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# **MENTAL ACCOUNTING: MEMBERSHIP FEES OR PAY-PER-USE?**

**Cliff Abdool, College of Staten Island**

**Mark Stroud, College of Staten Island**

**Naushad Mohammed, College of Staten Island**

## **ABSTRACT**

*The United States fitness industry is rife with competition, as organizations fiercely battle for consumer dollars. A majority of these firms charge membership fees for the use of their facilities; however, we question whether or not this pricing structure alone is the most profitable. Using the theory of mental accounting, we contend that a combination of membership fees and pay-per-use plans would increase firm profitability.*



# **A FRIEND IN NEED IS A FRIEND INDEED: EMPLOYEE FRIENDLINESS AND WORKING CAPITAL MANAGEMENT.**

**Hari Adhikari, Embry Riddle Aeronautical University**  
**Thanh Nguyen, University of South Carolina Upstate**  
**June Pham, Shippensburg University**

## **ABSTRACT**

*We examine the effect of a firm's employee friendliness on short-term financing. We find that employee-friendly firms have significantly shorter Cash Conversion Cycle (CCC) compared to other firms. We further establish that the shorter CCC in employee-friendly firms is mainly due to the longer Days Payable Outstanding (DPO). Using financial constraint as an exogenous shock, we provide evidence that the relationship of employee friendliness with shorter CCC and longer DPO is strongly significant for the firms with a lower probability of bankruptcy but not related to the firms with a higher probability of bankruptcy.*

**Keywords:** *Employee friendliness, Working Capital Management, Short-term financing, Cash conversion cycle*

*JEL Classification: G30, M40*

# THE FALL OF AFGHANISTAN: DEFENSE CONTRACTORS AND THE MARKET

**Walton T. Baines, Longwood University**

**Frank Bacon, Longwood University**

## ABSTRACT

*This study analyzes the fall of Afghanistan and its effects on defense contracting companies that had contracts with the United States and test the market efficiency of reacting to the announcement. It suggests that these companies would have likely suffered after the fall of Afghanistan to the Taliban and having contracts that may have become uncertain in its wake. This study tests the semi-strong market response that should be expected from the announcement and its effect on companies directly involved in Afghanistan and United States business relations.*

## INTRODUCTION

In August of 2021, United States troops were in the process of being withdrawn from Afghanistan and military operations were turned over to the Afghan military and government. During this announcement of a withdrawal, Taliban forces launched a military offensive and on August 16<sup>th</sup>, 2021, it was announced that Kabul, the capital of Afghanistan, had fallen to the Taliban. Before this event took place numerous defense contracting firms had signed contracts with the United States Department of Defense and the government of Afghanistan. This event influenced these companies' stock prices.

This study is meant to use market efficiency tests to determine how their stock prices were affected. There are three different types of market efficiencies, weak form, semi-strong form, and strong form. Weak form is representative of all public information that has been announced in the past. Semi-strong form focuses on events and announcements and states that no above normal profits can be made in the market since it reacts in turn with these announcements. Strong form is where the market reacts to public and private information where above normal returns cannot be made since the market reacts too fast. This study is on semi-strong form and how quickly the market for defense contractors reacted to the announcement that Kabul had fallen. It uses the risk adjusted returns of the top ten defense contracting companies as follows:

1. *Boeing*
2. *Raytheon*
3. *Lockheed Martin*
4. *Northrop Grumman*
5. *General Dynamics*
6. *McKesson Corp.*
7. *Huntington Ingalls Industries*
8. *Humana Inc.*
9. *BAE Systems*
10. *L3Harris Technologies Inc.*

## LITERATURE REVIEW

For the literature review a lack of financial analysis articles was present due to the fall of Afghanistan being so recent, but there were some articles written on MarketWatch and yahoo finance. These articles could be used to make potential hypotheses and compare with the data to determine if their recommendations should be followed or not.

The first article was on MarketWatch (DeCambre 2021) and discussed how the stock market reacted to the Taliban taking over Kabul. It suggested that defense contractor companies such as Boeing and Lockheed Martin were in a strong support position since these companies had contracts with the United States government and the loss of supplies in Afghanistan would most likely need to be replaced. The article also stated that the issue with war is that markets do not always move in the expected way financial analysis would dictate they should.

The second article on yahoo finance (Dutta 2021) discussed stocks that potential investors should buy because of the Taliban take over. The article looked at defense contractor companies such as General Dynamics and recommended that investors purchase them. The article bases these decisions on the instability of the United States potentially going back into Afghanistan and the Afghan military fighting back against the Taliban. The potential conflict in Afghanistan would contribute to increases in these defense contractors stock price just like they had been increasing since 2001 and the declaration of the United States war on terror.

## METHODOLOGY

This study uses the stock prices from the top ten defense contractor companies stated in the introduction and compares them to the S&P 500 stock prices over a period of 180 days before (-180) the Taliban took over Kabul to 30 days after they did (-30). This event study is to study how fast the market reacts to the information provided.

There are two separate hypotheses for this event study:

*H1: That the risk adjusted return of the stock prices will be negatively affected by the announcement.*

*H2: The risk adjusted return of the stock price will not be negatively affected by the announcement.*

This study uses the stock prices of the ten firms and adjusts them for the risk of the market using the formulas:

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

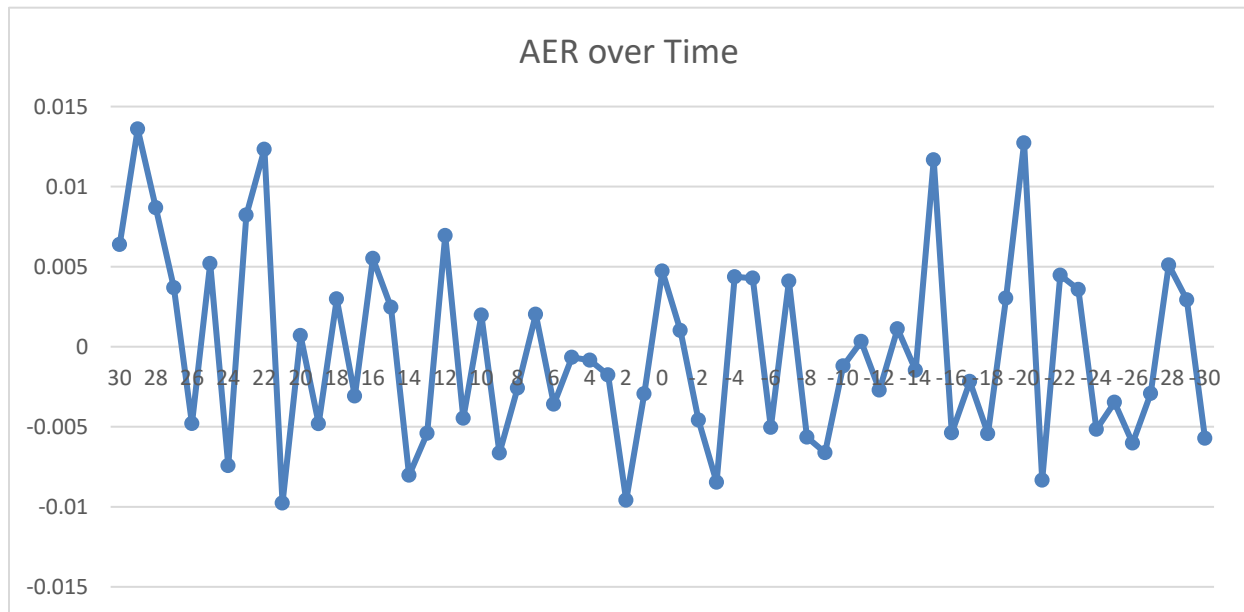
$$\text{Current daily index return} = \frac{(\text{S\&P 500 current close} - \text{S\&P 500 previous close})}{\text{S\&P 500 previous close}}$$

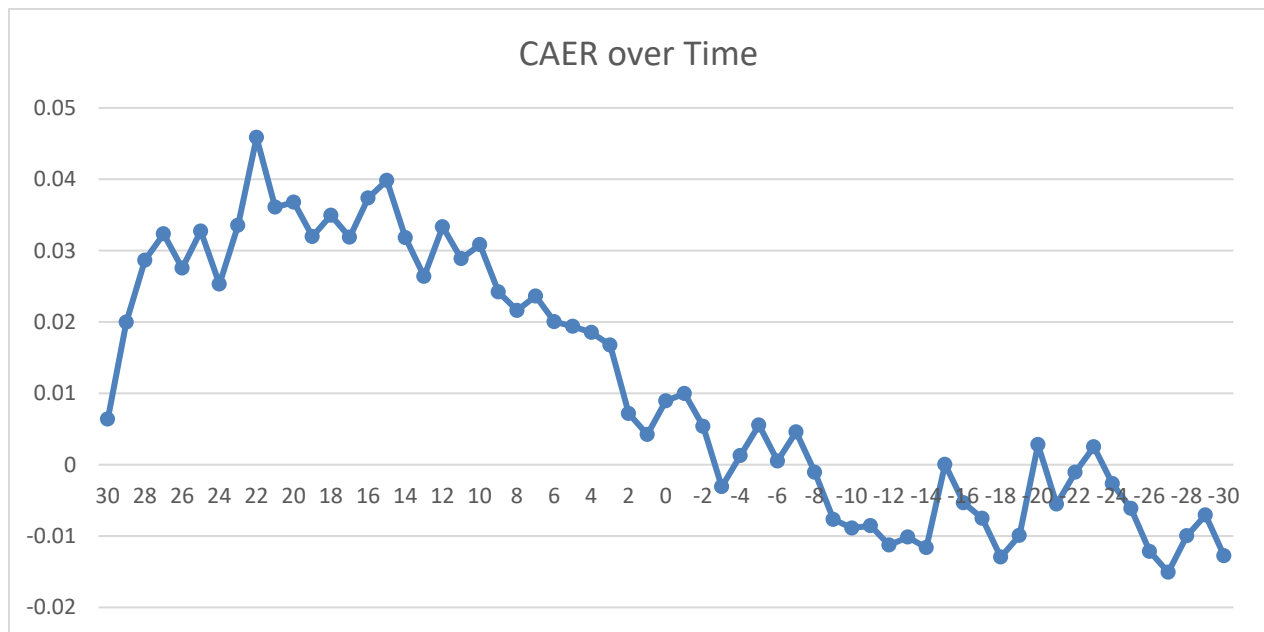
After using these formulas, the risk adjusted returns for each company are present as well as the S&P 500 risk adjusted return. This was performed for stock process from -180 to 30 and then a regression test was performed on each of the risk adjusted returns for each firm compared to the S&P 500's returns to find the alpha and Beta of each firm. The alpha and Beta for all firms are as follows:

Firm	Alpha	BETA
BA	-0.0009	<u>1.453931</u>
RTX	-0.0001	<u>1.098809</u>
LMT	-0.00072	<u>0.456803</u>
NOC	0.000398	<u>0.42266</u>
GD	0.000709	<u>0.685982</u>
MCK	-0.000000709	<u>0.8176225</u>
HII	0.000277	<u>0.736171</u>
HUM	-0.00043	<u>0.507127</u>
BA	0.000521	<u>0.084899</u>
LHX	0.000159	<u>0.611612</u>

After calculating the alpha and Beta for each individual firm, the expected return for the firms (S&P 500) minus the actual return of each firm (the risk adjusted returns of each firm) gave the excess return (ER) of each firm. Then each's excess return was summed up for each period from -180 to positive 30. This number was then divided by the number of firms (10) to get the average excess return (AER) of the firms for each period from -30 to 30. Then these numbers were summed up chronologically for each period (Sum -30, Sum-30&-29, Sum-30&-29&-28, etc.). This formula produced the cumulative average excess return for the firms over the -30 to 30 period.

This data was used to compare the change over time from 30 days before the event to 30 days after. These cumulative average excess return gives the details on whether the firms were negatively or not negatively effected by the Taliban takeover.





The data graphs above show that there is a slight dip a few days before and after the event, but the overall progression of the data is positive until a fall around 27 days after the event. This supports H2 hypothesis that the risk adjusted returns were not negatively affected by the announcement. It is the opposite, the risk adjusted returns are more positive after the announcement.

## CONCLUSION

The study conducted a semi-strong form analysis test of the market's reaction to the fall of Afghanistan to the Taliban using defense contractor companies as a sample. The CAER data demonstrates that the firms were positively affected by the announcement, and this can be seen on the graphs where from -1 to 22 the CAER rises due to market overreaction and then falls after 22 due to the market returning back to previous levels. While these inflated CAER data points are likely the result of inflation of consumer confidence, it also shows that the firms are returning to arbitrage after the overreaction of the event has subsided by day 22. Overall, this study supports the thesis that defense contractors were positively affected by the announcement and the market does have a strong response to information.

## REFERENCES

- <https://www.marketwatch.com/story/what-the-collapse-of-the-afghan-government-might-mean-for-the-u-s-stock-market-11629081544>  
<https://www.yahoo.com/now/3-defense-stocks-buy-post-132901418.html>

# DARK TOURISM IN CUBA

**Hilary Becker, Carleton University, Ottawa, Canada**

## ABSTRACT

*Cuba is an island in the Caribbean known for its Sun & Sand, Old Cars, Music, Cigars and Rum. The tourism industry is a principal driver of the economy with nearly 4.7 million tourist arrivals prior to the pandemic in 2019 and contributing 3.5% to the GDP. Expansion of tourism in Cuba, under the direction of the Ministry of Tourism, (MINTUR), has been to expand the number of beachfront locations and develop eco-tourism. Most international tourists know parts of Cuba's history; Fidel Castro, Che Guevara and the Cuban revolution, the U.S. blockade, however there is another side of Cuba, one of which tourists are largely unaware, but are starting to inquire about. This would be the realm of Dark Tourism (Turismo Oscuro). Some dark tourism monuments exist in Cuba, such as the gravesite of Fidel Castro and Moncada Barracks in Santiago de Cuba, the Che Guevara Mausoleum in Santa Clara and the Museum of the Revolution and Revolution Square in Havana, but others remain unexplored or unrecognized by the Cuban government.*

*Aside from the revolutionary history and dark tourism prospects stemming from these, other areas of Dark Tourism provide opportunities to expand tourism in Cuba. The present paper will seek to shed light on the unexplored possibilities for Dark Tourism opportunities in Cuba as a way for both the tourist to better understand Cuba's history and the Cuban society and for the Cuban peoples and communities to educate tourists and share their stories, ideologies, and beliefs. Dark Tourism opportunities discussed will include the town of Matanzas (Massacre), the presidio modelo (model prison) and the Santeria Religion among others and will discuss models to present these opportunities for development to benefit both Cuban small business enterprises, communities, and the government.*

**Keywords:** Cuba, Dark Tourism, Tourism

# **BUILDING YOUR CAREER THROUGH PERSONAL BRANDING: USING A 'BRAND EQUITY' APPROACH TO SETTING GOALS AND DEVELOPING PLANS**

**Stephen C. Betts, William Paterson University  
Solomon Nyaanga, William Paterson University**

## **ABSTRACT**

*When planning your career, you can see yourself as a service provider with your name being the equivalent of a consumer brand name for marketed products and services. This perspective is called 'Personal Branding'. A personal brand increases the demand for an individual on the employment market just as consumer brands stimulate the value of and demands for products and services. In this presentation we explore the outcome of a 'Personal Branding' approach used in an MBA capstone course. It was part of a 'Personal Strategic Plan' required of each student as a major course deliverable. Over the last year we asked students to use dimensions of 'brand equity' (Aaker, 1992) - awareness, associations, quality and loyalty – to develop their personal brand. We will describe the different approaches taken by students. We will explore what they emphasized in their analyses and how they used the dimensions of brand equity to set goals that increase their value in the job market and make plans for a more successful career.*

**Key terms:** *Personal Branding, Brand Equity, Careers*

# **LEVERAGING RESOURCES FOR RAPID DEPLOYMENT DURING CRISIS: HELPING SMALL BUSINESSES SURVIVE COVID**

**Stephen C. Betts, William Paterson University  
Vincent Vicari, Small Business Development Center at Ramapo College**

## **ABSTRACT**

*Small businesses needed immediate help when the COVID-19 global pandemic hit. The need for a wide range of assistance jumped exponentially as the crisis developed. America's Small Business Development Center (SBDC) network responded by leveraging resources from their national network and local sources to immediately provide services at no cost. The SBDC at Ramapo College in Bergen County (NJ) was able to deploy an array of resources in a unified manner to mitigate the spiraling negative impacts of a unique crisis of unknown duration or severity. In this presentation, we will explore how governmental resources, community support and a network of expert consultants with a wide range of skill sets were combined in unique ways to create leverage and provide maximum support for small businesses.*

**Key terms:** COVID-19 response, Small Business, Crisis Management



# **VIRTUAL WORKPLACE TRAINING AND THE CIRCULAR ECONOMY**

**Stephanie L. Bilderback, Austin Peay State University**

**Mohammed Movahed, Austin Peay State University**

**Vikkie McCarthy, Austin Peay State University**

## **ABSTRACT**

The purpose of this research is to explore the benefits and challenges of web-based or virtual workplace training. This paper examines the impact COVID-19 had on workplace training and the social factors of the circular economy. This topic is important because as businesses, globally, continue post Pandemic, virtual workplace training has the potential to address sustainable development goals by impacting social dimensions of the circular economy such as labor practices and decent work. Women, as primary caretakers, and the disabled are often excluded from higher-paying jobs due to lack of training. With the expansion of training opportunities, there is potential to increase diversity, equity, and inclusion.

## **INTRODUCTION**

Workplace virtual training includes training for safety, specific job skills, and soft skills (Gordon, McNew, Trangenstein, & Weiner, 2019; Jack, 2021; Shamsudin, Mahmood, Rahim, Fathi & Masrom, 2018). Researches agree that employee training and development is good for business (Rajan, & Krishnan, 2021; Schneider, 2009). Although virtual training is not new (Malmsköld & Svensson, 2012) there is increasing evidence that virtual workplace training is effective and can aid economic recovery increase access and diversity in the workplace (Anyanwu et al., 2020; Pocock, 2020; Rajan, & Krishnan, 2021; Travis, 2021). Businesses around the world continue to manage the challenges resulting from the COVID Pandemic (Anyanwu, Eli-Chukwu, Igbokwe & Okeke-James, 2020; Avikal & Singh, 2020; Balmuth, Brady & Miller, 2020). Moreover, workplace virtual training can increase diversity and inclusion by providing opportunities for groups such as women and the disabled who have historically been excluded from the workplace. Travis (2021) argues that before COVID-19, “the judiciary largely accepted the ‘full-time face-time norm’ resulting in the systematic exclusion of persons with disabilities, women, and other members of protected groups from certain jobs,” (p. 203).

Assessing the global economic impact of virtual training is difficult. One method to do this could be in evaluating its impact on the circular economy. The circular economy views economic impact in terms of using natural resources in a way that reduces waste, circulates the resources at their highest value, and regenerates these resources (Ricardo-Weigend, et al. 2020). The natural resources for workplace training and development are human resources. Investing in training and development in human resources increase their value of them, and continual development regenerates these resources.

## VIRTUAL TRAINING COSTS & BENEFITS

Training is costly, with \$90.6 billion being spent on training in the U.S. in 2017 (Devarakonda, 2019). Training costs often give a company sticker shock, and they are quick to eschew investing in employees. While training is costly and time-consuming, it is crucial in ensuring an employee performs work that is up to the corporation's standard. Investing in employees is an excellent return on investment (Devarakonda, 2019), yet it is an aspect many managers want to avoid. Ongoing corporate training increases job satisfaction, retention, and even productivity (Devarakonda, 2019). The climate for organizational sustainability strengthens with consistent training allowing for heightened motivation levels amongst employees (Song, Gu, & Cooke, 2019). Even for current employees, training is imperative to keep them engaged.

Keeping a position vacant is expensive and detrimental to morale for current employees. A company often waits for the perfect match, with 57% of companies taking more than 30 days to hire for a role ("Here's How Long," 2015). This was a viable strategy during the Great Recession, with so many desperate job seekers, but now is a dangerous strategy. The unhappy employees have more career opportunities in an improved economy and are quick to jump ship than they were during the Great Recession (Campione, 2015). Instead of holding out for a perfect candidate, corporations should be receptive to getting positions filled quickly (but effectively) and invest in training those new workers.

## THE CIRCULAR ECONOMY AND VIRTUAL TRAINING

Research related to labor practices and decent work, training, and education that increases diversity and equal opportunity, the fair distribution of income and quality and well-being offers insight into the benefits of virtual workplace training (Singh & Singh, 2019; Ünal, Urbinati, & Chiaroni, 2019; Wysokińska, 2017). Below is a list of SDGs and their relationship to some of the relevant research.

*Goal 1. End poverty in all its forms everywhere (Oh, DiNitto, & Kim, 2021)*

*Goal 3. Ensure healthy lives and promote well-being for all at all ages (Routh, 2021).*

*Goal 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all (Ünal, Urbinati, & Chiaroni, 2019)*

*Goal 5. Achieve gender equality and empower all women and girls (Ünal, Urbinati, & Chiaroni, 2019)*

*Goal 8. Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all*

*Goal 10. Reduce inequality within and among countries*

The ability for organizations to utilize e-learning within their organization offers the ability to provide information to employees that is impactful with an immediate delivery virtually anywhere the employee has access to the e-learning system electronically. Employees within an organization can utilize e-learning processes from many different electronic devices which allows for ease of ability to receive information that is important toward their work at any point through a workday.

One can calculate the economic benefits of virtual training by its effect on the accessibility to decent work (Devarakonda, 2019) on the circular economy by aligning outcomes with UNGC (Sehnem, Vazquez-Brust, Farias Pereira, & Lucila, 2019). Training is more accessible to low-income individuals in the virtual format, reducing all forms of poverty. Traditional workforce training does not deliver beneficial outcomes to ensure the safety of individuals. However, the virtual environment can increase the effectiveness of safety training (Routh, 2021). Virtual training provides visual cues to educate trainees for a healthier workplace. eLearning offers a fair opportunity for all individuals to ensure high-quality training (UNGC SDG 3. Online training is more accessible to those who could not attend the traditional training by making training flexible. (UNGC SDG 4)

There is no gender advantage in virtual training. Also, as low-income women are the largest group of adult learners, affordable virtual training would help them to prepare for the workplace. (Goal 5) eLearning compared to traditional training, does not require businesses to spend on training expenditures such as travel costs, conference rooms, and food to instruct employees (Devarakonda, 2019). Virtual training also can be accessed globally, which can reduce inequality between countries. (Goal 10)

A robust training program minimizes skills gaps and results in savings. However, studies indicate that investing in employees provides a return on investment (Devarkandra, 2019). Once organizations have hired skilled workers for their company, they must keep these employees engaged and happy so they will be productive. Employee engagement is defined as, “a combination of job satisfaction, ability, and a willingness to perform for the organization at a high level and over an extended period”. (Lussier & Hendon, 2019, page 6). Engaged employees will do whatever is asked and perform various roles needed to help the company achieve its organizational goals and be successful. This aligns with SDG 8, to promote decent work for all through full and productive employment.

