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AN EMPIRICAL INVESTIGATION OF SUPPLY CHAIN DISRUPTIONS

Murat Arik, Middle Tennessee State University
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ABSTRACT

This study analyzes the supply chain dynamics for US-based companies because of the covid shutdown. To explore how covid affected business relations, this study first looked at the supply-chain connections for 2017-2019. The study then closely examines the different types of supply-chain ties in 2020 and 2021.

The study uses a unique database, FactSet, to answer the following primary research question: how has supply-chain dynamics changed because of the covid shutdown? Descriptive analysis of supply chain relations by sector, type of relations, and source indicates that the supply-chain connections increased rather than decreased during the covid shutdown. This finding was contrary to our initial expectations and heated debate in the news media. The study also conducts a supply chain survival analysis using Cox Hazard Regression. The result of the Cox Hazard Regression suggests that the arrival of covid did not dramatically shorten the relationships among firms.

Keywords: Supply chain, covid, business relations, cox hazard regression.

EXPLORING THE DIRECT AND INDIRECT IMPACTS OF WORKPLACE DIVERSITY ON ORGANIZATIONAL EFFECTIVENESS: A CONCEPTUAL MODEL DEVELOPMENT

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ABSTRACT

Purpose

The changed composition of organizational workforces and the resultant diversity among employees in terms of demographic characteristics, personal attitudes, and behaviours, necessitate the need to study its impact at workplaces. While the repercussions on individual outcomes have been widely studied, the impact on organizational outcomes such as organizational effectiveness remains understudied. Thus, the aim of this study is to explore the impact of workplace diversity on organizational effectiveness.

Design/methodology/approach

An extensive review of literature is undertaken that guides in highlighting key conceptualization of the constructs, presenting theoretical foundation, and developing a conceptual framework to study the less explored.

Findings

Based on literature evidence, a conceptual model has been proposed to study the direct and indirect effects of workplace diversity on organizational effectiveness via three mediating variables i.e. job satisfaction, organizational commitment, and individual work performance.

Originality

Researchers till date have a very limited view of organizational effectiveness and they have explored only a few dimensions of it. This study holistically defines organizational effectiveness and meaningfully contributes to the field of organizational behaviour. Additionally, considering the broader meaning of the construct, as proposed by the researchers, this study is first to explore the impact of workplace diversity on organizational effectiveness.

Practical implications

This research study has significant implications for both theory and practice in the field of organizational behaviour. On the theoretical side, the study highlights the importance of diversity for crucial organizational outcomes such as organizational effectiveness and calls for more conceptual and empirical research by scholars, whereas, on the practical side, it reinforces the significance and benefits of employee diversity at the workplace.

VAT ME TO MY NEXT DESTINATION: EXPLORING CONSUMER DECISION MAKING RELATED TO PURCHASING LUXURY BRANDS ABROAD BY LEVERAGING VALUE ADDED TAX STRATEGIES

Kentaya Beeler, National University

ABSTRACT

With everyone looking for a way to save it has become paramount for individuals and corporations to strategize towards cost benefit initiatives that will impact their finances. A large part of finances involve taxation and for many corporations, it is part of doing business. However, individuals often view taxation differently, more like a burden. To add, in the United States taxation on an individual is more complex as there is federal tax, state tax and locality tax to consider for their personal finances and variable sales tax when purchasing goods and services. Thereby, reliability of accuracy and knowledge related to taxation are often left to the finance professional like Accountants. However, for individuals well-traveled many are surprised by the learned knowledge of VAT (Value Added Tax) when shopping in a foreign country that offers VAT refunds. For many individuals the once preconceived tax burden perspective shifts to a purchasing incentive when considering purchasing luxury items abroad. This shift is primarily attributed to foreign corporations that employ VAT Tax sales strategies to attract tourists and increase sales volumes. This paper analyzes both, the individuals and corporations perspective on VAT taxation of luxury items and the cost -benefit attributed to traveling to destinations to acquire those luxury items while exploring the methodologies in the Theory of Reasoned Action.

Keywords: Value Added Tax, Theory of Reasoned Action, Tax Burden

USING A 'BRAND EQUITY' APPROACH TO SETTING GOALS AND DEVELOPING PLANS AT DIFFERENT CAREER STAGES

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ABSTRACT

'Personal branding' is a perspective where individuals see themselves as service providers with their name being the equivalent of a consumer brand name for marketed products and services. In an MBA Integrated Learning Capstone course we use a 'personal branding' approach while developing a 'personal strategic plan'. Over the last two years we asked students to use Aaker's (1992) dimensions of 'brand equity' - brand awareness, perceived quality, proprietary assets, brand loyalty, brand association and the value of a brand to the customer or firm - to develop their personal brand. Students took different approaches in examining their brand equity. In this presentation we will explore the patterns that emerged and provide prescriptions matching approaches with career stages.

Key words: Personal Branding, Brand Equity, Careers, Career Stages

CRISIS MANAGEMENT AND SMALL BUSINESS: SIX MINI-CASES

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ABSTRACT

Small businesses differs from larger, more established organizations in the specific types of crises they may face and the difficulties they encounter. Crises also have disproportionate negative effects on small businesses and entrepreneurial concerns because they do not have the resources, personnel, facilities and systems available to larger, more established organizations. We propose tentative scenarios that illustrate key issues - risk abatement, contingency planning, crisis management teams, continuity of operations, public health, disruptive technology, communications and recovery. The objective of the project is to develop a set of eight 'mini-cases' that can be used for teaching small business owners and management students about critical crisis management Issues.

Key words: Crisis Management, Small Business, Crisis Management Teams, Crisis Recovery

INTRODUCTION

Crisis management is a critical activity for organizations of any size. Failing to prepare for crises leaves organizations unable to avoid crises or at risk of suffering significantly greater damage when an unavoidable crisis occurs. A poorly handled crisis can irreparably damage a firm's reputation and threaten its viability in the market place (Wisenblit, 1989; Vassilikopoulou, Lepetsos, Siomkos & Chatzipanagiotou, 2009). Small businesses employ about half of private sector workers and represent 99.7% of employer firms in the United States (Small Business Administration (SBA), 2007), however much of the literature on crisis management has focused on medium and large organizations. Yet small businesses are more vulnerable to crises than large businesses (Drummond & Chell, 1994). The objective of these proceedings is to present as a work in progress of eight mini cases as prescriptions for tailoring crises management plans for small businesses and entrepreneurial enterprises.

CRESSVIEW CONSTRUCTION

Crestview Construction is a brand new company. John had worked with a general contractor for 13 years. Last week, His now former boss retired, sold his equipment to John, gave him his contact list and wished him well. In the last 15 years, John has seen just about every problem that can happen on the job. . Before embarking on his first job, John is reminded of some of the things that he has seen – such as injuries, stolen and broken equipment, damage due to flood and a fire. He is concerned because any of these things can have a devastating effect on his business. What should he do?

Answer approach: Insurance. All of these things can be anticipated as potential problems and steps can be taken to avoid them, such as locking up machinery, training of employees, and so on, but the risk cannot be eliminated. The remaining risk is handled through various forms of insurance.

SAL'S LANDSCAPING

In the last year, Sal's Landscaping customers have had a hurricane and severe storms that caused an unprecedented amount of tree damage and flooding. Sal and his crew noticed that when the storms came through, certain areas were always hit and others were spared some of the time. He also noticed that he was ill prepared to handle the many calls that came in to repair lawns and yards, remove trees and branches and so on. It took him several weeks to catch up on the work and get back to his normal routine. He appreciated the extra income at the time, but now he realizes that in the long run he will lose. He lost several clients who were not pleased with waiting and others are considering switching landscapers. What should he do?

Answer approach: Contingency planning. A crisis to one person or organization might be an opportunity for another, however it needs to be anticipated and planned for. Sal could do a few things to avoid making his regular clients wait – he could subcontract to others who work in less affected areas, he could have a 'reserve crew' that he hires only for certain jobs such as tree and branch clearance, have an agreement to rent equipment from suppliers or other landscapers. The key is lining up these things ahead of time. When his crews are the first on the block doing clean-up and repair he will have happy clients and maybe pick up new ones.

DON'S DELI

Don, owner of Don's Deli, wants to expand. He has operated the small deli while holding a corporate job for about five years, but now he is giving up the corporate job and concentrating on his own dream. He wants to eventually have several delis and a catering business. As he starts to make his plans he realizes that running one small deli is quite different than running several. It is a big transition with many potential pitfalls along the way. He just does not have the expertise in law, real estate, marketing and other areas that now seem important. What can he do to recognize and prepare for potential problems in areas where he has limited knowledge or expertise?

Answer approach: An advisory board. Establish an advisory board that can give you guidance in areas that you are unfamiliar with. They can also provide you with business connections and help you build your network. Small businesses cannot expect to have comprehensive expertise internally as a large organization would. Depending on others outside the organization is necessary, and it is much better to establish and use these connection to avoid problems and help with emergency planning ahead of time, than to scramble to find help once a crisis occurs.

MARIGOLD BAKERY

Jack let his daughter name his company, and she liked marigolds so he now owns and operates Marigold Baking. Marigold supplies bread to many local restaurants and grocery stores. Last year they had to close operations for a few days twice, once when there was an electrical power outage in their neighborhood and the second was when a clogged storm drain cause flooding. Their customers were on their own to get bread on those occasions. Although the customers understood at the time, they made it clear to Jack that they will not be so understanding if it happened again. What can Jack do?

Answer approach: Continuity of operations through contingency planning. Do an audit of what can interrupt service – and have plans to deal with each one. Some examples: cross train staff in case people are out, have alternative facilities in case building is inaccessible (the example we draw from has its old equipment on the second floor and can use it if the first floor floods), have subcontractors or other vendors that can supply your customers, have a backup generator on the premises, and so on for each possibility.

CREATIVE BEADS AND BEADWORK SUPPLY

Jan and Cindy at Creative Beads and Beadwork Supply do exactly what the company name implies – they supply beads and work with artists and crafts people doing custom work. Their expertise and connections in the bead and beadwork world has allowed them to expand rapidly, but their lack of expertise in financial matters has caused a number of problems. Jan and Cindy know that they will move to a larger facility within the year and will need to get financing, and they have run into short term problems a few times when they were working with specialty work that they had to pay for before getting paid by the final client, and another time when a shipment of supplies was ruined and they needed to get (and pay for) another shipment quickly. What should they do?

Answer approach: Relations with a bank and financial manager. If it can be anticipated that you will either need money for the long term (as for expansion) or for short term (pay suppliers), you can arrange your terms with the bank in advance. Banks are more than willing to establish lines of credit that you can use for operations, and give a loan for expansion. They are easier to work with if you approach them and arrange things in a proactive manner. You will give the impression that you are in charge of your business rather than a victim of it. The bank will give you better terms and the money will be available much quicker. A professional financial manage can help, as can your advisory board in setting up these relationships.

MOUNTAINSIDE ROCKERS

Newly renamed Mountainside Custom Furniture still makes rocking chairs. Formerly Mountainside Rockers, they have made more every year since opening 5 years ago and are now beginning to make other furniture. Bob was a CPA, and still is, and he had an interest in handmade wooden furniture. His former hobby is now his business. Instead of doing everything himself, he now has 22 people working for him. Recently when two employees in one department were sick for a week, production slowed to a crawl. Over the years the jobs in the factory became narrower and workers more specialized, so nobody could step in and do those jobs. Although that interruption in production did not cause a big problem, Bob is afraid that in the future similar things will as he gets more and more specialized equipment. What should Bob do?

Answer Approach: Contingency planning through job rotation. Moving people through the various processes in the plant will allow people to understand the entire operation better. It also allows for a 'depth chart' of skills and abilities so that critical functions can stay staffed. Such programs increase motivation and commitment and also allow workers to gravitate towards the position they are best suited for. The downside is that there are learning curves so some productivity will be lost. Also some people will be resistant to train on or teach others jobs, and some worker might feel threatened. The resistance and fear can be ameliorated by making employees aware of the reasons behind the job rotation and using the program as designed

LITTLE BUNNY AND BEAR GYM

Chris and Ann recently bought a gym for children from 4 months to 12 years. They use programs using scientific principles to encourage learning and physical development in a fun atmosphere. Chris has a background in engineering and Ann in early childhood development, and both have been trained in running the facility. The gym was available because it was forced to close during the COVID19 crisis. Chris and Ann were fortunate to be able to hire back the staff and get the gym running again. They are they are concerned with the possibility of other health emergencies interrupting operations

Answer Approach: Protocols informed by health authorities and conveyed to customers, as well as alternative service delivery options. Being proactive and having protocols in place for minor health emergencies such a flu outbreak is a necessity to continue operations and protect customers and employees. It also gives assurance to parents who are concerned with health issues. For more serious emergencies it is important to strictly adhere to health authority recommendations. Concurrent with these protocols and reactions, creative alternatives such as tele-classes can help maintain continuity of operations.

