang, 2001). In some cases, a firm's innovativeness may result in making its own existing product or product lines obsolete (Chandrashekaran, Mehta, Chandrashekaran, & Grewal, 1999). Calantone, et al (2010) conducted a meta-analysis of research on innovation in New Product Development (NPD, or sometimes in the discipline's literature, PD), which drew upon marketing, management, and new product literatures. Among their conclusions they found that "the greatest source of turbulence that managers must track is technological in nature" (p. 1077). In their systematic review and analysis of NPD research Kalluri and Kodali (2014), studied articles published during the period from 1998 to 2009 and reported that the literature reflected increased attention being paid to people, teams, and creativity.

For instance, among the 1127 referenced items cited by Kalluri and Kodali, one such article concluded that the "NPD process in most organizations is in essence a group activity that involves people throughout the organization" (Akgün, Lynn, & Yılmaz, 2006, p. 211). "Group cohesiveness and external communication were also important predictors of NPD outcomes indicating the importance of *esprit de corps* within the team and boundary spanning across teams and organizations" (Sivasubramaniam, Liebowitz, & Lackman, 2012, p. 816). Zhang and Thomson (2019) examined product development—especially as it relates to more complex products—from a knowledge management perspective, whereby they viewed product functions, design activities, and designers themselves as a "network of interdependent agents" (p.203), with all of these being linked to knowledge.

LITERATURE SEARCH STRATEGY

For this present paper, a general search strategy has been to focus on often overlapping topics: 1) innovation and its primary typological variants (e.g., models, constraints, drivers, etc.), and 2) new product development processes. Once one delves into the innovation literature, connections arise, including robust discussion concerning large scale entities as compared to entrepreneurship—Small and Medium Enterprises (SMEs). The new product development literature is equally vast, often crossing paths with marketing, engineering, project management, and other literatures. Additional existing (local) databases and a prior research stream has been established on the part of one of the authors pertaining to small business generally. A database comprised of approximately 300 artifacts have been collected and reviewed for this present paper. The basis for the following discussion is informed by literature and findings from researchers' efforts to discern patterns. Several artifacts relate to previous systematic and meta-analyses (Calantone et al., 2010; De Goey et al., 2019; Díaz, Pérez, Alarcón, & Garbajosa, 2011; Hausberg & Korreck, 2020; Kalluri & Kodali, 2014; Page & Schirr, 2008; Sivasubramaniam et al., 2012; Tian, Deng, Zhang, & Salmador, 2018).

INNOVATION DRIVERS AND RELEVANCE

Hyland and Beckett (2005) summarized: "By definition, innovation involves something new. It changes the status quo and is disruptive" (p. 338). As observed by Bhaskaran and Krishnan (2009), firms are being forced to continually invest, and in greater amounts, due to: "the lifetimes of products shrinking, technical complexity increasing, and daunting odds of success [having become] a norm" (p. 1152). "It is estimated that more than 90% of all patents are developed by people working in the industry where their product is applicable or with a specific technology" (Sternberg, 2005, p. 43). "Another driver of innovation is good old marketing" (Sternberg, 2005, p. 43).

NEW PRODUCT DEVELOPMENT (NPD) BASICS

Ultimately, the development of new products and services are both aimed at creating value (Schleimer & Shulman, 2011; Witell et al., 2014). Such value creation can impact one or more levels: "the individual, the organizational and the society level" (Aho & Uden, 2013, p. 682). New Product Development has been characterized as a "dynamic and nonlinear process that has great interdependency and uncertainty" (Zhang & Thomson, 2019, p. 204). Thus, in short, NPD is a *process*. Moreover, Hyland and Becket (2005) have argued, "innovation needs to be managed as a *business process* [emphasis added]" (p. 338). More formalized approaches to this process entail "activities, tasks, stages and decisions that involve the project of developing a new product/service or improvement on an existing one" (Salgado, Valério Antonio Pamplona, Carlos Henrique Pereira, & Carlos Eduardo Sanches da, 2018, p. 2). "Different labels have been used to characterize the differing stages of the PD process; however, the ideation stage is commonly referred to as the 'fuzzy front end,' and the final stage is commonly referred to as commercialization or postlaunch" (Holahan, Sullivan, & Markham, 2014, p. 330).

NPD IN SMALL AND MEDIUM ENTERPRISES (SMES)

While there may be similarities in terms of motivations and strategies for NPD, larger organizations differ from Small and Medium Enterprises (SMEs). Terziovski (2010) concluded that "SMEs are likely to improve their performance as they increasingly mirror large manufacturing firms with respect to strategy and formal structure" (p. 899). According to Breitzman & Hicks (2008), in their research entitled "*An Analysis of Small Business Patents by Industry and Firm Size*" (which referenced Schumpeter's theories including that of creative destruction[1]): "In some cases, small firms may be able to play the role of disruptive innovators" (p. 28). The only way for small technology-based firms to remain competitive (and thus survive) is to engage in both exploratory as well as exploitative innovation (Soetanto & Jack, 2018). These authors also observed that "small technology-based firms face uncertainty, tough competition and substantial obstacles due to the innovativeness of their products or services" (*Ibid*. p. 1215). Outsourcing can apply to both large firms and the smallest of firms, although either context assumes a budget to do so. By working with business partners (as an alternative to in-house NPD), firms may be able to react to, and seize upon market opportunities more quickly (Yam & Chan, 2015).

A SPECTRUM OF PRODUCT DEVELOPMENT PROCESSES

"'Eureka!' does not typically happen without any knowledge or experience with the problem that the invention is designed to solve" (Sternberg, 2005, p. 43). Therefore, it is common to create product development teams (Sivasubramaniam et al., 2012) containing members with the skills needed for product development. Even for small projects these teams can be large involving people from many areas of the company including design engineering, manufacturing engineering, purchasing, sales, marketing, quality assurance, and production. Coordinating the team activities is usually accomplished using a product development process. Well known processes include Stage-Gate and Agile, but there are many others. Below, we present a "Spectrum of Product Development Processes" as a conceptual rendering. It is not possible to state that one process within this Spectrum is better than another, they are simply different. Furthermore, when one considers the possible variations of each process, we believe that the options for new product development are better represented as a continuum than individual discrete process.

Schumpeter, J. A. (1942). Capitalism, socialism, and democracy. New York: Harper and Brothers.[1]

The best results are obtained when the process employed is matched to the type of product being developed. Determining the best product development process to use is highly correlated with the investment required to develop the product. Developing products that are complex, expensive, or require expensive tooling, often benefit from using a more structured approach in order to avoid financial loss resulting from design errors, system integration problems or unforeseen events. When the product is simple or requires little investment in tooling, less structured methods are often beneficial because they avoid unnecessary bureaucracy, reports, and presentations, enabling teams to focus effort on developing the product and quickly shift the design if needed.

CONCLUSION

As observed by Bargelis, Mankute, & Cikotiene (2009), "the need for a new design of products and processes with minimum cost has considerably increased" (p. 13). Product development can entail great uncertainty (Zhang & Thomson, 2019). This uncertainty can be exacerbated by many issues that are outside of the actual design effort. For instance, as observed by Ogawa and Piller, (2006) "forecasting the exact specifications and potential sales volumes of new products is becoming more difficult than ever" (p. 65). Large scale development may entail coordinating complex information interdependencies with individual design activities and couplings (Ahmadi et al., 2001). At the same time, successful new product development outcomes depend on additional conditions besides selecting the right NPD model (Salgado et al., 2018). Findings from Sivasubramaniam, et al (2012), led researchers to conclude that teams (and their effective functioning, or not) are an important factor as well. Such teams are responsible for effecting innovative outcomes while the environments in which the conduct their work involve collaboration among cross-functional disciplines, significant ambiguity, resource constraints, and are anything but routinized (*Ibid*. p. 803). Thus, as suggested by Kalluri and Kodali (2014), a key motivator for conducting research in new product development lies in the possibility of developing new practices that lead to improved new product success rates.

This paper has presented a "Spectrum of New Product Development Processes" as a conceptual rendering in light of the importance of products as a form of innovation, with innovation being regarded as being both necessary and driven by an ever-changing global economy. Within this Spectrum, one might find the most suitable approach for a given set of conditions and goals.

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ADVANCED PRACTICE REGISTERED NURSES AND HOSPITAL PROFITABILITY

C. Christopher Lee, Central Connecticut State University
Casey Foster, Central Connecticut State University
Hassan Khan, Central Connecticut State University
Faizan Zaidi, Central Connecticut State University
Samantha Chaleun-Aloun, Central Connecticut State University

ABSTRACT

This study examined the impacts of APRN on hospital profitability. In addition, we investigated effects of hospital characteristics such as hospital location, teaching status, and ownership control along with APRN on hospital profitability. We collected sample data from the 2017 American Hospital Association U.S. Hospital Survey dataset. Three profitability measures were Operating Margin, ROE, and ROA. We developed Regression models and ANOVA models to test four research hypotheses. The results showed statistical significance on the hypotheses. APRN had positive impacts on profitability in the U.S. hospitals. If hospitals were located in the metro area, they would be more profitable. If hospitals were owned by the government or private non-profit organizations, they were less profitable. If hospitals were teaching hospitals, they were also less profitable.

INTRODUCTION

The cost of healthcare has been on the rise for decades (Gapenski, Vogel, and Langland-Orban.1993). While most of the cost has been falling on the patients (Timmons, 2017), hospitals too have borne some of the burden. The Advanced Practice Registered Nurse (APRN) and Registered Nurse (RN) professions could offer some respite to the financial impacts of the changing industry in the United States (Anderson and Bai, 2016).

Demand for primary care is increasing due many factors including the American Care Act, population growth and an increase in life expectancies. Improving health care in the U.S. is essential, and it needs to be executed in a way that both accessible and cost-effective. Previous studies show APRNs to be cost-effective providers in primary care. APRNs are discussed as a solution to meeting the anticipated primary care provider shortages in the country. , but reduced or restricted scope-of-practice in many states makes this difficult. These regulations on APRN practice have the potential to negatively impact the health care system and access to primary care. Policymakers must come up with a bipartisan resolution and remove restrictions on APRNs. It could prove to be a viable and effective strategy to meet the demand of primary care. Thus, we raised a research question – do APRNs provide a financial benefit to individual hospitals?

To answer the research question, we conducted an empirical study. We provided greater support for the practice of APRNs in hospital settings by providing evidence that APRNs had a positive impact on the profitability. First, we did literature review and develop the four research hypotheses. Second, we collected sample data from the 2017 American Hospital Association U.S. Hospital Survey dataset. We gathered thee profitability measures – Operating Margin, Return on

Equity, and Return on Asset. Third, we proposed ANOVA and regression models for hypothesis testing. Then, the results were discussed and directions of a future study were provided in the conclusion section.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Anderson and Bai (2013) and Watkins (2000) were the theoretical background of this study. Both studies used financial variables (Operating Margin, ROE, ROA) to measure hospital profitability and developed multivariate statistical models to explain a variability of the hospital profitability. We adopted some of their predictors (hospital location, teaching hospital status, hospital ownership control) to build a research model for this study. Thus, the two studies served a research framework for this study.

APRN and Hospital Profitability

Research has shown that employing APRNs than physicians can positively impact the profitability by directly reducing labor costs (Anderson and Bai, 2016). It was also found that nurses who have more autonomy in their practice are less likely to leave their place of employment, which fostered a reduction in turnover costs, both direct and indirect, as well as the costs of hiring replacements. Controlling these costs allowed for hospitals to maintain not only their margins, but their productivity and quality of care (Mahoney et al., 2018). It was also found that hospitals that employ a larger percentage of physicians at higher labor rates impose more cost on the general public (McMichael, 2017). Studies on the financial impact of allowing APRNs to treat and prescribe medications to patients support the theory that their impact is a positive one (Poghosyan et al., 2012; Maier, 2015; Morgan et al., 2019; Perry, 2009; Timmons, 2017). Thus, we hypothesize that APRN proportion to doctors will make an impact on hospital profitability.

H1 If a hospital hires more APRNs proportionally to doctors, then the hospital will be more profitable.

APRN and Hospital Location

There are many advantages of being in a metropolitan or urban environment in hospital administration than in a rural area. Bai & Anderson (2016) tested effect of hospital location on hospital profitability. Turner et al. (2015) also found hospital location mattered on hospital profitability in DuPont analysis. Therefore, we hypothesize that hospital location and APRN proportion will make an impact on hospital efficiency.

H2 Hospital location and APRN proportion to doctors will make impacts on hospital profitability.

APRN and Teaching Hospital Status

Teaching hospital status is another possible variable for our study. In the United States, hospitals can be split between teaching hospitals and non-teaching hospitals. Gapenski et al. (1994) reported teaching hospitals had negative association with hospital profitability. Bai & Anderson (2016) explored effect of teaching hospital status on hospital profitability. Turner et al. (2015) found hospital teaching status made negative impacts on hospital profitability in DuPont analysis.

Therefore, we hypothesize that APRN proportion and teaching hospital status will have an impact on hospital profitability.

H3 Teaching hospital status and APRN Proportion to doctors will make an impact on hospital efficiency.

APRN and Hospital Ownership Control

Most hospitals are non-profit while some are for-profit organization. In addition, most hospital are private while some are run by governments. Bai & Anderson (2016) reported for-profit hospitals were likely to be more profitable than non-profit hospitals. Gapenski et al. (1993) found that government-run hospitals were less profitable than privately-owned hospitals. Thus, we hypothesize that APRN proportion to doctors and hospital ownership control will make impacts on hospital profitability.

H4 APRN proportion to doctors and ownership control will make impacts on hospital profitability.