Providing internal career growth opportunities leads to a productive workforce as it allows employees to feel like they are working towards advancement and can move up the company ladder. Training is another method to keep employees engaged and satisfied with their job (Nasir, 2017). Training is important to help employees deal with innovations and technological changes. Technology is always changing, so employees must adapt or risk being left behind. It also helps with their overall growth and skill set. Getting employees to care about their work and be engaged will always be a challenge for organizations, but the solutions listed above can be a great place to start as managers work to improve productivity in the workplace.

## **SUMMARY AND FUTURE RESEARCH**

Workplace training and development post-pandemic will need to continue to adapt (Manko, 2021). As businesses leverage technology for employee training, the landscape of management will also continue to change. Managers will need to adapt human resource (HR) practices and systems as organizations in an ever-changing digital world (Anonymous, 2020b). According to Majid (2019), companies using technology to “maximize the potential of data in their human resources system” are more likely to gain the best talent in this information age (p.48).

Majid (2019) discovered that digitalization provided HR departments with more time to spend on mentoring (and other training and development activities) and less time on operating activities that can be automated such as travel requests. As remote jobs and virtual training becomes more popular, some companies are leveraging technology to improve or redevelop workplace mentoring programs. According to Majid (2019), in this digital context, managers should “rethink their role, from a service provider to a solution facilitator” (p.48) as the HR training and development function is undergoing a major transformation.

Future research should explore the effectiveness of virtual training for both employees and potential employees to build the global labor force (Buzica & Neacsu, 2020). The future of the circular economy to contribute to sustainable development goals such as alleviating extreme poverty promoting sustainable, inclusive economic growth, and addressing inequities between countries is dependent on workplace training that is accessible and effective (Pocock, 2020; Ricardo Weigend, Pomponi, Webster & D'Amico, 2020; Ünal, Urbinati, & Chiaroni, 2019).

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# **IDENTIFYING AND SELECTING ALTERNATIVES: HOW COGNITIVE FLEXIBILITY CAN HELP MANAGERS MAKE BETTER BUSINESS DECISIONS**

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## **ABSTRACT**

*Effective decision-making requires managers to search and evaluate potential options and the possible impact of those decisions. Entrepreneurs and managers alike make decisions throughout the day and lots of those decisions can significantly affect the manager's career or the profitability of their business venture. Entrepreneurs and managers also make decisions that affect employees, vendors, and other business stakeholders. However, entrepreneurs and managers often make decisions very quickly, without the benefit of long deliberation. Because of this, persons will often default to standardized decisions without thoroughly evaluating all options or searching for new, creative decisions.*

*The field of psychology applies innovative approaches to assist individuals in organizations in utilizing creative approaches to decision-making and problem-solving. This approach offers help in developing cognitive flexibility skills to improve management decision-making.*

**Keywords:** *cognitive flexibility, CogSMART, DBESTE*

# **BUILDING MAINTENANCE PRACTICES OF PHILIPPINE POSTAL CORPORATION (PHLPOST)**

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## **ABSTRACT**

*The study aims to determine the extent of implementation of building maintenance practices of PHILPOST, the perceived level of importance, significant differences in the extent of implementation, and perceived importance of maintenance practices when grouped by floor area and the challenges experienced by the postmaster heads in performing maintenance practices. A total of thirty-four (34) postmasters of selected post offices in Luzon, Philippines participated in the survey. The descriptive method was employed and the data were analyzed using weighted mean and Analysis of variance (ANOVA). The results indicated that Postmaster heads of the PHILPOST offices implemented building maintenance practices to a moderate extent. The mean perceived importance of maintenance practices indicates a significant role in improving maintenance efficiency. The non-significant differences in implementations of the building maintenance practices in terms of the management team based on office floor area affirmed the stronghold of postmaster heads on the practices regardless of office floor area. Generally, the significant differences in the extent of implementations on the management plan, monitoring activities, knowledge-sharing and communication, identification and assessment, and training dimensions imply different maintenance practices and strategies with regards to the office floor area. The PHILPOST postmaster heads had the same point of view with regard to the importance of building maintenance practices for efficient maintenance management. The identified challenges by the postmaster heads on the implementation practices indicate the significant role in poor implementation of maintenance practices in the PHILPOST offices. Management factors such as insufficient funds/budget and improper budget allocation and lack of skilled workers to support the maintenance activities are barriers to poor implementation of maintenance practices in the PHILPOST offices. The results of the paper provided useful inputs for maintenance management teams and top management for developing maintenance management manuals to be used by the PHILPOST offices for effective maintenance strategies and practices.*

**Keyword:** PHLPOST, Maintenance Practices, Building, Building Facilities.

# THE ‘GREAT ATTRITION’ AND PUBLIC ACCOUNTING FIRMS: PEER RESENTMENT AS A FACTOR PRE AND POST-COVID

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## ABSTRACT

*Public accounting firms along with other industries across the United States are grappling with staffing issues that may have a significant impact on business operations for many years beyond COVID-19. Rethinking where and how work is done is only part of the equation for addressing these staffing issues. Although more firms may be willing to offer flexible work arrangements such as remote work to retain talent, simply offering may not be enough. Other factors such as perceived peer resentment which may inhibit the use of FWA's should be considered when implementing new work arrangements. Using the theoretical framework of social exchange theory, this research reviews research findings related to peer resentment as it may impact implementing more flexible work arrangements post-pandemic.*

## INTRODUCTION

Industries across the United States are feeling the impact of the “Great Attrition” where about 40% of employees are considering leaving their current jobs (De Smet et al., 2021). The public accounting sector is no different. The nature of public accounting work is demanding; busy seasons require long hours and extensive travel that increase employee stress which can contribute to increased turnover (White et al., 2021; Smith et al., 2018; Torlak et al., 2021). Historically, the turnover rate for public accounting firms, has been relatively high, hovering around 17% (Inside Public Accounting, 2017) compared to an overall average of United States industries of 11% (Bares, 2016). Factors that are related to turnover include low job satisfaction and organizational commitment (Jones, 2018; Tubay, 2019), burnout (Chong & Monroe, 2015; Santoso et al., 2018; Smith et al., 2017), and lack of work/life balance (Buchheit et al., 2016; Torlak et al., 2021). To mitigate the effects of the busy seasons, firms have introduced a variety of programs, such as employee health and wellness programs, on-site childcare, and flexible work arrangements (FWAs) (Buchheit et al., 2016; Torlak et al., 2021).

A recent McKinsey & Company study (2022) suggests that companies should offer more flexible work arrangements and in particular, remote working options to address high reports of turnover intentions. Flexible work arrangements (FWAs), such as flexible scheduling, part-time work, telecommuting, and compressed workweek, have become a common business practice over the past thirty years and have been linked to positive outcomes, which include reduced turnover intentions (Azar et al., 2018; Timms et al., 2014). Although some research has found that FWAs influence turnover intentions, the findings of these studies are not consistent. The mixed results of



previous studies indicate that other variables may play a role in the relationship between the use of FWAs and turnover, especially in public accounting (Barrainkua & Espinosa-Pike, 2020; Torlak et al., 2021).

The success of FWAs tends to rest on factors such as formal guidelines and expectations, regular training for both FWA and non-FWA employees, regular face-to-face interactions, information technology support, consistent and meaningful methods of communication, and supervisor and organizational support (Berkerey et al., 2017; Conradie et al., 2019; Kotey & Koomson, 2019; Laundon & Williams, 2018; Wheatley, 2017). However, few studies have evaluated the impact of the relationships between employees when FWAs are used (Blix et al. 2021; Clarke et al., 2019). Studies have shown that coworker social support or lack thereof can influence an employee's willingness to remain with the organization (Jo & Ellingson, 2019; van Der & Zoltán, 2020).

Many organizations believe that implementing FWAs will have significant benefits that outweigh their costs (de Klerk, Joubert & Mosca, 2021), yet past studies have found that the non-FWA employees left in the office experienced heavier workloads, less informal means of communication, less interaction, and decreased accessibility to their coworkers (Thorgeirsdottir, 2017). Some research indicates that, although the FWA employee may reap benefits such as better work/life balance, there may be unexpected disadvantages for the employees who are left in the office (Calhoun, 2021; White et al, 2021). Employees may experience a breakdown of coworker relationships due to the decreased interaction, which may lead to feelings of resentment among coworkers in an organization (Blix et al. 2021). As relationships among employees degrade, employees may experience a greater desire to leave the organization. To date, limited research has been conducted on how the use of FWAs in public accounting firms affects coworker relationships and how these relationships influence turnover intentions despite the intended benefits of using FWAs.

The impact of perceived peer resentment can affect users of FWAs and how these perceptions influence turnover intentions (Calhoun, 2021). Although past studies have highlighted significant benefits (increased efficiency, reduced burnout, greater job satisfaction) for employees that use FWA programs (de Menezes & Kelliher, 2011), support for and viability of the use of FWA programs also play an important role in their actual use (Buchheit et al., 2016). FWAs are implemented to enhance employees' well-being; however, if employees feel like the use of FWAs is not viable, the programs will not be effective.

FWA and turnover intention literature can be informed through social exchange theory to examine how the use of FWAs influences coworker relationships and how those relationships impact employees' desire to remain or withdraw from the exchange relationship. This study also adds to the literature on the use of FWAs in public accounting by providing evidence for the importance of relationships among peers. As firms work to reduce turnover and retain talent by offering flexible work, they need to be aware of potential problems with these arrangements. Understanding potential problems can lead to increased effectiveness for reducing employee turnover intentions.

## **FWAS, PEER RESENTMENT, AND COVID-19**

Research related to FWAs, and turnover intentions has been increasingly popular over the past 20 years (Nouri & Parker, 2020). Studies indicate that there are positive outcomes when implementing FWAs (Campbell, 2019), but only a few studies have addressed the costs of these programs. Before this study, minimal research had been conducted on the impact of peer relationships when FWAs are used. The purpose of this study was to address the ongoing problem of high turnover in public accounting firms. This study contributed to the literature by establishing a relationship between FWA use and perceived peer resentments' influence on employee turnover intentions. Organizations must understand that there can be unintended consequences of using FWAs that may be contributing to continued turnover in public accounting.

There is evidence that peer relationships may play a greater role in the turnover intention process than previously believed (Calhoun, 2021). When firms consider the impact of the use of FWAs on peer relationships, they can make changes in how FWA policies are communicated and perceived to avoid the undesirable outcome of turnover intention. The results indicate that when employees use FWAs they may be more likely to perceive resentment. Firms should take steps to reduce the likelihood of disrupting coworker relationships when FWAs are used. Open and clear communication about the execution of the FWAs would increase transparency and expectations among employees and provide opportunities to resolve any misunderstandings that could lead to perceptions of peer resentment. When employees understand their environment and are allowed to resolve issues, they are less likely to feel injustice, which can lead to reduced feelings of resentment towards their coworkers. Increased trust and understanding of FWAs can foster an environment that reduces perceptions of peer resentment. These initiatives can help peers understand the circumstances and opportunities that surround the use of FWAs in their organization which can enhance relationships among peers and lead to reduced turnover (Zafari et al., 2019).

One desired organizational outcome that is anticipated when implementing FWAs is work/life balance that increases retention and decreases the risk of turnover in the firm (Almer Higgs & Rakestraw, 2021; Azar et al., 2018; Martínez-León et al., 2019). Although employees of the firm may have the opportunity to engage in FWAs to increase work/life balance, if their peer relationships seem to diminish as they use these benefits, they may choose not to use the benefits or seek alternative employment; both alternatives may result in turnover in the long-term. Communication among all levels of the organization about FWAs can create a stronger social relationship not only between the firm and employees but also between peers. If peer relationships can remain unaffected when a colleague uses an FWA then they are less likely to encounter peer resentment and subsequent turnover.

## **DISCUSSION AND FUTURE RESEARCH**

In a study by Calhoun (2021), peer resentment was found to play a significant role in types of FWAs employees used. Before COVID-19, many public accounting employees did not use FWAs such as remote work. During the pandemic, remote work was essential for keeping public accounting firms operating as closures were mandated by local and state governments across the

United States. The impact of COVID-19 on the use of FWAs may have changed employee perceptions and thus perceived peer resentment. However, it is yet to be determined if changes due to COVID-19 will permanently change the way organizations do business in the future.

As public accounting firms move through the “Great Attrition” and to a post COVID era, their use of FWAs needs to consider peer relationships within their organization. It may be important to mitigate perceived peer resentment toward employees using FWAs. Future research should be conducted to determine if attitudes toward the use of FWAs and perceived peer resentment are impacted more by the number of hours of FWA used rather than the types of FWAs used in public accounting firms. This may provide more insight as to whether the level of peer resentment experienced varies based on the number of hours a colleague uses FWAs instead of the number of types of FWAs used. Future research should include differences in peer resentment perceptions by generations (Gen Z, millennials, Gen X, and baby boomers) to determine if FWA and peer resentment perceptions differ among these groups.

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# **A GENERAL THEORY OF SUCCESS: IMPLICATIONS FOR PERSONAL MARKETING STRATEGY**

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## **ABSTRACT**

*Researchers have for many years been trying to explain what “success” is, what “success” is not and how to achieve it. But before “success” research can better become a science and/or develop theories of its own, a precise statement of its essential nature and scope must be determined. Two of the reasons why an existing general theory (or a unified field theory) of “success” does not exist are (1) there is not a universally agreed-upon term for what to call this field of study and (2) there is not a universally-acceptable “operational” definition of this construct.*

*Utilizing summative content analysis, the author has determined from 12 terms and 44 definitions both the best term to call this “science” and an all-inclusive definition of the construct. Moreover, the author has developed a general or unified field theory of success that is (1) original, simple and plausible, (2) capable of explanation as well as prediction, (3) high in heuristic and unifying power, (4) internally consistent and valid, (5) supported by the facts, and (6) testable and verifiable. Finally, the author presents specific suggestions for utilizing these findings to enhance personal marketing strategy.*

# POST-PANDEMIC SERVICE EXPECTATIONS IN HIGHER EDUCATION

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## ABSTRACT

*During the COVID-19 pandemic of 2020-2021, imposed service innovation occurred across higher education institutions as adoption of innovations otherwise considered discretionary (e.g., the use of Zoom for class sessions) became forced (Heinonen & Strandvik, 2020). This digitalization represented a move to a more student-centric approach to teaching, as students demonstrate generally positive attitudes toward online learning (despite technical issues) and benefit from improved information processing/assimilation, flexibility, and ease of accommodation (Coman et al., 2020). Despite the sudden nature of the course delivery format changes, research shows student performance improved during the emergency implementation of online learning (Iglesias-Pradas, et al, 2021), although it is important to note confinement (e.g., discontinuation of all face-to-face activities) appearing to play a role in performance gains (Gonzalez et al., 2020). Compared to higher education in other developed economies, the United States was unique in its less-than-ubiquitous use of campus closures and adoption of fully online learning in the early weeks of the pandemic (Crawford et al., 2020).*

*From Fall 2019 to Fall 2020, U.S. universities saw staggering shifts in enrollment patterns. In Fall 2019, 63% of college students took no online classes. In Fall 2020, only 27% of students enrolled in no online classes, with the remaining 73% completing coursework entirely (44.7%) or partially (28%) online (Lederman, 2021). Despite the obvious student interest in modalities allowing for flexible scheduling and increased access, the overall lack of preparedness and resulting stress of quick pivots left many desperate to “return to normal” (Bartholomay, 2022). Accordingly, the imposed service innovations on many college campuses seemed to be used only for the short-term goal of “riding out the storm” instead of embraced as a means of “envisioning a future market” (Heinonen & Strandvik, 2020). This seemed especially true with regard to multimodal instruction, meaning the provision of class materials via two or more modalities (Bartholomay, 2022) so as to give students the capacity to decide how they wish to participate in class – remotely, in person – throughout the semester (Malczyk, 2018).*

*Research concerning faculty willingness to change pedagogy indicates teachers are hesitant to enact changes such as a shift to multimodal pedagogy (e.g., simulcast of face-to-face class sessions) if they perceive the risk is too great (Le Fevre, 2014), especially if the changes relate to technology (Howard, 2013). However, Technology Acceptance Model (TAM) (Davis, 1989) explains adoption of technology is contingent upon two factors: (1) perceived usefulness of the technology and (2) perceived ease of use. The pandemic-period increase in demand for online classes indicates educators and students gained proficiency in using tools allowing for multimodal*

pedagogy (whether they wanted to or not), presumably improving user perceptions of usefulness and perceived ease of use so as to improve willingness to adopt the technology for the long-term.

From the perspective of “brick-and-mortar” university administrators, adoption of access-improving technology may seem threatening, as students who gain familiarity and comfort with online learning may then elect to pursue education via competitors (for-profit online universities, MOOCS) (Edwards, 2021). However, institutions refusing to embrace multimodal pedagogy practices are all but guaranteeing loss of market share to competitors who embrace pandemic-instigated service innovations as opportunities to envision a future market, embracing changes in consumer behavior to build opportunities in an emerging market (Heinonen & Strandvik, 2020). Particularly in this period of declining student enrollment (Lederman, 2021), it is imperative to engage in product development practices aligned to the expectations and demands of the consumer.

Although the competitive advantage of offering multimodal pedagogy is short term due to easy replication, first movers will enjoy a marketplace advantage over “laggard” competitors who adopt innovation only once there is no other option. Institutions struggling to decide whether and when to embrace long-term adoption of technology allowing for multimodal pedagogy should consider the variety of benefits, many of which align with overall access and inclusion initiatives. Through multimodal instruction, students unable to attend class due to any number of obstacles (transportation, employment, childcare, illness, etc.) are not penalized (Bartholomay, 2022). Thus, inclusivity and accessibility are improved.

Certainly, the efficacy of multimodal instruction depends upon a number of factors, to include teacher training in use of technology, timeliness of feedback, and teaching style (Coman et al., 2020). Although the quick pivots of spring 2020 did not allow for adequate training, one could argue universities – particularly those who claim an investment in sustainability and accessibility – should at this point (two years later) have developed multimodal pedagogy technology and related trainings in an effort to decrease barriers to access and overall institutional carbon footprint (including emissions associated with commuter activity).

While both supply and demand for online courses increased during (and after) the pandemic, there is a need to understand how experiences with new modalities of learning impacted consumer and producer expectations related to multimodal pedagogy. The purpose of this study is to assess and compare pandemic-instigated changes in consumer and producer service expectations, identifying psychographic and behavioral changes academic units should leverage during course development and other strategic process improvement initiatives. Three research questions were addressed:

*RQ1: To what degree have public four-year higher education institutions embraced pandemic-instigated service innovation in the form of multimodal pedagogy?*

*RQ2: To what degree have public four-year higher education faculty members embraced pandemic-instigated service innovation in the form of multimodal pedagogy?*

*RQ3: To what extent have public four-year higher education undergraduate students embraced pandemic-instigated service innovation in the form of multimodal pedagogy?*

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# LEADERSHIP FAILURE IN THE EYES OF SUBORDINATES: PERCEPTION, ANTECEDENTS, AND CONSEQUENCES

Issam Ghazzawi, University of la Verne

## ABSTRACT

*Effective leaders and leadership behaviors and practices are a well-researched area in the domain of leadership and management. On the other side, ineffective or failed leadership has often been lamented in the literature and has been subjected to limited scholarly inquiry. Using semi-structured interviews, forty-three managers have been interviewed to assess their perception of failed leadership behaviors, the antecedents of the behaviors, and their consequences based on their experiential interaction with their leaders.*

*This study is another plea to describe the common flows of failed leadership, identify the common antecedents of leadership failure, and suggest that failed leaders behave in ways reflective of their personality or due to other situational factors which intern have consequences to followers and organizations.*

*The research contributes to leadership literature by providing empirical findings on the subject and implications to leaders, practitioners, organizations, and those in charge of leadership development. Limitations of the present approach, practical implications, and directions for future research are also discussed.*

**Keywords:** *Leadership, leadership failure, negative leader, ineffective leadership, destructive leadership, the dark side of leadership, derailment characteristics, dysfunctional leadership, leadership flaws, organizational stressors, traits approach to leadership, the behavioral approach to leadership, and the contingency situational to leadership.*

# COVID-19 EFFECTS ON SMALL BUSINESSES AND EMPLOYMENT IN THE CHICAGOLAND AREA

**Indranil K Ghosh, Saint Xavier University**

## ABSTRACT

*The COVID 19 pandemic created a black swan event that resulted in a sudden and drastic worldwide economic slowdown, and in some instances a standstill. Governments across the world due to health reasons mandated a completed shutdown of almost all interpersonal economic activity, with cities and businesses and places of employment being placed on lockdown. As a direct impact in the US, the unemployment rate shot up from a 3.5% rate for March 2020 to a 15% rate for May 2020. The unemployment rate has gradually declined over the last 7 months to a more manageable 4% in the latest BLS update. In addition the number of people filing for initial unemployment claims increased to a staggering 6.87 million seasonally adjusted new claims in end March 2020. New claims slowly decreased to 1.01 million by end August 2020 and have over the past 6 months declined to 232000 in the latest report. Part of the recovery automatically came when states started opening up after the initial lockdown. After the sharp spike in the southeast and sunbelt states during the mid summer months as well as the significant increases in COVID cases over the November to December period prompting more partial shutdowns, the economy may be on the verge of a breakthrough during the rest of the 2021 year and beyond. Total vaccinations in the US are also progressing with almost 65% of the population fully vaccinated, and the Omicron wave subsiding.*

*In this paper we look at the economic progression of the pandemic in the Chicagoland area, in particular we will be looking at the unemployment rates among the various income groups (high, medium and low) specific to the zip codes around the city and suburbs. This gives us a more granular feel to the nature of the economic slowdown in the various parts of the city and suburbs. In part we are making the correct assumption that the pandemic and the slowdown did not affect the entire area in the same homogenous manner, even though an aggregate unemployment rate for the area might suggest that. Thus different wage groups were affected in starkly different ways. In addition we will look at business closings and consumer spending trends which will give us a general idea for new entrepreneurial small business setup opportunities.*