ATLAS HOME SECURITY

Atlas Home Security provides cameras, burglar alarms and other services. As an independent company, they are concerned with competing against the bigger franchises. Their specific concern is the constantly changing technology available. Without proprietary assets how can they keep close to the cutting edge of technology and assure their customers that their security systems will not quickly be obsolete?

Answer Approach: Vendor agreements and automatic upgrades. Atlas can take action on the supply and demand sides of their business. On the demand side they can make agreements with technology advisors, perhaps even to pilot test new technologies. On the customer side they can have an automatic or periodic replacement/upgrade program. It can be worked into the service cost.

SUMMARY

These proceedings are of a work in progress and we seek feedback and guidance from our peers at the conference. In these proceedings we gave a brief explanation of each case and the general approach to the 'solution'. The mini-cases are designed to be used together in undergraduate courses as part of a stand-alone topic in a strategy, principles of management or other management courses. They are short and simple. The suggested method is to divide the class in eight teams and allow each team 10-15 minutes to discuss the case as a group. Then have each group present their analysis to the class. As facilitator, the faculty member should identify common themes – cross training, sub-contractors on stand-by, and so on. The students should also be encouraged to provide examples of their own. We welcome your comments.

REFERENCES, COMPLETE CASES AND NOTES AVAILABLE ON REQUEST

UNDERGRADUATE BUSINESS STUDENT ONLINE ATTITUDE AND BEHAVIOR: AN EMPIRICAL EXAMINATION OF THE COVID-19 PANDEMIC EFFECTS

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ABSTRACT

Phishing has been an ongoing challenge for both individuals and organizations. Of particular concern to information systems educators are the attitudes and online behavior of the next corporate users, our current business students. This study was therefore conducted to empirically examine the aspects of spyware, phishing, and identity theft and, in particular, if there are pandemic effects. Results suggest that online minutes have greatly increased, concern about spyware has decreased, and concern about identity theft has increased since the beginning of the pandemic. However, no statistically significant correlation between online minutes and behavior was found.

Keywords: phishing, identity theft, undergraduate students, empirical study

INTRODUCTION

Spyware is one of the oldest and most widespread online threats in which the computer is secretly infected to initiate a variety of illegal activities including identity theft or a data breach (Malwarebytes.com, 2022). Techniques include phishing, spoofing, using Trojan horses, exploiting security vulnerabilities such as back doors, and so on.

Given the increasing incidences of phishing, data breaches, and identity theft, the study was conducted to examine the attitude, incidence, and trends relative to undergraduate business students. This empirical study examines several questions. Are students concerned about spyware and identity theft? What are student online activity minutes? Are students protected with a second firewall? Have students responded to phishing email and/or have been a victim of identity theft? And, has the March 11, 2020 World Health Organization declaration of the novel coronavirus (COVID-19) as a global pandemic changed attitudes and activity (Cucinotta & Vanelli, 2020)? Results are important in better understanding the state of student online behavior and if modifications to student education are needed to minimize vulnerability.

PREVIOUS RESEARCH

An initial study by the authors conducted in 2006-2007 found that only 26% of undergraduate students indicated receiving phishing email with 16 phishes received per month per student (Case and King, 2008). A subsequent study conducted 2007-2010 examined email quantity (King & Case, 2012). Results demonstrated that students received 212 emails per month with the largest category, 35%, being unsolicited or spam emails. Class-related (26%), personal/non-class (13%), and other email (26%) were less common. A third study by the authors conducted 2011-2015 examined types of phishing (Case & King, 2016). Responses illustrate that for every year of the study, credit card phishing emails were the most common type of attack with 18-23% of students per year indicating receiving them. Amazon.com (14-19%), eBay (8-12%), Nigerian Scam (6-10%), and other (4-5%) phishes were also received.

RESEARCH DESIGN

This study employs a survey research design. The research was conducted at a private, northeastern U.S. university. A Student Phishing instrument was developed by the authors and administered each semester during a five-year period (from spring 2018 through spring 2022) to undergraduate students enrolled in a School of Business course. However, because of the university unanticipated face-to-face instruction discontinuance midway through the spring of 2020, no data were collected during that semester. The courses included a variety of subjects such as Business Information Systems, Introduction to Financial Accounting, Introduction to Managerial Accounting, Macroeconomics, and Business Policy. A convenience sample of class sections and faculty members was selected to minimize the probability of a student receiving the survey in more than one class and to ensure consistency, the same questions were asked during each of the semesters. Because of the sensitivity of the subject and to encourage honesty, no personally-identifiable data were collected and respondents were informed that surveys were anonymous, participation was voluntary, and responses would have no effect on his/her course grade. In addition, students were asked to complete the survey only one time per semester. Prior to the pandemic, the surveys were completed via paper in an academic classroom. Subsequent to the beginning of the pandemic, the surveys were completed via an online link.

RESULTS

A sample of 952 usable surveys was obtained. As indicated in Table 1, 60% of the respondents were male and 40 were female. These percentages were fairly consistent with the study university's School of Business student population.

Table 1 Gender Response Rate by Year						
	2018	**2019**	**2020**	**2021**	**2022**	**Total**
Male	59%	60%	67%	58%	65%	60%
Female	41%	40%	33%	42%	35%	40%
Count	311	344	80	155	62	952

The response rate by academic class was relatively equally distributed. As indicated in Table 2, 18% of respondents were freshmen, 36% were sophomores, 30% were juniors, and 16% were seniors.

Table 2 Academic Class Response Rate by Year						
	2018	**2019**	**2020**	**2021**	**2022**	**Total**
Freshmen	21%	28%	0%	4%	10%	18%
Sophomore	36%	32%	23%	41%	55%	36%
Junior	28%	17%	70%	46%	26%	30%
Senior	15%	8%	8%	9%	10%	16%

Responses were first examined with regard to the student's level of concern about spyware. As indicated in Table 3, in 2018, 16% strongly disagreed, 22% disagreed, 28% were neutral, 20% agreed, and 10% strongly agreed with respect to being concerned about spyware. At the onset of the pandemic in 2020, 24% strongly disagreed, 33% disagreed, 19% were neutral, 23% agreed, and 6% strongly agreed about his/her concern. By 2022, 19% strongly disagreed, 31% disagreed, 21% were neutral, 21% agreed, and 8% strongly agreed about his/her concern.

Table 3 Concerned About Spyware by Year					
Level of Agreement	**2018**	**2019**	**2020**	**2021**	**2022**
Strongly Disagree	16%	13%	24%	14%	19%
Disagree	22%	24%	33%	25%	31%
Neutral	28%	30%	19%	32%	21%
Agree	20%	19%	23%	21%	21%
Strongly Agree	10%	9%	6%	9%	8%

Next, responses were examined with regard to the student's level of concern about identity theft. As indicated in Table 4, in 2018, 8% strongly disagreed, 31% disagreed, 47% were neutral, 13% agreed, and 3% strongly agreed with respect to being concerned about identity theft. At the onset of the pandemic in 2020, 18% strongly disagreed, 34% disagreed, 20% were neutral, 28% agreed, and 5% strongly agreed about his/her concern.

Table 4
Concerned About Identity Theft by Year

Level of Agreement	2018	2019	2020	2021	2022
Strongly Disagree	8%	3%	18%	16%	15%
Disagree	31%	24%	34%	23%	31%
Neutral	47%	58%	20%	30%	29%
Agree	13%	15%	28%	21%	21%
Strongly Agree	3%	0%	5%	13%	5%

Activity minutes per day are presented in Table 5. Results illustrate that in 2018, respondents indicated spending 1 minute per day shopping online while spending 112 minutes per day engaged in non-school surfing. At the onset of the pandemic in 2020, respondents spent 3 minutes shopping and 221 minutes engaged in non-school surfing per day. By 2022, respondents spent 1 minutes shopping and 177 minutes engaged in non-school surfing per day. Overall, total minutes per student increased from 107 minutes (1.8 hours) in 2018 to 165 minutes (2.8 hours) in 2022.

Table 5
Activity Minutes Per Day by Year

Activity	2018	2019	2020	2021	2022
Shopping Online	1	1	3	1	1
Non-School Surfing	112	110	221	157	177
Total	107	105	219	154	165

Respondent behavior was further examined and presented in Table 6. In 2018, 6% indicated responding to a phishing email in the past year, 27% indicated having a second firewall, 4% indicated being a victim of identity theft, and 26% indicated personally knowing a victim of identity theft. At the onset of the pandemic in 2020, 7% indicated responding to a phishing email in the past year, 17% indicated having a second firewall, 7% indicated being a victim of identity theft, and 37% indicated personally knowing a victim of identity theft. By 2022, 2% indicated responding to a phishing email in the past year, 11% indicated having a second firewall, 5% indicated being a victim of identity theft, and 53% indicated personally knowing a victim of identity theft.

Table 6
Behaviors by Year

Behavior	2018	2019	2020	2021	2022
Responded to Phishing Email in Past Year	6%	6%	7%	8%	2%
Have a Second Firewall	27%	35%	17%	14%	11%
Have Been Victim of Identity Theft	4%	11%	7%	7%	5%
Personally Know an ID Theft Victim	26%	24%	37%	38%	53%

Finally, potential correlations between the quantity of surfing minutes and various behaviors were examined in Table 7. Statistically significant Spearman Rho correlations were not found with respect to any behavior including responding to a phishing email in the past year, having a second firewall, or being a victim of identity theft.

Table 7
Spearman Rho Correlations between Surfing Minutes and Behavior

Behavior	Correlation Coefficient
Responded to Phishing Email in Past Year	-.188
Have a Second Firewall	.132
Have Been Victim of Identity Theft	.082

* Correlation is significant at .05 level (2-tailed).
** Correlation is significant at .01 level (2-tailed).

CONCLUSIONS AND FUTURE RESEARCH

Results demonstrate that the percent of students concerned about spyware was relatively consistent from 2018 to 2022 with 30%, 28%, 29%, 30%, and 29%, respectively, of students indicating concern. On the other hand, the percentage not concerned varied from 2018 to 2022 to 38%, 37%, 57%, 39%, and 50%, respectively, of students. In terms of identity theft, from 2018 to 2022, 16%, 15%, 33%, 34%, and 26%, respectively, of students indicated concern. The percentage not concerned varied from 2018 to 2022 to 39%, 27%, 52%, 39%, and 46%, respectively, of students.

While shopping online minutes per day remained consistent at one minute per day from 2018 to 2022, non-school surfing varied from 112 minutes, 110 minutes, 221 minutes, 157 minutes, and 177 minutes per day, respectively, during the study years.

With respect to behavior, in general, the majority of students did not exhibit any of the behaviors during each of the five years. For example, from 2018 to 2022, only 6%, 6%, 7%, 8%, and 2%, respectively per year, of students responded to a phishing email during the past year. Moreover, only 4%, 11%, 7%, 7%, and 5%, respectively per year, of students have been a victim of identity theft. Second firewall usage was more common each year, respectively, with 27%, 35%, 17%, 14%, and 11%, respectively per year, of students indicating this behavior. Personal knowledge of an ID theft victim was also more common with 26%, 24%, 37%, 38%, and 53%, respectively per year, of students indicating this knowledge.

Finally, results did not indicate any significant relationships between surfing minutes and behaviors such as responding to a phishing email, having a second firewall, or being a victim of identity theft.

There are three important implications from the study. One implication relates to student attitude. Prior to the pandemic, a minority, 36-37%, of students per year were not concerned about spyware. However, at the onset of the pandemic, the majority, 57%, of students indicated a lack of concern. This lack of concern remained at 50% of students by the end of the pandemic. It is possible the social isolation and life traumas associated with the pandemic resulted in an increased sense that online privacy is not as important as the other life and death challenges associated with a pandemic. Another aspect of the pandemic relates to concerns about identity theft. Prior to the pandemic, 15-16% of students indicated concern. However, at the onset of the pandemic, this percentage more than doubled to 33%. At the end of the pandemic, the percentage decreased to 26%, but remains much larger than the pre-pandemic years. It is possible that the increased dependence on and use of the Internet because of face-to-face COVID-19 exposure concerns and/or travel lock-downs during the pandemic has triggered the identity theft concern. These changes suggest that the pandemic has affected attitude related to both personal privacy and security threats.