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SHARON BROWN – SMITH'S ETHICAL DILEMMA OR GREAT OPPORTUNITY? HIGH VALUE MATERIALS & SERVICES INC. ETHICS CASE – STUDENTS

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

COMPANY OVERVIEW

High Value Materials & Services (HVMS)[1] Incorporated is a growing small business located in the mid-south of the United States. The company started as a family business a little over 50 years ago. It has become one of the major producers of PVC plastic pipes and Styrofoam containers in the United States. Currently, HVMS has a workforce of 567 employees, and is divided into six functional departments/units:

- Marketing and Sales
- Finance and Accounting
- Talent Management /Human Resources
- Customer Experience Management
- Manufacturing, Production and Distribution
- Research and Development

The company's leadership structure still reflects a flat organization, and as such, there is significant cross-functional and interpersonal communication among members of the HVMS team. Because of the flat organizational structure, the working environment at HVMS provides employees with a high level of interpersonal communication, autonomy and that has led to increased productivity and the embodiment of a highly motivated workforce. Even though the company has grown significantly from its humble beginnings as a small five-person family business, for the most part, HVMS still embodies a clan culture environment, more akin to a small "mom and pop" business. Leadership is still viewed by subordinates as "respected parental figures", and as such, the work environment is professional, very easy going and embodies a high level of trust and respect for leadership by lower level employees.

SITUATION

Jake Johnson[2] is the newly appointed Vice President (VP) in charge of the manufacturing, production and distribution unit at HVMS. Jake has worked for the company for twenty-five years. Over the quarter of a century working at HVMS, Jake has moved from being a member of the PVC and Styrofoam production team, team lead, production supervisor, senior plant manager – distribution, to his current role as VP of the Manufacturing, Production and Distribution unit. Jake has been in the VP position for only six months and even though he has been with HVMS for a long time, he is still insecure about his new position. He has no formal education credentials like his counterparts heading the other functional units. His functional area is the "bread and butter" of the HVMS business and he feels under pressure to meet and exceed the lofty goals set by his younger boss, Margaret Hinds[3], who has an Ivy League education and is eager to prove herself.

Sharon Brown-Smith[4] has been a full-time employee at HVMS for 3 ½ years, as well as a student at AMC State University. During that time, she has completed her Bachelor of Science in Logistics with a double minor in Organizational Leadership and Finance. Sharon graduated at the top of her class and who has a student loan debt of over $100,000 is optimistic that based on her experience, new academic credentials, awesome work ethic and willingness to go the extra mile that she will be promoted to at least a team lead at HVMS. Sharon is typically the first person on her team to be at work and the last one to leave. Often times she has been commended by her direct supervisor as well as Jake, for her dedication to the mission of HVMS, "*transforming the world through innovative and environmentally friendly products*."

It was Friday evening at around 7:00PM, as is typical, Sharon was at work. All her teammates or for that matter, all employees, except for a few members of the leadership team had already left for the day. Sharon glimpsed Jake from the corner of her eye and slowed her pace so she would be able to chat a little with him. Sharon figured that if she wanted to get into management, she needed to have a good relationship with Jake who was the VP in charge of her area of manufacturing, production and distribution. Jake realized that Sharon had purposely slowed her walk to talk with him, but he was too preoccupied with a major issue that just cropped up, the breakdown of the processing unit that allowed HVMS to process the effluent from its plant so that it is safe to be released into the environment.

Sharon saw that Jake seemed preoccupied and somewhat perturbed, but still called out to him with the hope of generating small talk and making a subliminal impression that she was here working late, an indication she hoped would reflect her willingness to be part of the leadership team. Jake, recognizing that Sharon was trying to get his attention, decided to stop and briefly talk with Sharon. Jake commended Sharon for her work ethic and indicated to her that members of the leadership team are very pleased with her dedication and willingness to go the extra mile on the job.

Jake told Sharon that he and many members of the leadership team believe that she is ready to move into a management position, and that they were at the final stages of deciding if HVMS will promote Sharon to the newly created manufacturing, production and distribution senior manager position or recruit from outside. Jake indicated to Sharon that if she is promoted into the position, she would be the first female senior manager at HVMS. Jake advised Sharon that if she is selected for the position, the announcement would be made in the next two weeks. Jake outlined to Sharon that if she is selected for promotion, she would receive the following:

- Increase in base salary from $38,000 to $98,000 per year
- Housing or mortgage allowance of a maximum of $300,000 paid annually in equal installments over five years
- Fully paid for and maintained company vehicle, up to a maximum value of $90,000 and ability to keep the vehicle for a nominal amount of $5000 after three years, or 36,000 miles of use.
- A new iPhone 11 Pro and bill paid up to a maximum of $350 monthly with an option to upgrade every two years

- A performance bonus up to 30% of base salary, contingent on established performance evaluation measures
- Employee stock option in HVMS at 35% below market price

Hearing all these benefits gave Sharon an adrenaline rush of anticipation and excitement. Jake also shared with Sharon the issue with the processing unit and the impact, if not resolved, it would have on HVMS' operations and likely profitability. After sharing the information about the new management position and just before leaving to consult with the other members of the leadership team regarding the issue with the waste management processing unit, Jake once again commended Sharon on being such a dedicated employee and "definitely management material."

Jake then asked Sharon if she would be okay with driving home the truck that was temporarily used to store the untreated post production waste that would typically be processed by the out of commission unit and returning it empty the next morning. Jake indicated to Sharon that if she is interested the keys were in the truck parked outside the entrance of the main loading dock. Jake intimated to Sharon that getting rid of the "semi toxic" waste that was temporarily stored in the truck would help in a significant way in reducing the severity of the downed processing plant issue and likely save HVMS from temporarily shutting down one of its major production facilities. Jake also reminded Sharon that there are several lakes and woodlands along the route that she travels home.

CASE QUESTIONS

1. Should Sharon accept Jake's suggestion to get rid of the post production waste? Why or why not?
2. If you are Sharon, how would you respond to Jake's suggestion to "get rid" of the post production waste?
3. Is there a suggested quid pro quo by Jake, if Sharon does what he suggests? Explain!
4. Should Sharon's decision to accept Jake's offer be guided by her desire to be promoted into a management position that would realize her personal and professional aspirations?
5. Is Jake testing Sharon's ethical principles? Explain!
6. What are the ethical dilemmas presented in this case?
7. What ethical theory (s) would help to explain the issues presented in this case?

NATIONAL-LEVEL ECONOMIC AND POLITICAL FREEDOM METRICS: INTER-RATER RELIABILITY AND ECONOMIC AND POLITICAL FREEDOM CORRELATIONS

David McCalman, University of Central Arkansas

ABSTRACT

For decades, investigators in various fields have taken pains to develop and to utilize national-level measurements for economic and political freedom. Among the more sophisticated metrics for evaluating the former, the Fraser Institute's and the Heritage Foundation's Indexes of Economic Freedom are two commonly used and publicized examples. Examples of ongoing measurers of the latter (political freedom) include the Economist Intelligence Unit via its Democracy Index, Transparency International, Amnesty International and Freedom House. These various rating organizations and methods are used by academics, politicians, non-governmental organizations, non-profit agencies, policymakers and others. Often, the assessments drawn by these have been examined for correlations to such things as economic growth and development, civil rights (and violations thereof), corruption, and other macro-level phenomena.

Although these metrics have sometimes been compared in passing to one another, there has as yet been no study linking and comparing them for such things as inter-rater reliability and correlation. Instead, these metrics, although commonly used, have tended toward use in "functional silos," in which their respective research streams have had little direct contact with one another. This has been the case both within constructs, such as within literature utilizing economic freedom, as well as across the constructs. If it were demonstrated that, e.g., political freedom metrics measured the same phenomenon, then a cross-pollination among research streams could then be allowed. The same could be said if the two foremost metrics for economic freedom were found to be consistently in agreement. Furthermore, while economic and political freedom have been referred to as being often correlated, there is inadequate empirical demonstration of this.

The various components of these country-level metrics were examined. Some of the metrics were complex, and are characterized by several dimensions or components. The components, in turn, were sometimes composed of further clusters of subcomponents or dimensions (or at least multiple test items). Some complexity was found for all measures in the study, whether for economic or for political freedom. It was found, however, that the two economic freedom indexes, while differing in a number of instances in the method of measurement, still displayed similar reasoning. The political freedom metrics differed somewhat more, but still appeared to capture similar or equivalent underlying constructs.

This paper lays the groundwork for more formally comparing these national-level measures. Given the similarity in the way that these constructs have been variously measured, it

is expected that further research will confirm inter-rater reliability between the two economic freedom metrics, and among the three selected political freedom/democracy metrics. In future research, it is further expected that statistical correlation between economic freedom and political freedom across large numbers of countries will be established.

TAXES AND GIG WORKER CLASSIFICATION

Amye Melton, Austin Peay State University
Jennifer Thayer, Austin Peay State University
David Grimmett, Austin Peay State University
Jesse Holt, Austin Peay State University

ABSTRACT

This paper will outline how the gig economy is changing the landscape of employment classification decisions. Technology is allowing businesses to strategically outsource work to knowledge workers and federal and state agencies are making it harder for management to classify workers. Existing literature loosely interprets a gig worker as anyone paid 'under the table' or as an independent contractor receiving an IRS form 1099-MISC. Due to lack of consistency in classification decisions, management will typically lean to the decision which is most profitable to the organization. This paper will focus on the formal economy and helping practitioners understand the risk associated with using the independent contractor employment classification. Using tax accounting principles, this paper will demonstrate why the gig worker classification strategically benefits management in the short term but may have a negative impact in the long run. Statutes, court cases, and current events will be explored.

HURRICANE HARVEY'S EFFECT ON OIL COMPANIES' STOCK PRICES

Joey Mendez, Longwood University
Frank W. Bacon, Longwood University

ABSTRACT

The purpose of this study is to test the efficient market theory by analyzing the effect Hurricane Harvey had on stock prices of oil companies. As history shows, oil firms with significant investment interests in the path of a hurricane should suffer from negative stock price returns in a specific time frame. The event study examined 11 firms with refineries within the Houston, Texas area facing threat from the Gulf of Mexico. The study further examines the effect Hurricane Harvey had on the firms' risk adjusted rate of return before and after the date of August 25, 2017. The gathered results reflect stock returns slightly dropping prior to Hurricane Harvey hitting Texas. These results support semi-strong market efficiency, reflecting that the market rapidly anticipated the devastation of Hurricane Harvey. Appropriate statistical tests for significance conducted in this study show that Hurricane Harvey had a significant impact on the risk adjusted rate of return on selected oil company stock prices over the event study period. Specifically, results show that oil company stock price returns dropped an average of 5 days prior to the hurricane event on August 25, 2017. All publicly available information should already be factored into the stock prices.

INTRODUCTION

In our increasingly interconnected economy, the economic fallouts that spur from a natural disaster, specifically a hurricane, is rarely relegated to the geographic area it hits. It is common for natural disasters to take place thousands of miles away, but still shake up the market and your portfolio wherever you live. Other than loss of life, infrastructure destruction is by far the most threatening type of natural disaster damage. The economic consequences natural disasters bring are rarely considered beyond what the cost will be to rebuild. The event study further examines the market's ability to monitor and study the impact of Hurricane Harvey by looking at risk adjusted rate of returns for the 11 selected oil companies with refineries and business interests in the Houston, Texas area.

This research specifically tests the effect that Hurricane Harvey had on the risk adjusted rate of return of the 11 oil companies' stocks, more specifically around the Hurricane's date of landing in Texas on August 25, 2017. Estimates of Hurricane Harvey's cost vary, with some predicting that the storm will be the most expensive in U.S. history at over $190 billion (1% of U.S. GDP), surpassing Hurricane Katrina (Linnanee, 2017). After the hurricane hit, U.S. refining capacity was estimated at only 30%. Oil firms in the Houston, Texas area with refineries, transportation routes and storage faced extreme damage and losses. The price of gasoline was expected to rise and a possible increase in price of other petroleum products were expected as well.

With all possible refining disruptions Hurricane Harvey would bring, the country would likely see further reductions in the price of crude oil as it would bundle up due transportation being delayed and almost neutralized. The probability of these losses should more than likely be foreseen by oil firms' stock price reaction prior to Hurricane Harvey landing. This study was conducted to further understand the reaction of the 11 oil companies' risk adjusted rate of return 30 days prior and 30 days after the event of Hurricane Harvey hitting off the Gulf defined on August 25, 2017.

LITERATURE REVIEW

Hurricane Harvey laid immense damage that crippled the energy and oil industries, from shutting down refineries to closing ports of countless oil firms located off of the Gulf, including one of the United States' largest firms Exxon Mobile. It was foreseen that Houston, the 4th largest city in the U.S., would be uninhabitable for several months due to wind but mostly water damages. Surpassing Katrina and Sandy by $30+ billion in damages and repairs, businesses and more specifically energy companies faced potential to lose as much as $10 billion in economic output, making a huge impact on the market and the energy and oil sector. Due to all the damages and shutdowns, gas prices and other fuels went up an average $0.30 cents in the Gulf region and spread throughout the country slowly. The U.S. Gulf Coast has grown to earn its spot as the "international fuel provider", exporting gasoline to Mexico and Brazil and even diesel to Europe. Those other countries that counted on U.S. refineries would be bidding those cargo prices higher due to the shortage of gas and other petroleum products (Linnanee, 2017).

After Hurricane Harvey hit, the market reacted in a way analyst did not expect freshly off of a category 4 hurricane. As a top 25 economy in the world, the city of Houston is home to some of the countries and worlds most productive and essential oil refineries. The country saw gas prices lowering and stock prices rising, which was not expected but could be linked to one theory. Speculation is key in trading and investing and is used by those who understand where stock price would be at in the future, with the past support ting the effort but not determining the price of the stock today or at that point in time (Tillier, 2017).

Natural disasters as a whole have consistently had a stern financial impact. In 2019, there have already incurred 6 weather and climate disaster where losses surpassed $1 billion each across United States. In 2018, the U.S. took 14 billion-dollar hit strictly form weather and climate disasters. As of recent the country has seen Hurricane Dorian hit Florida on September 2, being the strongest in nearly 30 years. The disasters effect firms directly but also indirectly affect many other stakeholders. When large firms in the industries are impacted by natural disasters, consumers and investors face negative drip effect of the hardships firms may be facing. As an investor, it is key to have planned out financial precautions and take initiative to control the high cost of damages caused by natural disasters in a way that can help save you money. Gas price increases are not limited to market-traded commodities. Scarcity rules the market with natural disasters and regular products like food, clothes and even living are subject to becoming commoditized (Hall, 2019).