# UNDERSTANDING FACULTY ENGAGEMENT AND PRODUCTIVITY AND THE IMPACTS OF COVID-19

**Robert D. Hatfield, Western Kentucky University**

**Shane Spiller, Western Kentucky University**

**Leanne Coder, Western Kentucky University**

## ABSTRACT

*A recent article in Family Medicine found that about half of their survey reported decreased faculty productivity in teaching, research, and/or clinical care due to the COVID-19 pandemic. Implicit theories currently circulating suggest that faculty activities generally are also in decline. This decline may be especially those related to faculty members being engaged with their educational institutions, students, communities, and disciplines. An updated inclusive model of faculty engagement must be identified to enable a study to determine whether such decline exists in the current environment in 2022 in higher education. Broad employee engagement frameworks offer identification of key variables across occupations. A few researchers have sought to identify the variables defining faculty engagement. One such article boiled faculty engagement down to “educating students; preserving and advancing a specific domain of knowledge; serving the needs of the institution and responding to the needs of the broader society.” A recent study created a model citing these seven faculty engagement factors: service, research, teaching, teaching absorption, resilience, fit, and purpose in research and teaching. Another study examined what affects faculty engagement, citing variables relating to the university (culture, policies, curriculum, and assessment), students (background, motivation, skills, identity, and self-efficacy), and faculty members variables (including resilience). This paper seeks to incorporate a framework broader than those currently proposed which identifies the key inputs and outputs relating to faculty engagement in higher education. Where do the changes in the university environment brought on by the COVID-19 pandemic and policies present themselves in the model? Are the declines in engagement among academic family medicine departments also reflective of perceived declines in the engagement of college and university faculty outside of that unique sphere?*

# HEALTH, PHYSICAL FITNESS, AND SKILLS OF FIRST YEAR COLLEGE STUDENTS: EVIDENCE FROM A PHILIPPINE COLLEGE

Venus C. Ibarra, San Pablo Colleges

Ricardo G. Santiago, Philippine State College of Aeronautics

## ABSTRACT

*Physical fitness is one of the factors essential for good health and active life. Physical activity and physical fitness are interrelated in the application and health benefits. This study aims to assess the freshmen students' current physical fitness and determine their physical skill capabilities. Department of Education's (DepEd) Physical Fitness Test Manual was used as a guide in developing the assessing instrument. Established standards were used to gauge the physical fitness related to health. There are five (5) health-related components of fitness: body composition, flexibility, cardiovascular fitness, muscular strength, and muscular endurance. Skills have six (6) components: agility, balance, coordination, speed, power, and reaction time. The tests were administered to 52 college students out of 100 students who are in their freshmen. Results show that 70% are physically fit, while 30% are not fit. Although most or 33 of the students' body composition is within the normal range, ten (10) students are underweight, while seven (7) are overweight, and two (2) are obese. Strength tests of 21 students revealed that they did not pass the push-ups test, while 52 or all of them did not pass their curl-up test. These results suggest that the body composition and the strength of the students need improvement. Their lack of exercise could be a factor to consider in improving students' body composition index and strength. The results of tests to determine students' flexibility is normal, and their cardiovascular endurance is excellent. T-test results show that there is no significant difference in the skill-related fitness of 16 to 20 age range of students and the 21 years old and above*

**Keywords:** *Physical fitness, physical skill, fitness tests*

# **ANALYSIS OF THE COMOVEMENT OF UNEMPLOYMENT IN MIDWESTERN STATES**

**Tammy Johnston, University of Louisiana at Monroe**

## **ABSTRACT**

*The current paper investigates the interrelatedness of twelve Midwestern states through the comovement of unemployment rates. Due to their geographic location, we would anticipate similarities and comovement among macroeconomic variables. The results show that most of the bivariate pairings do show a relationship. Five of the sixty-five pairings show no indication of cointegration among their unemployment rates. Each of these five pairings includes North Dakota. The paper investigates geographic and socioeconomic similarities between these states to try to explain these results.*

# COVID-19 AND SMALL BUSINESS: STRESS, HOPE, AND INNOVATION

Robert J. Lahm, Jr., Western Carolina University

## ABSTRACT

*COVID-19's impact on the U.S. and global economy has been in many ways unprecedented. An important difference between this current phenomenon and other previous pandemics (e.g., 1918 Spanish Flu and the Black Death), is that there is far greater global interconnectedness than in the past. At the onset of the crisis, store shelves were emptied as consumers feared the worst and hunkered down as they might before a major storm. However, the extreme intensity of demand was different than that which might be typical before a weather event. They did not just wipe out batteries, milk, and bread. Consumers stocked-up on paper goods, canned goods, emergency food kits, OTC medicines and first aid kits, soaps and disinfectants, guns, and ammo, along with myriad other products. Meat departments in some grocery stores had no chicken, beef, pork, or fish to sell. Governments locked-down businesses and many other services around the globe. At present some restrictions are still in place, while even where they are not a "next normal" appears to be arising with an ongoing form of disruption: broken supply chains persist. Impacts on small businesses have been mixed. Those engaged in hospitality and tourism and some service industries have fared the worst, while others such as home delivery and providers of entertainment that can be consumed at home have seen shifting tides in their favor. From this pandemic, instances of stress, hope, and innovation among small businesses have continued to arise.*

**Keywords:** COVID-19, small business, entrepreneurship, innovation, economy.

## INTRODUCTION<sup>1</sup>

COVID-19 can be regarded as "both a health crisis and an economic crisis" (Stephens et al., 2020, p. 427). As compared to the present COVID-19 global pandemic, the Spanish flu (1918–1920) and the Black Death share some fundamental differences (Greene & Rosiello, 2020; Smith, 2020). As breakdowns and disruptions in the global supply chain (Craighead et al., 2020; Ketchen & Craighead, 2020) have vividly demonstrated, interdependencies are deeply ingrained. Technologies ranging from satellite communications to an ability to circle the globe within a matter of hours have arisen. From a survey of small businesses conducted between March 28 and April 4 of 2020, researchers found that "a vast number of enterprises had temporarily shut down and laid off workers over the first several weeks of the crisis" (Bartik et al., 2020, p. 17662).

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<sup>1</sup> This present paper is connected to an ongoing research stream (including literature review databases) pertaining to the small business and gig economy, new product development processes, and innovation.

According to a more recent Capital One sponsored survey of small business owners that was conducted November 17 through 21, 2021 (Segal, 2022), many “have concerns about cash flow, inflation, and taxes, and some are feeling the impacts of worker shortages” (*Small business owners exhausted, but optimistic heading into 2022*, 2022). This same survey also found that after two years contending with the pandemic, respondents were reporting burnout, foregone time off and vacations, and high levels of stress (these were reported as separate measures, but roughly half). “With the widespread public health threat and the sudden skyrocketing urgency for adopting WFH [Working From Home], people are facing enormous uncertainty and stress” (Zhang et al., 2021, p. 626). Similar findings regarding stress and burnout among entrepreneurs have been reported by other researchers (Belitski et al., 2021). Findings from Belitski et al. (2021) also suggested that the pandemic has affected entrepreneurs’ mental health. Even before the pandemic, health care affordability and access have also been significant concerns on the part of small businesses (Lahm, 2015; Turner, 2017). Limited resources, including time, funding, knowledge, and access to information are typical constraints that small businesses confront (Akpan et al., 2021).

On the other end of the spectrum, research conducted by Hadjielias et al. (2022) was found to suggest that businesses could possibly react in times of crisis by becoming more agile and responsive to trends, problems, and potential market opportunities. Some sectors of the small business economy were able to pivot (Knowles et al., 2020; Manolova et al., 2020; Thomson & Bullied, 2020) and/or hopefully prosper through innovation in response to changed needs. Zoom, a video conferencing company, has experienced tremendous growth (Galgani, 2020) as in-person meetings were shifted to online venues. This research is conceptual by necessity due to dynamism in the pandemic and responses on the part of participants in a global economy and community.

## **LITERATURE SEARCH STRATEGY**

The literature search strategy for this present paper has included such areas as: 1) small business and entrepreneurship (including the “gig” economy and other related terms); 2) new product development; and 4) innovation. The aforementioned search terms were applied in conjunction with “COVID-19.” Over 420 artifacts were entered into primary database for this present paper, which has been developed under a qualitative research frame (Creswell, 1994; Miles & Huberman, 1994; Strauss & Corbin, 1990). There is some evidence to indicate “that the pandemic may lead to lasting structural changes in the economy” (Buffington et al., 2021, p. 4).

## **COVID-19 AND INNOVATION**

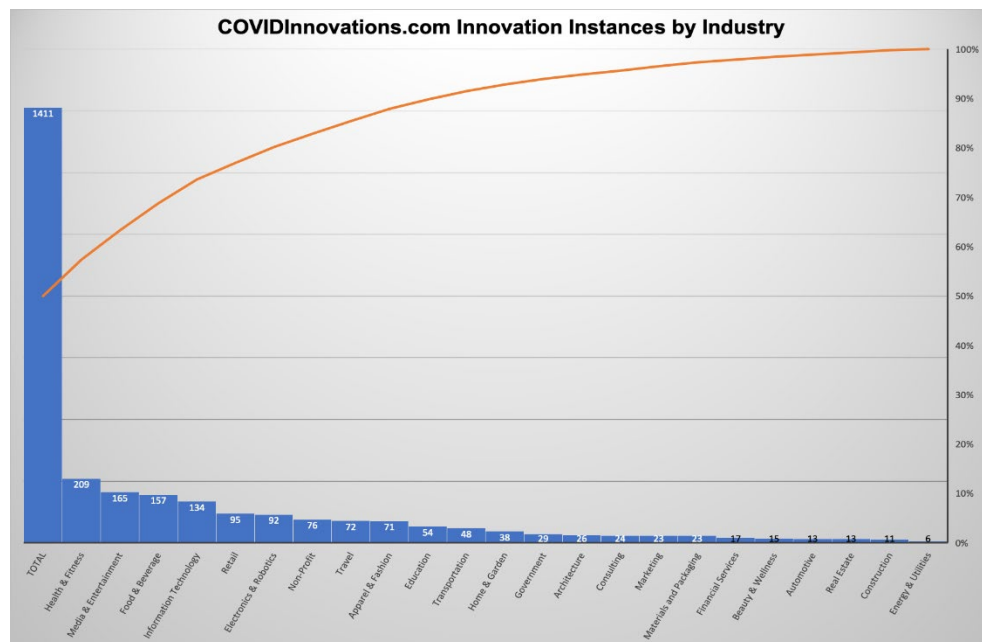
Many organizations must continually engage in new product development efforts due to “lifetimes of products shrinking, [and] technical complexity increasing” (Bhaskaran & Krishnan, 2009, p. 1152). Market forces (Schumpeter, 1942; Williams & McGuire, 2010) also may come into play – such is the case even in normal times. But it appears the global economy is headed toward a “next normal” (*COVID-19: Implications for business*, 2022). As observed by Amankwah-Amoah et al., “strategic misalignment occurs when the firm is unable to initiate change and upgrade and update its resources to respond to external environmental factors in a timely

manner” (2021, p. 182). Hence, it follows that adapting to a new set of environmental circumstances, in a timely manner, is an act of strategic alignment (or realignment as the case may be). Timely is relative. Such might be a gradual process assuming a relatively stable external environment, or once presented with an exogenous shock (Cowling et al., 2020; Morgan et al., 2020; Raasch et al., 2008), an entity may be required to react with immediacy.

In terms of types of innovations, many firms’ business operations adjusted, such as by “changing the way they served customers, procured supplies, and increased social media presence” (Katare et al., 2021, p. 7). For example, as businesses take steps to further automate in the wake of labor shortages (Nelson, 2021) service robots are replacing humans in some areas (Akpan et al., 2021). Cobots (collaborative robots) have been utilized for numerous tasks that augment humans (Doyle-Kent & Kopacek, 2022). According to an article on the website, [AutomationWorld.com](https://www.automationworld.com), such tasks may include: tending after machines, shipping processes, e.g., packaging and palletizing, product inspection at various stages of production and assembly, welding, and finishing; as spurred on by the pandemic other cobot applications have are area disinfection, manufacturing test kits, face shields and ventilators, and processing COVID-19 test results (Hand, 2020). In health care settings, cobots have also been used to protect personnel (and patients) from exposure. Featured on home page of its website, [CovidInnovations.com](https://www.covidinnovations.com) (as of the time of this writing), claims that it has collected “1000 +” COVID related innovations from around the world, which have been categorized such that they are searchable by industry (categories also include education, government, and non-profit sectors). The chart below suggests (at least relative to the site’s reckoning) the distribution of innovation activity among categories as shown below in Figure 1 (1411 instances were calculated using the site’s data):



**Figure 1**  
**Industry Categories by Innovation Activity<sup>2</sup>**



## CONCLUSION

Many aspects of the global and national economy continue to reel from the effects of this pandemic (*COVID-19: Implications for business*, 2022). COVID-19's impacts constitute an exogenous shock (Cowling et al., 2020; Morgan et al., 2020). It "caused massive dislocation among small businesses just several weeks after its onset" (Bartik et al., 2020, p. 17656). Notwithstanding entrepreneurs' efforts to adapt, as observed by Katare et al.: "changes were important and essential for survival during the pandemic, but not all the adaptive strategies improved business outcomes" (2021, p. 7). "Entrepreneurs experiencing failure may decide that entrepreneurship is not for them, but we expect that those who continue their entrepreneurial career found ways to cope with high stress levels" (Belitski et al., 2021, p. 605). Some small business sectors have been hit harder (Buffington et al., 2021, p. 2), while others have managed to pivot by "producing new goods and services early in the pandemic (especially in Educational Services; Accommodation and Food Services; and Information) and even more pivoted to new modes of delivery" (Buffington et al., 2021, p. 3). However, due to additional coronavirus strains that have arisen (Bollinger & Ray, 2021), the full impact of this pandemic remains uncertain.

<sup>2</sup> Figure developed from data using Covid Innovations "View by industry" pull down menu (located on home page). Retrieved February 17, 2022, from [CovidInnovations.com](https://covidinnovations.com).

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# COVID-19 MADE ME DO IT WHILE SWIMMING UPSTREAM WITH PADLET: USING STUDENT FEEDBACK TO IMPROVE TEACHING AND LEARNING IN BUSINESS COMMUNICATION - LEANING INTO REFLECTIVE PRACTICE!

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## ABSTRACT

*Like others in the academy, the COVID-19 pandemic has shaped how we teach and how students learn. In many cases, it feels like teachers and students are swimming upstream. Constant change due to the COVID-19 pandemic is our new challenge in the educational landscape. From daycare to graduate school and beyond, COVID-19 has impacted our lives. This impact mirrors the journey and survival of a salmon. According to (Robertson, 2021), the salmon start the journey in freshwater then migrate to saltwater. This movement initiates a change in their body to survive in the new saline environment. After some time, the salmon returns to the freshwater, swimming and jumping upstream and uphill. This return requires their bodies to change again and readjust to freshwater environs. As teachers and professors, our traditional teaching strategies (freshwater) were altered to facilitate the pandemic changes (saltwater), and now we must readjust to 'normalcy' (freshwater) to survive the uncharted new normalcy (pandemic and whatever else to come). These changes are embedded in reflective practice.*

*Reflective practice is essential to effective teaching and learning during the past two years of the COVID-19 pandemic. Reflective practice is defined as taking time to look introspectively at one's action. It is about questioning ourselves regarding what was done, why, and how such action impacts current and future actions (Finlayson, 2015). Many educators had to move out –or in some cases, dragged out of their comfort zones. In many instances, pre-pandemic teaching and learning are starkly different from what prevails today in the academy. Reflection on practice and classroom policy is a critical success factor (Finlayson, 2015; Markkanen, Välimäki, Anttila, & Kuuskorpi, 2020).*

***Aim of the paper.*** *This paper presents a novel idea of using Padlet, an online bulletin board, to get and use anonymous feedback from students. Upon reflection, using this application (APP) led to improving teaching and learning and building a community in a classroom environment.*

***Results.*** *Before the COVID-19 pandemic, the instructors would ask students for feedback near the end of the class in a one-minute response from each student. Often, the response from many students was surface and did not provide much information to make meaningful changes to*

practice. Starting in the spring 2022 semester, the researchers reflected on how to better serve their students and instructors who wear masks, struggle to develop trust, and need a collaborative and trusting learning community. As a means of formative assessment, the researchers generally asked students to voice something muddy and something clear from the class instruction at the end of the class. Students were reluctant to voice their opinions behind their masks. This reluctance reminded us of the struggles salmon make swimming upstream. With so little time left at the end of class, we did not have the time to follow up and extended the "wait time" for students to respond. The easy way out was for the researchers to take the comments from the faithful few who always voice their opinions. Upon reflection, this was unsatisfactory. This strategy of reflection out loud was not giving the significant insights that should accompany student learning when students share their reflections with a larger group (Whenham, 2021). Based on the tenets of active learning postulated by (Fishman, McCarthy, 1998; Cattaneo, 2017). Active learning is anchored in reflective thinking on all practices, including teachers and students.

With the failed strategy, we looked for more effective ways by incorporating technology. Padlet was selected as the tool for students' reflective practice. Students scanned the QR code from their desks (each desk had the QR Code to Padlet pasted on it), which led them to the prompt at the end of the class, "what was muddy and what was clear." Students were expected to complete the reflection within the last 5 minutes of class. Again, students were expected to provide their most eye-opening revelations or biggest questions they had regarding the content taught in the current or previous class sessions. This digital activity allowed the students to reflect on learning. Their reflection on learning provided researchers/instructors with a window into their understanding or lack of understanding after each class.

We found students responded enthusiastically to the Padlet reflection. They wrote much more than they would generally speak in class. Many students used more than the 5-minutes to process and write down their reflections. Students were providing feedback not just on the content being taught but also on other concerns. Additionally, students were providing feedback long after they left the class. That was unexpected and reassuring that using Padlet, a digital software, was in sync with the primarily Generation Z group of students. Students were honest in their responses because the responses were anonymous. The instructor read the reflections collated on Padlet to see what students understood from the concepts taught. Then the instructor read the reflections on the misunderstandings students had.

**Implications.** Finding a strategy that engages students in reflective practice was essential to effect active learning in the college classroom. We found this important, especially in light of the COVID-19 pandemic. Faculty have to find creative ways to reach students as they adjust to the pandemic and readjust as the science changes. When the instructors heard the clear and muddy points from the students, they were better able to meet their learning and teaching needs. At the start of each class, the clear points were reinforced, and the muddy points cleared up. From students' anecdotal feedback, it is evident from increased participation in class discussion is a direct correlation between students seeing their feedback being used to make meaningful changes in teaching and learning in the classroom. Student feedback using Padlet has led to more active participation in class when students are asked questions. Students know their voices are heard; therefore, they are more willing to contribute to the regular classroom discussions. Allowing

*students to respond anonymously also gives them confidence in writing what they think without fear of embarrassment. Student feedback using Padlet has led to greater classroom participation because the researchers/instructors were willing to adjust their teaching strategy to respond to the current pandemic. Like salmon swimming upstream, they have developed the muscled and adaptive attitude to survive in a society that calls for change.*

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# **THE POWER OF BUSINESS COMMUNICATION IN BUILDING PERSONAL BRANDING THROUGH SCHOLARSHIP: MOTIVATING BLACK MALES TO ENTER, REMAIN, AND GRADUATE FROM COLLEGE**

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## **ABSTRACT**

*In 2017, it was projected that by 2029 America's prisons would house almost 20% of the African Americans who are four years old living in America (McBride, 2017). How can that projection be thwarted? Can this projection be thwarted? How can personal branding be a vehicle to break the pre-school-to-prison pipeline? Since 2015 the USA's overall public high school graduation rates have been steadily rising. However, as the rates increase, the gulf between ethnic groups gets bigger. The national public high school graduation rate for black males in 2015 was 59 percent, Latino males, 65 percent, and White males, 80 percent (Wade & Ellis, 2015). These low high school graduation rates for Black males are a cause for concern, and the COVID-19 pandemic has led to an even wider gap in high school and college attendance and graduation rates for Black males. So, if black males are not graduating from high school and college in higher numbers, the prison population of African Americans, primarily Black males, will continue to explode (Wade & Ellis, 2015). Moreover, in 2018 there was 26.5% of Black males having a bachelorette degree versus 44.3% white males. Inadvertently, COVID -19 has further exacerbated this issue (Marshall, Nichols & Pilar, 2021).*

*In business communication classes, personal branding can help African American males understand; who they are, the disparities in society, how to apply and earn scholarships, and how to enter, remain, and graduate from college. Personal branding is the unique promise of value (Arruda, 2015). When Black males understand their true value, they make choices that positively impact their success in all aspects of their lives. According to Price Waterhouse Cooper (2013), a powerful and compelling personal brand must be accurate, appealing, creative, differentiate the brand owner from everyone else, and represent you fully. Therefore, for an effective personal brand, Black males must know their authentic selves before they can market themselves – their brand. To “know yourself,” we suggest that Black male students analyze their strengths, weaknesses, opportunities, and threats (SWOT) to assess their competitive advantage and thereby become better equipped to access scholarship opportunities.*

*We posit that personal branding in business communication is a powerful tool to help Black males in college build their brand through scholarship attainment. This in turn will set them up for graduation on time, and reducing student loan debt. On average, four years after graduating with a bachelor's degree, Black college students have an average of \$25,000 more student loan debt than their White peers. There is a direct inverse relationship between scholarship and debt*

*burden. The more scholarships obtained, the less the student loan debt. Black Students have to be taught about the benefits of scholarships for entering, remaining in, and graduating from college. We suggest that advisors and career counselors be intentional in educating all students, especially Black male students, about the power of scholarships in building their personal brand as a viable option to succeed in college.*