A second implication is evident when examining behavior. While two behaviors, responding to a phishing email and being a victim of identity theft, have remained relatively small and consistent in occurrence during each of the five years, other behaviors have changed since the onset of the pandemic. Non-school surfing increased by 100% to 221 minutes per day during the first year of the pandemic and remained 54% higher at the end of the pandemic as compared to four years earlier. It likely that surfing increased because of the social isolation and/or increased discretionary time as a result of unemployment and tele-commuting. Another behavior, having a second firewall for intrusion detection/prevention, decreased by 50% to 17% at the onset of the pandemic and continued to decrease through the study years. This may also be a result of the feeling of social isolation and perception that one is not being spied upon.

Finally, the third implication relates to the difference in the level of identity theft victimization between students and others. While respondents indicated a dramatic increase in the knowledge of others being victimized (24% prior to pandemic, 37% at the onset, and 53% at the end of the pandemic), student victimization has varied slightly, from 4% to 11% per year, during the study. It is possible that either students are more aware of other's victimization or are more vigilant because of education. This suggests that continued proactive education has been and may continue to be helpful in combating the scourge of identity theft.

REFERENCES AVAILABLE UPON REQUEST

HOW MUCH MATH DO STUDENTS NEED TO SUCCEED IN BUSINESS MAJORS? A GENERAL SYSTEM ANALYSIS

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ABSTRACT

Mathematics is a living discipline. Some traditional subjects in pure mathematics have been studied for hundreds of years; other topics, developed during the last few decades from the study of industrial issues, form a body of applied mathematics closely tied to the understanding of practical problems and basic phenomena. There is a remarkable synergy between these seemingly disparate fields of study; the abstract nature of mathematics supports essential applications in an ever-growing number of areas. In nowadays business school, quantitative analysis courses require the ability to use mathematics, students are required to take one or more prerequisite math courses prerequisite math courses prior to enrolling in the quantitative analysis courses. However, how much knowledge is needed for business major students? How many math courses should be required for major business students? What math course contents are needed for business major students?

The objective of this study is to use a general system approach to analyze the math course contents, knowledge and skills, and trends that should be required for business majors. A variety of math course developments will be discussed. Appropriate math course development provides a systematic, problem-solving approach to planning and designing learning experiences for business majors. It is imperative to explain the benefits that result from mathematics, discuss how its practitioners work, and present the rationale for business majors.

Keywords: Business Majors, Math Course, Course Design.

SHAREHOLDER INFLUENCES TOWARD ADVANCES IN DEI REPORTING

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ABSTRACT

Corporate policy can be influenced by the board of directors, executives, politics, and even shareholders. The research described in this paper is based upon the premise that the best way to improve upon diversity, equity, and inclusion (DEI) matters is to use a holistic approach and consider all possible suggestions. Corporate strategy and implementation on DEI starts at the top, but shareholder proposals can also help shape corporate policy. The specifics of shareholder proposals are provided to other shareholders in proxy materials, while the board of directors offers a statement of support or opposition before a vote takes place.

This article investigates the impression that shareholder proposals can have on corporate reporting of DEI. This article explores the evidential trends in increased stockholder ideologue and proposals for diversity, equity, and inclusion issues, and reviews the number of proposals from the Fortune 250 companies encompassing DEI topics and the voting results of such proposals from 2006 to 2022. The findings reveal that shareholder proxies are asking for more disclosure and reporting of DEI issues, but the companies' directors are typically in opposition. The topics of the shareholder proposals, the boards of directors' stances, and the voting results are revealed.

ACCOUNTING RISKS RECOGNIZED IN FORTUNE 100 FORM 10-K'S

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ABSTRACT

This paper reviews the identified accounting risks in the Fortune 100 firm's 10-K forms for the years 2017 and 2020. Large public corporations, subject to Form 10-K reporting, are required to include a significant amount of information. This includes a description of the firm's business operations, identified risk factors, a list of properties owned, most recent set of financial statements and supplemental data, and much more.

The authors reviewed the 10-K Forms of Fortune 100 firms from 2017 and 2020 in order to specifically categorize accounting risks and tabulate them separately from other types of risks such as technology, legal, marketing, competitive, and others. The Securities Exchange Commission's (SEC) instructions for preparing a Form 10-K lists "risks" as a major class of required information (Item 1a) that must be included in the annual report.

The most commonly mentioned accounting risk in both 2017 and 2020 was the risk of tax legislation changes. This includes the risk of tax rate increases and the risk of reduction or elimination of deductions and/or tax credits. Since the Fortune 100 firms operate on a global scale, the risks associated with estimation of income taxes on a federal, state or province, and local basis are considerable. The process of arriving at an overall tax rate is complicated by the global sales mix as the volume of sales domestically and internationally is constantly in flux.

The next four most commonly mentioned accounting risks are currency exchange rate fluctuations, impairment of goodwill and other intangibles, tariff associated risks, and the risk of adverse resolutions to tax disputes. Firm examples of each of these risks are included. Some of the other less commonly cited accounting risks are changes in foreign tax jurisdictions, accounting estimates risks, Britain's exit from the EU (Brexit) risks, changes in accounting principles risks, forward looking financial statement risks, internal control risks, and others. Fifteen accounting risks were identified by the authors and can be found in Table 1.

Three examples of each of the five most commonly mentioned accounting risks for 2017 and 2020 are included in this paper. These examples serve to explain why the company views these risks as significant. Taxation related risks are included most often. Eighty-four firms in 2020 and seventy-four in 2017 included this risk on its Form 10-K. The second most commonly mentioned risk is currency exchange rate calculations. Nearly seventy firms included this risk in its Form 10-K in both 2017 and 2020.

The final portion of this paper attempts to identify potential trends in accounting risk reporting. Risks that appear to be trending up or down are examined. Finally, company examples *of the lesser common, but still significant, accounting risks are discussed. Three of these lesser-reported risks include pension related risks, changes in accounting principles and standards risks, and internal control risks.*

CRITICAL AUDIT MATTERS: EMERGING PROBLEMS AND OPPORTUNITIES

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ABSTRACT

With AS 3101 the Public Company Accounting Oversight Board (PCAOB) adopted its 2017 Release, The Auditor's Report on an Audit of Financial Statements When the Auditor Expresses an Unqualified Opinion. This auditing standard applies to audit reports of public companies for fiscal years ending on or after December 15, 2017, except for critical audit matters (CAMs) which were delayed for large accelerated filers for audits of fiscal years ending on or after June 30, 2019, and for all other public companies for fiscal years ending on or after December 15, 2020. AS 3101 contains 20 paragraphs of which 6 pertain to CAMs. This paper reviews the literature and recent practices of CPA firms and analyzes the trends in reporting CAMs for the 30 DJIA companies. The authors found consistency with inclusion of accounting matters for revenue recognition, intangible asset impairment, tax uncertainties, and disclosure contingencies.

INTRODUCTION

The auditing standard AS 3101, adopted by the PCAOB in 2017, became a requirement for years ending on or after June 30, 2019 for large accelerated filers and on December 15, 2020 for other public companies. The standard defines a critical audit matter (CAM) as any "matter arising from the audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved especially challenging, subjective, or complex auditor judgment" (PCAOB, AS 3101, Appendix A2). The CAM requirement is a major change in the audit report requirements. Anders (2022) noted how auditors have recently had to adapt to challenges in the COVID-19 environment, and have also faced the CAM requirement, one of the most significant changes to the audit report in decades.

The inclusion of a CAM in the auditor's report is separate from any additional explanatory language required under any auditing standard, and the existence of one does not necessarily imply the other; however, if both occur there should be cross referencing in the auditor's report. Furthermore, the existence of one or more CAMs in the audit report is not a substitute for the auditor's departure from an unqualified opinion, such as a qualified or adverse opinion, or disclaimer of opinion on the financial statements (PCAOB, AS 3105). The standard also includes a notation that it is expected that the auditor in most audits would determine that at least one CAM exists. If the auditor determines there are no CAMs, this needs to be stated in the audit report.

HISTORICAL DEVELOPMENT

The auditing profession has had an evolutionary history on what to include in the audit report following the audit work on a company. Prior to the PCAOB various committees and boards established by the American Institute of Certified Public Accountants (AICPA) issued standards on the contents of the auditor's report. Statement on Auditing Procedure (SAP) 27 issued in 1957, *Long-Form Reports,* recognized the importance of using clear and consistent language in the audit reports. Unfortunately, the pronouncement provided little specific guidance as to the form and content of the auditor's report, giving wide reign to the language and substance (Levy, 2018). Statement on Auditing Standards (SAS) 2, *Reports on Audited Financial Statements,* provided a standard "short-form" audit report (AICPA, 1974).

Influenced by the International Auditing and Assurance Standards Board (IAASB) and the PCAOB which was created in 2002 to regulate the auditing profession on its assurance work with public companies, the AICPA's current Auditing Standards Board (ASB) carefully considers the use of CAMs in auditor's reports on private enterprises. The authors of the current paper focus on U.S. public companies where the CAM requirement is definite and has been in practice for several years.

METHODOLOGY

The auditor must include in the auditor's report four critical elements: (1) identification of the CAM, (2) description of the principal considerations leading to determination that the matter is a CAM, (3) description of how the auditor addressed the CAM, and (4) reference to relevant financial statement accounts or disclosures relating to the CAM. The current standard codified as AS 3101 is based on a 2011 concept release and a 2013 proposal that was criticized for being too broad in scope (KPMG, 2017). AS 3101 tightened the scope requiring that a CAM be defined as described above—communications with audit committee of the company audited and the materiality of accounts or disclosures in the financial statements and the involvement of especially challenging, subjective, or complex auditor judgment (Protiviti, 2016).

This paper examines the auditor reports provided in the most recently available annual reports of the 30 companies comprising the Dow Jones Industrial Average (DJIA). Interesting comparisons can be drawn of the CAMs determined by the auditor. The topics pursued reveal trends and raise questions concerning the overall efficacy of the CAM reporting requirement.

FINDINGS AND DISCUSSION

With the inclusion of a CAM, the auditor is instructing investors that the matter requires closer attention (Tucker, 2018). The new CAM standard holds promise in overall communications, as it requires the auditor tell the financial statement user what was said to the audit committee of board of directors (Cohn, 2018). Banham (2018) sees the standard requiring at least one CAM, with no upper limit, and that along with management able to use of boilerplate language, the auditing profession and regulators are faced with challenges. Table 1 illustrates the findings of the authors of this article on the most recent annual reports of the DJIA Companies.

According to AS 3101, CAMs are different for each company, and likely to vary within the same industry, but may change year to year, and should never be boilerplate. It appears that most auditors are satisfying the PCAOB's expectation that they determine at least one CAM in most of their major audit engagements. Separate studies by Deloitte and the *Journal of Accountancy* found that 1.8 CAMs on average were included in each report (Murphy, 2019). PwC's Webcast Series (2019) reports the early CAM concentrations with the top five being revenue recognition (18%), goodwill and indefinite-lived intangible asset impairment (16%), accounting for acquisition, including intangible asset valuation (14%), tax contingencies (9%), and legal contingencies (non-tax), (6%), and then all other CAM topics making up less than 5%.