METHODOLOGY

This study sample includes eleven oil companies that own refineries and have business interests along the Gulf of Mexico, more specifically the surrounding Houston, Texas area. The eleven oil firms chosen are amongst the top providers of oil in Texas, the United States and even across international waters ranging from Europe to South America. These firms, geographically, faced the largest amount of damage from Hurricane Harvey. This analyzes how quickly the eleven firms react to Hurricane Harvey event set at August 25, 2017. The examination of Harvey using standard risk adjusted event study methodology required financial data. Via Yahoo Finance, I gathered data of the eleven oil firms' stock prices and their corresponding Standard & Poor's 500 Index (S&P 500) from 180 trading days before the event date of August 25, 2017, and 30 trading days after the hurricane. Then, holding period returns of the companies (**R**) and the corresponding S&P 500 index (**R$_m$**) for each day of the study period will be calculated using the following formula:

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

Following that will be a regression analysis performed using actual daily return of each of the eleven companies (Dependent Variable), as well as the corresponding S&P 500 daily return (Independent Variable), spanning over the pre-event period (-180 days through day -31) to find and confirm the alpha (Intercept) and the beta (Standardized Coefficient) for each firm. To find the normal expected returns, the risk-adjusted method (market model) was used. The expected return for each stock, for each day of the event period ranging from 30 days before and 30 days after the event, was calculated as: **E(R) = alpha + Beta (R$_m$)**, where **R$_m$** represents the return on the market (S&P 500 Index). Excess return (**ER**) is calculated by using the formula: **ER** = Actual Return (**R**) – Expected Return **E(R)**. Average Excess Returns (**AER**) are found (for each day from -30 to +30) by averaging excess returns for all eleven firms for a certain day. **AER** = Sum of Excess Return per day / number of firms in sample. Also calculated was Cumulative AER (CAER) by adding the AER's for each day from -30 to +30. The study also produced graphs of AER and Cumulative AER which were created for the event period (day -30 to day +30).

To test semi-strong market efficiency with respect to the Hurricane Harvey event and to examine the effect of the storm on stock return around the announcement date, the event study suggests the following null and alternate hypotheses:

$H1_0$: The risk adjusted return of the stock price of the sample of 11 oil firms is not severely affected by this type of information on the event date.

$H1_1$: The risk adjusted return of the stock price of the sample of 11 oil firms is severely negatively affected by this type of information on the event date.

$H2_0$: The risk adjusted return of the stock price of the sample of 11 oil firms is not severely affected by this type of information around the event date as defined by the event period.

$H2_1$: The risk adjusted return of the stock price of the sample of oil firms is severely negatively affected around the event date as defined by the event period.

Below in **Table 1.** we can see the eleven firms and their sectors for the sample, as well as each firms' alpha and beta.

Table 1. Alpha and beta of each firm from the sample

Oil & Energy Firms	**Alpha**	**Beta**
Exxon Mobile Corp.	0.0000823708336077665	0.476145599
Royal Dutch Shell PLC.	0.002131191	0.266056434
Phillips 66	0.001750833	0.929201881
Valero Energy Corp.	0.001762013	0.900151759
Devon Energy Corp.	0.001976659	0.805472684
BP PLC.	0.001625813	0.554484602
Chevron Corp.	0.001921046	0.436845953
Marathon Oil Corp.	0.002383435	1.00333815

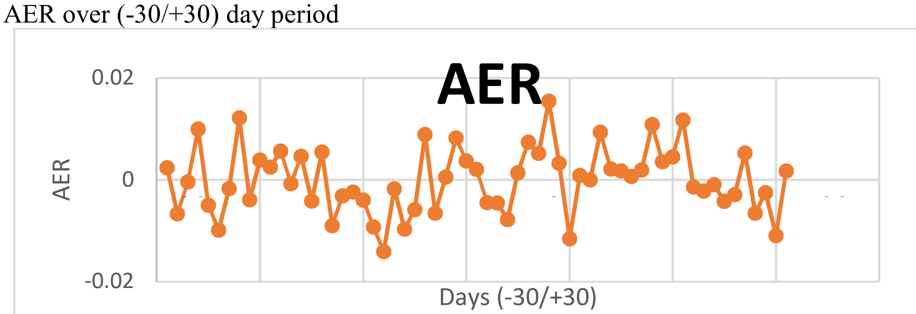
LyondellBasell Industries NV	0.001938152	1.07145825
Petroleo Brasileiro SA Petrobras	0.002709247	1.059167895
Total SA	0.001200882	0.568088774

QUANTITATIVE TESTS AND RESULTS

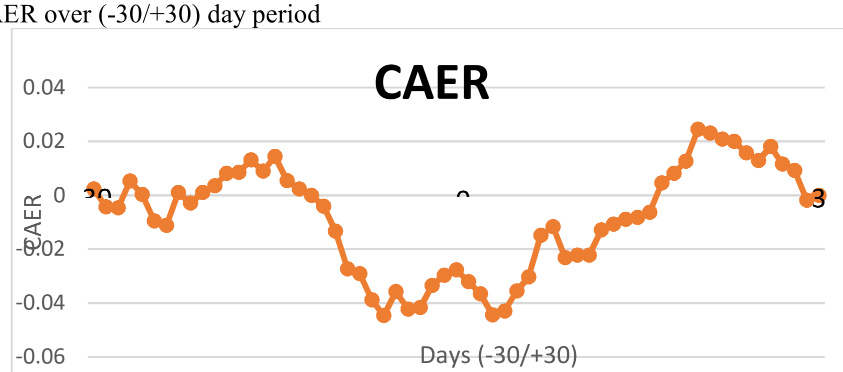
The study aimed to test if the market would react to the hurricane event and was the information surrounding the event significant? It would be expected that the average excess daily returns (day -30 to day +30) as seen below in **Graph 1.** to be different from 0 and therefore significantly different from cumulative average excess returns over the corresponding period if information surrounding Hurricane Harvey created new information on the market price of the firms' stock. If a significant risk adjusted difference is observed, then this type of information did in fact significantly impact stock price as hypothesized. In order to test the difference in the risk adjusted daily average excess returns and the cumulative average excess daily returns, using data analysis the study followed through with a t-test which found difference at the 1% level of significance for the sample of oil firms. This finding supports alternate hypotheses $H1_1$ and $H2_1$ that the risk adjusted return of the stock price of the sample of oil firms is severely negatively affected by this type of information around and on the event date.

The results of graphing the AER and CAER over time for both industries can be found below in **Graph 1.** and **Graph 2.**

Graph 1. AER over (-30/+30) day period



Graph 2. CAER over (-30/+30) day period



CONCLUSION

This study examined the effect of Hurricane Harvey on stock prices' risk adjusted rate of return of eleven oil companies with refineries and significant investments off the Gulf of Mexico and in Texas. The statistical tests for significance conducted in this study prove that Hurricane Harvey had negative impact on the risk adjusted rate of return on selected oil company stock prices over the event study period. The evidence shows stock returns dropping around 5 days prior to Hurricane Harvey reaching land on August 25, 2017. These results support semi-strong market efficiency, supporting that the market anticipated the devastation of Hurricane Harvey. Although Hurricane Harvey resulted in slight negative returns on stocks for oil companies in small and tight period, oil firms and the industry in total proves to be very strong and has shown tremendous growth since August 25, 2017 when Harvey struck. Due to natural disasters being most difficult to prepare for, we can see in future analysis of natural disasters and studying the returns of the oil industry that similar effect and impact would occur across the industry.

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HURRICANE SANDYS' EFFECT ON UTILITY COMPANIES' STOCK PRICES

Morgan Mugnolo, Longwood University
Frank Bacon, Longwood University

ABSTRACT

The purpose of this study is to test the efficient market theory, and to study if individual stock returns of eighteen selected firms in the utility industry can anticipate the destruction of Hurricane Sandy. The eighteen firms analyzed for this study had major operations in the impact area of the Northeast of the United States during the event period surrounding Hurricane Sandy. These select firms, with significant investments interests in Hurricane Sandys impact area, should have negative stock price returns during the event period. The results showed significant drops on stock prices risk adjusted rate of return upon the announcement of the impact paths of the hurricane targeting the Northeast United States. The results in this study represent semi-strong market efficiency. This type of market efficiency shows that the stock prices around the event date signal that the market predicted the damage that Hurricane Sandy would inflict. The results show that the selected firms within the utility industry stock prices returns experienced a significant negative impact on the announcement date of the hurricanes impact paths, October 26, 2012; prior to the actual impact of Hurricane Sandy on October 29, 2012.

INTRODUCTION

Hurricanes are natural disasters that have had some of the greatest financial impact in history. These major events create disruption to business's in the affected areas. Exactly how quickly does the stock market react to a disaster like a hurricane? The stock market can be used as a tool to predict the potential damage of a hurricane to the stock market if the market immediately reacts the information about approaching weather. If the market does not immediately react to available information about a weather event, then the market may not predict the pending disastrous effects of a hurricane. This study analyzes the risk adjusted rate of return of eighteen selected utility companies around the impact area of Hurricane Sandy to test the ability of the market to predict the damage Hurricane Sandy inflicted.

On October 26, 2012 every forecasted path of Hurricane Sandy was predicted to hit the Northeast United States. October 26, 2012 is the event date that this study tests the risk adjusted rate of return on eighteen select utility companies on. Hurricane sandy was one of the most destructive hurricanes in history, and the deadliest in 2012. Hurricane sandy moved towards the United States coast as a category 2 hurricane on October 29, 2012. Hurricane Sandy's winds of 90mph then combined with a full moon and high tides on the east coast created disaster for the Northeast of the United States. The highest waves ever were recorded for the east coast causing damaging storm surges and flooding throughout New Jersey and New York. Extreme flooding and power outages were also recorded in the regions around Massachusetts, Connecticut, Rhode Island, Virginia, Pennsylvania, North Carolina, and New Hampshire. This hurricane was nicknamed Superstorm Sandy and inflicted $70.2 billion in damages, took out power for 8.5 million people, killed 72 Americans, and destroyed 650,000 homes. Hurricane Sandy impacted thousands of utility lines and water treatment facilities. Utility companies had to secure thousands of utility line workers to repair damages, and contaminated water due to flooding which caused water treatment plants to scrambled to get public water clean again. Utility companies within the impact area of Hurricane Sandy experienced major damage to their operations, and this could've costed them millions of dollars. The probability of these losses should be anticipated by the utility companies stock price adjustments before the impact of the hurricane. The purpose of this study is to test market efficiency by examining the reaction of the risk adjusted rate of return of selected utility company stocks up to 30 days before and 30 days after the event defined as October 26, 2012. This is to determine how the market reacted to Hurricane Sandy to test the market for semi-strong efficiency. An eighteen firm sample from the areas affected by Hurricane Sandy within the utility industry will be tested using the standard risk adjusted event study methodology found in finance literature. This study tests whether the results of the test on Hurricane Sandy exhibit semi-strong market efficiency. Results suggest here that if the market is semi-strong efficient with observed stock price, then at the announcement of hurricane paths to the Northeast being released, rational investors should react so fast to market information that no investor can make and above normal return. If the results suggest the market is not semi-strong efficient in the event of a hurricane, then upon the announcements of the paths of the hurricane to the Northeast, an investor could make and above normal return.

LITERATURE REVIEW

Throughout history hurricanes have generally created a negative impact on stocks due to costs needed to repair and clean-up areas affected by a hurricane. Severe weather, like a hurricane, disrupts business processes, consumer movements, and supply chains of businesses. However, although the market declines due to a hurricane in the short run, history supports long-term economic re-growth. This is due to reconstruction efforts increasing an economies GPD. Past the short term trauma and damage of hurricanes, they have created a flow of money through the economy in the long run. This causes the downfalls of a hurricane to balance out with the negatives when analyzing the overall effect of a hurricane on the economy.

Hurricane Sandy was the fourth most damaging hurricane in U.S. history. 650,000 homes were damaged and $70.2 billion in damages were incurred which is adjusted for inflation. The United States government estimates that New York City alone incurred $19 billion in damages. On January 6, 2013 the Hurricane Sandy relief bill was raised to $30.43 to aid in repairs due to flooding, structural damage, and rebuilding projects. Utility workers had to pre-position supplies prior to the landfall of Hurricane Sandy to prepare for the damage it would cause to their operations. Lineman were brought to the east coast from states in the Midwest to fill a demand for workers within the industry.

METHODOLOGY

The study sample is composed of eighteen utility companies that had operations within the Northeast region of the United States during the time of impact of Hurricane Sandy. These eighteen companies are composed of medium to large capitalization firms. Select companies of the eighteen firms within the sample are amongst the largest companies in the world by market share within the utility industry. Two types of companies were chosen from the utility industry, power companies and water treatment companies. Both these types of firms within the utility industry experienced heavy damages and costs to clean up efforts. This study tests how quickly the eighteen utility firms' stock prices react to the Hurricane Sandy event date defined as October 26, 2012, or the date the impact paths of the hurricane were made public. This is the date where the all five tracks of the hurricane were predicted to hit the Northeast United States. Analysis of the Hurricane included 3,780 total observations of the stock prices of the eighteen utility firms and the corresponding Standard & Poor's Index (S&P 500) up to 180 days before the event date, October 26, 2012, and 30 days after.

This study proposes the following null and alternative hypotheses, to test semi-strong market with respect to the announcement of the hurricane event and to examine the effect of the storm on the stock return around the announcement date of the paths:

$H1_0$: The risk adjusted return of the stock price of the sample of utility firms is not significantly affected by this type of information on the event date.

$H1_1$: The risk adjusted return of the stock price of the sample of utility firms is significantly negatively affected by this type of information on the event date.

$H2_0$: The risk adjusted return of the stock price of the sample of utility firms is not significantly affected by this type of information around the event date as defined by the event period.

$H2_1$: The risk adjusted return of the stock price of the sample of utility firms is significantly negatively affected around the event date as defined by the event period.