# CYBERLOAFING MITIGATION IN THE CLASSROOM

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## ABSTRACT

*In the business school classroom, it common increasingly for computing devices to be present whether in the form of laptops, mobile phones or in a lab classroom. Such technology, if used appropriately, can provide learners with plentiful opportunities and resources for learning and concept application. Moreover, given the necessity of business programs to incorporate technology into the curriculum, schools frequently provide upgraded technology either in labs or otherwise accessible to the students with the objective preparing the students to be highly prepared for the workforce in terms of IT skills and agility. The Management Information Systems major, for example, focuses on technology skills (to include in labs) as an element in developing students with an array of current applications and software – such as business analytics/intelligence, databases, and networks. Technology is a fundamental component of present-day business education. Nevertheless, the almost ubiquitous presence and inclusion of technology in learner environments does present an array of challenges such as inappropriate and distracting use in the learning environment. While considered to occur mainly in the workplace (Ozler 2012), cyberloafing has been increasingly applied to educational situations (Yasar 2012, Coskum 2019). The phenomenon is evidenced by activities undertaken during classtime such as chatting online, viewing news, doing work for other courses, or work activities. In traditional classrooms as well as labs it is increasingly possible for cyberloafing to occur unless there is some form of control imposed on the technology. However, cyberloafing occurs less often in classrooms in which digital devices, including laptops, smartphones are easily detected and controlled. Course design and the types of class activities can greatly influence this. However, in classrooms in which technology is permitted (or even required) or in labs, the learners are readily able to access digital material. When this accessed digital material distracts from the learning process, there can be reduced effectiveness in the learning endeavor.*

*Prior studies have researched learner perceived self-motivation, self-regulation, and IT proficiency, while less emphasis was placed on the role of the instructor and of course design. A common premise is that the traditional lecture environment allows more passive learning while the trend toward active learning has increased in recent years (Varol 2018). Course design and delivery are increasingly becoming catalysts as there is a definitive shift from teaching to learning. We proffer that the ability to lessen cyberloafing in an educational setting is related to how an instructor can design and develop a collaborative and inclusive learning environment. The purpose of the our research precursors, results and preventive methods related to cyberloafing from a “learner” perspective in an educational environment structured toward active learning. The research will cover the detailed research and data collection to be undertaken. This qualitative paper will conclude with the next steps, namely assembling survey information from*

*instructors and learners to conduct the content analysis in order to develop concepts, categories, and possible relationships (Neuendorf 2016) followed by further relationships research via quantitative empirical study using structural equation modeling.*

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# **TOTAL PRODUCTIVE MAINTENANCE: A CASE OF GENERIC PHARMACEUTICAL MANUFACTURING COMPANY IN THE PHILIPPINES**

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**Venus Ibarra, San Pablo Colleges**

## **ABSTRACT**

*This paper determines the implementation of total productive maintenance (TPM) at a pharmaceutical manufacturing company in the Philippines. It also assesses the significance of TPM practices from the viewpoint of employees involved in production. A total of forty-four employees participated in the survey. The data gathered was analyzed using Microsoft Excel 2019 Data Analysis. The extent of TPM implementation was ranked by the value of the weighted mean, the practices that had the higher weighted average, implemented to a great extent. The significance of TPM practices was tested with the aid of a t-test statistical tool at a hypothesized mean of 2.5. The findings revealed that the manufacturing company implemented total productive maintenance practices to a high extent to maintain the integrity and improve the production quality by reducing downtime through preventive maintenance, technology assessment and usage, and employee involvement in maintaining their own equipment. The results also indicated the significance of TPM practices in improving a company's production quality. The results of the study provide guidance and references to improve maintenance procedures and improve productivity.*

**KEYWORDS:** *Total Productive Maintenance, Preventive Maintenance, Technology Effective Usage, Housekeeping*

# THE IMPACT OF THE PANDEMIC ON CAUSE-RELATED MARKETING

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## ABSTRACT

*Cause-related marketing (CRM) is a frequently employed strategy for companies to market products and establish brands. Many supporters of CRM view the connection of companies to causes as not only acceptable, but quite effective, and perhaps even essential for business. Because of technology, today's consumers are more informed and aware of societal issues. This, accompanied by younger generations' changing views about societal issues, presents opportunities to connect with these consumers.*

*This article examines the influence and impact of cause marketing before and during the Covid-19 Pandemic. It compares data collected from a pilot study pre-pandemic to data collected during the pandemic. Both studies investigated the impact of cause marketing on college students' purchases. Most of these consumers fall into Millennial and/or Gen. Z generations. Because their values and purchasing power are constantly evolving, understanding what helps them reach a purchase decision to support a cause is important to companies wanting to use cause-marketing and can be critical to its success. The questions posed are: What impacts their CRM purchase decisions? Have their purchase behaviors changed from the pandemic?*

## INTRODUCTION

Simply defined, "Cause-related marketing (CRM) is a commercial activity by which businesses and charities or causes form a partnership with each other to market an image, product or service for mutual benefit" (Chaabane & Parguel, 2016). Corporations and nonprofit organizations find a mutual interest and evolve the partnership to create a win-win situation. There are many different versions of cause-related marketing, with some of the most popular being product sales plus purchase, the licensing of a nonprofit's logo, co-branded events and programs, and social or public service marketing programs (Chaabane & Parguel, 2016).

Cause-related marketing has seen both expansion and improved effectiveness over time. Consumers' increasing uses of technology and social media have created opportunities for companies and causes, providing changeable, fluid, and trackable benefits, which traditional media did not. CRM has proved to reach very broad ranges of consumers, but with the ability to have a narrowly defined platform when necessary (Maceli, et.al. 2020).

This study explores what makes young-adult consumers purchase a cause-related product—in particular, how the cause and branding affect their decisions. The results of two studies, one pre-pandemic and one during the pandemic, regarding cause-related marketing and college students are included. This target market was chosen as it is comprised mostly of

Millennials and Generation Z's, whose importance of values and purchasing power is continually evolving.

## **LITERATURE REVIEW**

The Covid-19 Pandemic negatively affected many retailers. According to *Engage for Good* (2021), "Retail Dive tracked more than 9,500 store closures in 2020. Coresight Research predicts as many as 10,000 stores could close in the U.S. in 2021, which would set a new record."

One method of CRM which proved to be effective was point-of sale- round up donations. "In 2020, more than \$605 million was raised in the U.S. by a group of 76 point-of-sale fundraising campaigns that raised at least \$1 million. In total, these programs have raised more than \$9.4 billion over three decades. Dollars raised by these charity checkout campaigns increased by a significant 24% from 2018-2020, a testament to consumers' willingness to pitch in and help those in need as the globe collectively battled the health crisis of a lifetime" (Engage for Good, 2020, p. 2.)

Albert (2014) stated that if a cause pulls at the heartstrings of a person, it comes directly from what they value most. "Statistics have shown that if companies properly explain how the sale of their good would be positively contributing back to the community, then customers' willingness to pay would increase generations of consumers," (p.2).

### **Millennials and Generation Zs—Their Values and Behaviors**

Millennials were the first generation to grow up using the Internet and, as such, are accustomed to readily having access to information. Millennials comprise about 30% of the population and have values and behaviors different than previous generations. According to Hwang and Griffiths (2017), "Millennials tend to be empathetic toward social and communal causes and pragmatic about the environmental impact of their consumption choices" (p. 132).

"Generation Z members have grown up with instant global connectivity, facilitated by smartphones, tablets, wearable devices, social media platforms and so forth. [Technology] is an integral part of their lives along with Internet connectivity even more so than the older Gen Y individuals have. Secondly, Gen Z members are content creators" (Vitellar, 2017).

According to a McKinsey & Company report, there are several fundamental Gen Z behaviors which are based on the generation's continuous search for the truth. These behaviors include highly valued individual expression, inclusivity and self-centeredness. "This means that the younger people place a greater emphasis on their role in the world as part of a larger ecosystem and their responsibility to help improve it as they mobilize themselves for a variety of causes" (Francis & Hoefel, 2018).

### **The Impact of Cause-Related Marketing on Branding**

According to the blog *Engage for Good* (2019), cause-related marketing is growing quickly because it works. The blog states:

- 64% of consumers choose, switch, avoid or boycott a brand based on its stand on societal issues;
- 86% of consumers believe that companies should take a stand for social issues and 64% of those who said it's 'extremely important' for a company to take a stand on a social issue said they were 'very likely' to purchase a product;
- Nearly 2/3 of millennials and Gen Z express a preference for brands that have a point of view and stand for something;
- 76% of young people said they have purchased (53%) or would consider purchasing (23%) a brand/product to show support for issues the brand supported;
- 67% of young people have stopped purchasing (40%) or would consider doing so (27%) if the company stood for something or behaved in a way that didn't align to their values.

## THE STUDY

Two samples were compared regarding cause-related purchases. The first was collected and analyzed in 2019, pre-pandemic. The second was collected in 2020-2021, during the pandemic, and subsequently analyzed.

In 2019, focus groups and classroom discussions were conducted among college students to better understand how they felt about cause marketing. The results were combined to design a survey, which included close-ended questions regarding their purchase behaviors and open-ended questions regarding what causes they would support.

The pre-pandemic sample included 154 students from a mid-western university with an annual enrollment of approximately 7,100. Surveys were administered in upper-level classes in the College of Business. The sample included 87 males (56.2%) and 67 females (43.8%).

Students were asked about their feelings and behaviors regarding cause-related products. A five-point Likert scale was used for the following responses: *1: Never, 2: Not very often, 3: Sometimes, 4: Very often, and 5: Always*. Analyses were conducted to ensure no violation of the assumptions of normality, linearity, multicollinearity, and homoscedasticity. Correlations were run on the data to determine the strength and direction of relationship variables had on purchasing habits of the college students.

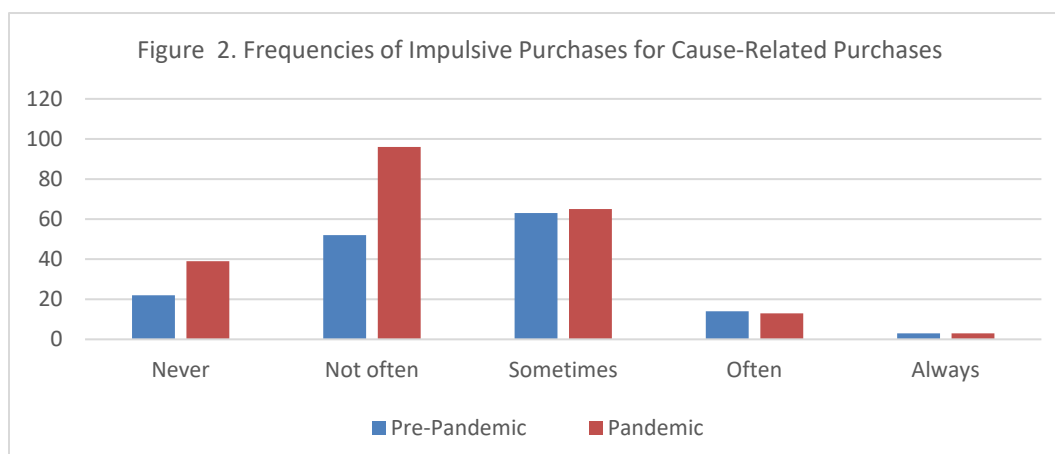
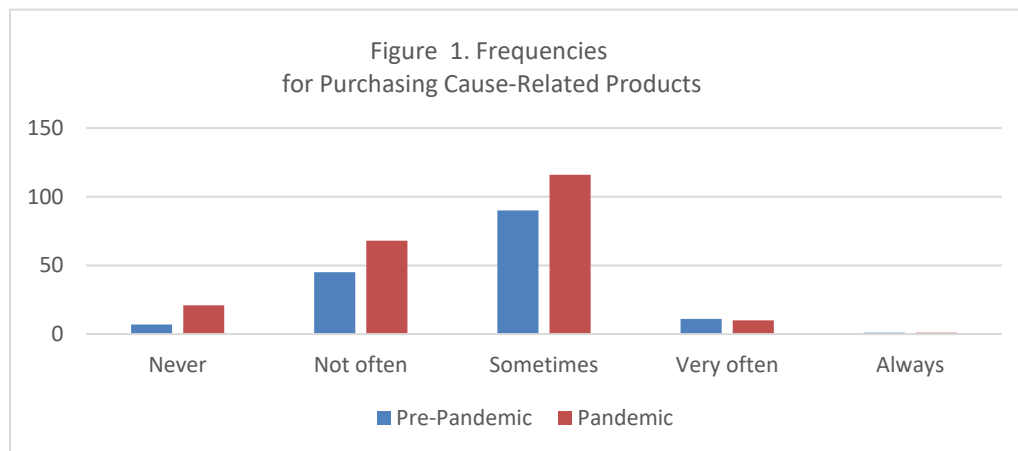
The relationship of *I purchase products that are related to some selected social cause* to nine survey variables was investigated using a Pearson Correlation Coefficient. (See Table 3.) The results indicated that when students engaged in cause-related purchases, they were often tied to causes relevant to them. The results also indicated that the purchases can be impulsive, make them happy, be emotionally based, and create brand loyalty to these products.

The survey was then given to students during the Covid-19 Pandemic in 2020-2021. The sample included 216 students in upper-level classes in the same College of Business, with 117 males (54.2%) and 99 females (43.8%). The 2019 sample was compared to the 2021/2022 sample on different measures—means analyses and correlations.

The two groups were compared on all previous variables using an Independent Samples Test analysis. Two variables showed significant differences and indicated a decline from 2019 to 2020-2021:

- *I purchase products that are related to some selected social cause:*  $t(368)=2.015, p<.05$
- *I am impulsive when I purchase cause-related product:*  $t(368)=2.376, p<.05$ .

These results indicate that, while empathetic, college students were less likely to give to causes now than in the past. (Figure 1.) They were also less likely to make impulsive purchases regarding cause-related purchases. (Figure 2.)



In the correlation analyses, results were similar though not exact. (See Table 1.) In the first and second analyses, all variables were significantly correlated to the purchase of cause-related products except for the purchases reflected their personalities.

Table 1. Pearson Product-Moment Correlations for Purchasing Social Cause Products Pre-Pandemic and During the Pandemic

	Strength of Relationship Pre-Pandemic	Significance Pre-Pandemic	Strength of Relationship During Pandemic	Significance During Pandemic
I feel happy when I buy a social cause-related product.	.494	.000 **	.399	.000**
I am impulsive sometimes when buying social cause-related products.	.486	.000**	.519	.000**
Marketing of a product with a social cause helps to remember that product	.432	.000**	.457	.000**
I have strong emotions for the brand if it is related to a social cause.	.341	.000**	.333	.000**
It is very difficult for another brand to replace a social cause-related product/brand.	.277	.001**	.232	.001**
I am very loyal to a brand through good times and bad.	.272	.001**	.152	.026*
I will not switch to another brand if the brand I use supports a nonprofit organization.	.205	.013*	.271	.000**
With different brands of the same price and quality, it is more likely that I will choose the brand that I know is related to social cause.	.204	.013*	.277	.000**
The brands I purchase reflect my personality.	.123	.138	.477	.052

\*\*p<.01 (2-tailed) \*p<.05 (2-tailed)

## LIMITATIONS OF THE STUDY AND CONCLUSION

A limitation to this study was that not all of the sample currently gave to causes. Though many expressed an interest to support causes in the future, this lack of experience could impact how they responded to the questions. Another limitation to this study was the somewhat narrow age range of the sample. Because Millennials span different decades, it is challenging to make implications about the entire generation.

The potential of cause-related marketing, especially to younger generations, is still waiting for marketers to explore. By understanding and aligning what products they want along with what causes they value, companies could gain more customer loyalty from this demographic. Simply put, cause-related marketing should be a strategic goal. CRM must fit both the company and the cause, be authentic, and most importantly, recognize what consumers value.

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# **EFFECT OF TRANSFORMING ACCOUNTING PRINCIPLES COURSE TO IMPROVE STUDENTS' PERFORMANCE AND RETENTION**

**Symon Manyara, Bowie State University**

**Enoch Osei, Bowie State University**

**Bernard McNeal, Bowie State University**

**Augustin Ntembe, Bowie State University**

## **ABSTRACT**

*Principles of Accounting I is a required course for all business majors in the College of Business at Bowie State University. The course had a high failure rate, which resulted in many students migrating to other majors in the university. This problem initiated a study to improve teaching and assessment techniques. A new teaching methodology developed from a course redesign was likely to reduce the failure rates. The redesign model requires students to complete graded pre-lecture reading assignments to ensure advanced preparation. The new model was implemented in all fall 2018 sections, increasing students' enrollment in each section from 25 to 30. The changes reduced the need for adjunct faculty, which is a cost-saving for the College of Business. Course enrollment steadily decreased from 2006 to 2015 but rebounded and increased consistently after fully implementing the redesign model in fall 2018. Furthermore, DFW rates declined from 53% in spring 2018 to 44% in fall 2018, 42% in spring 2019, 45% in fall 2019, and 27% in spring 2020. The course redesign data showed a steady decrease in DFW rates and a steady increase in enrollment over multiple semesters. Full-time faculty are teaching all course sections to ensure consistency and accountability with the course redesign, thus maintaining the positive trend. A more detailed study results paper will be released in the future.*

# **THE IMPACT OF INTERNAL MARKETING ON THE PSYCHOLOGICAL CONTRACT: ORGANIZATIONAL COMMITMENT IN THE U.S. HOSPITALITY INDUSTRY**

**Naushad Mohammed, College of Staten Island**

**Cliff Abdool, College of Staten Island**

**Mark Stroud, College of Staten Island**

## **ABSTRACT**

*Service firms often experience issues related to customer-contact employees, such as absenteeism, high turnover, and poor performance, which can ultimately lead to unhappy clients migrating to the firm's competitors. Focusing on large chain hotels in the United States hospitality industry, this study explores the effect of internal marketing on employees' psychological contract and the subsequent impact it has on employee commitment to the organization. The goal of this investigation is to demonstrate how hospitality firms can use internal marketing as a tool to enhance employee longevity and satisfaction.*

# **SUSTAINABILITY IN THE HEALTHCARE INDUSTRY: THE IMPACT OF ORGANIZATIONAL CULTURE AND QUALITY IMPROVEMENT MANAGEMENT**

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**Susan M. L. Zee, Southeastern Louisiana University**  
**Lillian Y. Fok, Western Washington University**

## **ABSTRACT**

*The purpose of this study is to examine the explanatory links of organizational culture and quality improvement practices to the relationship between green practices and sustainability performances in the healthcare industry. Structured questionnaires were used to collect data from 179 full-time managerial employees in the healthcare industry. The relationships suggested in the proposed conceptual model were tested through six hypotheses. SEM-AMOS was used to test the hypotheses. The research finds that within the healthcare industry, the more employees are made aware of green practices within the companies they work for, the more likely they are going to feel positive about the organizations' sustainability performance. Additionally, strong organizational culture which supports the green movement and quality improvement practices lead to positive sustainability outcomes in healthcare organizations.*

## **INTRODUCTION**

Healthcare organizations around the world, including hospitals, aim to introduce innovative operations while maintaining high quality standards (Hwang and Chung, 2018). To minimize harm to the community from the innovation which could often affect the natural environment, administrators adopt environment management programs to alleviate potential damages. Through these programs, a greener orientation can be used in the field of energy conservation, proper disposal of waste, and safe management of medicines (Shaabani, *et. al.*, 2020). Operational approaches taken by hospitals, medical clinics, healthcare facilities and beyond are more important now than ever. The state of wellness of hospital systems, current healthcare employees, and the general well-being of all organizations in this industry is something none of us can afford to ignore.

Greener operations in healthcare will sustain people's health by reducing environmental impact (McDermott, 2011). Healthcare organizations recognize the important relationship between human health and the environment, and they display this knowledge in its management, operations, and strategy (Yunhu, 2014). In the wake of the pandemic, medical organizations will need to continue balancing a greener practice while keeping business afloat. Hospitals and clinics

and other healthcare facilities will need to consider how the world has changed and continue to lobby for environmental sustainability.

The healthcare literature lacks a comprehensive framework for measuring performance in relation to specific sustainability dimensions. Therefore, this research aims to address the healthcare sector by examining a set of sustainability factors which contribute to healthcare organizations' performance success. In particular, we look at the relationships between green practices, organizational culture, and quality improvement practices.

## RESEARCH HYPOTHESES

According to Kaplan *et al.* (2012), the U.S. healthcare industry could save roughly \$15 billion by adopting more sustainable practices. Hospitals can save millions of dollars by being energy-efficient conscious, through waste reduction efforts, and environmentally responsible purchasing. To be environmentally and socially sustainable, healthcare organizations need to evaluate their building infrastructure, organizational practices, and related systems, in order to implement measures in line with their budgets. They need to have reliable and resilient engineering systems to ensure safety for all patients (Biaison and Dahl, 2016).

The green operations strategy framework involves the three pillars of sustainability introduced by Elkington (1997), who pointed out that profit (economic), planet (environmental), and people (social) are all essential for an organization when it comes to sustainable decisions (Migdadi and Omari, 2019). A growing body of research has focused on green practices, and some studies investigated the impact of green practices and performance (Florida and Davison, 2001). Literature in green manufacturing and green healthcare shows that organizations of which adopt sustainable practices tend to improve their sustainable performance (Abdul-Rashed *et al.*, 2017). The positive link between green initiatives and sustainable performance has been acknowledged in various studies (Zhu *et al.*, 2012; Suheil, 2015; Omara *et al.*, 2019). Longoni and Cagliano (2018) also found positive effects of environmental disclosure and green practices on firms' financial performance and environmental performance. Other evidence suggests that companies with green practices tend to enhance their sustainable performance (Hami *et al.*, 2015; Rehman *et al.*, 2016). As healthcare organizations involve green practices in the implement of their operational procedures, their economic performance, environmental performance, and social performance will be enhanced. Drawing inferences from the abovementioned literature, the following hypotheses were developed:

***Hypothesis 1: Green practices have a significant positive effect on sustainability performance.***

An excellent tool to establish routines that link quality to performance is organizational culture (Polites and Karahanna, 2013). It can be used to integrate regulations and standards into everyday operations while maintaining a high level of performance and productivity (Valmohammadi and Rshanzamir, 2015).

When leaders in a healthcare organization can ensure uniformity in understanding and application of standardized procedures, enterprise culture can be enhanced, innovation can be stimulated, and good habits can be formed which lead to quality issues being reduced (Macht and

Davis, 2018). When sustainability becomes a part of an organization's core strategy, the culture that binds the employees together can have a great impact on the level of success on sustainability initiatives. When the association between commitment to quality and information sharing, continuous improvement, and teamwork was examined by Malik and Blumenfeld (2012), a positive connection was found between the integration of quality management practices embedded in organizational culture (Macht and Davis, 2018). An organizational culture that emphasizes performance measurement and quality management should ultimately lead to higher levels of organizational effectiveness. Organizational culture is unique and difficult to duplicate, just as organizational knowledge is also unique and could be a great instrument to utilize in adding value (Macht and Davis, 2018; Biotto *et al.*, 2012).