Table 1
ANALYSIS OF CAMS ON THE 30 DOW JONES COMPANIES

Symbol	Name	Year End	No.	Topics
AAPL	Apple	9/25/21	1	Tax Uncertainties
AMGN	Amgen	12/31/21	2	Revenue Recognition, Tax Uncertainties
AXP	American Express	12/31/21	1	Reserve for Credit Losses
BA	Boeing	12/31/21	4	Revenue Rec, Liabilities, Management Estimates, Accounting Estimates.
CAT	Caterpillar	12/31/21	1	Tax Uncertainties
CRM	Sales Force	1/31/22	2	Revenue Recognition, Business Combinations
CSCO	Cisco	7/31/21	1	Revenue Recognition
CVX	Chevron	12/31/21	1	Property Plant & Equipment Valuation
DIS	Disney	10/2/21	1	Intangible Assets
DOW	Dow	12/31/21	1	Tax Uncertainties
GS	Goldman Sachs	12/31/21	2	Financial Instruments, Loan Loss Allowances
HD	Home Depot	1/30/22	1	Inventory Valuation
HON	Honeywell	12/31/21	2	Revenue Recognition, Asbestos Liability
IBM	IBM	12/31/21	2	Tax Uncertainties, Intangible Assets
INTC	Intel	12/25/21	1	Inventory Valuation
JNJ	Johnson &Johnson	1/2/22	3	Rebate Reserves, Opiods, Litigation Contingencies
JPM	JP Morgan	12/31/21	2	Credit Losses, Financial Instruments
KO	Coca-Cola	12/31/21	2	Tax Uncertainties
MCD	McDonalds	12/31/21	1	Tax Uncertainties
MMM	3M	12/31/21	1	Legal Uncertainties (other than tax)
MRK	Merck	12/31/21	1	Rebate Accruals
MSFT	Microsoft	6/30/22	2	Revenue Recognition, Tax Uncertainties
NKE	Nike	5/31/22	1	Tax Uncertainties
PG	Procter & Gamble	6/30/22	1	Intangible Assets
TRV	Travelers	12/31/21	1	Estimated Claims
UNH	UnitedHealth	12/31/21	2	Claims Liability, Intangible Assets
V	Visa	9/30/21	1	Litigation Liability
VZ	Verizon	12/31/21	1	Employee Benefit Obligations
WBA	Walgreens	8/31/21	2	Intangible Assets, Tax Uncertainties
WMT	Walmart	1/31/22	1	Legal Contingencies

PriceWaterhouseCoopers confirmed the experience of an average of 1.8 CAMs per report (PwC, 2019). Ernst & Young (2020) in a study of 1,500 companies found the average number of CAMs to be 2 and by frequency, the areas most reported are revenue recognition, goodwill and other intangible assets, business combinations, and income taxes. A study conducted by the Center for Audit Quality (CAQ) (2020) found in S&P 100 auditor reports that CAM topics included taxes (16%), goodwill and/or intangibles (14%), other contingent liabilities (12%), revenue (9%), and 23 other categories (49%). The CAQ study covering 100 companies with a total of 198 CAMs found an average of 1.98 CAMs per report; they also found that one auditor communicated 5 CAMS, and 32 other audit reports communicated only one CAM. In a study of 54 firms, Hollie and Shaokun (2020) reported an average of 1.54 CAMs, lower than the 1.74 reported in 2019, and they indicated it appears audit firms were more likely to decrease rather than increase the number of CAMs the second year of implementation. For companies under international auditing standards, Wang and Lu (2022) found similar results in reporting a three- year decrease in the number of Key Audit Matters (KAMs), the international counterpart to CAMs.

The average CAMs per report in Table 1 is 1.50, perhaps suggesting a further reduction in severity over time from the earlier studies. Table 1 also shows less reporting of intangible assets and revenue recognition where only 4 and 6 CAMs, respectively, appeared in the audit reports of the 30 DJIA companies. On the other hand, one-third of the company auditors (10) included a CAM for tax uncertainties.

CONCLUSIONS

Zhang and Pany (2021) analyzed audit reports with one CAM being approximately twice as long as what audit reports measured prior to the CAM requirement. Ryan (2021) reported that CAMs caused fewer headaches than expected, attributable to dry runs and other auditor preparations. CAMs do not do everything investors want—the auditing standard permits, but does not require auditor disclosure of the outcome of audit procedures related to the CAM and disclosure of key observations with respect to the CAM—and very few firms provide this information (CPAJ Staff, 2021). (Klevak, et al., 2021) suggested that CAMs provide expanded disclosure about areas of financial reporting auditors consider most uncertain, and that a larger number of CAMs, greater number of required audit procedures and wordy and extensive CAM discussions are negatively associated with stock returns immediately following the 10-K filings.

How can CAMs be improved? Lynch (2021) believes that three attributes identified by the Securities and Exchange Commission in public documents that would improve usefulness of the audit report: the use of subheadings, vertical lists, and limited use of passive voice. The use of clear language is echoed by International Standard on Auditing (ISA) 700, *Forming an Opinion and Reporting on Financial Statements*, using section titles to help guide the reader of the report (KPMG, 2017). Tan and Yeo (2022) find that the closer the audit relationship is to client in social distance, the CAM process actually provides an advance warning of what will be highlighted in the audit report, and therefore managers will pursue more aggressive estimates in bolstering performance. The thinking that we are going to be "punished" so let us make the best of it is not what the standard-setters had in mind. A more positive outcome of the CAM requirement is that now the third-party investor becomes part of the communication interplay that already exists between the auditor and the company's audit committee of the board of directors and management.

CAMs could be reduced with accounting and audit simplification. The removal of the "pooling of interests" treatment in business combinations caused greater goodwill on balance sheets and hence more audit work on impairment and other intangible asset write-offs. Other unintended consequences arise from the widening of book and tax reporting differences. Tax simplification would also help. This paper was designed to be exploratory and suggest areas for further research. These avenues of future research include CAM analysis by industry and by CPA firm conducting each audit, as well as review of mitigating factors and continued further study of whether CAM communication in the audit report assists financial statement users. Overall, the accounting profession appears to be on the right track, and the public interest will be better served.

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THE IMPACT OF OPPORTUNISTIC MANAGEMENT STRATEGY ON AUDIT CHANGE

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ABSTRACT

Although previous literature found a positive relationship between unfavorable audit opinions and subsequent auditor change, the impacts of management opportunism in accounting choices in auditor switching are unknown. Extending Lennox's (2000) framework, we examine the role of earnings management and audit opinions on sequence auditor switching decisions. Using a sample of US companies from 2002 to 2016, we find that high management opportunism companies are more likely to exploit the timing of receiving favorable audit opinions to switch their incumbent auditors. Furthermore, those companies tend to dismiss their auditors and choose smaller audit firms when change occurs. This downward switch implies management's risky and opportunistic behavior to pursue lenient opinions. Overall, our findings indicate the interactions between managers' desire to manipulate earnings and preceding audit opinions would affect auditor change decisions, supporting Securities and Exchange Commission (SEC) concerns about potential troublesome auditor switching impairs auditor independence and audit quality.

THE IMPACT OF SUPPLY CHAIN DISRUPTIONS ON A LOCAL ECONOMY: A CASE STUDY USING TENNESSEE

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ABSTRACT

The covid pandemic that began in 2020 is one of the worst supply chain events to have yet happened. In an economy so dependent upon supply chains, this is not a trivial matter. Little studied is the view of this supply chain crisis from the perspective of a local economy. How did this event impact local economies? Differently than the national economy? This is a case study of one such economy, Tennessee. We examine how the covid supply chain crisis developed in, and affected, this economy. We look at its timing, the differentiation of impact between small and large firms and across different industry sectors, the effect of the supply chain geography, and the impact on employment. Together we show how the covid supply chain crisis operated in a finer grain than one can see from the national perspective.

ATTITUDES AND FREQUENCIES OF ACADEMIC CHEATING OF TAIWANESE BUSINESS STUDENTS

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ABSTRACT

Academic cheating is a global plague. This study examines an understudied population, Taiwanese college students and their views on academic cheating using two constructs, Attitudes Towards Cheating and Frequency of Cheating. We surveyed university students from Zhongli, Taiwan (n=603) in 2019. We found Taiwanese students were most troubled by exam or grade behaviors, less so by plagiarism and homework sharing. We examined differences between students' attitudes using chi-squared analysis based on several demographic factors, and found gender, major, employment, age, and religion to have significant influence on attitudes towards academic cheating and frequency of cheating. However, we found year in school and taking business ethics did not affect academic attitudes toward cheating and frequency of cheating. We conclude by discussing the implications for further research in this area.

Key words: academic cheating, plagiarism, survey, college student, Taiwan

GREENWASH AND ASK FOR FORGIVENESS LATER: A CASE STUDY

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ABSTRACT

Situations in which there is a significant gap between the expressed and genuine commitments to sustainability is known as greenwashing. On September 18, 2015, the U.S. Environmental Protection Agency (EPA) made a shocking announcement that some of Volkswagen's TDI diesel vehicles had a "defeat device" that allowed the nitrogen oxide (NOx) engine output to meet U.S. emissions standards during testing while the vehicle actually was emitting up to 40 times the permitted level in true driving conditions. The sophisticated scheme, also known as "Dieselgate," started with approximately 500,000 cars in the U.S., but the total of affected vehicles climbed sharply to nearly 11 million worldwide within days. The irony was that while Volkswagen was boasting about its eco-friendly, green image, its engineers were rigging millions of its theoretically clean diesel engines with software that tricked emissions tests. The greenwashing was certainly elaborate as it involved fraud and deception on a wide scale. VW spared no effort to mislead millions of unsuspecting customers in an attempt to position itself as one of the world's greenest carmakers. But it backfired! The company found itself in a plethora of legal nightmares, and its impeccable reputation and brands were severely tarnished. The scandal plunged the German auto giant into the deepest crisis of its history, costing $30 billion in fines, recalls, buybacks, and class-action lawsuits. VW's revenues, profits, and market capitalization tanked for months. However, the new CEO, Matthias Müller, has managed to turn things around. Volkswagen bounced back and became the largest carmaker in the world with 11 million deliveries in 2019. The multi-brand company, which also produces 11 prominent brands like Audi, Lamborghini, and Porsche in addition to Volkswagen vehicles, has been more aggressively moving into electronic vehicle manufacturing lately, investing billions. This is the company's redemptive green story; hopefully, it's for real this time.

THE COMPETITIVE ENVIRONMENT OF US COMMUNITY BANKING

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ABSTRACT

Prior empirical research demonstrates that rural community banks earn higher profits than their metropolitan counterparts and have lower risk loan portfolios as well. Investigating community bank failures since 2000 we find support for the competition-fragility view that increased competition in banking correlates with an increase in bank failures based on the finding that preponderance of US bank failures are community banks in metropolitan areas where they face direct competition from multiple large banks. This study provides the contribution of a nationwide survey of community bankers which we used to test seven hypotheses. The results indicate that metropolitan bankers perceive an intense competitive environment where it is difficult to get their message to potential new clients while also losing their most creditworthy business clients to mega-banks. Bankers across geographic regions suggest that economies of scale in technology and regulatory compliance drive merger and acquisition activity and it will continue despite the shocking reduction of over 70% of banks since deregulation through mergers, acquisitions, and failures. Prior research also suggests that larger banks extend less credit to small businesses. If true, fewer metropolitan community banks will further restrict the bank credit available to new businesses and existing microenterprises, especially in the metropolitan areas where 86% of the US population now live. One interesting result from our survey was that despite operating with inferior marketing capabilities in an area of intense competition where the most creditworthy clients are cherry picked away, although neither rural nor metropolitan community bankers on average considered a new bank start up a good idea, metropolitan bankers were more likely than their rural counterparts to think that a new bank startup would be successful. However, this result may be because of responses from community bankers in a few cities where community banks experienced above average growth and profits since 2011 because of the inward migration of young adults that caused significant local economic expansion. This study provides additional support for the position that US community banks are not a homogenous group and studies need to consider the geographic scope of operation. Based on these results and the relevant literature, we provide suggestions for community bankers, entrepreneurs, regulators, and future research.