The standard risk adjusted event study methodology from the literature to test the stock market's response to the October 26, 2012 Hurricane Sandy event date is used for this study. The historical data from the eighteen firms included in this study and the S&P 500 Index was needed for the days included in the event period of study. This historical data was attained from the internet site http://finance.yahoo.com/. The event duration studied for the eighteen firms and the S&P 500 was -180 to +30 days of the event date October 26, 2012. The event period is defined for this study as day -30 to day +30 where day 0 is the event date. The risk adjusted return data for the event period was collected and then holding period returns (HPR's) for both the eighteen firms (R) and the corresponding S&P 500 index (R_M) for each day within this study period were calculated using this formula:

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

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

Regression analysis was performed using the holding period return of each company (dependent variable) and the corresponding S&P 500 index holding period returns (independent variable) over the period of study to obtain the alpha (the intercept) and the beta (standard coefficient)

The risk-adjusted method (market model) was used for this study to get normal expected returns. Using the alpha and betas calculated through the regression of each firm against the S&P 500 Index, the expected returns for each day or the event period were calculated, days -30 to +30. The calculate expected returns the following formula is used: E(R)= alpha + Beta (R_M) where R_M equals the return on the market (S&P 500 Index). Excess returns of the expected returns were then calculated by using the following formula: ER= R – E(R) where R is the actual return on the market and E(R) is the expected return. Average Excess Return (AER) is calculated by summing up the excess returns for all eighteen firms for all the days -30 to +30 and dividing by the number of firms as shown by: AER= SUM of ER/n where n equals the number of firms in the study. Lastly Cumulative Average Excess Returns (CAER) is calculated by adding the AERs for each day -30 to +30. CAER and AER where graphed for the event period -30 to +30.

QUANTITATIVE TESTS AND RESULTS

What did this study's results reflect? The average excess returns from -30 to +30 should be expected to have returns that deviate far from 0. As shown in Graph 1 AER appears to be significantly different from 0 throughout the event period but dramatically lower than 0 at day 0 which can be defined as our event date, October 26, 2012. AER should also be statistically different from the CAER of the event period. A paired two sample t-test was used in this study to test for a significant risk adjusted difference between the CAER and AER values of the study of the eighteen firms against a return of 0. A t-statistic of 3.2% was found for the utility companies statistical difference between AER and CAER. This t-test found a statistically discernable difference at the 1% level of significance for the sample of utility firms. If we accept the null hypothesis then the t-statistic would be smaller and closer to zero. A larger t-statistic represents the significance of a negative impact to the risk adjusted return is high. This large t-statistic suggests that we reject the null hypothesis' in favor of the alternative hypothesis'. This data suggests that the risk adjusted return of the stock price of the sampled utility companies is significantly negatively affected by this type of information around and on the event date.

In figure 1 AER versus time -30 to +30 is represented. Immediately upon analyzing the graph it can be noticed that the Average Excess Return of the eighteen firms drop significantly at day zero, which is the event date or the date where the paths of the hurricane to the Northeast United States were announced. In figure 2 CAER versus time -30 to +30 is represented. The CAER line is shown to rise fluctuating only a small amount until the event date 0. Cumulative Average Returns, for the event period -30 to +30, then drop significantly at time zero, and for an extended period of time after the event date. This supports semi-strong efficiency within the market. The market reacted so fast to the information announced on the event date, October 26, 2012, that no investor could make and above normal return. In this study there is a visible negative graphical pattern between time and CAER upon the event date. The study's evidence accurately represents a market that predicted the impending damage of Hurricane Sandy's impact to the Northeast United States, which hit, three days after the announcement date, on October 29, 2012.

FIGURE 1.

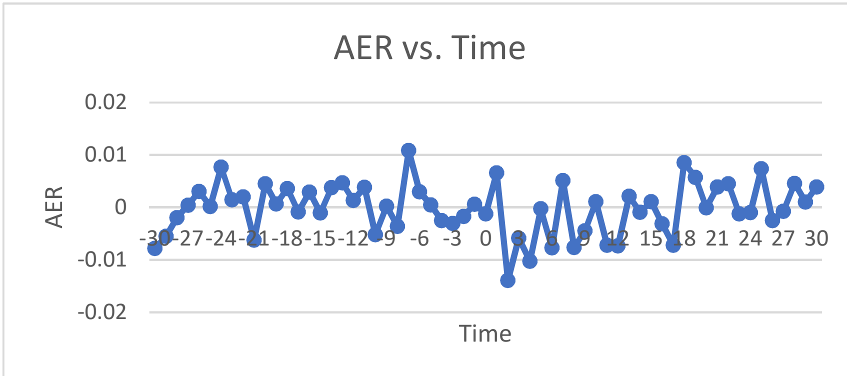
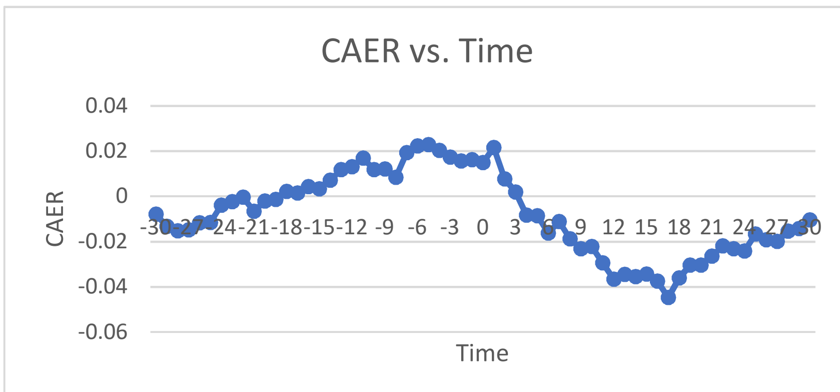


FIGURE 2.



CONCLUSION

This test of semi-strong efficiency analyzed the effect of Hurricane Sandy on stock prices' risk adjusted rate of return of eighteen selected utility companies who had large operations within the impact area of Hurricane Sandy. Results show that stock returns dropped significantly at the event day 0, the announcement date of the hurricane paths to the Northeast United States, and continued to drop significantly throughout the impact period of Hurricane Sandy. This was concluded through statistical tests for significance of Hurricane Sandys negative impact on the stock prices of the sample firms over the event period -30 to +30. The results of this study support semi-strong market efficiency. The market rapidly adjusted to the announcement of Hurricane Sandys impact. These results show the negative impact that Hurricane Sandy inflicted on stock prices, however, they also showed a positive trend during the beginning of the reconstruction phase of Hurricane Sandy starting approximately 17 day after the event date. These results support that although natural disasters have a negative impact on the market during the short-run, in the long-run the positive growth created from reconstruction efforts creates a positive trend in stock prices again, which balances the overall effect of the event on the market.

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MANUFACTURERS' REPRESENTATIVES: ANTECEDENTS TO SATISFACTION

Michael W. Pass, Sam Houston State University

ABSTRACT

A manufacturer's selling function may be outsourced to independent sales representatives in order to cover territories where the manufacturer does not have a sales force, or enough employees to fully staff one. Independent sales representatives, referred to in this paper as manufacturers' representatives, or MRs, enable the manufacturer to reach more customers, while also reducing selling expenses associated with a direct sales force. Managing the satisfaction of MRs is important to manufacturers because MRs are valuable intermediaries between the manufacturer and end-customers. If the MR is not satisfied with the outsourcing arrangement, representation of the manufacturer to end-customers could diminish, thus leading to lower sales. This paper reports a study that examined the channel leadership behavior exhibited by manufacturers and the support manufacturers provide to MRs. These variables were examined in relation to the MR's Satisfaction.

INTRODUCTION

It is beneficial to understand the influence that the MR's perceptions of manufacturer behavior and quality of support has on the MR's satisfaction because a manufacturer would want an effective relationship with the manufacturers' representative (i.e. MR). Satisfaction is defined as the degree with which the representative is pleased with a manufacturer overall and the programs and policies provided. Furthermore, there is a belief that the manufacturer treats the MR fairly and the manufacturer is good to be involved with in business. This definition aligns with a description of channel member satisfaction as a "positive affective state resulting from the appraisal of all aspects of a firm's working relationship with another firm" (Geyskens, Steenkamp & Kumar, 1999, pg. 224).

The current study examined relationships between MR Satisfaction, the manufacturer's behavior and the quality of support provided by the manufacturer. The behavior considered is the channel leadership behavior exhibited by the manufacturer, which is described as "activities performed by a distribution channel member to influence the marketing policies and strategies of other channel members for the purpose of controlling various aspects of channel operation" (Schul, Pride & Little, 1983). Path-Goal Theory of Leadership indicates Instrumental and Participative Leadership Behaviors are appropriate for this study (House, 1971; House & Mitchell, 1974).

Instrumental Leadership Behavior exists to the extent that requirements of the job, work roles of individuals, and performance standards to be achieved are determined primarily by the manufacturer and communicated to the MR for adoption. Participative Leadership Behavior is a stark contrast with the manufacturer being consultative by asking the MR's advice on business issues. Moreover, serious consideration is given to the MR's recommendations before decisions are reached.

Table 1 lists the eight types of support selected after review of industry literature (e.g., Abramson, 2001; Castro, 2001), discussions with practitioners and consideration of support provided to distributors (Cronin & Morris, 1989). A previous study aggregated the selling support into three categories (i.e. sales planning support, selling process support, and promotion support) to complete an analysis of them in relation to MR Satisfaction (Pass, Evans, Lastovicka & Schlacter, 2012). The current study is a more detailed analysis examining the influence of the individual types of support instead of aggregating the types into categories. It is an extension of previous research examining relationships between selling support provided to MRs and their satisfaction (Pass, 2011). The incremental contribution is that manufacturers' leadership behaviors are included in the current study with selling support for MRs. Previous literature examined differences between the best and worst manufacturer relationships with representatives (Sibley & Teas, 1979), conceptualized how the firms develop and maintain these relationships (McQuiston, 2001), described different approaches to structuring the relationships (Dishman, 1996) and reported how MRs evaluate principals (Merritt & Newell, 2001). More recently, manufacturers and MRs have been studied with respect to commitment and trust (Pass, 2014; Pass, 2016).

METHODOLOGY

A survey of executives from MR firms was completed to collect data indicating opinions about the manufacturers' leadership behaviors and the quality of eight types of support. The MRs' Satisfaction with the manufacturer was also obtained. The executives were selected randomly to participate from a list provided by the Manufacturers' Representatives Educational Research Foundation (MRERF). A questionnaire was sent to 2,000 individuals. Responses were encouraged by an offer of winning \$50 certificates valid at major retailers and a copy of the survey results. In total, 16.4% of the respondents responded, thus providing 328 completed surveys.

Respondents work with one to ten manufacturers (64%), eleven to twenty manufacturers (27%) or greater than twenty manufacturers (9%). Annual sales volumes were reported at less than \$5 million (45%), \$5 million to \$11 million (25%) and above \$11 million (30%). Respondents worked with the manufacturers less than two years (18%), 3-10 years (48%), or greater than 10 years (34%).

The MR's Satisfaction was measured using a scale developed by Dwyer and Oh (1987). A five-point Likert type scale with Strongly Disagree (1) to Strongly Agree (5) anchors was presented with scale items to measure this construct. The internal consistency of this scale was found to be acceptable with a Cronbach's alpha of .93, exceeding the recommended .70 level (Nunnally, 1978). The manufacturers' Leadership Behavior was measured with scales for Instrumental Leadership Behavior within organizations and between them (House & Dessler 1974) and Participative Leadership Behavior (Dwyer & Oh, 1987). A five-point Likert type scale with Strongly Disagree (1) to Strongly Agree (5) anchors was presented with scale items to measure the manufacturers' use of Leadership Behaviors as perceived by MRs. The Instrumental Leadership and Participative Leadership scales had Cronbach's alphas .80 and .92, respectively.

The quality of support was assessed with a direct measure of each type of support. Respondents indicated the quality of each type using a five-point Likert type scale with Poor Quality (1) to Excellent Quality (5) anchors.

FINDINGS

Table 1 shows mean scores and standard deviations for MR Satisfaction, MR perceptions of the two manufacturer leadership behaviors, and MR perceptions of quality for eight types of manufacturer support. Regression analyses were completed to examine relationships between the quality of each type of support, leadership behaviors, and MR Satisfaction. Table 1 presents variables, mean scores, and standard deviations. Table 2 reports correlations.

Table 1
Study Variables: MR Satisfaction
Manufacturer Leadership Behaviors and Support

	Variable (n=316)	Mean	Standard Deviation
Y_1	MR Satisfaction	3.41	1.121
X_1	Instrumental Leadership	2.97	.824
X_2	Participative Leadership	2.90	1.131
X_3	Market Analysis	2.78	1.386
X_4	Case Histories	2.80	1.349
X_5	Timely Delivery	3.43	1.240
X_6	Product Training	3.16	1.339
X_7	Technical Support	3.35	1.348
X_8	Product Literature	3.50	1.231
X_9	Advertising Support	2.94	1.410
X_{10}	Timely Commission	3.69	1.310

Regressions are reported in Table 3 as Models 1 and 2. Instrumental and Participative leadership behaviors are reported in relation to MR Satisfaction in Model 1. Both are significantly related to MR Satisfaction with a .60 Adjusted R-square. Participative Leadership has the most influence on MR Satisfaction as indicated by the standardized Beta coefficient of .688. Instrumental Leadership has a Beta coefficient that is much lower at .164.

Model 2 reports findings for the eight types of support. All are significantly related to MR Satisfaction, except Advertising Support. Significant positive relationships exist with Market Analyses, Case Histories of Accounts, Timely Delivery of Products, Product Training, Technical Support, Product Literature and Timely Payment of Commissions. Moreover, the level of variance in MR Satisfaction, as indicated by the Adjustable R-square is .624. Standardized coefficients for Beta indicate four types of support having the greatest relative influence are Technical Support, Product Training, Timely Delivery and Timely Payment of Commissions.

DISCUSSION

The manufacturer's leadership behaviors and the quality of support are examined separately in relation to MR Satisfaction. However, they are both applied when interacting with a manufacturers' representative (MR). Therefore, both leadership behaviors and the quality of support have to be considered by the manufacturer when working with the MR. If they are not managed to be effective, the MR's Satisfaction will decline and negative consequences are likely to occur.