A strong organizational culture within a healthcare organization can lead to more robust green practices and improved sustainability performance through those practices. Consequently, we hypothesize the following hypotheses:

***Hypothesis 2:*** *Organizational culture have a significant positive relationship with green practices.*

***Hypothesis 3:*** *Organizational culture affects the relationships between green practices and sustainability performance.*

Quality improvement practices can make quality issues the responsibility of all administrators and providers within the healthcare organization (Balasubramanian, 2016). In the healthcare industry, this translates to preventing clinical problems, increasing patient satisfaction, continuously improving the organization's processes, and providing services that are as good, if not better than their competitors. These practices are rooted in stakeholder satisfaction and organizations' overall success (Chin *et al.*, 2001; Sanuri Mohd Mokhtar *et al.*, 2013). Healthcare organizations are constantly facing intense pressure from various economic, social, and environmental challenges, and they realize the need to incorporate sustainable development and quality checks in order to reach higher levels of improvement and ultimate profitability (Hitchcock and Willard, 2002; Jonker, 2000; McAdam and Leonard, 2003). It is a logical continuation of research to expand these practices into a concept that also includes sustainability, long-term survival and growth with the emphasis of globalizing economies (Dervitsiotis, 2001; Wilkinson *et al.*, 2001; Zairi, 2002).

Employee attitudes regarding green practices may be influenced by their perceptions toward quality improvement programs implemented in the workplace. Previous research examined employee involvement (Rapp and Eklund, 2002), human resource management and leadership (Daily and Huang, 2001), commitment (Matta *et al.*, 1996), and personality traits (Ahmad and Schroeder, 2002) all expressed possible connections between perceptions and attitudes. How employees perceive the effectiveness of varying quality improvement tools employed in the workplace should have significant consequences on employees' attitudes about going green. Based on this evidence, the following hypotheses were developed:

***Hypothesis 4:*** *Quality improvement practices have a significant positive relationship with green practices.*

**Hypothesis 5:** *Quality improvement practices affects the relationships between Green practices and sustainability performance.*

To cultivate a culture of quality, managers need to establish appropriate expectations and habits that link quality culture to performance (Polites and Karahanna, 2013). It is the organization's responsibility to ensure that employees are embedded in a strong culture of which can lead to adherence of quality processes. There is a positive association between employee behaviors and organizational goals in relation to actual habits and how that leads to either positive or negative performances (Neal, *et. al*, 2012). Healthcare organizational leaders need to identify information that ensures compliance by integrating regulations and standards into the organizational culture while maintaining a high level of performance (Valmohammadi and Roshanzamir, 2014).

Research showed that cultural norms integrate into daily work practices when organizational performance was observed (Choi, *et. al.*, 2010). It was concluded that shared knowledge identifies opportunities for continuous process improvement and product innovation. Leaders in healthcare entities may create a positive relationship between quality standards and organizational culture through learning and innovation (Long *et al.*, 2015). These studies support the notion that strong organizational culture should relate to better executed quality performance practices. Consequently, we developed the following hypothesis:

**Hypothesis 6:** *Organizational culture and quality improvement practices have significant positive relationship with each other.*

## CONCLUSIONS

Introducing environmental sustainability measures is often believed to lead to increased operating costs. In this study, we found that it may just be the opposite. With little capital investments, hospitals and other healthcare facilities could realize significant operating savings, better social and community impacts, and protecting the environment. Our results showed that healthcare organization overall sustainability performance is significantly affected by the degrees of green initiatives implemented in an organization. The perceived use of quality improvement practices and organizational culture have positive and direct impact on employees' perceptions of economic and social sustainability performances. The results do not support the idea that organizational culture and quality improvement practices affect sustainability performances through green practices.

We believe that healthcare facilities are in a prime position now to make sustainability a part of their mission and long-term strategic plan. This will ensure the organizations' longevity, increased profitability, improved relationships with the employees and community, and reduced negative environmental impacts.

**References upon request**

# **DO FAMILY FIRMS EXPLOIT VOLUNTARY DISCLOSURE PRACTICES BEFORE SHARE REPURCHASES AND SEASONED EQUITY OFFERINGS?**

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**June Pham, Shippensburg University**

**Hari Adhikari, Embry Riddle Aeronautical University**

## **ABSTRACT**

*The prevalence of family firms in the US (Anderson and Reeb, 2003; Villalonga and Amit, 2006) and around the globe (La Porta, Lopez-de Silanes, and Shleifer, 2000; Claessens, Djankov, Fan and Lang, 2002) and their some specific characteristics (for example, concentrated ownership, managerial leadership, firm legacy, and so on) which are distinct from non-family firms, have attracted many researchers to the study of family firms. As a significant part of the corporate world, family-owned (family) firms account for approximately 33% of the S&P 500 universe. Prior studies report around one-third of companies as family-controlled internationally as well. If we consider all types of businesses, Prencipe, Bar-Yosef and Dekker (2014) report that 89% of all enterprises in North America are family businesses and Neckebrouck and Schulze (2018) mention that more than 60 percent of the global employment is in family firms. Although, there is a significant presence of family firms, the academic interest in this area is relatively new and most of recent articles in this field compare family and non-family firms on the choice of their corporate policies and the effect of such policies on firm performance. In this paper, we focus on voluntary disclosure practices of family and non-family firms around two important corporate events namely open market stock repurchases and seasoned equity offerings.*

*A family-owned company is a firm in which at least one member of the founding family continues to hold a position in top management or sits on the board, or the members of the founding family still have certain ownership in the company. Thus, family firms are characterized by the founding family's concentrated ownership and the founding family members' active involvement in firms' management either as top executives or as directors. On average, founding families hold around 18% of the equity and 22% of directorships and hold the CEO position in 62% of family firms (Chen, Chen, Cheng; 2008). Such engagement of founding family members reduces the agency problem between owners and managers (Type I agency problem) in the family firms. But, because of the control advantage of the shareholders with a significant stake, the second type of agency problem (Type II agency problem) between large and small shareholders might emerge in family firms more severely (Jensen, 1986). The conflicts between large and small shareholders are well documented in large public firms, but they are prevalent in private firms as well (Hope, Langli and Thomas, 2012). These distinguishing features can potentially affect*



*such firms' financial disclosure choices. However, family firms' decisions over financial disclosure have not yet received much attention.*

*Voluntary disclosure practices vary widely among different types of firms and not all firms behave similarly during voluntary disclosures (Ajinkya and Gift, 1984; Diamond and Verrecchia, 1991; Nagar, Nanda, and Wysocki, 2003; and Brown, Hillegeist, and Lo, 2004, Pham et al., 2019). For example, firms with relatively larger institutional investors and more concentrated insider equity holdings are more likely to provide disclosures (Ajinkya, Bhojraj, and Sengupta; 2005). Similarly, Li and Zhuang (2012) report that management guidance reduces the magnitude of SEO underpricing, and this effect is more pronounced among smaller firms. Furthermore, the effect of management guidance on SEO underpricing appears to be driven by firms issuing high-quality guidance that is more accurate or precise. Studying news disclosure practice, Ertimur, Sletten, and Sunder (2014) provide evidence that firms with bad news are more likely to delay disclosures in the lockup expiration quarter which is consistent with their disclosure policy that allows pre-IPO shareholders to sell shares before the stock price incorporates the news.*

*Family firm's unique ownership structure characteristics, legacy in the firm, and a higher proportion of directorship may result in different voluntary disclosure practices.*

*Because of the control through substantial stake and legacy, founding family members may serve their purpose at the expense of minority stockholders in the firm (Type II agency problem). We consider two corporate events: open market stock repurchases and seasoned equity offerings. In these announcements, the potential benefits of exploiting information disclosure practices to the large shareholders are higher than the costs incurred by them. Prior literature indicates that the managers increase the frequency and magnitude of bad news as well as good news announcements, although the latter, to a lesser extent, during the one-month before repurchasing shares. Similarly, firms mislead investors by overstating earnings before seasoned equity offerings and manipulate their earnings and firm performance to some degree before seasoned equity offerings. Furthermore, the job security of the CEOs in family firms is better than the job security of CEOs in non-family firms. These pieces of evidence suggest that family firms might intentionally release more bad news before a repurchase program, whereas, they may purposely inflate stock prices by issuing more good news before seasoned equity offering announcements.*

*So, in this paper, we examine the differences in management earnings forecasts between family and non-family firms in the information disclosure practices during two information-sensitive corporate events namely: stock repurchases and seasoned equity offerings.*

*Using a sample of S&P 500 firms in the period 1995-2006, we find that family firms are more likely to issue downward earnings forecasts (bad news) prior to stock repurchase announcements and release upward earnings forecasts (good news) prior to seasoned equity offerings. We conjecture that family firms tactically influence information flow before these two corporate events for large shareholders benefit at the expense of outside shareholders. Our results are robust in both pre and post Regulation Fair Disclosure (Reg. FD) periods.*

*Our paper contributes to the voluntary disclosure literature by providing evidence on the impact of firms' ownership structure on their voluntary disclosure practices. To the best of our knowledge, this is the first formal research to investigate how family firms implement their*

*voluntary earnings forecasts before two major and information-sensitive corporate events: stock repurchases and seasoned equity offerings. More importantly, in the presence of major information-sensitive events such as repurchases or SEOs, we find indications that family firms tactically time the flow of information disclosures by releasing more bad news prior to repurchase announcements and conversely, release more good news prior to SEO announcements.*

*The rest of the paper is organized as follows: Section 2 reviews prior literature and develops our hypothesis. Section 3 discusses the sample and research design. Section 4 presents our empirical results, and section 5 concludes.*

# **COVID 19 THREATENS MENTAL HEALTH AND POSES CHALLENGES ON THE SUPPLY CHAIN: THE ROLE OF SOCIAL CORPORATE RESPONSIBILITY PRE AND POST-PANDEMIC ERAS**

**David Ntahombaye, Missouri State University**

**Ismet Anitsal, Missouri State University**

**Melek Meral Anitsal, Tennessee Tech University**

## **ABSTRACT**

*Pandemics have been creating social and economic challenges for centuries. Such challenges have affected the supply chain that has implications on mental health and the healthcare industry. Pre and post-Covid 19 eras have caused complications within the healthcare industry and prompted the need to develop strategies to help cope with the situation. The pandemic has resulted in mental health problems that adversely affected the healthcare industry, threatened businesses, and caused disruptions on the supply chain. These results indicated the need to develop better supply chain models to resist pandemic challenges. There is also a need to address Corporate Social Responsibility's (CSR) role during the pandemic. The paper aims to address challenges that the pandemic has posed on the world socially and financially.*

# **SAP INTEGRATED BUSINESS CURRICULUA - A LITERATURE REVIEW**

**J Rajendran Pandian, Virginia State University**  
**Hari Sharma, Virginia State University**

## **ABSTRACT**

*The purpose of this research paper is to examine the published research work related to SAP integrated Business curriculum for the past 10 years. Historically, all Enterprise Resource Systems (ERP) were a monolithic e-commerce suite that was often inflexible, hard to extend or scale, and a more costly option in the long term, especially if the business needs to customize the system to specific needs. ERP systems require expensive, complex, and customized code to meet unique business requirements, which slowed—or even prevented—the adoption of new technology or process optimization. SAP is among the leading ERP systems companies that provide machine learning tools, Internet of Things, and advanced business analytics technologies to help turn customers' businesses into intelligent enterprises. The company offers the SAP University Alliances program to enable universities to educate students for the Intelligent Enterprise and the experience economy by engaging at SAP events, building industry partnerships, and preparing graduates for the SAP ecosystem. We want to explore the challenges and opportunities faced by Business schools related with SAP integrated Business curricula. We will identify those faced by the faculty, the students and the administration separately. We plan to collect and analyze the relevant data available in reputed business journals including Accounting, Finance, Information Systems, Management and Marketing. We will share our finding based on this literature review in the conference presentation and the final paper. We anticipate that our findings will be beneficial for all stakeholders and the service providers.*

**Key Words:** *SAP Integrated Business Curricula, ERP Integration in Education, SAP University Alliance*

# **THE ROLE-PLAY SIMULATION OF PROFESSIONAL SELLING METHODS**

**Michael W. Pass, Sam Houston State University**

## **ABSTRACT**

*The role-play simulation is an active learning method that achieves a deeper level of learning as compared to passive learning methods. The simulation involves the student in the application of concepts in tandem with learning about them from the instructor. Unlike traditional role-plays, the simulation deals with more than one or two course concepts. It is implemented over several weeks so that students are able to learn concepts, practice applying them, and integrate the concepts into a capstone role-play. This presentation covers the application of a role-play simulation within a professional selling course.*

*An assessment of student learning was completed using exam scores, worksheet scores, and instructor evaluations of the capstone role-play. Students become more engaged in the course as the result of the simulation. Many of them transition from not believing they can perform well to knowing they can master the concepts. Although it is an effective teaching method, there are some challenges and possible improvements. These are explained and some areas for future research.*

# **EFFECTS OF COVID-19 TO CONSUMERS' BEHAVIOR: EVIDENCE FROM THE PHILIPPINES**

**Mat Ramos, San Pablo Colleges, Philippines**  
**Ricardo G. Bartolome, San Pablo Colleges, Philippines**

## **ABSTRACT**

*COVID-19 has caused significant suffering worldwide. To control the widespread of the disease governments imposed control measures affecting the mobility of individuals. In the Philippines, lockdown and community quarantine was implemented by Inter-Agency Task Force (IATF) on COVID 19, a group created by the government to manage and control the effects of the virus. Lockdown and quarantine forced people to stay at home and were allowed only to go out to buy food and other needs. This study aims to determine the effects of the COVID 19 Pandemic on consumer behavior and on the part of the producers and manufacturers on how to reach the consumers and make their products and services available to them. The researchers gather data and information using questionnaires and interviews from 5 food manufacturers, 10 distributors, 10 wholesalers, 15 retailers of essential and non-essential goods, and 3 delivery and courier service providers. Analysis and presentation of the results collected are descriptive in nature. The results from questionnaires and interviews revealed that consumer confidence declined because of the pandemic, leading to changes in consumer behavior. There was a drastic reduction in their spending on discretionary purchases. Focus shifted to buying only basic needs such as food, medicines, and personal hygiene products. The use of digital marketing platforms, other online shopping services, delivery, and courier services are now the trend in the "New Normal" which benefited not only the consumers but also the producers and manufacturers.*

**KEYWORDS:** *Consumers' behavior, new normal, basic needs, digital platform, delivery, courier services*

# **IMPACTS OF COVID-19 PANDEMIC IN THE SELECTED BUSINESSES IN PAGSANJAN LAGUNA, PHILIPPINES**

**Adoree A. Ramos, ACTS Computer College, San Pablo Colleges**  
**Mayvel M. Rivera, ACTS Computer College, San Pablo Colleges**

## **ABSTRACT**

*The COVID-19 impacted businesses across the world. Small and medium enterprises in the Philippines, specifically in Pagsanjan, Laguna, too, were severely affected and in need of support to recover from this pandemic. This paper presents the immediate actions taken by owners to adapt to the new market realities. Specifically, it identifies resources that businesses have accessed to minimize the impact and evaluates the support and additional resources they may need in the short term and during the recovery period. Ninety small and business owners participated in the survey. The data were entered using MS-Excel 2019 and descriptive analysis was performed. The key findings of the survey reveal that before COVID-19, the performance of most enterprises was stable with the ability to save profits. Businesses significantly reduced staff, and decreased revenue, by over 50 percent. Additionally, planned upgrades or expansions were canceled and hours of operation were reduced due to government restrictions and protocols. Owners also shifted staff to work remotely. In order to recover, the owners asked for additional technical and financial support services, such as research and forecasts for business planning and subsidies for utility payments. These results are useful for designing programs to speed recovery and to support small and medium enterprises given their vital role in job creation and economic development.*

**KEYWORDS:** Recovery plan, COVID-19 impact, technical and financial support services

## **A CASE STUDY IN HOW CONVERTIBLE DEBT CAN BE USED TO DEFRAUD INVESTORS**

**Jeffrey Hemker, Southern Illinois University Edwardsville**

**Linda Lovata, Southern Illinois University Edwardsville**

**Brad Reed, Southern Illinois University Edwardsville**

**Cathy Tornaritis, Southern Illinois University Edwardsville**

### **ABSTRACT**

*Obscene Jeans Corporation started with the business plan to design a woman's line of jeans, labeled Obscene Brand Jeans. The company raised money and hired a "supposed" well-known fashion designer. The company's first public financial statements indicated that it would take 9 months to design and manufacture the first jeans for re-sell. Five years later, the company had never produced any jeans to be sold, had consumed over \$2 million dollars, changed their business plan to making games for social media platforms, and gone through three CEOs and three auditors and was out of business. Subsequently, news reports revealed that Obscene Jeans Corporation was part of a group of companies using a pump-and-dump strategy to take advantage of unwary investors. The company obtained advances and loans from connected investors that had favorable equity conversion features. The company would then make a series of favorable news reports and the connected investors would convert and sale their shares before disclosures regarding the convertible debt were public. This case requires students to research the Accounting Standards to determine if the company accounted for the advances and convertible debt correctly. Additionally, the case requires students to research and explain the disclosure requirements related to these types of transactions.*



# **THE ETHICAL DIMENSIONS OF KEEPING MORE THAN ONE SET OF ACCOUNTING BOOKS: EVIDENCE FROM PHILIPPINE COMPANIES**

**Joseph Alfred M. Reyroso, San Pablo Colleges**  
**Venus C. Ibarra, San Pablo Colleges**

## **ABSTRACT**

*This study presents an ethical awareness of keeping multiple sets of accounting books among selected companies enclosed with the objectives of determining the reasons for maintaining multiple sets of financial statements and analyzing the consequences of maintaining multiple one-set of accounting books. Respondents were among the forty-nine (49) companies participated by their owners and management. Researcher used the measurement of central tendencies and Tests on Hypotheses to determine significant differences in the awareness.*

*Results revealed that businesses maintain multiple sets of accounting books for the reasons such as the data-based of information of owners, internal users, tax and loan purposes, for the prospective customers, investors and suppliers. The companies are aware of the multiple financial statements, ethical provisions, reprimand and the consequences of GAAP, PAS and PFRS. Significant differences were not found on the awareness of maintaining multiple sets of accounting records and analyzing whether the practice of keeping more than one set of books is ethical or unethical. It was found out highly arguable and remain a controversial topic among the users of accounting information with both opposing sides have strong justifications on their own.*

**Keyword:** *Ethical, awareness, accounting books, financial statements*

# **DYNAMIC CAUSALITY AMONG ENVIRONMENTAL QUALITY, INCOME, ENERGY USE, TRADE OPENNESS AND STRUCTURAL CHANGE IN INDIA**

**Hiranmoy Roy, UPES, Dehradun**

**Sonal Gupta, UPES, Dehradun**

**Rudra P. Pradhan, Indian Institute of Technology Kharagpur, India**

**Hari Sharma, Virginia State University, USA**

## **ABSTRACT**

*Due to the harmful effects of CO<sub>2</sub> emission on the economy and environment, it has attracted the urgent attention of researchers and policymakers. The current research aims to analyse the dynamic relationship between CO<sub>2</sub> emissions, energy use, GDP, structural change and trade openness by employing state-of-the-art multivariate econometric models. We have applied the Vector Error Correction Model, which allows all these variables to be endogenous and the error correction term is used to explore causality that have been earlier overlooked by the standard Granger causality tests. Additionally, the VECM model considers the short-run dynamics and long-run equilibrium, which makes a clear distinction between the short-run and long run causality.*

*The direction of the causality is checked by The VECM based approach. We found in a co-integrating result that there is a long-run relationship among the variables and the presence of co-integration. An increase in income by 1 % leads to a 4.76 % decline in CO<sub>2</sub> emission; reduce energy use by 1.55 %. Thus, the result suggests that along with an increase in income, the percentage of energy use declines due to increasing in energy efficiency and thereby lowering CO<sub>2</sub> emission. The income – energy use nexus illustrates that there is unidirectional causality from income to energy use and not vice-versa. Hence, along with the rise in income, energy use is also increasing in India. There is also evidence of trade causing energy use. Thus, the policy implication of our study is to tackle the growing problem of climate change.*

**Keywords:** CO<sub>2</sub> Emission, Energy Use, GDP, Trade Openness, Structural Change, VECM

# ALLIANCE FORMATION RESULTING FROM THE FIRM'S ORGANIZATIONAL RESILIENCE IN RESPONSE TO EXTERNAL ENVIRONMENTAL TRAUMATIC EVENTS

Michael D. Santoro, Lehigh University

## ABSTRACT

*Resilience has become an important lens to understand the capacity to overcome traumatic shocks as it can be a way to show how individuals, organizations, and larger systems bounce-back after traumatic events such as terrorist attacks or natural disasters, or the spread of a chronic disease (Alexander, 2013; Earvolino-Ramirez, 2007; Kantur and İşeri-Say, 2012; Meerow and Newell, 2015). The nature and intensity of the threat, which leads to a heightened fear of life, property, and emotional well-being, distinguishes resilience from the traditional notion of recovery. That is, while the research on organizations is dominated by the study of technological or economic shocks that have economic consequences, the study of resilience corresponds to events that have life-threatening implications (Sutcliffe and Vogus, 2003).*

*However, the relatively little body of literature on organizational resilience (Linnenluecke, 2017; Sutcliffe and Vogus, 2003; Van Der Vegt et al., 2015; Williams et al., 2017) offer limited insights. While this literature helps to explain that resilience may be associated with resource endowments that precede a traumatic event such as slack or the capacity for learning that materializes in the aftermath of the event, it remains unclear whether the outlook necessary for resilience is uniformly distributed or if some organizations are predisposed to act on resources and pursue learning more than others. In other words, are comparable organizations equally resilient in the face of a traumatic event?*

*In this study, we argue that despite being endowed with comparable resources and learning opportunities, organizations are not equal when it comes to being resilient. Rather, resilience is motivated by how strongly the organization perceives the threats that they are confronted with and the closeness or distance from that threat. Geographical proximity to a traumatic event increases the perception of threat, thereby making an organization more vulnerable, and in turn, more eager to seek knowledge and emotional support from other organizations (Barreto and Patient, 2013; Luthar and Zelazo, 2003). This eagerness leads to the development of inter-organizational alliances, especially with other firms who are equally affected by the threat. Thus, while resilience unfolds as a learning process that benefits from the availability of slack resources, it is likely to lead to an increase in inter-organizational alliances by firms that are more geographically proximate to the threat.*