INTRODUCTION

Historically, locally owned banks have played a very meaningful role in funding nascent entrepreneurs and ongoing microenterprises; the businesses that contribute most to new job creation in the US. However, the US Banking industry has undergone dramatic changes over the past 40 years as Depression-era regulatory restrictions of both the geographic area of operation and the scope of financial services banks can offer have changed significantly. These regulatory changes fueled a surge of merger activity in the financial services industry that peaked at about 600 mergers per year in the late 1990s and declined to around 200 per year from 2000-2020. In a quest to cover the nation or particular regions, large publicly traded banks acquired banks across the nation with the vast majority of branches, approaching 90%, being in metropolitan areas. Likewise, larger privately held banks or bank holding companies acquired or merged with smaller banks. This resulted in a 73% decrease in the number of bank charters from the peak of 17,901 in 1985 to the 4,771 FDIC insured banks operating in the second quarter of 2022. Although community banks constitute 92% of FDIC insured banks, they hold only about 12% of US bank assets. Nonetheless, these small community banks play an important role in the US economy because historically they provide most of the funding to microenterprises (DeYoung, 1998; Goldberg & White, 1998) and small businesses continue to employ about half of the people in the US private sector (CHI Research, 2003; Headd, 2015; Kobe, 2007, SBA, 2019). Commercial real estate (CRE) loans demonstrated this important lending role. Despite holding only 15% of US loans, community banks hold 36% of the nation's small business loans and 30% of the nation's CRE loans, which is up from 15% prior in 2012 (FDIC CBS, 2020). However, Balla et al. (2019) argue that CRE lending involves more risk for community banks. In recent years, the percentage of community banks originating SBA 7(a) loans has also increased from 38% to 46%. New and young businesses are the primary creators of jobs in the US (Wiens & Jackson, 2014) and one point of particular interest is the reduction of community banks and the decline in the number of new business startups in the US. For example, not long ago the small business closure rate exceeded the small business startup rate for the first time in 35 years (Clifton, 2015).

In recent years, politicians, pundits, government administrators, and researchers have expressed concern that the decline in new business startups and lack of growth in small business job creation relates to the decline in community banks because of the changing competitive landscape and regulatory burdens on small banks after the Great Recession (e.g., Adams & Gramlich, 2014; Blair, 2014; Rutledge, 2014; Jagtiani & Lemiex, 2016; Jagtiani & Maingi. 2018; Dayen, 2019; Hughes, Jagtiani, Mester & Moon. 2019;). This discussion arose during the primary debates of the 2016 presidential election and the bipartisan supported Economic Growth, Regulatory Relief, and Consumer Protection Act became law in 2018. However, while it did reduce some regulatory burdens, critics of the bill argue that it will facilitate more mergers of *stadium banks*, a moniker for large regional banks that came out of the Senate Bill 2155 debates, and some evidence suggests that is occurring (Dayen, 2019; Harper-Widicus & Jenkings, 2019).

Community bank survival in metropolitan areas is important because more of the US population is migrating to cities (Arzaghi & Rupasingha, 2013). In fact, the 2020 census reveals that 86% of the US population now resides in metropolitan areas, and this is where community banks encounter the greatest competition from the massive nationwide and regional banks; sometimes referred to as *mega-banks*. Therefore, we need a better understanding of how deregulation has changed the competitive environment of community banking. Although this study focuses on community banks, the true concern is the secondary impact on small business, especially microenterprises and nascent entrepreneurs. If community banks continue to fail and merge, serious questions arise about the adequacy of funding available for small businesses, especially in metropolitan areas. The historical evidence indicates that small new banks lend more heavily to the smallest of businesses and that lending declines as banks mature and total assets begin to exceed $200 million (DeYoung, 1998; Golberg & White, 1998).

The dramatic decline in the number of community banks and the significant reduction in new bank charters has drawn the interest of government and academic researchers (e.g., Adams & Gramlich, 2014; Emmons, 2021; FDIC CBS, 2012; FDIC CBS 2020; Hassan & Hippler, 2015); however, these and other studies have examined industry-wide bank performance after deregulatory restructuring. As Claessens and Laeven (2004) point out, "As small banks may operate more in local markets that are less competitive, studying all banks may lead to a distorted measure of the overall competitiveness of a banking system, especially in countries with a large number of banks, such as the United States" (p. 547). DeYoung, Glennon, Nigro, and Spong (2012) examined the default rates on over 18,000 SBA loans between 1984 and 2001, a period before the use of small business credit scoring was widespread, and found that loans made by rural businesses default substantially less often that loans made by urban banks and/or in urban areas. Morrison and Escobari (2020) compared the performance of community banks in rural counties with community banks in metropolitan areas for the period 2000-2014 and found that the profit of metropolitan community banks is about 30% lower on average and that since the financial crisis metropolitan banks have higher loan portfolio risk based on FDIC data. When viewed with the FDIC CBS 2020 data that community banks' percentage share of national CRE loans have remained relatively stable, around 30%, while at the same time the community bank percentage of national bank assets have declined from about 30% to 12% indicates that CRE lending has become a larger portion of community bank loan portfolios. In fact, about one-quarter of community banks now identify as CRE specialist and as of year-end 2019 these CRE specialist loans accounted for 41% of aggregate community bank assets and 58% of aggregate community bank loans. These CRE specialist banks are predominately in metropolitan areas; therefore, the finding of higher loan portfolio risk aligns with the argument by Balla et al. (2019) that an increase in CRE lending also increases loan portfolio risk. The finding that rural banks have higher profits is consistent with the findings of Gilbert and Wheelock (2013) that suggest that rural community banks remain competitive where their niche is most likely stronger than in urban markets. However, the 2020 FDIC Community Bank Study did find that community banks in metropolitan counties with two demographic extremes – lower median age and high migration inflows – such as Atlanta, Austin, Nashville, Orlando, from 2011 through 2019 experienced growth, higher profitability, and more business lending. This suggest that being a community bank in the right big city at the right time remains profitable. This is logical given that a significant influx of a young, educated population would create a demand for new housing, retail, and services that would fuel both business and CRE lending.

This study first compares bank failure rates of rural and metropolitan community banks from 2000 through 2022 and then provides the contribution of a nationwide survey to gauge community bank management team members' perceptions on competitive intensity, merger and acquisitions activity in community banking, small business lending, and new bank startups. Based on evidence from Morrison and Escobari (2020) that bank performance differs in rural and metropolitan areas, we compare the perceptions of community bankers in metropolitan counties to the perceptions of community bankers in rural counties. Whereas analysis of secondary data provides insight into what has already occurred, survey data provides some insight into the perceptions practitioners have about the current environment and events in the near future. If community bank practitioners view that the merger activity will continue and that new bank startups are not feasible, the extant literature suggests that there are serious implications for small business funding.

CONCLUSIONS

Currently, community banks hold only 14% of bank assets in the US; nonetheless, they play an important role in the US economy because they continue to provide the majority of funding to small businesses. This study finds that over 83% of bank failures occurred in metropolitan areas despite the distribution of community banks being almost equal at 49.5% rural and 50.5% metropolitan. The higher failure rates or metropolitan community banks provides support for the competition-fragility view that increased competition in banking leads to more bank failures. The nationwide survey in this study indicates that metropolitan community bankers perceive the competitive environment to be more intense and that their marketing capabilities are inferior to the large nationwide and regional banks that they compete against. Community bankers perceive that the merger and acquisition activity will continue and that it is driven by the need to achieve economies of scale in technology and regulatory compliance. Based on previous research that larger banks extend less credit to small businesses, this will further restrict the availability of bank credit to new businesses and existing microenterprises. Given that microenterprises employ the majority of people and contribute to new job creation, there are serious economic implications.

Implications for Community Bankers

The data is clear that community banks in metropolitan areas face many challenges unless they are in those few cities that experience the demographic extremes of low median age and high migration inflows from 2011 through 2019. Metro area banks compete directly with banks that have a lower cost of capital due to access to the public debt and equity markets. The nationwide and regional banks also have their loan portfolio risk dispersed over a large geographic area and this mitigates economic downturns or phenomena such as drought and natural disasters that have limited geographic scope. Both of these facts make it difficult for community banks to compete against the nationwide and regional banks for the most credit-worthy business clients, those with a long business history, outstanding credit ratings, and proper financial records. Those highly desirable clients fit perfectly into the *cookie cutter* approach to lending utilized in large banks. Metropolitan community banks may find less hostile environments if they open branches in the rural counties in the region. There they would be competing less against nationwide and regional banks and more against banks of the same or smaller size. Given that Morrison & Escobari (2020) found that rural community banks are on average about 30% more profitable and have lower risk loan portfolios, doing business in rural counties could enhance returns to metropolitan bank shareholders while reducing risk. For rural community bankers the implications are that they should resist the urge to go to the big city. The possibility of growing the bank's assets and loan portfolio by having access to larger populations exists, but the data indicates that the competition and operating costs in metropolitan areas results in lower returns to shareholders and riskier loan portfolios for community banks. Nonetheless, some recent research suggests that the merger of community banks to reach economies of scale in technology investments for loan processing and regulatory compliance may provide benefits (Hughes, Jagtiani, Mester, & Moon, 2019). If this it true, community banks should focus expansion and mergers across rural counties and avoid metropolitan area.

Implications for Entrepreneurs

Aspiring entrepreneurs seeking loans need an awareness of the banking industry. Although it might seem logical that the biggest banks have the most money to lend and therefore would be the place most likely to lend to a new business, the data indicates that this is not the case. Big banks like to make big loans to big, established businesses. Previous studies provide convincing evidence that the larger a bank gets the relatively fewer small business loans it makes, and that is counting loans up to $1 million as a small business loan. The smaller community banks still provide a significant portion of the loans to small businesses despite that today they hold only a small fraction of the nation's deposits. Therefore, new and existing microenterprises should maintain banking relationships with community banks, maybe more than one community bank. It might even be advantageous for entrepreneurs in metropolitan areas to establish relationships with community banks in nearby rural counties given that on average those banks are more profitable and in recent years have less risky loan portfolios.

We cannot overstate the importance of entrepreneurs maintaining a good personal credit rating; however, lending to small businesses is a core activity for community banks and they are interested in serving small business clients. There are even community banks in some metropolitan areas that promote the bank as being a *business bank* in that they specialize in serving small business needs on both the deposit and lending side. It is also important to understand that banks are businesses. A bank's success depends on managing the loan portfolio risk. Banks that have higher ratios of loans and leases past due, loan loss allowances, and net write-offs will extend fewer new risky loans. Given that lending to new and very small businesses is inherently risky based on the small business failure and closing rate, entrepreneurs should direct loan applications to the community banks with the lowest ratios of loans past due, loan loss allowances, and net write-offs. A review of the publicly available information from the FDIC website, possibly with the assistance of an accountant, can provide this information for all the banks in any county in the US.

HOW IDEOLOGICAL CONTENT IN MARKETING AFFECTS BRAND PERCEPTION

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ABSTRACT

Organizations are increasingly including social and political issues as part of their missions and strategy. One way that companies convey and express their ideology is to include social and political content in their advertisements. This study examined the effects of ideologically driven advertisements on brand perception, loyalty and likelihood of purchase. The results showed a positive effect when the ideological content of the ads aligned with consumer beliefs and negative effects when there was a misalignment. The study supports the idea that aligning ideological content in advertising with a company's primary consumers will create a positive impression and increase demand.

Key words: Ideology in Advertising, Brand Perception, Political Identity, Social Messaging

INTRODUCTION

With the dynamically changing political climate in the world today, it appears that everyone has taken a side and dug their trenches. These positions are held not only by the public but by organizations as well. The degree to which politics infiltrates our lives is unprecedented (Korschun, Martin & Gautham, 2020). Maintaining neutrality has become increasingly impossible for firms that feel pressured by the media and society during these times. Political activism in increasing (Garg & Saluja, 2022). Companies that have remained neutral and avoided public political stands, now are taking positions (Korschun, Martin & Gautham, 2020).

There has been a call for more research into branding, and social/political messaging (Marsh & Fawcett, 2011). In this paper, we investigate how one form of social/political messaging, advertisements with ideological content, affect consumers attitudes towards the brand and intention to buy. We present a model that includes the ideology of the organization, consumer and the advertising. The model also include consumer's perceptions of the brand, loyalty to the brand and intention to purchase. It allows us to examine the effects of ideology driven ads on brand perception, brand perception and brand trust as mediators between ads and likelihood of purchase. We also examine how the ideological alignment between the organization and consumer moderate the relationship between ads and brand perception.

SOCIAL MESSAGING AND BRANDS

Historically, brands have been hesitant to become linked with political stands (Matos, Vinuales & Sheinin, 2017). Taking political stands is risky for brands, however there is more pressure than ever to 'take a stand' (Smith, 2017). One of the main driving factors of this change is the high-powered nature of politics within the last few years. Throughout the year 2020, the pandemic followed by social justice movements and concluded with the presidential election created a circus frenzy for the news and media outlets to pump information to the public. Using political messaging, firms were pushing agendas from both sides of the political spectrum in what they felt was right. For example, Nike signed Colin Kaepernick, a controversial football player who kneeled during the national anthem to protest police brutality, to their line amidst the Black Lives Matter protest and created banners and ads in support of the BLM movement (Kim, Kim, Lee, Lee, Kang & Kim 2021). On the other side of the spectrum, companies such as Chick-fil-a have taken a monetary approach to political messaging, giving 1.8 million dollars to anti-LGBT groups in 2018, however after backlash these contributions have ended (Wescoe, 2019; Hydock, Paharia & Weber, 2019). In both instances, extreme consumer backlash was the result of political messaging. In the case of Nike, consumers were outraged and some took the length of burning their Nike clothing (Schmidt, Shreffler, Hambrick & Gordon, 2018). As for chick-fil-a, mass boycotts are still in place as well as a wave of protest against the fast food company immediately following the news of the contribution (Hydock, Paharia & Weber, 2019).