Table 2
Pearson Correlations: All significant at the 0.01 level (2-tailed)

	Variable	1	2	3	4	5	6	7	8	9	10	11
1	MR Satisfaction	--										
2	Market Analysis	0.582	--									
3	Case Histories	0.583	0.680	--								
4	Timely Delivery	0.538	0.317	0.295	--							
5	Product Training	0.656	0.598	0.583	0.416	--						
6	Technical Support	0.669	0.605	0.544	0.492	0.700	--					
7	Product Literature	0.566	0.456	0.442	0.368	0.537	0.527	--				
8	Advertising Support	0.524	0.528	0.500	0.380	0.599	0.534	0.544	--			
9	Timely Commission	0.559	0.344	0.417	0.510	0.448	0.447	0.476	0.419	--		
10	Instrumental Leadership	0.485	0.424	0.406	0.228	0.456	0.407	0.458	0.360	0.256	--	
11	Participative Leadership	0.762	0.617	0.548	0.379	0.638	0.616	0.482	0.538	0.402	0.471	--

Table 3
Antecedents of Satisfaction: Leadership Behaviors and Support

Model	Variables	Beta (a)	Std. Error	Beta (b)	t-value	p-value
Model 1 Adjusted R-Square .600	(Constant)	.771	.154	--	5.015	.000*
	Instrumental Leadership	.224	.054	.164	4.139	.000*
	Participative Leadership	.682	.039	.688	17.31	.000*
Model 2 Adjusted R-Square .624	(Constant)	.456	.146	--	3.133	.002*
	Market Analysis	.092	.043	.114	2.154	.032*
	Case Histories	.112	.043	.135	2.640	.009*
	Timely Delivery	.152	.040	.169	3.845	.000*
	Product Training	.146	.047	.175	3.107	.002*
	Technical Support	.150	.046	.181	3.242	.001*
	Product Literature	.126	.042	.139	3.023	.003*
	Advertising Support	-.016	.038	-.021	-.427	.670
	Timely Commission	.135	.038	.158	3.517	.001*

(a) Unstandardized coefficients (b) Standardized coefficients * Significant beta coefficients

Regarding the two leadership behaviors, they are both related significantly to MR Satisfaction although Participative Leadership behavior has the greatest influence. This is not surprising given the nature of this behavior, which involves the manufacturer seeking advice from the MR and considering the MR's opinions. Instrumental Leadership behavior has less influence but it is not negatively related to MR Satisfaction. This is counterintuitive because one would think that an MR would not be satisfied with the manufacturer giving direction, since the MR operates a business separate from the manufacturer.

Based on the findings, Instrumental Leadership behavior has a positive influence; it may stem from the influence it has on quality perceptions for some types of support. It could be beneficial to the extent that it facilitates the MR's use of certain types of support, such as product training and market analysis that require the manufacturer's expertise. Nevertheless, it is important for a manufacturer to communicate why strong direction is given for the MR to adopt. This may result in the MR attributing the use of Instrumental Leadership Behavior to something meaningful such as the type of support provided. As noted, the four types of support having the strongest influence are the Technical Support, Product Training, Timely Delivery and the Timely Payment of Commissions. These types of support influence relationships with end-customers and the MR's motivation, so it is understandable that they have greater relative influence on MR Satisfaction. Technical Support and Timely Delivery of products enable the MR to work better with end-customers. The MR's motivation increases when confidence develops from Product Training. The perceived value of working with a manufacturer is reinforced with Timely Commission Payments.

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CONTINUOUS IMPROVEMENT OF ASSURANCE OF LEARNING: A HOLISTIC APPROACH USING INDIRECT AND DIRECT ASSESSMENT

Jennifer P. Pitts, Columbus State University
Robin L. Snipes, Columbus State University
Fonda Carter, Columbus State University

ABSTRACT

The need to fully understand factors that influence students' satisfaction with their college experience and perceived learning has become a strategic imperative for higher education in an era of declining enrollments and increased competition for students. For the past decade business schools, in particular, have focused primarily on collecting data on direct measures of student achievement to satisfy external stakeholders including accrediting bodies (e.g., AACSB, SACSCOC), parents, and administrators. Indirect assessments, in contrast, are designed to gather evidence about perceived learning and satisfaction with various aspects of a students' college experience. When combined with direct measures of student learning and an effective exit strategy they can provide business schools with a more holistic view of their programs to evaluate curricula, student support services, and other programs intended to enhance student learning.

In this paper, the process for developing an exit survey designed to assess business students' perceptions of learning and satisfaction upon graduation is discussed. The survey design utilizes a gap analysis designed to highlight key factors that students perceive as important to their college experience and their level of satisfaction with each dimension. By providing insight into specific dimensions of student satisfaction, business schools can better plan and develop strategies to address performance gaps and implement measures to satisfy student needs.

RETURN PERSISTENCE IN IT STOCKS: A REEXAMINATION

Sanjay Rajagopal, Western Carolina University

ABSTRACT

Mulligan & Banerjee (2008) used fractal analysis techniques to test for pricing efficiency in the CNX IT index and found evidence of stochastic dependence that rejected weak-form efficiency. In a subsequent study of three technology companies that accounted for over 60% of the same index, however, they found little to no evidence of pricing anomalies, and made a note of the unexpected result that these large component equities did not drive the stochastic behavior of the index (Banerjee & Mulligan, 2009). In reconciling the results of their two studies, the authors pointed out that investors would be led by cost-benefit considerations to focus on the "more important" stocks with the largest total share values, and would thereby promote the efficient pricing of such equities. And at the same time, even if every individual component were valued efficiently, it would likely be exponentially more difficult to value an index consisting of numerous equities, so that the index itself might not be priced efficiently.

These results raise the question as to whether any of the index components do in fact exhibit anomalous pricing behavior, thus offering specific excess return opportunities for investors. Further, is this behavior related to company size? We seek to update and extend the previous work on IT securities mentioned above in two ways. First, we analyze the behavior of all the component securities of the BSE IT index, or a total of fifty stocks, to ascertain whether efficient pricing is a universal characteristic of those equities. This is achieved by estimating the Hurst exponents of the IT stocks using Mandelbrot's (1972) rescaled range (R/S) analysis, an approach that allows us to identify returns series that exhibit persistence or anti-persistence. Second, we study price series that are significantly longer, incorporating all price information available for each company, whether prior to, during, or after the window analyzed in the studies mentioned above, so that the observed results might be more generalizable, and less influenced by the choice of the time window. We find that nineteen of the fifty stocks do exhibit some degree of persistence or antipersistence in returns.

INTRODUCTION

Pricing efficiency in the emerging Indian market has been of interest to researchers in recent years, and the findings have been mixed. For example, Mishra et al (2011) studied a total of six sectoral and non-sectoral equity indices on two Indian exchanges, and found evidence to reject the random walk hypothesis in the case of all six. The results of their rescaled range (R/S) analysis indicated persistence/long memory attributes to returns. By contrast, Mishra & Mishra (2011) tested and confirmed the random walk hypothesis for two market indices and ten individual equities. In the context of currency markets, a study by Kumar (2014) suggested that the Indian Rupee-USD market was characterized by long-range dependence in returns and volatility, results at variance with weak form efficiency. Mulligan & Banerjee (2008) and Banerjee & Mulligan (2009), mentioned previously, specifically studied the Indian IT sector. They found the CNX IT index not to be valued efficiently, but the three component stocks accounting for over 60% of the value of that index, viz., Satyam, TCS, and Infosys, to exhibit behavior consistent with efficiency in the weak form. Using the same fractal analysis techniques, Mulligan (2004) did study a comprehensive list of individual tech stocks, albeit in the context of the US economy, and documented strong evidence of anti-persistence in a significant number of the return series. The present work represents a similar effort for the Indian IT sector.

METHODOLOGY

We employ Mandelbrot's (1972) rescaled-range (R/S) analysis to estimate the self-affinity index (or Hurst exponent) of the return series for all the equities within the BSE IT Index. We define a time series x with n consecutive values $x = x_1, x_2, \ldots, x_n$. The mean, x_m, and standard deviation, s_n, are as follows:

$$x_m = \frac{\sum_{i=1}^{n} x_i}{n} \text{; and} \tag{1}$$

$$s_n = \sqrt{\frac{\sum_{i=1}^{n} (x_i - x_m)^2}{n}} \tag{2}$$

The range then is the difference between the maximum and minimum cumulative deviation values over these n observations:

$$R = \text{Max}\left[\sum_{i=1}^{n} (x_i - x_m)\right] - \text{Min}\left[\sum_{i=1}^{n} (x_i - x_m)\right] \tag{3}$$

As x has been redefined to a mean of zero, this range, R, must be nonnegative; the maximum must be at least zero, the minimum can be at most zero. R can be viewed as the distance traveled by the system in time n. For systems following Brownian motion, the distance covered is proportional to the square root of time, T, giving us:

$$R = T^{0.50} \tag{4}$$

Based on Hurst (1951), a generalized form of the "T to the one-half" rule for time series characterized by dependence as against Brownian motion is:

$$R/s_n = k \times n^H \tag{5}$$

Here, k is a constant, and H is the Hurst exponent. The left side of the equation expresses the range scaled by the standard deviation of the series (or, the "rescaled range"). The equation represents the manner in which the range of the cumulated deviations from mean scales over the time increment, n. For a random time series, H should be 0.50. A logarithm of the last expression yields:

$$\log (R/s_n) = \log k + H \times \log n \tag{6}$$

Thus, the Hurst exponent is estimated as the slope of the plot of log (R/s_n) against log n. In practice, H is estimated by dividing the series into contiguous subperiods and using OLS to estimate H. For a step-by-step guide, see Peters (1994). Say a series of logarithmic returns has 680 observations. Then, the series will be divided into successive periods of length n, with n assuming values equal to the integer factors of 680 (so 2, 4, 5, 8, 10, 17, 20,…), and for each of these n, a corresponding average range and standard deviation will be calculated (so, for example, there will 340 windows of length 2, and 170 windows of length 4, and so on). The logarithm of the average R/S value derived for the window length, n, will be regressed on the logarithm of the window length, thereby yielding the estimate of the scaling (Hurst) exponent, H. As stated before, for a random series or independent process, H should be 0.50. A "persistent" series would have $0.50 < H \leq 1$, and would signify that elements in the series influence other elements in the series. An "anti-persistent" series would have $0 \leq H < 0.50$, signifying that the process reverses itself more frequently than would a random process.

For the present study, we collect all available price information for the fifty stocks that comprise the BSE IT index. As in Peters (1992), we convert the price data into logarithmic returns prior to the estimation of the Hurst exponent. The following section presents the results of the R/S analysis for these firms.

RESULTS AND IMPLICATIONS

The results of the R/S analysis are summarized in Table 1 below. In the interest of space, only the results for stocks exhibiting persistence or antipersistence are reported.

Table 1
Hurst Estimates for a Subset of BSE IT Equities

Company	Estimated H	p-value
63 Moons	0.562	0.001
Accelya	0.526	0.052
CESC	0.565	0.000
Cyient Ltd.	0.553	0.041
Datamatics	0.514	0.083
Expleo	0.542	0.000
Hexaware	0.536	0.019
L&T	0.424	0.036
L&T Infotech	0.452	0.000
Mastek Ltd.	0.544	0.032
Mphasis Ltd.	0.536	0.088
Newgen	0.413	0.000
NIIT Ltd.	0.542	0.004
Nucleus	0.540	0.039
Sonata	0.539	0.096
Subex Ltd	0.552	0.000
Tech	0.552	0.000
Trigyn	0.544	0.060
Zen	0.549	0.038

Of the fifty stocks in the index, as many as nineteen exhibit some form of anomalous behavior; that is, their estimated Hurst exponents are significantly different from the baseline 0.50 that would apply to a series exhibiting a random walk. Sixteen of these have Hurst exponents significantly higher than 0.50, indicating persistence in returns, or long memory, and three have Hurst exponents significantly less than 0.50, which is descriptive of anti-persistence. The results indicate that the market does not value all the Indian IT stocks efficiently, and that technical analysis might garner excess returns in the case of some of these equities.

CONCLUSION

The results of the R/S analysis suggest that there are potentially exploitable pricing inefficiencies in a significant number of equities within the Indian IT sector. Trading rules may be effective in extracting excess returns in these cases. Success in this regard would of course be predicated on the ability to identify the precise nature of the dependence in returns, a matter that the present study does not address. Finally, it would be of some value to study, along lines similar to Brooks et al (2008), if factors such as market capitalization, trading volume, and volatility are related to the cross-sectional variation in the estimated Hurst exponents. That question will be addressed in an extension to this study.

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TOP MANAGEMENT TEAM DIVERSITY IN FINANCIAL SERVICES: THE INFLUENCE OF FUNCTIONAL AND DEMOGRAPHIC DIVERSITY ON FIRM FINANCIAL PERFORMANCE

John Ratzan, Pace University
Theresa Lant, Pace University

ABSTRACT

There has been exhaustive discussion on whether diversity in the TMT (Top Management Team) has an impact on the firm's financial performance. This research will analyze data from 59 Fortune 500 Financial Services firms' TMTs referencing Hambrick and Mason's Upper Echelon theory and review the TMT members' demographic composition as well as functional experience background attributes. We controlled for industry effects by focusing on the financial services sector, within which companies related to the banking sector are systemically essential to society. Another rationale for the focus on financial services is the degree with which this industry has been digitized, which we argue creates a more complex management environment. This research will compare the type of diversity within the TMT (functional vs. demographic) and the related impact on the firm's financial performance in terms of P/E (Price / Earnings) Ratio, ROA (Return on Assets) and ROE (Return on Equity). This is in the context of a dynamic digital marketplace that we hypothesize now rewards functional diversity in the TMT as this attribute in the team composition is critical to organizing the firm's competitive repertoires and strategy. The findings from the research suggest that functional diversity (TMT specialties such as marketing, finance, operations, etc.) is more significant than demographic diversity (gender, ethnicity, nationality). This study indicates that functional diversity had a positive correlation with financial performance in terms of the P/E Ratio and ROA, while demographic diversity had a slightly negative correlation, not having a significant impact on the firm's financial performance.