*We test our arguments with a sample of US and non-US firms before and after the 9/11 terrorist attacks. We found that US firms' direct exposure to the attacks led to a higher preference for inter-organizational alliances than non-US firms. This preference was facilitated by local*

*partners and through the distinctive deployment of slack, leading to a disproportionate increase in alliance frequency relative to non-US firms. Our findings suggest that resilience can be a reactionary change in organizational outlook that can be driven from direct exposure to the threat. Contrary to conventional wisdom, our research results show that geographical proximity to a traumatic event can be positive as it serves as an impetus for organizational adaptation.*

# **THE CHAMPIONS LEAGUE, BOSMAN RULE, AND COMPETITIVE BALANCE IN DOMESTIC EUROPEAN FOOTBALL LEAGUES**

**Ricardo Santos, Trinity University**

## **ABSTRACT**

*The mid-1990s saw two major changes in the structure of European club football with the potential to affect competitive balance in domestic leagues. One was the reorganization (and rebranding) of the European Cup into the Champions League (CL). Most important was the 1996-97 change that allowed the higher revenue leagues to qualify more than one club. The other was the Bosman Ruling, the set of 1995 European Court of Justice decisions that effectively eased player movement between clubs, especially that of European Union nationals to clubs in other EU countries. Each of these institutional changes could have plausibly increased the competitive advantage of higher revenue clubs against their league rivals.*

*In our project, still in its early stages, we plan to measure and analyze the competitive balance effects of these changes across a sample of domestic football leagues. We hypothesize that while the Bosman Ruling eased player movement and thus decreased competitive balance as the clubs with greater current and potential revenues could acquire more top players, the Champions League expansion would be more ambiguous in its implications across leagues. We hope to distinguish the implications of these two events that each took effect with the 1996-97 season.*

# FORECASTING OF US STOCK MARKET USING HYBRID APPROACH OF GA-ANN AND GA-LSTM

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## ABSTRACT

*Artificial intelligence techniques help predict non-linear data with precision. However, a single intelligent technique is insufficient to get accurate forecasting results, and researchers are attempting to develop hybrid models. The several techniques' strengths are combined to develop a more reliable predictive model in hybrid models. The purpose of this study is to demonstrate the integration of two intelligent techniques: Artificial Neural Network (ANN) and Long Short-Term Memory (LSTM) and its integration with Genetic Algorithm to predict two US stock data DOW30 and NASDAQ100. We have also considered the data of COVID-19 to validate the model. The experimental result reveals that the hybrid model outperforms the model with individual technique, and out of two hybrid models, GA-LSTM gives a more precise prediction than GA-ANN. We used three error measures to evaluate the accuracy of the model: Mean Absolute Percentage Error (MAPE), Mean Square Error (MSE), and Root Mean Square Error (RMSE).*

**Keywords:** Artificial Neural Network (ANN), Long Short-Term Memory (LSTM), Genetic Algorithm (GA),

# **OCCUPATIONAL TRENDS OVER THE LAST FIFTY YEARS IN THE UNITED STATES: AN ANALYSIS ACROSS RACIAL LINES**

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## **ABSTRACT**

*The distribution of occupations across various sectors of a society - stratified along gender, racial, socioeconomic and age factors is key to the development of any society. Having occupational trends further broken down by industry is a monumental step, but is key if one wants to add substantive meaning to any analysis on the topic. This paper takes aim in that direction and analyzes occupational trends for females in the last fifty years. What is significant about this analysis is that it will be further tempered by looking at these trends across racial lines. Such an analysis since analyzing women as a monolithic group has been shown to be not productive or realistic (Smith-Hunter, 2013). Studies that insist on doing so have fallen short of the threshold needed to offer substantive evidence of what constitutes comprehensive research and have thus failed to offer an understanding of issues these various factions of women have to overcome. In taking this monumental step in that direction, this paper looks at occupational trends for women across racial lines over the last fifty years. By holding gender constant, a rich and comprehensive set of lenses can be used to analyze an area that is often ignored or never adequately covered. This paper takes the extra step of doing a one on one comparison using undisputed national data. As such, the paper's lies in the credibility and extensive exploration of an in-depth analysis.*

*One prominent study of female occupational trends was done via a doctoral dissertation that examined the gendered division of labor with in technical work related to the moving image archiving profession (Miller, 2017). The study was premised on the fact that technical professions remain largely male-dominated and that women in the workplace contend with a variety of sexist behaviors and beliefs (Miller, 2017). Another study also looked at women at a professional level and specifically looked at the effects of gender on organizational structures for professional university staff have been largely overlooked in the literature (Simpson et al, 2014). Using data from one Australian university, they examined the location of professional female staff in the organizational hierarchy (Simpson et al, 2014). The analysis indicated that significant gendered segregation existed within and across role level, function, and position title (Simpson et al, 2014). Women comprised the majority of university professional staff yet the minority of senior administrative positions (Simpson et al, 2014). Those women who were in senior executive positions were clustered in support areas at the fringe of the decision-making powers of the university (Simpson et al, 2014). At mid-level management, where numbers of males and females were equivalent, evidence indicated that women assumed a level of greater responsibility yet at lower salary levels (Simpson et al, 2014).*

We have seen occupational trends studied previously by focusing on immigrant groups (Wanner et al, 2003; Habib et al, 2012), by countries (Jacobs, 1992; Mondal et al, 2018; Van Mourik et al, 1981), over time (Jacobs, 1992; Mandel, 2012; Lewis, 1982), by career patterns (Jacobs, 1999; Charles et al, 2005; Kilminster et al, 2005; Lipman-Blumen, 1973) and with an overarching looking at occupational trend patterns in general (Wool et al, 1947; Baunach, 2002; Jacobs, 1989; Blau, 1979; Preston, 1999).

Why then study occupational trends? Why is this topic of such utmost importance? This topic is important for a number of reasons: (1) as a means to predict the future; (2) to allow governmental agencies to know where to focus resources; (3) to allow educational institutions to fulfill needs that are upcoming and (4) to direct economic patterns and issues that are related to a society's economic portfolio and thus to the needed areas, such as changes in pay rates. The recent COVID-19 pandemic has raised a number of issues and questions regarding shifts in needs and wants of the population. Those supply and demand issues will in turn impact what industries and occupations are needed over the next decades, and analyze how those positions will be occupied, especially across gender and racial lines. Such an analysis is critical in providing an early picture of where we are headed as a national and global economy. The paper will use the United States Bureau of Labor Statistics data to analyze occupational trends for women across racial lines over the last fifty years.

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# **CREDIT RATINGS AND ENVIRONMENTAL RISK MANAGEMENT**

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## **ABSTRACT**

*This study investigates whether credit rating mitigates the probability of occurrence of firm's adverse environmental events. Based on a unique database, we find that credit ratings struggle to anticipate the occurrence of adverse environment events. The informational content in terms of environmental risk of credit ratings, that generally focus on the financial health of issuers, therefore appears to be more limited. These results are robust to several tests, including endogeneity tests.*

*By contrast, we observe that high environmental performance, can significantly reduce the probability of the occurrence of adverse environmental events. This suggests that the environmental performance ratings can be used as a tool to assess exposure to firms' environmental risks.*

## **INTRODUCTION**

In the modern world of the "risk society," environmental risks are becoming increasingly significant. Respect for the environment and sustainable development are becoming more and more a global concern, as evidenced by the Paris Agreement on sustainable development in 2015 and the COP 26 Summit in Glasgow, Scotland, in 2021. In addition, the media's increasing focus on climate change, air pollution and sustainable development has led to a collective public and consumer awareness of ecological problems. This increasingly exposes firms to reputational risks related to environmental concerns.

However, the management of environmental risks today poses a major challenge for firms and investors, especially since insurance firms are providing coverage for these types of risk less and less because of the increasing costs, and traditional financial risk management activities, using derivative products, are not suitable for effective environmental risk management. This study analyzes the efficacy of the credit ratings of credit rating agencies in assessing exposure to firms' environmental risks. In this study, firms' environmental risks are measured by the probability of the occurrence of firm-related adverse environment events that are significant enough to be reported in the *Wall Street Journal*.

## LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

The cost of debt financing, borne by a firm, is based on the firm's assessment in the capital market (including by banks, bond markets and rating agencies) of the risk of default of the firm. The level of default risk a firm presents depends on the uncertainty inherent in its future activities (Miller and Bromiley, 1990). The uncertainty inherent in future activities may be linked to the firm's exposure to environmental risks, which is increasingly present in our "risk society."

Recent studies examine the effects of firms' environmental performance on their credit risk. For example, Höck et al. (2020) and Gangi, et al. (2020) show that more-sustainable firms have lower credit risk due to lower reputational, financial, regulatory and event risk. Aslan et al. (2021) show that firms with low environmental scores have a higher probability of default; that is, of not being able to repay their debts. Scheider (2011) shows that environmental accidents require cash outflows for compensation and cleaning costs and, thus, make firms more vulnerable to bankruptcy. Hachenberg and Schiereck (2018) show that green bonds have a lower credit risk premium. Oikonomou et al. (2014) and Höck et al. (2020) also find that firms with higher (lower) environmental sustainability are in general rewarded (penalized) by risk premiums in terms of credit spreads and higher (lower) credit ratings. Finally, Attig et al. (2013) and Dorfleitner et al. (2019), among others, hypothesize that corporate environmental performance ratings, which convey important non-financial information, are likely to be used (in addition to traditional financial information) by credit rating agencies in assessments of the solvency of firms. These studies find empirical evidence supporting that rating agencies tend to grant high credit scores to socially and environmentally responsible firms.

Unlike the studies cited above, which examine how firms' environmental performance can affect their credit ratings, this study examines the ability of credit ratings to anticipate or predict the occurrence of firms' adverse environment events, as published in the *Wall Street Journal*. The conceptual framework of this part of our research is based on the slack resources theory, which suggests that the availability of resources; for example, better financial results, provide firms the possibility of making social and environmental investments and, thus, of potentially reducing their risk (McGuire et al., 1988; Waddock and Graves, 1997). Firms with higher past financial performance, in terms of solvency or credit rating, could have unused resources with which they may finance their investments in environmental responsibility (sustainability) and, thus, potentially reduce their risk of facing adverse environmental events. In addition, most credit rating agencies have subscribed to the *Principles for Responsible Investment statement*, according to which environmental factors can weigh on the probability of default, and take these factors into account in their ratings. For example, S&P Global Ratings claims that it incorporates environmental considerations in its rating methodology. This agency's analysts consider the short-, medium- and long-term impacts of potential environmental risks in their credit analyses. Since a firm's credit rating is supposed to reflect the strength of its management and its long-term viability, we postulate that agencies' credit ratings should be able to predict the occurrence of adverse environmental events that could affect firms and are covered in the media. In light of all prior arguments, we formulate the following hypothesis:

*Hypothesis (H). Credit Ratings are negatively linked to the probability of the occurrence of adverse environmental events for firms.*

## METHOD

### Measures of credit ratings

The three major rating agencies alone control 94% of the credit rating market. These are Standard & Poor's (40%), Moody's Investors Service (40%) and Fitch Ratings (14%). As previously mentioned, we use the long-term issuer credit rating assigned by Standard & Poor's. This agency's ratings seem to better reflect the overall solvency of firms (Ashbaugh-Skaife et al., 2006). Firms' Standard & Poor's ratings, which are collected via Compustat, range from AAA (strong ability to pay financial obligations) to CC (vulnerable). Based on some studies (e.g., Ashbaugh-Skaife et al. 2006), we transform Standard & Poor's ratings (which are in letters) to numerical values as follows: AAA = 8; AA = 7; A = 6; BBB = 5; BB = 4; B = 3; CCC = 2; CC = 1.

### Empirical model

We take a logistic regression approach to test whether the credit rating (CREDIT\_RATING<sub>it-1</sub>) of firm *i* for year *t-1* can predict the occurrence of adverse environmental events, for the firm, in the following year (i.e., year *t*). More precisely, the dependent variable, *y<sub>it</sub>*, is defined as a binary variable, which takes the value 1 if firm *i* is confronted with at least one adverse environmental event during calendar year *t*, and 0 otherwise. We then estimate the two following regression models:

$$Prob(y_{it} = 1) = \frac{\exp(\alpha + \beta CREDIT\_RATING_{it-1} + \gamma X_{it-1} + \delta Z_{t-1} + \varepsilon_{it})}{1 + \exp(\alpha + \beta CREDIT\_RATING_{it-1} + \gamma X_{it-1} + \delta Z_{t-1} + \varepsilon_{it})}, \quad (1)$$

where our variables of interest, CREDIT\_RATING<sub>it-1</sub>, represent the credit rating, respectively, for firm *i* at *t-1*,  $\beta$  is the regression coefficient associated with CREDIT\_RATING<sub>it-1</sub>; and  $\alpha$  is the regression constant. Based on the literature (Champagne et al., 2021; and Altman and Saunders, 1997), we control for several firm-specific factors (*X<sub>it-1</sub>*) as well as for macroeconomic factors (*Z<sub>t-1</sub>*) that can also affect the probability of adverse events.  $\gamma$  and  $\delta$  represent the coefficients associated with the vectors *X<sub>it-1</sub>* and *Z<sub>t-1</sub>*, respectively.

## EMPIRICAL RESULTS

The sample selection procedure yields a final sample of 172 adverse environmental events reported by the Wall Street Journal concerning 138 different firms between 2001 and 2013. The Table 1 show that, on average, an event is covered by 1.84 articles over a period of 147 days.

<b>Table 1</b> <b>DESCRIPTIVE STATISTICS FOR ADVERSE ENVIRONMENTAL EVENTS</b>						
	# events	# firms	Total # articles	Avg. # articles per event	Avg. coverage length (in words) per event	Avg. coverage length (in day) per event
Adverse environmental events	172	138	316	1,84	1054,76	146,91

Table 2 reports the results of the Model 1, which tests the effects of credit ratings (CREDIT\_RATING<sub>t-1</sub>) on the probability of a firm facing adverse environmental events. Credit ratings do not seem to have an impact on the probability of a firm facing adverse environmental events. This result supports our Hypothesis H.

Credit ratings appear not to have significant informational content in terms of environmental risk, at least over the period of our sample. Credit rating agencies seem, at least for the moment, to focus mainly on traditional accounting and financial indicators, such as credit quality and in the attribution of credit ratings. Even if credit rating agencies are actively communicating on extra-financial risks in general, they appear to have difficulty fully integrating environmental risks in their traditional credit models, which are primarily based on financial analysis. This could explain the recently observed phenomenon of credit rating agencies' takeovers of firms specializing in the assessment of extra-financial risks.

However, the odds ratios of environmental performance ratings (ENV\_RATING<sub>t-1</sub>) are statistically significant.

<b>Table 2</b> <b>EFFECT OF CREDIT_RATING<sub>t-1</sub> ON ENVIRONMENTAL RISK<sub>t</sub></b>			
	[1]	[2]	[3]
<b>Credit Ratings</b>			
CREDIT_RATING <sub>t-1</sub>	1.231 (0.37)	1.117 (0.26)	1.017 (0.13)
<b>Company-specific control variables</b>			
ENV_RATING <sub>t-1</sub>	0.702*** (-5.04)	0.689*** (-4.96)	0.678*** (-4.88)
SIZE <sub>t-1</sub>	3.245*** (20.39)	3.251*** (20.37)	3.248*** (20.4)
MB <sub>t-1</sub>	0,95 (-0.68)	0,95 (-0.54)	1,05 (1.03)
RET <sub>t-1</sub>	0.725*** (-7.01)	0.728*** (-6.95)	0.728*** (-6.83)
ROA <sub>t-1</sub>	0,93 (-1.37)	0,94 (-1.24)	0,91 (-1.32)
LOSS <sub>t-1</sub>	1.374* (1.71)	1.464** (2.03)	1.462** (2.01)
SIGMA <sub>t-1</sub>	1.198*** (3.26)	1.194*** (3.19)	1.195*** (3.22)
DTURNOVER <sub>t-1</sub>	1.107** (2.28)	1.111** (2.33)	1.109** (2.30)

CONTROVERSE <sub>t-1</sub>	1.718*** (4.55)	1.723*** (4.55)	1.720*** (4.51)
BOOK LEVERAGE <sub>t-1</sub>	1,04 (0.72)	1,04 (0.69)	1,03 (0.68)
<b>Macroeconomic and financial control variables</b>			
$\Delta$ GDP <sub>t-1</sub>	1.113*** (2.79)		1.106** (2.17)
$\Delta$ LEVEL <sub>t-1</sub>		0.859 (-0.63)	0,98 (-0.19)
$\Delta$ SLOPE <sub>t-1</sub>		0.862** (-2.40)	0,96 (-0.4)
$\Delta$ SPREAD <sub>t-1</sub>		0.853 (-1.63)	0,92 (-0.4)
DIV <sub>t-1</sub>		1.163* (1,67)	0,87 (-0.74)
Constant	0.217*** (-15.97)	0.214*** (-16.08)	0.218*** (-16.89)
Observations	5137	5137	5137
Pseudo-R <sup>2</sup>	0.184	0.195	0.192
Industry FE	Yes	Yes	Yes
Year FE	Yes	Yes	Yes

## CONCLUSION

Based on the theoretical framework of risk management and using a unique database of S&P 500 companies, this study provides a framework for analyzing the relative effectiveness of the credit ratings in assessing exposure to firms' environmental risks. In this study, firms' environmental risks are measured according to the probability of the occurrence of adverse environment events that are associated with these firms, as reported in the Wall Street Journal. We find that credit ratings, in this case those of Standard & Poor's, struggle to anticipate the occurrence of adverse environmental events that are firm-related and attract media attention. However, the environmental performance ratings of extra-financial rating agencies, specifically those of MSCI, have a remarkable predictive capacity for the occurrence of firm-related adverse environment events.

These results encourage political decision makers, in particular regulators, to be vigilant about the informational content of environmental risks that are included in firms' credit ratings. Indeed, given the increasingly preponderant role played by credit ratings in banking regulation and capitalization, particularly within the framework of Basel III standards, the fact that issuers' credit ratings do not appear to have a proven informational content in terms of environmental risks could indicate an underestimation of these risks and of the overall risk in financial markets. To avoid the scenario of the 2007-2008 subprime financial crisis, it is important that regulators integrate environmental criteria in systemic risk assessments and in the regulation of financial markets and banking.

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# **SUEZ CANAL BLOCKAGE AND EFFECT ON RAILROADS: A TEST OF MARKET EFFICIENCY**

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## **ABSTRACT**

*The purpose of this paper is to test the semi-strong form market efficiency hypothesis by analyzing the effect the Suez Canal Blockage of 2021 had on the rate of return on stocks in a particular sector. Specifically, the effect it had on railroads after the announcement that the canal was blocked and if it had a positive or negative relationship in return from the news of the event. This paper will also go over how fast the market reacted to information of the event. If the market reacted before the event or on the day it happened, then it will be confirmed that this is a semi-strong form market, and an investor cannot get an above normal return or a return higher than the market by acting on this type of information. The Suez Canal is a busy channel for global maritime trade, and it accounts for 12% of all global trade. The Canal was blocked for a five-day period and all trade through the Canal was halted.*

*The idea behind this paper is that because the maritime trade was blocked, did companies switch to railroads instead? A standard event study methodology in finance papers was used to test if there was a significant impact on the rate of return of a random sample of railroad companies. The theory behind this paper is that because maritime trade was stopped, did it affect land trade by railroads? The results should show if the stock price was affected by the information and how fast was the observed reaction of the market for railroads.*

## **INTRODUCTION**

The Suez Canal is an international important trade avenue that connects maritime trade between the Mediterranean and Indian Ocean. The Suez Canal is one of the most important shipping avenues in the world because of how it connects trade between the Middle East, Asia, and Europe. The Canal is a single lane that allows for one cargo ship to pass at a time. If that was to be blocked, hundreds of ships would not be allowed to pass until the lane was cleared. A blockage can totally halt all trade through the canal until it is freed. If that event happens, will companies switch from maritime trade on ships to unloading the cargo from the ships to rail transit methods? On March 23, 2021, a sandstorm was raging as a cargo ship was crossing the canal, and the storm had caused the ship to run aground and block the canal. The cargo ship was nearly perpendicular to the canal, which caused a blockage of multiple days where nothing could get in or out of the canal.

This research will analyze how the market for railroad stocks was moving 30 days prior to the news of the canal being blocked and how the market reacted 30 days after the announcement.



While also analyzing the semi-strong form efficiency of the market based on the news of the Canal being totally blocked.

## BACKGROUND

Market efficiency theory is a theory of how closely stock price is affected by information and how fast the market reacts to that information. This theory was first developed by the Gene Fama, a finance researcher in 1970. Fama defined market efficiency in terms of how fast the stock market reacts to information. He divided market efficiency into 3 different forms Weak, Semi-strong, and Strong Form.

Weak form efficiency is when a stock price reacts so fast to all previous information that no investor can earn an above normal return acting on that information. An example of a weak form would be when a company releases annual reports of the company. The information is all past information and if the investor used that information and decided to purchase the stock and does not have a gain then it is said that the market is weak form efficient.

Semi-Strong form efficiency is when a stock price reacts to all public information so fast that an investor cannot earn an above normal return or a return higher than the S&P 500 using that public information. An example of a semi-strong form efficient market would be when a company announces a stock split. If an investor purchases a stock based on the stock split announcement and does not get an above normal return, then the market is considered semi-strong form.

Strong form efficiency is when the stock price reacts to all forms of information, both private and public so that no investor can earn an above normal return by acting on that information. This is when a market reacts to an event within the confines of the firm itself.

## PURPOSE OF THE STUDY

The purpose of this study is to find out if the railroad industry is a weak, semi-strong, or strong form efficient when it comes to the information of the Suez Canal being blocked for 5 days. The data of the stock prices was calculated for the event period of -30 to +30 days before and after, with day 0 being the event announcement. Additionally, the purpose was to see if an investor would make an above normal return acting on the information of the Canal blockage.

## METHODOLOGY

This study consists of one random sample of 10 railroad stocks that are traded on the NYSE. Using the risk-adjusted rate found in finance papers, the random sample was analyzed to test if the railroad industry has a semi-strong form efficiency. The following null and alternative hypothesis were used in relation to the announcement of the blockage.