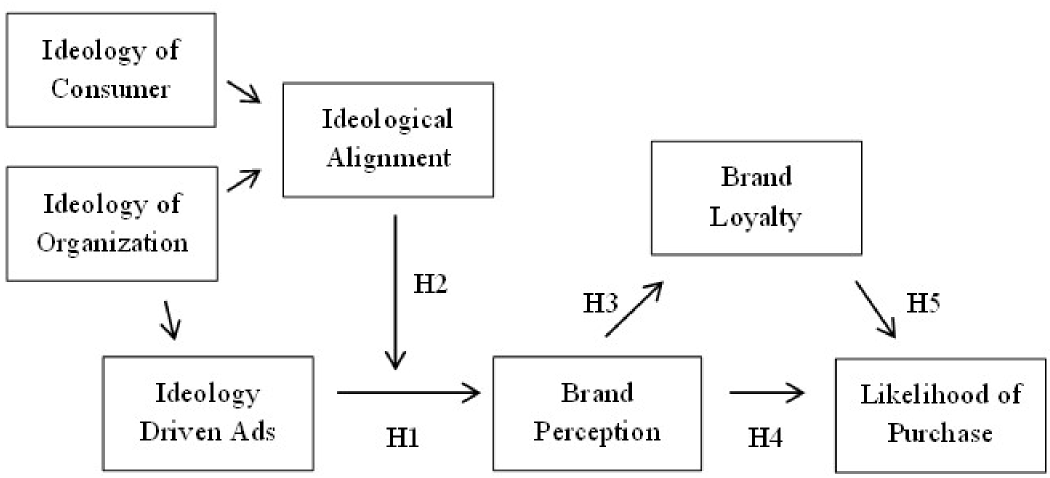
Through these examples, it is clear that the actions taken by companies come with consequences (Tal, Gvili, Amar & Wansink, 2017)

Consumers expect brands to take stands on social issues (Xu, Lee & Rim, 2021). Karen Vizental, vice president of corporate affairs and sustainability at Unilever Latam maintains "Brands with purpose grow faster than those that don't" (CE Noticias Financiera, 2021). However, brands need to manage risk associated with alienating a segment of the market (Fournier & Srinivasan, 2018). This study explores how politics can influence consumers in their buying habits. In other words, does the consumer change opinions on brands when they participate in political messaging and what other factors drive this change in opinion? There is limited research on political and branding leaving plenty of room for new discoveries on this emerging topic. This study investigates how brand perception changes due to political messaging, eventually leading to intention to purchase. Political messaging is any form of political activism that a company or firm takes. This can range from advertisements, statements, and social media posts to political contributions and funding. By taking these actions firms take a stand to what they believe in and at the same time, give the public notice of the firm's particular stance. In this study, we will address political ideological content in advertising. We are using political and social ideology interchangeably. Specifically we are concerned with individual's stance on issues that are considered conservative or liberal. We also will consider whether a consumer's personal views align with those portrayed in advertisements.

HYPOTHESES

We are looking at a general impression of the brand, which we call 'Brand Perception'. Similar constructs have been addressed in the literature, for example 'Brand Sincerity' was found to be assessed differently by liberals than conservatives (Shepherd, Chartrand & Fitzsimons, 2021). Specific social issues have also been addressed, for example, ads featuring actors that are more diverse were found to create a favorable impression in liberals, but not in conservatives (Shepherd, Chartrand, Fitzsimons & Kay, 2020).

Figure 1
Research Model with Hypotheses



One of the main factors that leads a company to create a political message is their own ideological beliefs. Whether the company's beliefs are conservative or liberal determines the type of messaging they produce. Ideological content in ads elicits an emotional response that drives the individual to have a positive or negative perception of the brand (Mills & Robson, 2020). By pushing political messaging on either side, this action can cause a disturbance from the other side as well as from independents who want to keep politics out of business. This means that when companies decide to assert themselves into political messaging, it has a negative impact on the consumers' view of the brand.

Hypothesis 1 - Political messaging is negatively related to brand perception

Shared political ideologies create brand attachment (Flight & Coker, 2022). The emotional response elicited by political content in ads is determined by the alignment of consumer's views with their perception of the brand's position - if they are aligned the emotional reaction is positive and if there is misalignment negative emotions result (Mills & Robson, 2020). Prior studies have shown that the stronger the ideological alignment between the brand and the consumer, the stronger the ‘Self-Brand Connection' (Matos, Vinuales & Sheinin, 2017). The 'self-brand' connection is associated with the alignment of personal views with those in the ads (Matos, Vinuales & Sheinin, 2017). Brand attachment, self-brand connection and emotional reactions are similar to our variable, brand perception. We also know that ideological alignment is related to the willingness to pay for a branded product (Garg & Saluja, 2022), which is consistent with our model.

Hypothesis 2 - Ideological alignment moderates the negative relationship between political messaging and brand perception

Prior research has established brand loyalty aligns with ideology (Vitone, 2016). When a consumer can relate to a company's political messaging and agree with their opinion, this can create brand loyalty. On the other hand, if there is a misalignment causing negative brand perception, this will lead to an end to a consumer's loyalty or never allow the loyalty to form in the first place. Prior research has shown that brand image is related to loyalty (Haynes, Lackman & Guskey, 1999; Wibowo, Utari, Widiastuti, Iswoyo, Rusdiyanto & Kalbuana, 2021)

Hypothesis 3 - Brand perception is positively related to brand loyalty

Ideological alignment makes an emotional connection (Maciejewski, 2000), and willingness to pay for a branded product (Garg & Saluja 2022). In our model, we propose the relationship is mediated by brand perception, which is closely related to brand perception. Prior research has shown brand image to be indirectly (Raji, Rashid & Ishak, 2019) or directly related to sales or sales intentions (Lamasi & Santoso, 2022; Ataman & Ulengin, 2003).

Hypothesis 4 - Brand perception is positive related to likelihood of purchase

Brand loyalty moderates the effects of other brand equity elements on purchasing behaviors (Chadhuri, 1999; (Machi, Nemavhidi, Nyagadza & de Villiers 2022). Brand loyalty is related to purchasing ((Machi, Nemavhidi, Nyagadza & de Villiers 2022; Monfared, Mansouri & Jalilian 2021). In our model, we consider the prior findings and propose that it has a mediating effect on purchasing behaviors.

Hypothesis 5 - Brand loyalty mediates the positive relationship between brand perception and likelihood of purchase

METHODS

The hypotheses were tested using an experimental survey design with three conditions. The conditions were three scenarios. Each scenario was a description of an ad for ‘Bam Pizza’, a fictional pizza chain. A sample of 303 respondents was obtained using Amazon M-Turk, with a $.50 fee and a restriction that survey takers be at least 18 years old. A validation study was conducted on the scenarios to determine if they were perceived as designed. The validation study and the demographic composition of the sample are available by request from authors..

After each test subject read one of the three ads, they were instructed to answer a series of questions to capture the concepts being tested. 'Ideological Alignment' was calculated from a question asking the subject's views and the specific scenario in their survey. 'Ideology Driven Ads' grouped the two political ads vs the neutral ad. The measure was therefore whether the ad did or did not have political content, with no reference to the specific political affiliation.

'Brand Perception', 'Likelihood of Purchase' and 'Brand Loyalty' were three item scales. The scales were highly reliable with Cronbach's alpha reliability coefficients ranging from each .849 to .874. The scale items and correlation table of all the variables used in Hypotheses testing are available by request from authors.

RESULTS

The hypotheses were all tested using linear regression. The regression used for all hypotheses are available on request from the authors. Table 1 shows the results from the regressions.

Table 1

Summary of Results

Hypothesis	Result
H1 political messaging is negatively related to brand perception	Not Supported
H2 Ideological alignment moderates the negative relationship between political messaging and brand perception	Supported
H3 Brand perception is positively related to brand loyalty	Supported
H4 Brand perception is positive related to likelihood of purchase	Supported
H5 Brand loyalty mediates the positive relationship between brand perception and likelihood of purchase	Supported

CONCLUSSION

The results show that ideological content in advertising affects brand perception; however these effects are dependent on alignment between the advertisements and the consumers. It also shows that brand perception is related to sales intentions both directly and indirectly through loyalty. This is useful information for marketers because political ideology is a viable way to segment a market (Flight & Coker, 2022). Some limitations to consider are that taking ideological positions may make it difficult to expand and take advantage of market opportunities (Fournier & Srinivasan, 2018). A factor to consider is the roll of product knowledge. Prior research has shown that product knowledge diminishes the effect of political positioning. (Maciejewski, 2000; Mills & Robson, 2020). Another consideration is how the ideological position is presented, specifically is negative framing that cause fear. It is risky to use fear in ideological messages because fear in advertising is not very effective and can have unintended negative effects. (Hastings, Stead & Webb 2004).

Our conclusions are quite general. The key will be finding ways for organizations to maintain and express their ideological stands and appeal to like-minded consumers without alienating important parts of their customer bases.

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ENTREPRENEURIAL INFLUENCERS: EVOKING HISTORY TO GUIDE CONTEMPORARY OPPORTUNITIES.

Erastus Ndinguri, Framingham State University
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ABSTRACT

The research, uses management and entrepreneurial philosophies from Robert S. Abbott, to bring to the forefront information on the life of an early black influencer and the postulates that led to his entrepreneurial success. Along with the knowledge on an early black influencer, essential pedagogy is used to create an initial model that creates a value proposition rationale for contemporary social media influencers who want to leverage their influence for entrepreneurial gain. The Social Influence Theory, as proposed by Kelman (1958) is used to expound how attitudes and beliefs are influenced by referent others through three processes: compliance, identification and internalization.

IMPACT OF SPECIALIZATION ON RECRUITER PRODUCTIVITY IN THE STAFFING INDUSTRY

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ABSTRACT

The United States Staffing industry has seen tremendous growth since the 1990s to the point where in 2019, the market share eclipsed $150 billion. While the magnitude of the staffing industry seems large, the amount of competition has increased exponentially. With fear of becoming commoditized and diluted through the influx of competition, industry leaders have begun to look for new ways to adjust their recruiter development to increase market share on local and national levels.

The concept of specialization in the staffing industry started by focusing on industry-related job openings. However, as the market became more competitive, the clients began to diversify their staffing vendor partners. Thus, it has become imperative for staffing companies to adapt to a dedicated specialized delivery model to increase market share and revenue.

This research seeks to understand if specialization has the intended impact on recruiter performance. By analyzing recruiter-level panel data from an IT staffing company, we found that specialization models have a positive impact on recruiter productivity. The influence is, however, statistically insignificant. This is due to the fact that with 2021 being the adoption year, the true impact of specialization may be partially captured by the economy re-opening post the COVID-19 pandemic. In addition, the real effect of implementing a specialization model may take a few years to materialize. Therefore, we expect to observe a much more significant impact in subsequent years if the data becomes available.

MANUFACTURERS' REPRESENTATIVES: DEPENDENCE AND DEPENDENCE BALANCING WITH MANUFACTURERS

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ABSTRACT

Manufacturers' representatives are independent salespeople that sell products for manufacturers on a commission basis within specific territories. They perform the selling function on a contract basis without taking possession, or ownership, of the products. During the presentation, they are referred to as MRs and the manufacturers they represent are called principals.

Dependence balancing is the extent with which an MR attempts to reduce dependence on a principal by focusing on developing relationships with alternative principals. This research explored the MRs' perceptions of dependence and dependence balancing activity. An assumption is that greater perceived dependence on the principal is associated with more dependence balancing activity. The relation between the two constructs was examined to confirm, or reject, the assumption. Additional analyses were completed to understand how a manufacturer may influence MR dependence and dependence balancing.