Keywords: Functional Diversity, Functional Experience Background, Demographic Diversity, Firm Financial Performance, TMT (Top Management Team), TMG (Top Management Group), Cognition, Cognitive Diversity

HOW REVERSE STOCK SPLITS, ADVANCES AND DEBT TO EQUITY SWAPS CAN BE USED TO DEFRAUD INVESTORS: A CASE STUDY

Brad J. Reed, Southern Illinois University Edwardsville
Cathy Tornaritis, Southern Illinois University Edwardsville

ABSTRACT

In 2015 a news article exposed ten different companies referred to as the Titanic Ten whose stock were traded on the OTC market. These companies all used a similar strategy to allow insiders to profit at stockholders' expense. The companies all had no or little revenue. To stay afloat the companies would take advances from the insiders. The advances are a form of debt and were convertible to stock at very favorable exchange rates. The companies would then enter into a reverse stock split. A reverse stock split increases the share price of a company. For example, if a company's stock is selling at $0.20/hare and the company enters into a 1 for 50 reverse stock split the share price would go from $0.20/share to $10.00/share. The insiders would then exercise the favorable conversion features on their advances and then dump the shares on the market at the new higher price as fast as they can before most investors are aware that the advances have been converted to shares thereby diluting the value of the shares. The conversion of the advances and dumping of the shares on the market causes the share price to plunge. At this point the company implements another reverse stock split and the cycle repeats, wiping out another round of investors. This case examines the Accounting Standards for advances, reverse stock splits and debt to equity conversions to see if this practice is allowed by the Accounting Standards. One of the Titanic Ten will be used to identify Red Flags that are present under this type of accounting to help investors avoid these types of companies.

AFLAC'S INTERNATIONAL BUSINESS STRATEGY: HOW AN AMERICAN COMPANY BUILT AN EMPIRE IN JAPAN, AND WHAT'S NEXT?

Robin L. Snipes, Columbus State University
Jennifer P. Pitts, Columbus State University
Fonda Carter, Columbus State University

ABSTRACT

When John Amos, CEO of Aflac visited Japan in 1970, he saw a potential opportunity for his business. Aflac is now one of America's most recognized supplemental insurance companies. However, at the time, Aflac was a regional insurance company located in Columbus, Georgia with little name awareness outside of the southeastern part of the United States. It was founded just 15 years earlier, but the company had done well in a short period of time by pioneering an innovative form of supplemental health insurance along with an innovative way of selling it. Aflac's flagship product was supplemental cancer insurance which was sold to businesses who then offered the supplemental policy as a benefit option to employees. When he visited Japan in 1970, John Amos noticed that the fear of disease – and especially the fear of cancer – was much higher in Japan compared to the U.S., and there was no competition for the type of insurance product that Aflac provided. In Japan, the rate of cancer had risen dramatically after World War II, such that by the 1970's it was one of Japan's top killers. Japan already had a compulsory national health insurance program that covered the cost of cancer treatments, so at first glance it might seem that there was not a market for health insurance. However, Aflac's unique supplemental insurance plan provided additional income that would cover nonmedical costs incurred by cancer patients, such as private nursing, travel, lost income, and other needed assistance. After a review of the competitive environment, John Amos realized that Japan was a prime opportunity for the type of product Aflac provided. The rest is history. By 1991, Aflac held 99% of the supplemental cancer insurance market in Japan and revenue from Japan accounted for over 77% of Aflac's total revenue.

This case reviews the process and strategy that Aflac used to enter the Japanese insurance market. In doing so, the case will review the different reasons a firm might want to enter a foreign market, and the advantages and risks of international growth strategies. When competing across national borders, strategy-making becomes more complex due to several factors, including (1) cultural differences and differences in buyer tastes and shopping patterns, (2) sizable differences in infrastructure, worker productivity, inflation rates, taxes, exchange rates, and other factors that could increase the cost of doing business, and (3) differing governmental policies and regulations that could affect the ease of doing business. This case examines the four risks of doing business in other countries (cross-cultural risk, country risk, currency risk, and commercial risk) in the context of Aflac in Japan. This case also examines the strategy differences between "multi-

country" competitors (like Aflac) and "global" competitors (like Apple), and discusses different strategy options for establishing a competitive presence in a foreign country. Lastly, the case will review Aflac's current situation and responses to recent events affecting the competitive environment in Japan.

BREXIT AND ITS EFFECTS ON MARKET EFFICIENCY

Tyler Steffey, Longwood University
Frank W. Bacon, Longwood University

INTRODUCTION

On June 23, 2016, the United Kingdom announced during a referendum about leaving the European Union. The announcement has been known for a while now for what the public has been calling it as "Brexit." Since then, the United Kingdom has not made a decision as to what they are going to do with trade deals. Since Northern Ireland is part of the U.K., negotiations between the border of Ireland and Northern Ireland regarding free trade has been an issue. The U.K. keeps pushing back the date to make deals and now they have pushed back the date to the 31st of January 2020 (Brexit, 2019).

LITERATURE REVIEW

After reviewing several articles of information regarding the Brexit Announcement including student research papers, the research concluded has revealed to the effect of market efficiency with this event and the lead up to it. Longwood University post-undergraduate student Christina C. Cannon also did research on the Brexit Announcement and concluded her research by relating it to the Lehman Brothers bankruptcy back in 2008. Her research concluded that the Brexit announcement was similar in a way because she related the Lehman Brothers outcome. That being said, the majority of participants in the capital market did not anticipate that event to happen therefore stocks were probably not affected until after the date of the event. Further, her methodology, tests, and results conclude that the market was negatively affected before, during, and after the event period of the announcement date. Her market efficiency theory concludes that the market anticipated the Brexit announcement with a negative decline in stock prices and that the market was semi-strong (Canon, 2018).

Another journal that is worth summarizing is the research done by the Decision Maker Panel on uncertainty and the market. The DMP estimated that the Brexit announcement would have the greatest uncertainty regarding the effect on the market, and that the impact would affect markets negatively. Uncertainty poses a hesitancy on investors because it increases the value of real options. Different measures of uncertainty such as stock market volatility and media reports have been used in the efforts but provides conflicting messages about the EU referendum and Brexit overall (Bloom et al, 2018).

DATA ANALYSIS AND METHODOLOGY

Event dates of the Brexit announcement are the dates leading up to the event, specifically spectating 181 days prior to the announcement date which is June 23rd, 2016. 181 days before that is October 5th, 2015, which is 181 trading days before the Brexit Announcement. August 8th, 2016 is 30 trading days after the announcement of Brexit.
Using four different hypotheses, I wanted to see if the return of the stock price would be significantly affected or not on or around the announcement date.

> $H1_1$: *The return of the stock of the firm samples when the announcement of Brexit came to be, did not have a significant effect on the market on the announcement date.*
>
> $H1_2$: *The return of the stock of the firm samples when the announcement of Brexit came to be, did have a significant positive effect on the market on the announcement date.*
>
> $H2_1$: *The return of the stock of the firm samples when the announcement of Brexit came to be, did not have a significant effect on the market around the announcement date.*
>
> $H2_2$: *The return of the stock of the firm samples when the announcement of Brexit came to be, did have a significant positive effect on the market around the announcement date.*

To be able to find and test these hypotheses, I selected 15 firms from several different sectors to analyze and see how companies from those different sectors were affected, and also to have a more diversified portfolio. To test the market efficiency theory, I first used the "market-adjusted method" to test how quickly the market responded to the Brexit announcement. After collecting the stock price data for each of the 15 firms selected, I calculated the Holding Period Return by taking the price of day -180 and subtracting it from day -181 and dividing it by the price of day -181 and onward for each of the firms. HPR is also the current daily return.

$$HPR_{Firms\ 1\text{-}15} = (P_1, -180 - P_1, -181) / (P_1, -181)$$

$$HPR_{S\&P} = (P_{S\&P}, -180 - P_{S\&P}, -181) / (P_{S\&P}, -181)$$

HPR= Holding Period Return
P= Price of stock

After calculating all of the returns for each of the firms I then found the excess return by subtracting the Actual Return (*HPR)* from the Expected Return *(S&P 500 Index Return).* Then I performed a regression analysis of all of the firms with the S&P 500 Index and to find the alphas and betas of each of the firms. Below in Table 1, each of the firms are corresponding with their alpha and beta.

Table 1: ALPHA AND BETA			
Company	**Symbol (Ticker)**	Alpha	Beta
Sherwin Williams	SHW	-0.000168527	0.68146674
Ecolab Inc.	ECL	0.000196963	0.84234587
U.S. Concrete, Inc.	USCR	-0.003677902	1.39324781
Kaiser Aluminum Corporation	KALU	-0.001390223	1.21120549
Century Aluminum Company	CENX	-0.001362627	2.76511252
Facebook	FB	-5.0801E-05	0.92963739
AT&T	T	0.001514665	0.28734055
Electronic Arts Inc.	EA	0.003066501	0.0030665
Snap-on Incorporated	SNA	-0.001435621	-0.0014356
BP p.i.c	BP	1.41329E-05	1.49947222
Murphy Oil Corporation	MUR	-0.002385591	2.52700445
Visa Inc.	V	-0.000619907	1.17600768
Bank of America Corporation	BAC	-0.000477916	2.02417227
Chubb Limited	CB	-0.000463765	1.06437896
Aflac Incorporated	AFL	0.00024744	1.14162427

In order to get a normal expected return, the risk- adjusted method was used. The expected return of each stock was calculated based on the days around the event period, more specifically day -30 to +30. The expected return was calculated using the formula below.

$$E(R) = alpha + beta(Rm)$$
$$Rm = S\&P\ 500\ index\ return$$

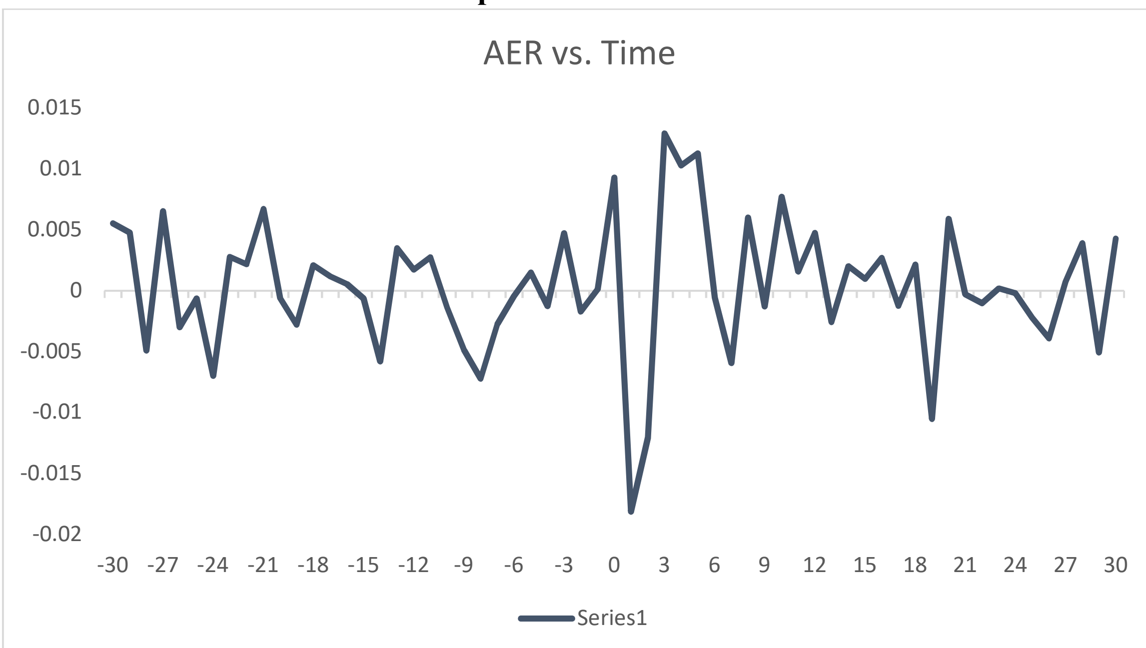
After finding the expected return, I then calculated the cumulative average expected return (CAER) for the event period from day -30 to +30. In Graph 2 below shows the CAER over the event period.

RESULTS

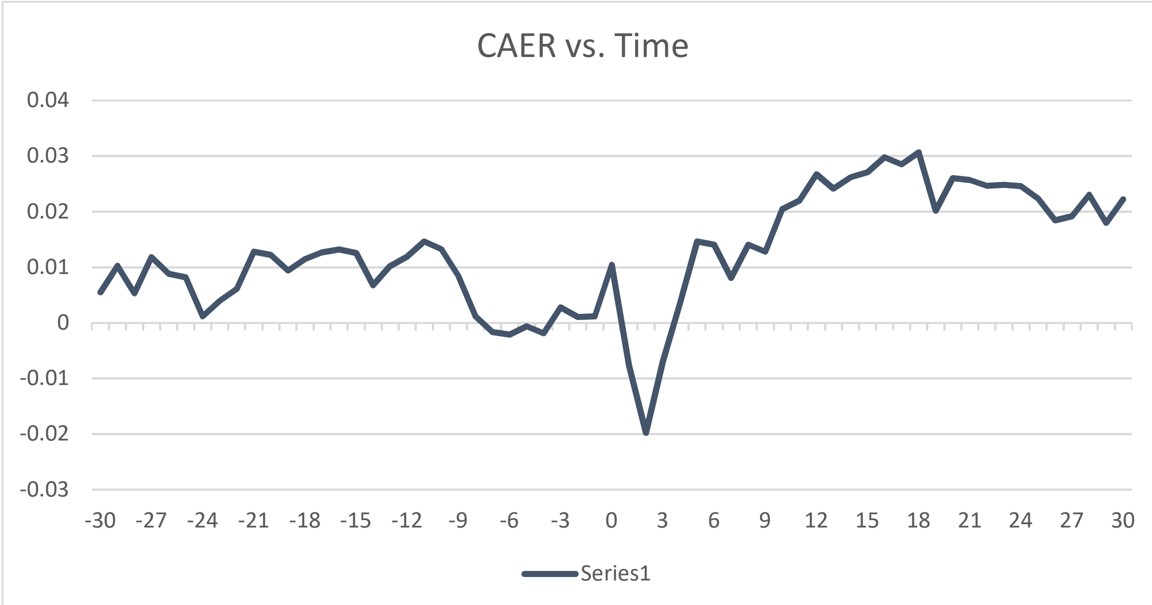
Was the original hypothesis correct or was the alternative hypothesis correct? After looking at the results of the tests and calculating the expected return using the risk-adjusted method, than the significance test passed in that there is a significant difference in the market around and on the period date. To further prove this hypothesis a t-test was used, and that was calculated by taking the average AER's and finding the standard deviation and then taking the sum of the AER's and dividing them by the standard deviation. It gave a positive t-test which means that we can accept the alternative hypothesis, both $H1_2$ and $H2_2$.