*H<sub>0</sub>: The risk adjusted return on a stock's price in the railroad industry is not significantly affected by the announcement of the blockage.*

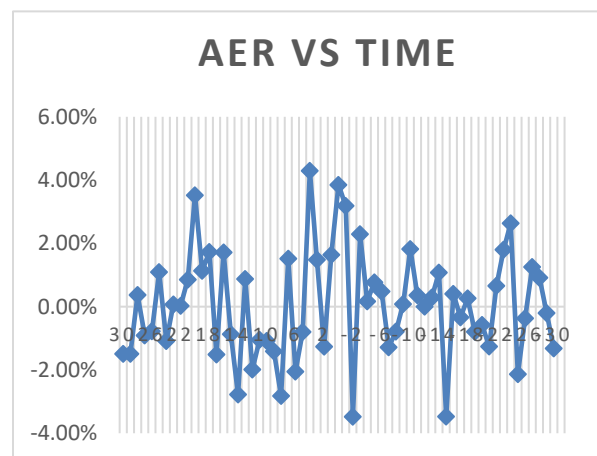
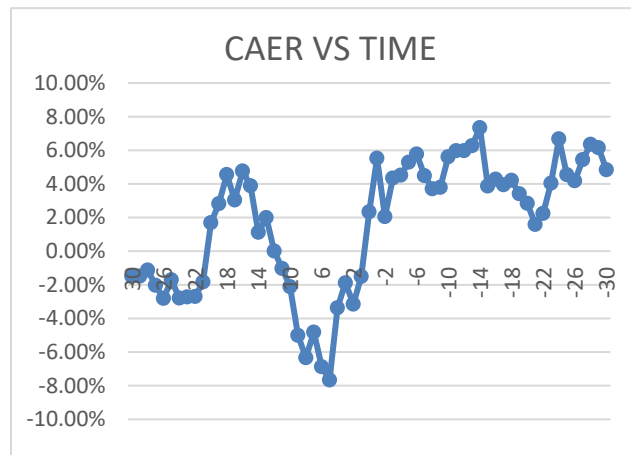
*H<sub>A</sub>: The risk adjusted return on a stock's price in the railroad industry is significantly affected by the announcement of the blockage.*

The risk adjusted rate methodology is described below. For each of the companies in the random sample, the announcement date was day 0 and was gathered from *MarketWatch* and the date of the blockage was gathered from *Port Economics Management*. All historical data was gathered with parameters of -180 to +30 days before and after the announcement. The S&P 500 was also gathered for the total -180 to +30 days from *MarketWatch*.

1. The historical data and the price of both the S&P 500 and the sample companies between the -180 to +30 day with Day 0 being the start of the event announcement was collected.
2. The Holding Period Return (HPR) of both the S&P and the companies was calculated for each of the days between the range of -180 to +30 using the following formula:  
HPR: (Current day close price – previous day close price)/ Previous day close price
3. For each company in the random sample, a regression analysis was performed based on the return of each company (dependent variable) and the return of the S&P over the period before the event (days -180 to +30). Doing this allowed for the alpha intercept and the beta coefficient. Table 1 below shows the alpha and beta of each company in the random sample.
4. The expected return for every firm each day of the event period of -30 to +30 was calculated using the formula:  $ER = \alpha + \beta (\text{return on S\&P})$
5. After the expected return was calculated, the excess return needed to be calculated. The formula for excess return is: (Actual return- Expected return)
6. Next, an average of excess return was collected for the event period (-30 to +30) to find the average of the excess return of all firms the following was used: AER (average excess return) = Sum of excess return for each day in the event period/n, n= total number of firms in sample (10).
7. The Cumulative Excess Returns were then calculated by summing the AER of each day in the event period.
8. After the CAER and AER was collected for the event period, Graphs 1 and 2 were produced using the data measured against the time period. The trends of the companies over each day are shown in Figure 1 & 2.

Table 1

STOCKS	ALPHA	BETA
CNI	3.06E-05	0.744836
CP	0.00109	0.70851
CSX	0.001421	0.926423
FSTR	-0.00067	0.68554
GBX	0.001692	0.357752
KIQ	-0.0117	2.901045
KSU	0.005818	0.700584
NSC	0.001699	0.798142
RAIL	0.006863	3.277743
TRN	0.000487	1.067894

**Figures 1 & 2**

## QUANTITATIVE TESTS AND RESULTS

If a risk adjusted stock has a significant difference in the observed return against the expected return, then our alternative hypothesis has data to support it and we reject the null hypothesis. To statistically test the difference in returns, a paired T-test paired sample of two means was run on both the AER and CAER with a 95% confidence level. Table 2 shows the results of the t-test. With a significance level of 0.05, the results on Table 2 show a P value of 0.001788.. Due to the P value being lower than the significance level, it is enough to reject the null hypothesis in support of the alternative which is, the risk adjusted return on a stock's price in the railroad industry is significantly affected by the announcement of the blockage.

Based on graph 1, the CAER of all the companies in the random sample are negatively affected on the day of the event and 9 days after the event. Which is an indicator of a semi-strong form efficient market because the return is less than the market return(S&P) for that time. There

are a few outliers in the data set that had a higher return than the market the day of the event and a week post event, but based on the data an overall negative return was calculated.

**Table 2**  
**t-Test: Paired Two Sample for Means**

	<i>Variable 1</i>	<i>Variable 2</i>
Mean	0.000549	0.016584
Variance	0.000288	0.001499
Observations	61	61
Pearson Correlation	0.243156	
Hypothesized Mean Difference	0	
df	60	
t Stat	-3.2693	
P(T<=t) one-tail	0.000894	
t Critical one-tail	1.670649	
P(T<=t) two-tail	0.001788	
t Critical two-tail	2.000298	

## CONCLUSION

This study tested the effect of the Suez Canal blockage had on railroad industries, based on a random sample of 10 railroad companies selected. Based on the results, the data has a p value of 0.001788, and with a p-value that is less than the significance level of 0.05, it is significant because it rejects the null hypothesis of “H<sub>0</sub>-The risk adjusted return on a stock’s price in the railroad industry is not significantly affected by the announcement of the blockage.” From this, there is significant data to support the alternative hypothesis that supports the railroad industry had been significantly affected by the news of the Suez Canal and that the railroad market is a semi-strong form efficient market. In Graph 1, the average return decreased the day of the event and during the days after there was a below average return, and after the canal was unblocked the market returned to its level it was at pre-event.

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# THE CURRENT STATE AND FUTURE DIRECTION OF DIGITAL MARKETING RESEARCH

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## ABSTRACT

*The last few years have shown tremendous growth in the field of digital marketing. Digital marketing is the major source of marketing nowadays using different social media platforms. There are many reasons for this tremendous growth like visibility at the mass level, less cost, ease to place and modify and finally one can easily analyze the data. These analytics include the data of viewers who have viewed that ad, the timing, and duration they watch that advertisement. Based on that analytics organizations can plan future strategies. Keeping in view the importance of this field, this study is conducted to understand the current state and the future direction of research in the field of digital marketing. In this study, the bibliometric analysis is conducted on the 654 articles extracted from the Web of Science database published from 2006 to mid-2021 year. The main purpose of the study is to know the trend of publication over the last ten years, identify the relevant authors, institutes, sources, and countries that contributed majorly in this field. The study also identified the most relevant collaborative studies conducted among the various authors, institutes, and countries in the field of digital marketing.*

**Keywords:** *Digital marketing, Biblioshiny, Bibliometric analysis, Big data, Internet of*

# THE RISE OF ARTIFICIAL INTELLIGENCE

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**Jeronica Briggs, Tennessee State University, Nashville**

## ABSTRACT

*Artificial intelligence (AI) is defined as the science and engineering of making intelligent machines, especially intelligent computer programs that emulate the intelligence of Human Experts in any given domain. Even though AI has been around for several decades, it is only in the last few years that it has made great inroads into our daily lives. The recent surge in the adoption of AI has been possible as our hardware and software advancements have advanced enough to make the application of AI financially and technologically feasible. Businesses have noticed this and are now racing to incorporate AI in their business processes to gain competitive advantages, cost efficiencies, and operational efficiencies.*

*This research is a study of the various current applications of AI in Organizations, and discuss the various advantages and limitations of the technology. The paper will have a brief history of AI applications, followed by the major hardware and software players responsible for adoption of AI. The paper will then detail the various ways in which organizations are evolving to include AI in their arsenal to increase their competitiveness and profitability.*

*It is abundantly clear that there is tremendous potential for applying artificial intelligence in the operations of organization to enhance dominance, efficiency and profits. This paper will be prove beneficial to business managers, entrepreneurs, financial institutions and their customers, as it will introduce them to the various ways in which they can use AI to improve their work. Academic researchers will gain a good understanding of the great potential of AI, and will also be able to prepare their students for future work in the various business sectors.*

# COVID-19 AND THE ENTERTAINMENT INDUSTRY: A TEST OF MARKET EFFICIENCY

**Erika Vogt, Longwood University**  
**Frank Bacon, Longwood University**

## ABSTRACT

*The purpose of this event study is to test market efficiency and the level of market efficiency regarding the World Health Organization's announcement of the pandemic. Is the entertainment industry market efficient in response to this announcement? Ten businesses are used in the sample and compared to the S&P 500. A linear regression and paired t-test are completed. Average Excess return and Cumulative Average Excess Return are analyzed and show that the entertainment sector was not efficient upon the announcement of the pandemic. Investors were able to make a return above the market within a time period of five days after.*

## INTRODUCTION

On March 11, 2020, the World Health Organization (World Health Organization, 2021) made the announcement that the COVID-19 disease outbreak was considered a global pandemic (World Health Organization, 2021). At the time of the announcement the COVID-19 virus had been reported in 114 different countries and heavily concentrated in four of those countries (World Health Organization, 2021). The World Health Organization further states the toll the virus has taken on economies and being able to minimize economic problems while still focusing and maintaining public health. During the pandemic, many businesses were shut down or running at partial capacity. One of the industries that had a lot of shutdowns is the entertainment industry. For example, a lot of movie theaters were not open. A lot of consumers used on-demand entertainment like Netflix, Amazon Prime Video, HBO Max, Disney +, Hulu, and Discovery+. In this time, the global entertainment industry had the lowest market figure for this industry at \$80 billion. The entertainment industry sector was among the hardest hit.

With an announcement like this being made, investors are likely to respond to this information. The answer to this question can be determined through measuring market efficiency theory. Market efficiency theory explains how well current and available information is reflected in the current price and market (Investopedia, 2021). This event study will determine if an investor can outperform the market in terms of return upon the public announcement of the global pandemic in the entertainment sector.

## LITERATURE REVIEW

Market efficiency theory is the idea that in a market, all prices are reflected by all available and current information. An investor in this market should not be able to outperform the market in terms of return because no stock prices are undervalued or overvalued as the prices already include



all available information. Eugene Fama describes market efficiency theory in three different levels of strength which are weak form, semi-strong form, and strong form (Fama, 1970, p. 383).

Weak form is current prices cannot be predicted by past prices, as all past information from past prices, is included in the current price. Weak form illustrates that an investor cannot make a return above the market based on past prices and past information. Research on this form of market efficiency and the results come from random walk literature (Bacon & Gobran) (Fama, 1970). Burton Malkiel associates the weak form of market efficiency theory with “random walk theory.” Random walk theory follows the idea that “all subsequent price changes represent random departures from previous price” (Malkiel). This idea follows weak form in that information that is constant and uninterrupted is reflected immediately after in the price of a stock (Malkiel). If an investor expects stock value to go up based on a previous public report and the stock price does not change, the market is said to be weak form efficient (Bacon & Howell).

Semi-strong form illustrates that the price of a stock is the adjustment of the price in response to all available public information and that an investor will not make a higher return than the market (Fama, 1970) (Investopedia, 2021). Semi-strong form concerns the speed of the change in price compared to the release of information. The only advantage to an abnormally high return for an investor is insider information, as it is not publicly available (Investopedia, 2021). For example, if a market is semi-strong and an investor is reacting to a recent public announcement (i.e., a stock split, repurchase agreements, and dividend increases), the price of the stock in the market should react so quickly that the investor can earn a return higher than the market (Bacon & Howell).

Strong form illustrates that the price of the stock is reflected by all available public information in addition to private insider information that may only be available to a select few (Fama, 1970). Fama further states that strong form holds to be true in most general cases. When a market is considered strong form efficient and an investor knows and acts upon insider information, the market will react so quickly that the investor cannot make a return higher than the market. The market will react to this information although it is not public (Bacon & Howell).

## METHODOLOGY

This event study will analyze the excess returns of ten entertainment companies before and after the World Health Organization announcement of COVID-19 being classified as a pandemic. The semi-strong form of market efficiency will be tested based on the excess returns. The excess returns will be tested against the S&P 500 market with a time period of 180 days before March 11, 2020, and 30 days after. March 11, 2020 will be considered Day 0. The entertainment firms selected along with the corresponding data is being referenced from *Yahoo Finance*. The following hypotheses are tested in this study:

*H1<sub>0</sub>: The risk adjusted return of the stock price of the sample is not significantly affected by this announcement on the event date.*

*H1<sub>1</sub>: The risk adjusted return of the stock prices of the sample is significantly affected by the announcement on the event date.*

*H2<sub>0</sub>: The risk adjusted return of the stock price of the sample is significantly positively affected by the announcement on the event date as defined by the event period.*

*H2<sub>1</sub>: The risk adjusted return of the stock price of the sample is significantly positively affected by the announcement on the event date as defined by the event period.*

The holding period returns for each day for both the companies (R) and the S&P 500 (R<sub>m</sub>) are calculated via the current daily return formula:

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

A regression analysis is done using the daily returns of each company in the sample and the S&P 500 daily return over the time period stated (180 days before and 30 days after). The alpha and beta are stated below in table 1. Normal expected returns were calculated by using the risk-adjusted method formula: Expected Return E(R) = Alpha + Beta \* R<sub>M</sub>. The excess is calculated by: ER = Actual Return – E(R). The average excess return is found for each day in the event period (30 days before and 30 days after) by: AER = Sum of Excess Returns/N. In this case N is the number of companies in the sample, which is ten.

**Table 1**

<b>Ticker</b>	<b>Alpha</b>	<b>Beta</b>
DIS	-0.00121	1.0047
CMCSA	-0.000408334	-0.84918
CHTR	0.0011206	0.797983
VIAC	-0.005332803	1.286843
BOIVF	-0.002293171	0.729854
NFLX	0.002274614	0.711066
VIVHY	0.000604096	0.779866222
NTDOY	0.000661244	0.490857
DISH	-0.001827594	1.41638
FOX	-0.00123845	0.916639

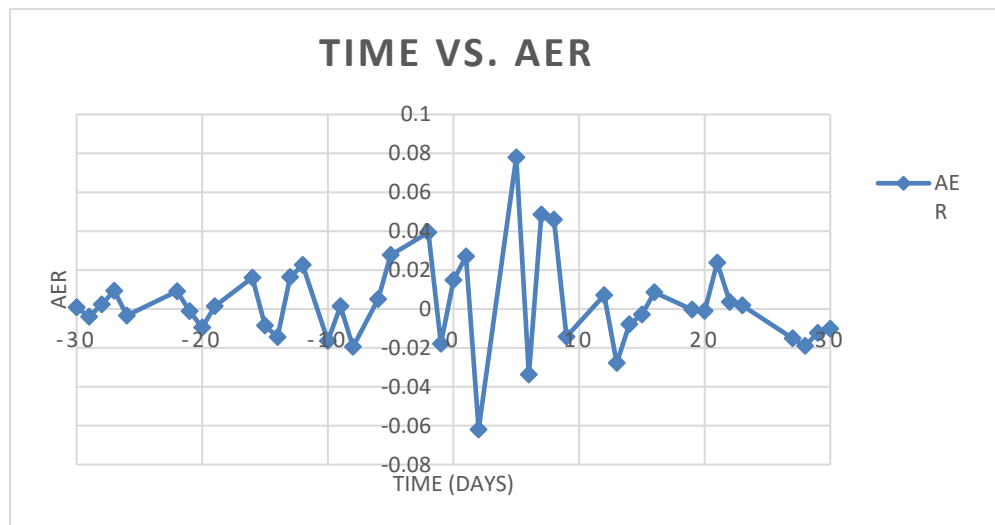
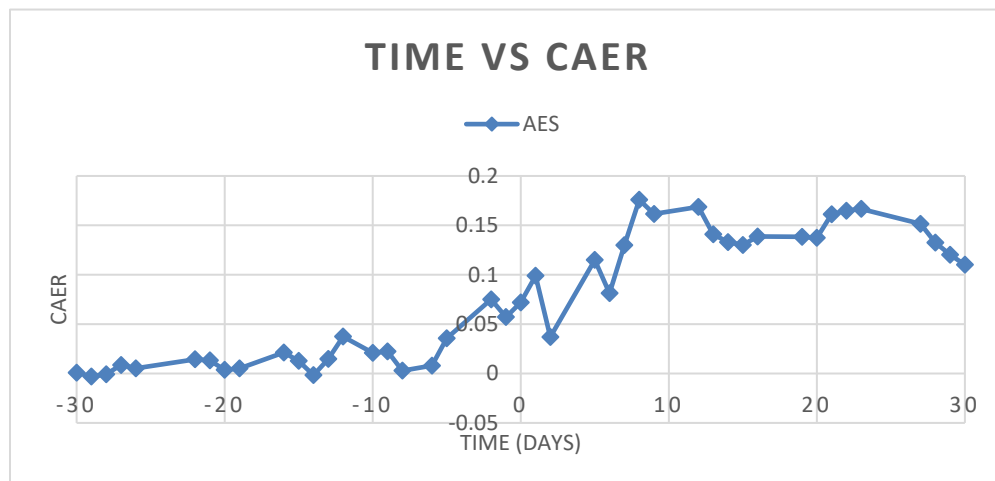
## QUANTITATIVE TESTS AND RESULTS

The results of the event study can be seen through the average excess return graph (AER) or the cumulative average excess return graph (CAER) over the event period (-30 to +30 days). To see if there was a significant change in the risk adjusted rate, a paired t-test was completed. If a significant change is detected, the null hypothesis is rejected. This would also support the H1<sub>1</sub> and H2<sub>1</sub> hypothesis.

The results of the test showed that at a significance level of 1% the null hypothesis is rejected and the H1<sub>1</sub> and H2<sub>1</sub> hypotheses are supported. This means that the announcement of the pandemic on March 11, 2020, significantly affected stock prices. Further shown below in Graph 1 and Graph 2, significant differences from zero are not shown.

How efficient was the market to this information? As shown in Graphs 1 and 2, there is significant changes going on from -8 to 23. Within this range there is an overall positive reaction to returns shown in Graph 2. Although significant changes start before the event date, it is possible

investors could make a return above the market. An investor could make a return above the market if they had bought shortly before or within around 5 days of the announcement. This means that the market was not efficient

**Exhibit 1****Exhibit 2**

## CONCLUSION

This event study analyzed the effect of the World Health Organization's announcement of the COVID-19 Pandemic on the risk adjusted rate of return on stock prices in the entertainment sector and were compared to the S&P 500. This included a sample of 10 companies within the sector that all showed significant effects on price and return around the date of the pandemic

announcement. The excess returns returned to a zero level by day thirty. Other markets will show various results in speed of reaction of the information and are continuing to be studied.

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# **THE GREAT RECESSION'S IMPACT ON U.S. FINANCIAL LENDING: A TEST OF MARKET EFFICIENCY**

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## **ABSTRACT**

*This study tests for semi-market efficiency by analyzing the effect the collapse of Bear Stearns had on many other U.S. lending companies, as well as the rest of the market. It would suggest that these companies felt a negative impact in stock prices due to the announcement. For this study, 10 other major lending companies from the early 2000's that were selected at random were examined. These companies include Bank of America, Capital One, Citigroup, Fannie Mae, Freddie Mac, JP Morgan, Northern Trust, Regions Financial, Truist Financial, and Wells Fargo. This study is examining two hypotheses: whether the firms' holding period returns were or were not negatively affected by the information on the event date of March 16, 2008, and if the firms' holding period returns were or were not negatively affected by the information around the event date (180 days before the announcement of the collapse and 30 days after). The daily stock return and daily index returns were calculated to determine these companies' alphas and betas. These were then used to calculate their holding period returns, expected returns, average expected return, and cumulative expected return for the time period specified. Exhibits for the average expected returns and cumulative average expected returns were formed and the data calculated suggests that stock prices had dropped at least 30 days, if not more, prior to the announcement of their collapse. This supports the semi-strong market efficiency theory meaning that the market anticipated the collapse of Bear Stearns, which was one leading factor to the Great Recession.*

## **INTRODUCTION**

The Great Recession from 2007 to 2009 had a major impact on the stock market. As one can see from charts on *Yahoo Finance*, the S&P 500 reached a low in December 2008. Secondary mortgage companies like Fannie Mae and Freddie Mac would purchase subprime mortgages from the lenders and due to the poor lending strategies of 2007, many borrowers defaulted on their loans, causing these companies to fail. The first major company to collapse because of this was Bear Stearns. This resulted in the subprime mortgage crisis, which stemmed many new rules and procedures lenders must follow and certain qualifications and proof borrowers must have in order to obtain a mortgage.

How fast does the stock market respond to the downfall of companies like this? Market efficiency is the extent to which market prices are reflected by all relevant information. With the fall of the U.S. housing market comes the fall of the economy. This study examines the stock market's ability to monitor or predict the impact of the subprime mortgage crisis by analyzing the

risk adjusted rate of return of selected lending firms including secondary mortgage companies like Fannie Mae and Freddie Mac.

## BACKGROUND AND PURPOSE

The stock market crash that led to the Great Recession was the longest in history since World War 2. This event was caused by the collapse of two major financial institutions, Lehman Brothers and Bear Stearns. Bear Stearns collapsed on March 16, 2008, which was followed by the collapse of Lehman Brothers on September 15, 2008. Bear Stearns luckily avoided bankruptcy when they were bailed out by J.P Morgan Chase and Company for \$2 per share. Stated by Investopedia, “When the economy heads towards a recession, it’s natural for investors to worry about falling stock prices and the impact on their portfolios.” With the fall of the economy, usually comes with a fall in the housing market and an increase in unemployment.

In the early 2000’s came a major expansion in the U.S housing market resulting in an increase in mortgage borrowing. Lenders would make a commission from their home mortgage loans, so they would lend funds to any willing customer without verifying employment or income because they would sell these loans to secondary mortgage companies. Due to the poor lending strategies, came the fall of the housing market and the fall of the economy, leading to the Great Recession.

The purpose of this research is to determine how the anticipation of the fall of subprime mortgage companies affected the stock market and other lending companies. This study will analyze 10 financial companies to test for semi-strong market efficiency. More specifically, how the announcement of the collapse of Bear Stearns sent a negative signal to other lending firms and to examine the speed of the impact on stock price returns.