From the principal's perspective, it is beneficial to increase MR dependence while decreasing dependence balancing by the MR. To this end, the current research also examined the influence of MR satisfaction and trust associated with the principal and the MR's perceptions of dependence and dependence balancing. In addition, what a principal may do to make a difference in MR perceptions of satisfaction and trust was studied. Specifically, relations between these MR perceptions and ones for the principal's responsiveness and willingness to share information were analyzed. The findings suggest areas for a principal to place attention upon in order to increase MR dependence while reducing dependence balancing activity.

EMPIRICAL CONFIRMATION VIA ADDITIONAL COAUTHORSHIP DATA OF SIGNIFICANT UNIVERSITY-INDUSTRY INNOVATION LINKAGE IN JAPAN

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ABSTRACT

The role of public research in contributing to the innovation that drives economic development is rightfully a topic of concern for managers and policymakers throughout the world. The huge amount of open research taking place primarily in universities and public research institutes represents a major deployment of research investment, and raises the question of whether the research goes on to support innovation and economic development for the benefit of the people who support that research, and global society as a whole. This has particularly been an issue in Japan, where large public research investments coincided with the onset of prolonged economic recession, and where there has been a dearth of the lauded signs of the university-industry innovation nexus, such as university-originated spinoff companies or lucrative university-held patents. Supported by the lack of these signs, an assumption of a disconnect *between university research and industrial development emerged as the conventional wisdom, upon which most research policy prescriptions have been based. With this as background, the author conducted a series of research studies from the mid 1990s to the early 2000s during the first of Japan's so-called "lost decades," and demonstrated empirically that the disconnect hypothesis was incorrect. In fact, the university-industry innovation nexus was quite strong as measured via industry support of university research, university-industry coauthored research, and economic development based on university-sourced patents. This finding — particularly the strong and growing trend of university-industry coauthorship of scientific publications over the 1981-1996 time period — was so contrarian to the common wisdom that skeptics doubted the veracity of the finding and questioned whether the trend was real or an aberration. Those doubts were debunked at the time based on the available data, but temporal distance would be required for a verification of the robustness in the time trend. With the benefit of two decades of hindsight and a secondary source dataset for the 1981-2004 time period, this new study was finally able to verify the university-industry coauthorship metrics. The findings of this new study fully reconfirm the 1981-1996 results, and demonstrate empirically that the trend of rising university-industry coauthorship continued unabated through the 2004 end point of the new dataset.*

Keywords National innovation systems • Economic development • Research policy & Management • University-industry linkage • Japan bubble economy

INTRODUCTION

There was much ado about Japan's national innovation system during the meteoric rise and resounding pop of the Japanese economy in the final decades of the twentieth century. The major result of my research back then was empirical measurement of a significant innovation nexus between the university and industry sectors in Japan. This was notable because the widely held conventional wisdom was that the Japanese innovation system suffered from a *disconnect* between academic research and industrial development due to the university sector's irrelevance to industry for anything other than as a supply of new employees.

Now back in academia after a couple of decades in industry, I look back on the key finding of that research — the empirical measure of university-industry coauthorship in scientific publications, which indicated a strong and rising linkage between the two sectors — and assess how the finding has stood up in the intervening years. With the advantage of hindsight, I answer the question that our contrarian result produced at the time, and remained until now: Was the trend we found true, and if true would it hold up in the years to follow?

WHY THE UNIVERSITY-INDUSTRY INNOVATION NEXUS?

After Japan's bubble economy deflated (at the end of the 1980s or further into the 1990s depending on what indicators are used to make the call), Japan entered an economic stagnation known as the *lost decade* that then turned into the lost decades, and continues into its third decade today according to certain measures (Morgan 2021). Prior to the lost decades, consider how Japan's economy was both admired and feared. As natural resource-poor nation with a small landmass, Japan rose out of its devastation the Second World War via a non-orthodox capitalist approach — from the dominant US point-of-view — that included government intervention, industry coordination, and managed trade. Critics in the US and elsewhere leveled claims of corporate collusion, dumping of exports at below market costs, and free-riding on the basic research of other nations as reasons for Japan's success.

Against this backdrop, the university-industry nexus in innovation came into the spotlight. In the US, the 1990s saw economic output driven in part by investments in the university sector, including such famed cases as SUN Computers (**S**tanford **U**niversity **N**etwork), Google (founded by Stanford students Sergey Brin and Larry Page), the genetic revolution kicked of by the now COVID-famous PCR (polymerase chain reaction) at a University of California-related biotech startup, and a host of startup companies in university-anchored regions like Silicon Valley, Route 128 in Boston, and the Research Triangle in North Carolina. The lack of similar university-originated economic success stories in Japan appeared to support the *free-riding* claim: Japanese universities simply did not have good enough research to be of interest to industry other than as a supplier of new employees, and Japanese industry was able to make up for this deficiency due to its asymmetric access to the seeds of basic research in the US and elsewhere.

UNIVERSITY-INDUSTRY COAUTHORSHIP LINKAGE IN JAPAN, 1981-1996

Conventional Wisdom of University-Industry Disconnect in Japan

To many key opinion leaders who held with the above claim, Japan was a *free-rider* on American basic research as demonstrated by the perceived lack of contribution to Japanese industrial development by Japan's own basic and public research. To these critics, Japan was able to accommodate its own basic research weakness by free-riding on research done in the US and elsewhere, and in the process not provide other nations similar access to its own research.

In short, both inside and outside of Japan, the conventional wisdom was that Japanese university research was weak, and Japanese industry not interested in it.

Measuring the University-Industry Linkage

In my earlier research, I focused on the three empirical metrics of R&D expenditure, patents, and scientific publication. All these metrics point to critical aspects of the innovation process. For each of these, it is possible to look from the perspective of the University-Industry Linkage (for instance, industry contribution to university R&D funding; university researcher contributions to patenting by industry; and university-industry coauthorship). And for each of these, given the conventional wisdom of a dysfunctional University-Industry Linkage in Japan, they had been insufficiently investigated (overly simplistic analyses of industry support of academic research and university involvement in industry patenting had already concluded the linkage was broken, and insufficient attention had been paid to university-industry coauthorship).

Details on the results can be found in Pechter and Kakinuma (1999 MIT), Pechter and Kakinuma (1999 EMS), Kakinuma and Pechter (1999), Pechter (2000 EMS), Pechter (2000 ISS), Pechter (2001 EAEPE), Pechter (2001 EMS), Pechter (2001 UT), Pechter (2002 EMS), Pechter (2002 PU). In short, however, for R&D expenditure and patents, our analyses indicated much stronger industry contribution to academic research and more academic involvement in industry patenting than had been appreciated.

This essay specifically focuses on the third metric, coauthorship, since it was the finding of my earlier research that most challenged the common wisdom — and the one I have been wondering about for two decades since I left academic to pursue an industry career.

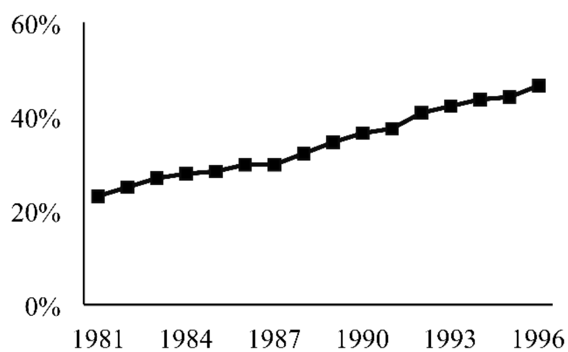
University-Industry Coauthorship Linkage in Japan, 1981-1996

The key finding of the earlier research with my collaborator Sumio Kakinuma was the substantial and increasing university-industry coauthorship ratio as seen from the industry perspective. We defined this ratio is the percentage of all research papers authored by someone in Japanese industry that also had coauthors from universities, whether the universities were in Japan or outside of Japan. In other words:

$$\text{Japanese University-Industry Coauthorship Ratio as seen from the Industry Perspective} = \frac{\text{Number of papers with a Japanese industry author that were coauthored with authors in universities of any country}}{\text{Number of papers with a Japanese industry author}}$$

In order to assess the level of university-industry research interaction through bibliometric data, the analysis utilized the Science Citation Index database acquired from the Institute of Scientific Information (ISI) in the United States and maintained by the National Center for Science Information Systems (formerly NACSIS, now NII or National Institute of Informatics) in Japan. The database contained the set of Science Citation Index data for the years 1981-1996 in which at least one affiliation of a paper's authors is to an organization located in Japan. This set contained data on approximately 800,000 papers. Our key finding is shown in this figure.

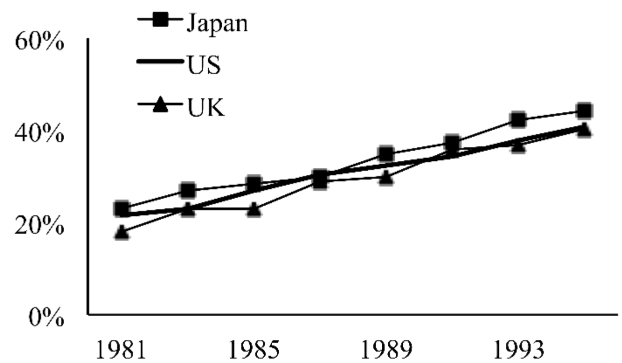
Figure 1. University-Industry Coauthorship Ratio in Japan, 1981 - 1996



Source: original data in Pechter and Kakinuma (1999 MIT), Pechter and Kakinuma (1999 EMS), Pechter (2001 UT)

For the reasons described above, this finding of a strong and rising linkage was remarkable. Most surprising of all, however, was how closely our findings for the key university-industry coauthorship ratio for Japan matched other studies finding for the US (and also the UK for which we located comparable data). We see this in the following figure.

Figure 2. University-industry coauthorship ratios in Japan, the US, and the UK



Source: original data, also in Pechter (2002 PU), National Science Board (1998), Hicks and Katz (1997 p. 136)

In summary, the key finding of a large and rising university-industry coauthorship ratio in Japan, and the various additional empirical support for these findings, demonstrated clearly the falsity of the notion that Japanese industry has little interest in the research activities taking place in the Japanese university sector.

Given the gap between our findings and the conventional wisdom of the time, we received many claims that the data trend was just an aberration that would fade over time. To such a claim. only time would tell as additional years data became available. I left academia by the mid 2000s, and so this question went unanswered. With this current essay, I am now able to consider this question, and provide an answer.

POST-1996 UNIVERSITY-INDUSTRY COAUTHORSHIP LINKAGE IN JAPAN

A fuller account of the unfolding university-industry coauthorship linkage will require more in-depth primary source analysis, which means acquiring and processing a new dataset for the years since 1996. This is a huge and expensive undertaking. So for this initial survey, I will rely on some valuable key secondary source data, which we are fortunate to have thanks to the open model of scientific research publication.

Research Study of Interest, 1981-2004

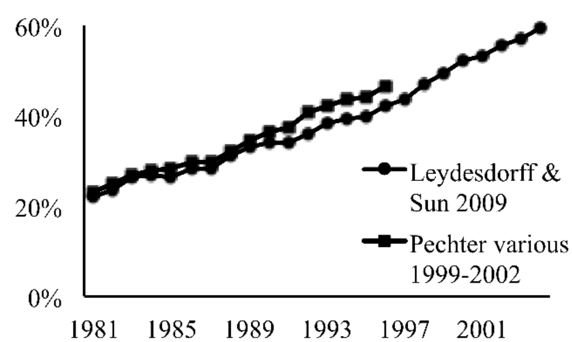
For the narrow purposes of this essay, we are interested in studies that have used comparable methodology to our original study, but extend beyond our earlier dataset's end date. Namely, analysis of coauthorship data drawn from the bibliometric database of scientific publication going beyond the 1996 end date of our own study. Currently, however, the best candidate dataset is from the Triple Helix work done by Leydesdorff and various colleagues, extending the coverage of the dataset up to 2004 (Leydesdorff and Sun 2009). While this is short of our hoped-for ideal of extending through the mid 2010s, it does extend the window by eight years.

The research methodology of Leydesdorff and Sun is similar to that used in our earlier research. This is perhaps not so surprising, since there is widespread acceptance now of bibliometric analysis techniques based on citation index databases such as the former Institute of Scientific Information's (ISI) Science Citation Index and related databases for social sciences and arts & humanities etc. — now all under the umbrella of the Web of Science Core Collection maintained by Clarivate Analytics (former Intellectual Property and Science business of Thomson Reuters).