What form of market efficiency, strong, semi-strong, or weak, did the Brexit announcement show relative to the market? To test this theory, I used the cumulative expected average return to see if there were any significantly different numbers from zero. Graph 1 shows the Average Expected Return and Graph 2 shows the Cumulated Average Expected Return.

Graph 1: AER vs. Time



Graph 2: CAER vs. Time



From the graphs we can see that there is a negative decline in stock prices near and on the announcement date. There is a steady gradual decline of stock returns closer towards the announcement date.

CONCLUSION

This study measures the effect of the Brexit announcement in June 2016, of the 15 stocks and their risk adjusted rate. All of these stocks had to have some exchanges with the European Union and show that there was an effect before, during, and af2ter the announcement. Results from Graph 2 show that stock returns started to fall around the 26th day before the announcement. The test stats show that there was movement in the stock market that Brexit announcement had a negative impact on the market. The stock prices drastically dropping along with the returns proves the semi-strong market efficiency theory due to the drastic drop in prices and returns around the day of the announcement. The Brexit announcement had a great impact on many firms after June 23rd, 2016.

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THE PERSISTENCE OF THE IS-LM MODEL IN INTERMEDIATE MACROECONOMICS TEXTBOOKS

Richard W. Taylor, Arkansas State University
Jerry Crawford, Arkansas State University

ABSTRACT

This paper reviews some of the early and current applications of IS-LM and AD-AS models at the intermediate macroeconomics level. While the IS-LM model is not discussed as much today as it was in the 60s and 70s, it is still an important part of some of the leading intermediate macroeconomics textbooks. By using the two models, a better understanding can be obtained of why the economy behaves a certain way in the short-run and long-run when certain key variables such as the money supply, government spending, consumption, spending, or taxes change. The IS-LM model has not faded away as rapidly at the intermediate macro level as some thought it would.

Key words: IS-LM, AD-AS, Mankiw.

THE GIG WORKER: THE GROWTH OF THE ONLINE PLATFORM, THE NEED FOR UNIVERSAL WORKER CLASSIFICATION, AND A REDUCTION OF THE TAX COMPLIANCE BURDEN

Jennifer D. Thayer, Austin Peay State University

ABSTRACT

Over the past few decades there has been a surge in workers participating in the gig economy. The term 'gig economy' also may be referred to as the 'sharing economy' or 'online platform economy.' As the number of individuals participating in the gig economy continues to grow, there are many advantages for workers; however, there is an increasing concern as to the tax compliance burden for the worker and the potential loss of the traditional employee benefits.

By engaging in contract work, the traditional protections provided by labor laws most likely do not apply to the worker, nor are the many employee benefits, such as group health insurance plans, 401(k) plans, vacation time or sick pay, offered to the worker. Along with the loss of benefits for the worker, there are also tax consequences for the worker to include their exposure to the self-employment tax in addition to income tax. Many gig workers may lack the financial knowledge to understand the complex tax filing system for a gig worker who is treated as a small business owner. The intent of this paper is to examine the existing literature regarding the gig economy, the classification of gig workers and the tax impact to gig workers.

INTRODUCTION

As the gig economy continues to increase in both consumers and providers, there is a question of how to treat the workers and the best choice for lessening the tax burdens. The current online platform gig worker is faced with many uncertainties such as availability of the next gig, the worker classification status, the lack of employment law protections, the inability to obtain many employee benefits, and the complexity of tax preparation and filing. Despite gig work serving as a key component of the traditional United States workforce for many years, the advancements in technology has proliferated the online platform economy and highlighted the inconsistencies in application and the inequitable policies with the current United States taxation system. This paper describes the gig worker's participation in the rapidly growing online platform economy. The purpose of the paper is to highlight the advantages and disadvantages for gig workers and to discuss proposed resolutions to decrease limitations to the worker and the confusion associated with the tax requirements.

WHAT IS THE GIG ECONOMY AND ITS SIZE?

A general way to define the gig economy is consumers connect with providers of a service or good outside the traditional permanent employment structure. The gig economy may be referred to as the "sharing economy," "online platform economy," "collaborative economy," or "on-demand economy' in various academic literature. The gig economy has been in existence for many decades; however, it was on a much smaller scale than today (Migai et al., 2019; Lapointe, 2016).

The introduction of the internet and smartphones resulted in an explosive growth of the gig economy. With the advancements in technology, the ability to connect consumers and providers is almost instantaneous. An example of one of the largest gig-economy firms in the United States is Uber. Other gig-economy firms seen throughout the United States include Lyft, TaskRabbit, Etsy, Handy, and Airbnb (Lapointe, 2016).

With the part-time engagement in gig work, it is difficult to get an accurate assessment of the true number of people working in this gig economy (Aloisi, 2016). Studies conducted by various organizations have shown estimates of the gig economy workers to range from 600,000 American workers up to 45 million American workers (Nellen, 2018; Lapointe, 2016; Aspen Institute, 2016). On study estimates that the gig economy will continue to grow to 43% by 2020 and to over 50% of the US workforce by 2027 (Nellen, 2018).

While the number of workers is increasing, not all workers engage in a full-time work week. Many workers in the gig economy are only using the gig work as a supplement to their income and not as the primary source of income. The Bureau of Labor Statistics (2018) stopped collecting data on contingent workers in 2005 and only recently in 2017 began collecting data on alternative employment arrangements, specifically to identify workers engaged in jobs through mobile apps and websites (Donovan, 2016). The Bureau of Labor Statistics (BLS) currently found that approximately one percent of the workforce is engaged in the alternative employment arrangements related to mobile apps and websites (BLS, 2018). The inconsistency of the available data is a primary reason there is no accurate quantification of the gig economy.

THE GIG WORKER – EMPLOYEE OR INDEPENDENT CONTRACTOR?

Any individual serving as a provider for an online or mobile app firm and receiving income through providing a service is a gig worker in the on-demand economy. An Uber or Lyft driver is an example of a gig worker. The worker provides a service, in this case, a ride, and in exchange the consumer makes a payment whereas the worker receives an agreed upon percentage from the online platform company. Historically, a worker was classified as an employee under a common law facts and circumstances test. Under the common law control test there were ten factors that were examined: control, supervision, integration, skill level, continuing relationship, tools and location, method of payment, intent, employment by more than one company, and type of business (Pinsof, 2016).

In addition to the common law control test, there are three other tests that have been used to examine whether a gig worker is an employee or independent contractor: the economic realities test, the Internal Revenue Service twenty-factor test, and the three-prong test. The economic reality test looks at the financial dependency the worker has based on continuous employment with the employer. There are multiple factors that are examined, including: the degree of control over the workers, the workers' investment in the business and the opportunity for profit or loss in the business, the degree of skill required for the work, the duration of the working relationship and the extent that the work is a necessary part of the employer's business (Petrosian, 2018).

The Internal Revenue Service previously used a twenty-factor test but have adjusted it to a three-category test examining behavioral control, financial control and the relationship of the parties to determine classification ("Understanding Employee vs. Contractor Designation," n.d.). With cases being filed in various state courts regarding the question of employee versus independent contractor, Massachusetts was the first to pass a statute using a three-prong test to determine if a worker was an independent contractor. The three prongs consisted of: 1) control – the worker is free from control and direction in connection with the performance of the service, both under his contract for the performance of service and in fact, 2) the service is performed outside the usual course of the business of the employer, and 3) the worker is customarily engaged in an independently established trade, occupation, profession or business of the same nature as that involved in the service performed (McGee, 2016; Massachusetts General Laws, 2004). The type of test used depends on the court, gig economy firm, or government agency attempting to answer the employee-independent contractor question (Pinsof, 2016; Petrosian, 2018).

There has been much debate, literature and court cases regarding the question on how to classify the online platform gig worker as either an employee or an independent contractor. The ramifications of this classification are influential in the gig worker's livelihood as an on-demand economy contributor. However, due to different gig economy firm's interpretation, suits being filed in various jurisdictions, and court rulings related to this classification, no test is an absolute test. Any individual can interpret the facts and circumstances differently and the facts and circumstances emphasized by examining individuals or courts have not been consistent (Atmore, 2017).

For the online platform firms, it is to their benefit to not treat workers as employees. The argument being that the worker is in control and free to choose when and how often they work, there is no direct supervision of the worker nor performance evaluations performed by the firm, and there is no limit to the worker earning income by working for competitors. The opposing argument against employee classification is that there is control by the firm since they set the price of the service provided and the rate the worker is paid (Atmore, 2017).

In April 2019, the National Labor Relations Board (NLRB) has asserted that cases with workers using business models similar to Uber should not be classified as employees, but instead contractors. While this decision is not a precedent binding decision and could be subsequently overruled, it does carry weight in how the NLRB may handle future labor dispute filings to them. For this classification to become universal it would need to be codified by Congress. The general counsel's office looked at several factors, but focused on the entrepreneurship opportunities, control of the worker schedule and worker equipment (i.e. vehicles) when making this decision (Scheiber, 2019).

BENEFITS AND DRAWBACKS OF BEING A GIG WORKER

There are benefits to being a gig worker, even if classified as an independent contractor. The worker can create a schedule that can accommodate other jobs, family or education. Many gig workers engage in gig work in addition to full-time employment to earn extra income. Other gig workers may work for several different gig firms instead of working one full-time job. Many gig workers like the autonomy of working in the gig economy. They are not under anyone's direct supervision and enjoy the freedom of being their own boss. The flexibility is one of the main motivators for workers to begin participating in gig work (Pinsof, 2016).

However, if the classification of "independent contractor" applies, one drawback for the gig worker is no longer having protection under labor laws. One such labor law is the Fair Labor Standards Act. Under the FLSA, minimum wages must be paid, and hours worked in excess of 40 per week require overtime compensation. The National Labor Relations Act allows for collective bargaining for the employees, however without "employee" status the NLRA would not apply to the gig worker. In addition to protection for minimum wage, overtime compensation and collective bargaining, the gig worker is likely to be ineligible for unemployment compensation. The gig worker is also limited in the benefits offered to traditional employees, such as group health insurance, 401(k) participation, sick leave or annual vacation days (Donovan, 2016; Dau-Schmidt, 2018).

COMPLEX TAX REQUIREMENTS FOR A GIG WORKER

If we continue to classify gig workers as independent contractors, the worker has much more complex filing and paying requirements. With a large part of the gig worker population being young and inexperienced in income tax requirements, many are not aware they are considered small business owners. The worker will be responsible for his or her own share and the employer share of Social Security and Medicare taxes (self-employment tax) in addition to income tax. With the treatment of independent contractor (small business owner), the worker is now responsible for keeping a record of all income and expenses related to the gig work. The current system is not clear in how income will be reported to the worker via a 1099-MISC, 1099-K or not at all. The 1099-MISC requirements would have a worker receiving a tax form showing all income earned in excess of $600. However, under I.R.C. §6050W, the online platform firms may be considered intermediaries, and only be required to issue a 1099-K form. The requirements for this form to be issued are when payments are in excess of $20,000 and exceed 200 transactions. (Thomas, 2018; §6050W(e)).

Since data shows the average gig worker earns under the $20,000 limit, this leaves a gap of $19,939 that may not be reported to the gig worker or the Internal Revenue Service. It would be the gig worker's sole responsibility for tracking the income and voluntarily reporting to the Internal Revenue Service (Bruckner, 2016). This is a burden on many gig workers as they are not familiar with the tax requirements of a small business. The gig worker may be required to file and pay quarterly estimated taxes to the Internal Revenue Service.

In addition, if they do track their income, they may not be aware of the applicable deductible expenses related to the work that could ultimately reduce both the self-employment tax and income tax. For example, in the case of an Uber or Lyft driver, the gig worker would be able to offset the income directly with business mileage or fuel and other ordinary and necessary business expenses. Under the Tax Cuts and Jobs Act the gig worker may be eligible for the newly created qualified business income deduction which reduces taxable income for the taxpayer with up to a 20% deduction on the net profit of business income. While the deduction for expenses to offset income and the qualified business income deduction are beneficial to the gig worker, the likelihood of all workers being familiar with or understanding how the tax filings work is low (Thomas, 2018).

PROPOSED RESOLUTIONS FOR WORKER CLASSIFICATION

Many proposals have been made by scholars, courts, state and federal legislators and labor experts on how to address the inconsistency of gig worker classification. Pinsof proposed in her article, "A New Take on an Old Problem: Employee Misclassification in the Modern Gig Economy" that three steps should be taken to improve classification or workers. These steps included: 1) a presumption of employment should be included in a new test for classifying workers, 2) the new test should be limited in the number of factors considered and eliminate previous factors that are not relevant in the modern economy (i.e. method of payment), and 3) the new test adopted should become the standard for all federal statutes and supersede any previous tests used. Based on these steps, Pinsof suggests the three-prong test adopted by Massachusetts to be the guide for classification of workers (Pinsof, 2016).

Harris and Krueger outlined a proposal for a new class of worker, the "independent worker." The independent worker status would apply to workers who provide services to customers using the help of intermediaries. A gig worker using an on-line platform would qualify has an independent worker. If Congress created the independent worker status it would create some protections for the workers under labor laws, but not to the extent provided for employees. (Harris, 2015).

TAXING THE GIG WORKER

Accurate information reporting is critical to the reform on tax policies related to the gig worker. This can be rectified with clarification of §6050W, that all information reporting from third party intermediaries issue a Form 1099-MISC to any worker earning in excess of $600. By implementing the reporting of any amounts paid over $600, gig workers are better able to track their own income for tax reporting purposes. This implementation would also benefit the Internal Revenue Service in tracking taxpayer earnings (Oei, 2016, Thomas, 2018).