## LITERATURE REVIEW

According to Mary Hall, market efficiency, “suggests at any given time, prices fully reflect all available information about a particular stock and/or market” (*Investopedia*). She also infers that “no investor has an advantage in predicting a return on a stock price because no one has access to information not already available to everyone else.” This shows that stock prices reflect all known information about a current stock.

There are three degrees of market efficiency and those are strong form efficiency, semi-strong form efficiency, and weak form efficiency. Strong efficiency states that “all information in a market, whether private or public, is accounted for in a stock price” (*Investopedia*). Semi-strong only states that public information is accounted for in stock price. Weak efficiency uses past knowledge and prices to dictate the current stock price.

The Federal Reserve History indicated that during the Great Recession, “Real gross domestic product (GDP) fell 4.3 percent” during the Great Recession and unemployment “rose to 9.5 percent” and continued to rise through 2009.

## METHODOLOGY AND STUDY EXAMPLE

This study includes 10 financial lending or secondary mortgage companies that operated during the Great Recession. Some of these companies were seen as directly impacted by the events leading to the financial crisis of 2007 through 2009. The analysis tests how quickly the 10 firms' stock prices reacted to the announcement of Bear Stearns' collapse on March 16, 2008. Analysis of this event included many observations of the 10 company's stock prices and the corresponding S&P 500 Index up to 180 days before the event and 30 days after.

To test semi-strong market efficiency with respect to the Great Recession and to analyze the effect of the Bear Stearns collapse on stock returns around the announcement date, this study proposes the following null and alternate hypotheses:

*H1<sub>0</sub>: The holding period return of the stock price of the sample of lending firms is not significantly affected by this type of information on the event date.*

*H1<sub>1</sub>: The holding period return of the stock price of the sample of lending firms is significantly negatively affected by this type of information on the event date.*

*H2<sub>0</sub>: The holding period return of the stock price of the sample of lending firms is not significantly affected by this type of information around the event date as defined by the event period.*

*H2<sub>1</sub>: The holding period return of the stock price of the sample of lending firms is significantly negatively affected around the event date as defined by the event period.*

This study used the standard risk adjusted methodology to test the market's response to the Bear Stearns collapse on March 16, 2008. I found the stock prices for all 10 firms from *Yahoo Finance* and collected data from the S&P 500 index from *MarketWatch* during the event period. The event study included 180 days before the announcement and 30 days after the announcement with day 0 being the event date. I calculated the holding period returns for each company and the corresponding S&P 500 index for each day using the following formulas:

$$\text{Daily stock return} = \frac{(\text{current day price} - \text{previous day price})}{\text{Previous day price}}$$

$$\text{Daily index return} = \frac{(\text{current S\&P price} - \text{previous S\&P price})}{\text{Previous S\&P price}}$$

A regression analysis was performed using the actual daily return for each company and the corresponding S&P 500 index over the pre-event period of -180 days to -31 days prior to the event period of -30 to +30 days to obtain the alpha and the beta for each firm. Table 1 shows the alphas and betas for each company.

<b>Table 1: ALPHA AND BETAS PER FIRMS</b>			
Firm		Alpha	Beta
Bank of America	BAC	0.00006	1.39575
Capital One	COF	0.00078	2.11310
Citigroup	C	0.00389	1.65821
Fannie Mae	FNMA	0.00311	2.33966
Freddie Mac	FMCC	0.00297	2.58549
JP Morgan	JPM	0.00124	1.59957
Northern Trust	NTRS	0.00245	1.27548
Regions Financial	RF	0.00087	1.66439
Truist Financial	TFC	0.00043	1.50212
Wells Fargo	WFC	0.00004	1.53860

In order to get the normal expected returns, I used the risk adjusted method. From day -30 to +30, the expected return for each stock was calculated as:

$$E(R) = \text{alpha} + \text{Beta} (R_m), \text{ where } R_m \text{ is the return on the S\&P 500 index}$$

Then excess return (ER) was calculated as actual return (R) – expected return E(R). The average excess return (AER) was calculated for day -30 to +30 by averaging the excess returns for all the firms.

$$AER = \frac{\text{sum of excess returns}}{N}, \text{ where } n \text{ represents the number of firms in this sample, 10.}$$

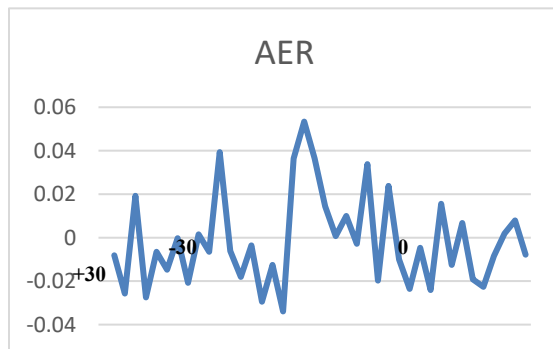
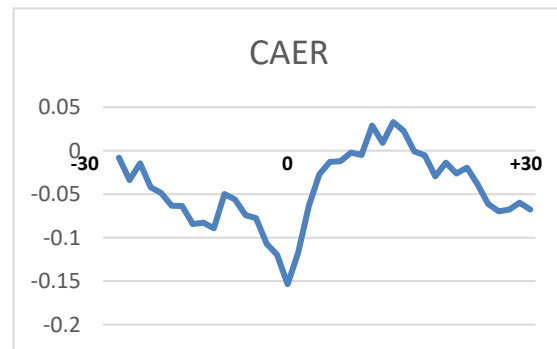
Lastly, I calculated cumulative AER (CAER) by adding the AERs for each day (-30 to +30). Graphs were then plotted for both AER and CAER.

## QUANTITATIVE TESTS AND RESULTS

Did the market react to the Bear Stearns collapse announcement? Was the information surrounding the event significant? If the information surrounding the event suggests new, significant information then we would expect the average excess daily returns to be significantly different from 0 (see Exhibit 1 below) and differ from the cumulative average excess returns. If a significant risk adjusted difference is observed, then this information did significantly impact the firm's stock price, which supports our hypothesis. To statistically test for a difference in the risk adjusted daily average excess returns and the cumulative average excess daily returns a paired t-test was used. The result of these tests supports both of the alternative hypotheses and concludes that the risk adjusted return of the stock price of the sample firms is indeed significantly negatively affected around and on the event date.



How efficient was the market to this information? Does it support the weak, semi-strong or strong form of market efficiency theory? To test for this, I used the CAER (cumulative average excess return) to see if it was significantly different from zero and analyzed its graph. As shown in exhibit 2, there is evidence that the adjusted rate of return on stock prices began to decline prior to 30 days before the event date; however, the JP Morgan bailout of Bear Stearns gave false hope to many as their price began to increase post announcement of the bailout (see Exhibit 2 below). This confirms the semi-strong market efficiency theory, and proves the market anticipated the bankruptcy with the negative decline in stock prices.

**Exhibit 1: Average Expected Return****Exhibit 2: Cumulative Average Return**

## CONCLUSION

This study examined the impact of the collapse of Bear Stearns and the recession had on other U.S. lending firms. We examined 10 other lending firms and analyzed their stock prices and returns during the given time period. The results show that stock prices had dropped 30 days or more prior to the announcement of their collapse. Due to the drop in prices, it supports the semi-strong market efficiency idea. There was an increase in prices but that was caused by the federal bailout by J.P. Morgan.

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# FINANCIAL LEVERAGE AND LIFE SATISFACTION OF U.S. BABY BOOMER RETIREES: AN EMPIRICAL STUDY

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## ABSTRACT

*Over the coming years, baby boomers will continue to retire at a steady pace which will strain retirement, health care, and other social programs. As a result, financial planners are likely to be confronted with a variety of baby boomer financial challenges that may hinder boomers' life satisfaction in retirement. Financial leverage (debt) is likely to be one of these financial challenges. Hence, this study examined the association between financial leverage and life satisfaction for retired baby boomers in the United States. Previous research on the association between financial leverage and life satisfaction is quite limited. Most research focuses instead on the association between financial leverage and financial satisfaction or explores other related associations. For this research, Life-Cycle Hypothesis was employed to explain and model life satisfaction. This model and its associating utility maximization with happiness or life satisfaction has already been suggested and widely accepted. Financial planning factors modeled included mortgage and non-mortgage debt, wealth, income, financial satisfaction, and financial control. This empirical study used a sample of 984 retirees aged 50–70 from the 2016 Health and Retirement Study with SAS statistical software utilized to provide the analytics. Ordinary least squares regression produced an adjusted R-squared of 41.31%. Non-mortgage debt was found to be negatively associated with life satisfaction, indicating lack of utility for this type of debt. Mortgage debt, on the other hand, was not negatively or positively associated with life satisfaction. Significant variables contributing to life satisfaction included financial satisfaction, physical health, social control, life expectations, and marital status. Partial support for the hypotheses was demonstrated. The results of this modeling would appear to indicate that outstanding non-mortgage debt has a greater negative impact on life satisfaction than mortgage debt. Like previous research, financial satisfaction, having control over one's social life, being in good physical health, and maintaining positive expectations about the future were also found to contribute to retiree life satisfaction.*

**Keywords:** *life satisfaction, life-cycle hypothesis, baby boomer, mortgage debt, non-mortgage debt*

# TRADING SIMULATIONS IN INVESTMENT EDUCATION

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## ABSTRACT

*Trading simulation is a popular experiential learning tool in investment education. This study provides a case of how to use a trading simulation – StockTrak to improve investment education. This paper presents the curriculum integration of StockTrak into different levels of investment courses: introductory, intermediate and advanced course. In addition, this paper introduces how to use StockTrak to conduct trading competitions to attract students and promote financial literacy for the community including high school students and professionals, which helps build up relationship and boost image of the college.*

## INTRODUCTION

Experiential learning has been widely adopted in financial education to enhance student learning. Experiential learning model of Kolb (1984) provides a theoretical foundation that advocates students learn the most through experience. Finance, particularly investment, a highly theoretical subject with complex models and quantitative computation, is a challenge for students in learning. In order to help students understand and apply concepts to real world experiences, professors have adopted various methods to teach finance courses. Case study, excel application, project, group work and trading simulation have been extensively used to provide students hands-on learning (Waggle and Moon, 2009). In recent years, computerized trading simulation has become popular in financial education. McClatchery and Kuhlemeyer (2001) find more than 600 schools use stock trading simulation in their finance courses. Moffit et al. (2010), Marriott et al. (2015), Evan and Johns (2016), Mukherji et al. (2018) among others present cases of using trading simulations in finance courses and show that experiential learning using simulations positively affect student learning interest and outcome.

There are several trading simulations for academic use. StockTrak is the most widely used simulator in business schools (Waggle and Moon, 2009). One competitor of StockTrak is OTIS-Wharton online trading and investment simulator. There are other web-based simulators that are free but with limited securities available for trading, such as Wall Street Survivor, HowTheMarketworks, Market Watch and [Investopedia Stock Simulator](#). Mukherji et al. (2018) discuss how to use StockTrak in various finance courses to enhance active learning. Even though trading simulations can be used in other areas of finance such as corporate finance (Keys, 2017), personal finance (Huang and Hsu, 2011), international finance (Seiver, 2013), etc. The major adoption of StockTrak is in the area of investment. Jankowski and Shank (2010) compare various trading simulations for teaching investments. Evan and Johns (2016) show that using Stocktrak in investment classes increases student satisfaction and performance. Guo et al. (2013) introduce the

integration of StockTrak at EMBA investment education. In this paper, I describe the curriculum integration of StockTrak into three different levels of investment courses at a HBCU school with AACSB accreditation. Different trading simulation exercises are designed based on student background and learning objectives of the courses. In addition, I present the case of using StockTrak to create trading competitions to attract university students, high school students and industry. These competitions will help increase enrollment, advocate financial literacy, establish professional network and hence enhance the image of the college.

## **CURRICULUM DESIGN**

StockTrak is a web-based virtual trading simulation that allows professors to create various challenges with selected trading rules. Professors can provide students with different initial amounts (from \$100 to \$100 million) to invest for different lengths of trading period. Professors can also select different markets (US, Canada and other major international exchanges) and different types of securities (stock/ETFs, mutual funds, bonds, options, spots, futures and future options). StockTrak recently added the trading of Forex and Cryptocurrency. Professors can set their own trading rules such as commission, interest rate, short sale, margin requirement, maximum trade, limit of position, minimum stock price etc. StockTrak is the most comprehensive virtual trading platform that offers a lot of flexibility for professors to design their own simulations. It also allows professors to create assignments for article reading, video watching and making required trades. The website provides learning articles for various business disciplines such as economics, accounting, marketing, management, personal finance and investment. Professors can easily create assignments of article reading with quizzes, video watching and making required trades. StockTrak website provides market and company information for students to conduct investment analysis, such as economic calendar, security quotation, technical charts, analyst recommendation, company profile and financial statements. The last, but not the least, StockTrak provides easy management and reporting.

StockTrak is not free for usage. College can pay the fee or let students pay based on usage. My college purchased the StockTrak university branding platform since 2016 and paid annual fee so there is no charge for students. This strongly encourages professors to adopt the StockTrak for courses. There are three undergraduate investment classes at the college. The introductory course opens to all students (including nonbusiness students). There are two sequential investment courses for finance students: investment analysis and investment management. These courses are required courses for finance majors but other business students can take them as electives. Students need to pass investment analysis course before taking investment management course. In the following section, I will describe the integration of StockTrak into these three courses one by one.

### **Introductory Course**

The introductory course has no prerequisites and is open to nonbusiness students who are interested to learn about investment and trading. Because students may not have any background in finance or even business, this course is structured to allow students to learn various investment

alternatives and how to trade securities and create portfolios. StockTrak is the main resource for this course. The eBook of the Investing 101 online course offered by StockTrak is adopted as the textbook. There are ten chapters that can be assigned as StockTrak assignment for students to read. Each chapter comes with a quiz that can be used to assess student learning. Weekly assignments composed of the following requirements are used to guide students throughout the semester (example of assignments will be provided as requested).

- Video watching – students can watch StockTrak video on how to navigate the site, how to buy and sell different types of securities and place different types of order such as limit order and stop order.
- Chapter reading – students are required to read one chapter per week and then complete the after chapter quiz to earn credits.
- Article reading – students are required to read additional articles available on the StockTrak to supplement topics covered each week and complete the quiz associated with each article to earn credits.
- Required trades – students need to make specific trades each week, such as buying two stocks at market order, buying two mutual funds, short a stock, buying one contract of call options etc.

Regular and structured assignments allow students to learn the course materials step by step. As an introduction and a survey of various investment alternatives, each student has initial balance of \$1 million to invest in all available securities in all exchange markets. After the completion of this course, students are expected to understand various financial securities such as stocks, bonds, mutual funds, ETFs, futures, options, spots for currency and commodity and cryptocurrencies. Student should be able to read the quotation and know how to buy or sell these securities, using different types of order such as market order, limit order, stop order, short and cover. In addition, students should be able to figure out investment returns.

## **Investment Analysis**

Investment analysis is the required course for finance majors but open to business students who have taken the principles of finance course. The focus of this course is to understand the valuation of securities such as stock, bonds and mutual funds and thus conduct fundamental and technical analysis to make investment decisions. Therefore, the usage of StockTrak is to let students access market and corporate information to conduct fundamental and technical analysis to make intelligent trading decisions. Students have weekly assignments to research and trade different securities. However, different from the assignments of introductory class, trades should be made based on research. Students are required to use market news, economic calendar and forecast, corporate financial statements, analyst forecast and recommendation, and technical rules to make investment decisions. At the end of semester, students need to submit a report detailing rationales for each transaction and evaluate the performance of each security in terms of risk and return.

## **Investment Management**

Investment management course is for students who passed the investment analysis course to learn about portfolio management. Students will learn about portfolio theory, stock and bond portfolio management strategy and portfolio performance evaluation. This course requires a project using StockTrak wherein students plan and create an investment portfolio. Students should first decide what kind of portfolio they would like to create and draft the portfolio objective statement. The statement should include the objective of the portfolio in terms of risk and return, capital allocation, asset allocation, constraints and portfolio review schedules etc. Each student has \$1 million virtual dollars on StockTrak account to create his/her portfolio using buy and hold strategy. Students can trade over first 5- week period and then the portfolio will be held for another five weeks. After 10-week simulation period ends, students need to evaluate the portfolio in terms of performance and diversification.

## **OTHER APPLICATIONS AND IMPACTS**

StockTrak can be used to create exciting trading challenges. Since 2017, my college hosts annual stock trading challenge campus wide. There are over 100 students on average from various departments participated each year. The challenge has become an important event for the university and attracted students outside the college. Every year, there are nonbusiness students winners. In 2018, the college expanded the challenge to high schools and hosted its inaugural high school stock challenge. There are more than 200 high school students participated. The high school challenge is a team competition instead of individual competition as the university challenge. As an outcome of the high school challenge, the college launched the Young Investor Symposium that invited industry leaders to conduct a panel discussion about investment careers and promoted financial literacy through multiple breakout sessions. The high school challenge and the symposium were a big success and received high praises from students, schools and professionals. The college has decided to make them annual events. The StockTrak trading challenge has been approved to be able to increase enrollment, enhance recruitment, improve image and strengthen professional networks for the college.

## **SUMMARY**

Trading simulation is a widely used experiential learning tool in investment education. This paper presents a case of using StockTrak – a popular web-based simulation in various investment courses. The paper also illustrates how StockTrak trading challenge can be used for campus events thus benefit the college. The goal of this paper is to share experiences and benefits of using StockTrak and encourage schools and professors to employ this type of experiential learning to improve student learnings and program quality.

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# THE ROLE OF HUMAN RESOURCES MANAGEMENT IN SUSTAINABLE COMPETITIVE ADVANTAGE

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## ABSTRACT

*This paper explores the role of human resources as it relates to the sustainability of an organizations competitive advantage. The paper begins with defining human resources and providing explanations of the terms as it relates to human resources. Human resources has two main concepts that are used, sometimes, interchangeably: human capital resource and human resource practices. Therefore, it was important here to define which tenet could serve as source of sustainable competitive advantage using the VRIO Framework. Researchers differ in their opinion of whether human resources can serve as a source of sustainable competitive advantage. This paper will propose a contention that it may be possible for both tenets of human resources to work together to serve as a source of sustainable competitive advantage.*

**Keywords:** *human capital resources, human resource practices, VRIO Framework*



# **FAMILY BUSINESS SUCCESSION: A SURVEY-BASED ANALYSIS OF SUCCESSION READINESS**

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**Corey Pendleton, Middle Tennessee State University**

## **ABSTRACT**

*The family-owned and controlled businesses represent a significant portion of the United States economy and massive impact on economic prosperity. Not only are family businesses mainstays of the national economy, but they also contribute to societal stability. While their economic roles are significant, the Achilles' heel of the family business is succession. Family business succession is a complex interaction between competing individuals with unique and distinct goals. Succession is fraught with logistical complications from the business side and emotional tension from the family side. Business owners must ensure that the company is ready for the transition, a successor has been chosen, and the successor is prepared to assume their role. This paper, first, develops a novel survey-based succession readiness index (n=310). Then, using path analysis and logit model, it explores the relationship between succession readiness and other latent indicators such as characteristics of a potential successor, the firms, the business owners, and the level of communication among family members. The study findings provide fresh evidence into the relationships between succession readiness and business characteristics.*

**Keywords:** family business, succession readiness, path analysis, logit model

# PATIENT SATISFACTION AND QUALITY OF LIFE: ASSESSING THE EFFECTIVENESS OF A NEW NOVEL DEVICE AND FINANCIAL IMPLICATIONS

**Murat Arik, Middle Tennessee State University**  
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## ABSTRACT

*The objective of this study was to evaluate the effectiveness, potential savings, and patient satisfaction for the Urbanek Splint (US) in the treatment of temporomandibular joint disorders (TMDs) for the selected sample who had been treated with the device, which was developed using patient-centered methods. A survey was sent to 844 potential participants who had been treated with the Urbanek Splint TMD treatment method, with a usable response rate of 30%.*

*We use bootstrapped t-tests to test the severity of symptoms and quality of life (QOL) ratings before treatment and after treatment with the Urbanek Splint, and we also test differences between the previously treated (PT) and the not previously treated (NT) groups. We evaluated additional aggregated cost and usage information based on the FAIR Health, Inc. claims databases. This paper used Qualtrics survey software to collect survey responses, and exclusion criteria were the use of the US treatment method and over 18 years of age. The previously treated (PT) group reported an average 64% ( $p < 0.01$ ) decrease in symptom severity after use with the US, and the not previously treated (NT) group reported an average 72% decrease ( $p < 0.01$ ). The previously treated (PT) group reported an average 69% ( $p < 0.01$ ) increase in QOL measures, and the not previously treated (NT) group reported an average 74% ( $p < 0.01$ ) increase.*

*Given the participant-reported previous cost of TMD treatment and the national cost of treating TMDs, initially using the US could potentially save \$2,724 to \$6,615 (discounted \$2,215 to \$5,379) for the average individual in our sample. The Urbanek Splint users in this study, both previously treated (PT) and not previously treated (NT) groups, show decreases in symptom severity, some complete elimination of symptoms, and increases in quality-of-life measures. Additionally, both previously treated (PT) and not previously treated (NT) groups show high satisfaction levels with the Urbanek Splint.*

**Keywords:** Temporomandibular joint disorder, Urbanek Splint, Quality of life, Cost-effectiveness, Patient-centered care, Cost savings

# DETECTION OF FRAUD IN FINTECH APPLICATIONS USING PREDICTIVE ANALYSIS

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## ABSTRACT

*In the digital world, where the financial system runs on technology, the role of predictive analysis supports the system in making decisions related to many important aspects of the financial technology application. Credit cards are one of the finest fintech applications that can be made more secure by using different predictive analysis models that help in detecting the likelihood of fraud in real-time credit card transactions. In this study, we evaluated models like Logistic Regression, Classification Trees, Random Forests, and Gradient Boosting. Area Under the Curve (AUC), sensitivity, and specificity are used to choose the optimal model. Considering all the significant parameter values for the Logistic Regression model, we can assume that the model is the best fit model for deducting the fraud transaction using predictive analysis. The examination of these models indicates that predictive analysis assists us in dealing with fraud transaction prediction in a real-time environment as we examine the efficacy of all models with varying rates of accuracy.*

**Keywords:** *Financial technology; Financial fraud detection; Predictive model; Logistics regression; FinTech application*