An additional proposal from Thomas would help to reduce the gig worker's burden regarding quarterly estimated payments and self-employment taxes. In order to do so, Congress would need to pass legislation instituting a withholding option by the online platform firm to cover the estimated amount for gig worker's self-employment tax. This withholding requirement would not require the gig firm to pay employer portions of FICA tax, but only to withhold and remit from the gig worker's earnings. While this requires an online firm to take on more reporting responsibilities, organizations such as Uber or Lyft are better equipped than the inexperienced-in-tax gig worker to handle this reporting requirement (Thomas, 2018).

According to a previous Commissioner of Internal Revenue, John Koskinen, "the compliance rate is very high for income that is subject to third-party information reporting, and higher still when you also have withholding. The study found that when there is information reporting, such as 1099s, income is underreported only about 7 percent of the time. That number drops to 1 percent for income subject to both third-party reporting and withholding. But the number jumps to 63 percent for income not subject to any third-party reporting or withholding" (Cohn, 2016). The withholding proposal may offer the best solution in the way of compliance based off this information from the Internal Revenue Service.

CONCLUSION

While research and studies are becoming more common in the area of the gig economy, specific to the online platforms, there is still room for more research. Unfortunately, due to the nature of the gig economy as explained in this paper, collecting accurate and reliable data is a limitation. There are constant entrances and exits of workers in the gig economy thus making capturing the data for the volume of workers at any time difficult. As such, the measure of the tax revenue or loss related to gig workers is difficult to determine. Since the information available suggests this model of work seems to only be growing, and there is much debate on the worker classification, it is necessary for this issue to be resolved in order to address the potential tax ramifications for the gig worker. Once the classification of the worker is resolved, whether by a consensus on the designation between the current employee versus independent contractor, or by way of a creation of a third class of worker, the best path to handle the reporting and collecting of taxes related to the gig worker should become a much less confusing ordeal for the individual.

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"A STUDY OF PARADIGM SHIFTS IN CUSTOMER RELATIONSHIP MANAGEMENT PRACTICES IN INDIA"

Lokinder Tyagi, Quantum University, Roorkee
Preeti Tyagi, Amity University, Noida.

ABSTRACT

"The purpose of business is to create and keep a customer" – Peter Drucker

In this age of globalization the corporate world is enthusiastically adopting Customer Relationship Management practices with the help of information technology. As per the data available CRM delivers approximately 245 per cent return on investment. Organizations can increase 41% revenue with the help of effective CRM practices. It has also been opined that in the companies where CRM system is nurtured it can convert 47% growth. These are some alarming facts and figure which boost up effective CRM practices in the Indian Corporate World. The purpose of this paper is to study the journey of CRM in Indian Corporate world i.e. from traditional to modern business houses. The paper also discussed different perspective of CRM experienced from traditional to modern world with the help of advance technology.

Key Words: CRM, Information Technology, Corporate World, customer

INTRODUCTION

The world is experiencing a phenomenal change towards the customers' relationship management and has been continuously working to improve the practices of customer satisfaction and their retention strategies. Reason is very clear that the perception of the customer is being changed drastically from time to time and it is indispensable for any business house to adopt customer centric policies and practices like focusing on invention of new product and services with constant improvement tuned with the interest of customers. For example Apple launches new mobile phone every six months or so with new features to attract and retain customers thus part of CRM of the company.

The Internationally renowned Management Guru Drucker PF, 1963 opined changes in the behaviouor of customers during the last five decades as under:

- The first decade from 1961 to 1970 the approach of business houses was on servicing the customers.
- The second decade from 1971 to 1980 the approach of business houses changed from servicing he customer to satisfying the customer.
- In Third decade from 1981 to 1990 the approach of business houses changed to pleasing the customers.
- The Fourth decade from 1991 to 2000 the business houses focus on delighting the customers; and

- In Fifth decade from 2001 onwards the business houses are dedicated and focusing on beyond relating the customer and today customer relationship management has become only customers' need centric.

So in this era of mature market and stiff competition, organizations and business houses are realizing that customers are the most precious assets for their survival and growth.

OBJECTIVE

The purpose of this paper is to study the journey of CRM in Indian Corporate world i.e. from traditional to modern business houses. The paper also discussed different perspective of CRM in the modern world with the help of advance technology.

LITERATURE REVIEW

Though there has been a huge literature available on the concept of CRM and its related aspects directly or directly related to different industries and sectors like Banking, FMCG, Hospitality, IT etc. etc. Some of the relevant literature review is given below:

Baker and Nasr (1998) observed that customer relationship with the managers is ever lasting and seller should capture buyer's preferences and interest as much as possible for a longer time. Panigrahy, 2000 opined that focus of marketing has changed to management of relationship with the customers. Proenca and Decastro, 2005, Trethovan and Seullion, 1997, Crane and Feelers, 1993 felt rapid change in the banking sector and emphasized on adoption of various relationship marketing strategies for taking competitive advantage in the market place. Kamath et al., 2003 gave his findings that winner in the banking sector will be who can understand the customers liking, fulfills their needs and maintain their retention.

METHODOLOGY

This research paper is intended to study how the customer relationship management practices have changed from decade to decade and what are the focus areas of paradigm shifts in CRM in India. This is a descriptive study and based on the extensive literature review on the topic. The relevant information, facts and figures have been sourced through secondary data using various newspapers, books, magazines, journals and websites. Primary data has also been used through the instrument of Personal Interview of some academicians and industry people.

CONCEPTUAL DISCUSSION

The corporate world realized the paradigm shifts in CRM and has accepted the significance of attaining and retaining the customers for their sustainability and growth for any business. The paradigm shifts of CRM has been noticed and evaluated on various factors and changes in traditional to Modern businesses as given below:

- In traditional businesses it was seller's market means the shopkeepers and marketers were in demand and customers use to depend on them for their needs. While in the Modern businesses it is known as Buyers' market means shopkeepers depends on the liking and preference of customers.

- In traditional businesses the market was protected while in modern businesses it is open market.
- In traditional businesses the market was projected with domestic products while in modern businesses increase of global brands is there.
- In traditional businesses, it was friendly competition while in modern businesses cut throat competition is there.
- In traditional businesses there were limited choices for the customers while in modern businesses there is huge choice for the customers.
- In traditional businesses there was very limited television promotions while in modern businesses extensive use of television and ICT is there for business promotions.
- In traditional businesses there was cost plus pricing while in modern business it is competitive price cutting.
- In traditional businesses there was limited role of services while in modern businesses it is highly increased role of services.
- In traditional businesses there was fundamental stand alone system while in modern businesses there is huge promotion of Enterprise system like ERP, CRM etc.
- In traditional businesses focus was on gaining new customers while in modern businesses focus on retention of existing customers is there.

(Source: IBA Bulletin 25 (8), August (2004) p-16)

FINDINGS

Keeping in view of the study of important factors and changes in the business houses, it is founded that CRM has a great role in the organizations. But at the same time fact remain each organization and business house has its own ways and priorities of CRM effectiveness. The Harvard Business School Study has indicated "Companies that put customers in the center are six times more likely to achieve growth goals". In other words it is directly emphasizing on the importance of CRM in the growth of organizations and business houses. The business houses has to develop CRM centric strategies if want to get benefit from its long term loyal customers. While formulating the strategies, business houses should include following important aspects of CRM:

- The business houses should maintain continuous relationship with the customers through online communication, email, online reminder card, greeting card, periodical fliers, etc. This will have direct influence on the customers and promotes effective CRM practices.
- The Companies and business houses should train their employees for developing positive behavior and helping attitude towards customers.
- The companies and business houses should develop and maintain a culture of effective customer relationship management.
- The companies and business houses should encourage the customers to return to them, which can be done through special membership discount, recognition of senior customers in social events etc.

- The Companies and business houses should develop empathy towards customers and try to understand and solve their problems.

It is concluded that by incorporating above points in their strategies, companies and business houses shall be able to develop effective CRM practices which will surely and directly contribute in achievement of organizational goals and growth.

RECOMMENDATIONS

In view of the above study it is recommended that business houses and companies should encourage the use of database using script in CRM Application including cloud computing, social media, business analytics etc. Social media undoubtedly has emerged as one of the very important tool to influence the customers for branding and marketing hence it should also be used as CRM tool. Software as a Service (SaaS) certainly help the companies not only in cost effectiveness but also quality effectiveness with no large investment. Company should also used predictive analytics for analyzing the past customer behavior and also predict the future behavior of customer based on the statistical models.

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CO-MOVEMENTS BETWEEN BITCOIN AND GOLD

Priti Verma, Texas A&M University, Kingsville
Rahul Verma, University of Houston, Downtown

ABSTRACT

Gold has played an important role in the financial system since the beginning of gold standard exchange rate regime. Historically, investors have used gold as a means of exchange, store of value and as a hedge against inflation. Bitcoin has been called as digital gold (Popper 2015a, 2015b) and has also been labelled as "New Gold" by media and banks. Bitcoin and gold have several similarities. Firstly, both Bitcoin and gold do not generate cashflows and are mined assets. Like how gold is mined out of the ground, Bitcoin is mined digitally. Secondly, both Bitcoin and gold have limited and finite supply. The supply of Bitcoin is set at 21 million coins. Thirdly, the Commodity Futures Trading Commission official declared Bitcoin to be a commodity, just like gold. The paper examines the price and volatility transmissions from Bitcoin to gold and vice-versa. This paper also investigates the asymmetric impact of negative and positive innovations on volatility transmission across Bitcoin and gold. Using daily data from January 2013 to March 2019, results show that there exist price and volatility spillovers from Bitcoin to gold and vice-versa. Furthermore, results also show that negative innovations from Bitcoin and gold impact volatility more than the positive innovations. The results of this study will have important implications for investors and financial advisors who are looking for a safe haven asset in terms of whether they should continue holding gold in their portfolio or replace it with Bitcoin.

EXPLORING THE RELATIONSHIP BETWEEN INTERNET COMPANIES' WEBSITE TRAFFIC AND CORPORATE FINANCIALS

John Finley, Columbus State University
Yaojie "William" Li , Columbus State University

ABSTRACT

One of the best ways to understand a company is to visit its website. In contemporary society, it is prevalent for all businesses to have their websites, regardless of the industry, company size, and geography. A company's website likes a virtual business card, aiming at promoting products and services while communicating its culture and value. The rise of Internet companies well exemplifies the power of the Internet - not only network and communication technologies, but also an emerging business model that streamlines the process, enhances communication and collaboration, and expands the landscape of the digital economy. In particular, developing and maintaining prosperous platforms and mobile website traffic have been accentuated among these Internet companies. We suggest there can be two groups of factors determining website popularity among Internet users. One is technology advances that many technological pilots such as Google and Microsoft have been pursuing. These technology-oriented companies would hence make an enormous investment in research and design annually, thus maintaining the competitive advantages in the market. Another group can be deemed as more human-oriented, including social networking, e-commerce, and review companies. They as well desire dynamic traffic in that their profits are based on these online activities and transactions. We speculate that the latter group of Internet companies would allocate more resources in marketing, advertising, and social capitalizing.

Acknowledging the importance of website traffic to Internet companies, we tend to address the primary research questions as follows: 1) Is the website traffic of Internet companies associated with their corporate financials, such as revenue, profits, stock prices, as well as their expenditure in research and design, marketing and advertising? 2) Will these expenditures differ in the aforementioned categories of Internet companies? Although a few studies have investigated the value relevance of network advantage – dynamic website traffic in terms of quantity (e.g., daily views) and quality (e.g., daily staying time), they focused more on private firms' data (e.g., Hand, 2001; Rajgopal et al., 2003; Truman et al., 2001) due to a lack of data and metrics related to the website traffic of public companies. In this study, we will the OLS regression model and select the target companies following the ranking list of Alexa.com – a web traffic analysis company wholly owned by Amazon.com, Inc. Also, we will retrieve the traffic data from Alexa.com. For the corresponding corporate financials, we will use the Standard & Poor's Compustat database. Further, we will classify Internet companies into four industrial categories: Social Media & Networking, Search Engines, E-Commerce & Auction Services, and Internet Services companies to investigate the intergroup differences, as well.

PLAYING FOLLOW-THE-LEADER MISSTATING FINANCIAL STATEMENTS: IMPACT ON CEO COMPENSATION AND COST OF CAPITAL

Justin Wood, Idaho State University
Lawrence Murphy Smith, Texas A&M University-Corpus Christi

ABSTRACT

This study examines whether managers and firms are rewarded for misstating their financial statements in situations where there are incentives to do so, specifically, when an industry-leading peer is fraudulently inflating its reported earnings. We test to see if managers experience an increase in compensation as a result of misstatement. We also test to see if their firms benefit from misstating via changes to their cost of capital. Results suggest that neither managers nor their firms benefit from managing earnings by misstating financial statements. These findings are important because a manager who ex ante understands that misstating will not lead to benefits personally or his/her firm is less likely to misstate in the first place.

A PILOT STUDY ON THE IMPACT OF ECOCONOMIC POLICY UNCERTAINTY ON BANK LENDING ACTIVITIES

Fang Zhao, Siena College, Loudonville, New York

ABSTRACT

The measures of economic policy uncertainty (EPU) by Baker, Bloom, and Davis (2016) (Hereafter, BBD) has been increasingly used in macroeconomics and finance literature. The purpose of this paper is to assess how economic policy uncertainty (EPU) affects bank lending activities and whether the magnitude of the impact differ across interest-rate derivative users versus nonusers. A large body of literature have examined the linkage between EPU and some real-economic-activities such as debt-financing, merger and acquisition, and corporate investment. Unlike interest-rate uncertainty, most of the manifestations of uncertainty investigated in these literature cannot be readily hedged. It would be a timely research topic to explore the impact of EPU on bank lending and interest-rate derivative-usage. The pilot study results indicate that EPU is associated with larger declines in commercial and industrial loan growth at smaller banks, weakly capitalized banks, and non-derivative users. The pilot research study sets the stage for further empirical investigations that will enrich the understanding of whether interest-rate derivatives usage allows banks to be better shielded from economic policy uncertainty.

Key Words: Economic Policy Uncertainty, Banking; Interest-rate Derivatives; Intermediation; Systemic Risk