Main Findings of the 1981-2004 Dataset

After reworking the Leydesdorff and Sun (2009) dataset, I was able to put the data into a form such that we could compared the two datasets' industry perspectives on university-industry coauthorship (in other words, the ratio of university-industry coauthored papers to all industry papers in Japan) is shown in the following figure.

Figure 3. University-Industry Coauthorship Ratio in Japan, 1981 – 2004



Source: Pechter and Kakinuma (1999 MIT) and Pechter (2001 UT), reworking of Leydesdorff and Sun (2009)

Alas, after two decades, we have confirmation that not only supports our original finding up through 1996, but shows the trend continuing at least through 2004.

CONCLUSION

This essay's simple purpose was to empirically assess the metric of university-industry coauthorship in Japan, extending beyond the 1996 endpoint of our earlier study. This earlier research clearly showed a strong, growing, and internationally comparable university-industry linkage in Japan. Given the conventional wisdom at the time of a university-industry disconnect in Japan, our results were met with ample criticism, chief among them that our finding was a temporary trend that was about to end. To assess this claim required time to pass and see what happened in the years to come. With this essay, we finally were able to examine the research record for other research that could check our results, and were relieved that the record supported our findings tremendously well. The university-industry linkage as measured by coauthorship of scientific publication was as strong as we said, rose as much as we said, and this trend continued for the additional eight years that the new study covered (Leydesdorff and Sun 2009).

While eight years is a big extension of the endpoint past 1996, 2004 was already 17 years ago. A good next step would be to find more recent secondary analysis of comparable datasets, or to invest the substantial time and money to generate the datasets and conduct primary analysis.

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CARES ACT & FORECLOSURE RATES ON HOUSING SECTOR PERFORMANCE; A BAYESIAN STRUCTURAL TIME SERIES COUNTERFACTUAL AND CAPITAL ASSET PRICING MODEL EVENT STUDY APPROACH

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ABSTRACT

This paper utilizes Bayesian Structural Time Series and Autoregressive Integrated Moving Average models to estimate causal estimates of foreclosure rates during the Covid-19 pandemic of 2019 through 2022. These foreclosure causal estimates are included in separated Capital Asset Pricing models, which are used to determine a direct causal effect that foreclosure rates have on the excess returns of mortgage-related assets. This paper also uses a traditional event study approach utilizing Capital Asset Pricing models with binary variables related to the formation of the CARES Act and the subsequent foreclosure moratorium. This article finds that mortgage-related financial markets are negatively responsive to the signage of the CARES Act into law on the monthly level but equilibrates within a quarterly time frame. The paper also finds that foreclosures are not causally linked to drops in mortgage-related excess stock returns, at least on the monthly or quarterly level.

Keywords: Mortgage-related stock returns, Government announcements, Foreclosure moratorium, Foreclosure rates, Government regulation, Covid-19 pandemic, Capital asset pricing, Bayesian structural time series, Autoregressive integrated moving average, Efficient market hypothesis

JEL classification: G01, G14, G17, G21, G28

ONE STEP CLOSER TO THE EDGE: LIVE CLASSES SHARED INTERNATIONALLY

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ABSTRACT

Experiential Digital Global Education (EDGE), Collaborative Online International Learning (COIL), and Virtual Exchange (VE) are all names for programs in which students in different countries work together in a virtual format to complete a collaborative project. Regardless of the acronym used, the philosophies and goals are generally the same – to provide students the opportunity for intercultural exchange without the expense of travel. This philosophy and practice of providing various "study abroad" experiences domestically for students who do not have the time or money to travel is sometimes known as Internationalization at Home (IAH).

In the fall of 2021, business professors in France and in the United States integrated such exchange into their business classes using an asynchronous format because their classes were held at different times. By planning ahead, they were able to schedule their classes for the same day and time in order to have synchronous Zoom classes. This course also provided an English as a Medium of Instruction (EMI) opportunity as most of the interactions in this business class during the synchronous shared sessions were in English. This paper describes the planning process for this class as well as the successes and challenges resulting from this co-teaching experience.

INTRODUCTION

The need for increased interncultural understanding is evident in our current world and, until the the pandemic shutdown, there were increasing numbers of study abroad opportunities (both physical and virtual) for students had been increasing steadily until the COVID-19 pandemic and resulting shut down (Levinson & Davidson, 2015; Obermhelman & Dunn, 2019). Experiential Digital Global Education (EDGE), Collaborative Online International Learning (COIL), and Virtual Exchange (VE) are various names for programs in which students in different countries work together in a virtual format to complete a collaborative project. Regardless of the acronym, the philosophies and goals are generally the same – to provide students the opportunity for intercultural exchange without the expense of travel. This opportunity for cultural exchange is especially important in the current environment due to health and safety issues as well as budget cut backs that limit funding for student travel and inflationary pressures that reduce the spending power of students' own finances. This philosophy and practice of providing various "study abroad" experiences domestically for students who do not have the time or money to travel is known as Internationalization at Home (IAH). As stated by Wit (2020), this provides opportunities for every day students and not just the elites.

In the fall of 2021, business professors in France and in the United States integrated such exchange into their business classes using an asynchronous format because their classes were held at different times. By planning ahead, they were able to schedule their classes for the same day and time in order to have synchronous Zoom classes. This course also provided an English as a Medium of Instruction (EMI) opportunity (Reynolds, 2022). Most of the interactions in this business class during the synchronous shared sessions were in English, providing the students in France a more authentic English as Lingua Franca (ELF) experience (Hoskins & Reynolds, 2020; Reynolds, 2022). For the American students, the IAH aspect of the course was very beneficial as the only student who had traveled abroad was a student who was not born in the United States. This paper describes the planning process for this class as well as the successes and challenges resulting from this co-teaching experience.

PROGRAM GOALS AND OBJECTIVES

Intercultural awareness and understanding is a critical skill in the world today. Study abroad trips are excellent opportunities for learners and these are viewed positively by employers (Oberhelman & Dunn, 2019). Before the COVID-19 pandemic that effectively shut down such travel programs, a common issue cited with study abroad was the financial cost of travel combined with the opportunity cost of not being home to work and/or live with family for little cost. Health and safety issues are now among the concerns. In addition, the high rate of inflation further increases the costs of travel and even the basic expenses of daily life at home, meaning there is less discretionary income for extras such as travel.

Fortunately, technology has provided a way for people in different countries to communicate in real time. This program aimed to provide situations in which undergraduate students in the United States and France could get to know each other and collaborate effectively on joint projects via video conference technology such as Zoom and What's App. Being able to talk to each other in video provided richer communication by allowing tone of voice and body language to be perceived as well as the words themselves. This increased media richness is especially important because differing cultural orientations can easily lead to misunderstandings in the interpretations of messages (Flemings, Mapoma, Hong, Sariyo & Kondowe, 2015; Hofstede, 2010). In accordance with the Stevens Initiative's (2019) guidelines for effective VE, this class involved synchronous meets with students and faculty in their respective classrooms.

On the other hand, Allport (1954 pp. 2-3) contended that under the right conditions, contact between people, "can work to reduce prejudice and promote a more tolerant and integrated society" (pp. 2-3). The American students admitted to being nervous to meet and interact with people from other countries, but inevitably stated afterwards, "They seem very nice." As they worked together on various projects, they came to understand that they had quite a bit in common with college students from other countries. An extra advantage of the partnership with the French university was that students in the class were from a range of countries and not just France.

The term "world orientation" refers to the degree to which a person is interested in other people and their cultures (Bedrow & Bird, 2018; Mendenhall, Steven, Bird, Oddou & Osland, 2012) and increasing this orientation was a primary goal for using VE in these business classes. Thus, the collaborative projects used in this VE were intended to develop students' understanding of other people and cultures as well as business topics. Interacting effectively in an international business and marketing situation, whether with customers or suppliers, is essential for success, and VE experiences can help students improve their skills in this area (O'Dowd, 2017).

CLASS ACTIVITIES

Students participating in this collaborative project worked together in a series of short-term projects. This gave the students the opportunity to work with different student groups and also provided different types of learning activities. Specifically, students used their analytical skills is "consulting" for a firm in a case study, then used their creativity in designing a program to entice shoppers to bring their own bags to the supermarket.

The students read the Harvard Business Review case study entitled "Preserve the Luxury or Extend the Brand?" (Beyersdorfer & Dessain, 2011). This fictional case is modeled on the Harvard Business School Case "Marketing of Chateau Margeau" (Deighton, Pitt, Dessain, Beyersdorfer, & Sjoman, 2007) but is considerably shorter and easier to read, especially for students whose first language is not English. Using this particular case allowed the goals of EMI and ELF to be fulfilled while still allowing students to focus on the case concepts rather than the language.

Both cases focus on family-owned wine estates located in the Bordeaux region of France. The brands produced by the estates in both stories are extremely expensive prestige wines prized by connoisseurs and luxury buyers. Students were challenged to analyze the complex distribution system of traditional French chateaux and determine whether the estate should introduce and distribute a new wine or grow in some other way. This was primarily a marketing case, but the material also led to a great deal of new information for students regarding the global wine business, as shown in Table 1.

Table 1
ISSUES FOR CONSIDERATION

PRIMARY ISSUE	PARTICULAR CONCERN	ADDITIONAL CONTEXT
Brand reputation/positioning	The estate is a first growth estate with a respected reputation	French chateau classification system
Target marketing	Connoisseurs who have deep involvement with the wine vs people who drink wine as a luxury product with more focus on price (higher price indicates greater luxury)	Paradoxical demand curve, concept of involvement (from consumer behavior theory)
Brand extension	Introduce new wines at lower price points using grapes not chosen for the premier wines	Vineyard management, grape yields, wine production methods
Product pricing, growth and development strategies	Price increases would increase profit but may decrease demand, especially among young buyers who are not yet connoisseurs	Demographic segments, long term planning
Channel distribution	The traditional French system with *negociants* who buy the wine in bulk before it is bottled	French negociant system

There were only seven students at the American school, so each one was placed with three to four students from France. The Americans were apprehensive about being the sole person from their school on the team, but they were reminded that the discussions would be held in English, thus given them an extra advantage. Their concerns also diminished after meeting the students from France asynchronously on a Padlet (padlet.com) and then in person during the first synchronous class. The American students led two ice breakers intended to help people get to know each other. Students were then placed in groups to collaborate on recommendations for the estate. To the greatest extent possible, the groups were composed of people who expressed similar interests. Every group made a live presentation to the classes during a session held via Zoom.

The next project dealt with sustainability and consumer behavior. Each faculty member provided a mini-lecture during the synchronous class related to these topics. In addition, students watched short videos from the Ethics Unwrapped (2022) website related to the case Buying Green: Consumer Behavior. Students formed new groups with one to three Americans in each group. This assignment was much more informal and less structured as students were asked to creatively design a marketing system that would entice shoppers to voluntarily bring their own shopping bags to a grocery store. Students were encouraged to present their ideas in a creative fashion. This resulted in video skits ask well as some text-based graphics and presentations. It appeared there was more true collaboration on this project than on the previous one in which the groups tended to take a "divide and conquer" approach in which each student was responsible for a couple slides without much input from other group members. Unfortunately, this is not an uncommon practice in the United States and apparently the same procedure is sometimes followed by students in France.

DISCUSSION AND CONCLUSIONS

The two faculty in this paper collaborated on an EDGE project the previous semester that was similar to a project by Oberhelman and Dunn (2019). Students at universities in the United States and in France worked asynchronously together to analyze the Marketing Chateau Margaux case (Deighton et al., 2007). There was enough lead time before the spring semester that the faculty members were able to schedule their classes at the same time, 10 am in Pennsylvania and 4 pm in France. This provided the opportunity for much richer communication through synchronous sessions via Zoom.

For the most part, the students met in their respective classrooms so there were 2 sites for the teleconference. A few students needed to join from home due to illness. Students appeared to be more participative when in their own classrooms among their friends and professor compared to those tuning in from home, although this may have been due to not feeling well. Both professors noted that students would talk amongst themselves, ("What did she say?" "I don't understand what he is saying.") and the professor or other students could assist without disrupting the group conversation. This was a learning experience that has encouraged the faculty to try this system again rather than having students meet as individuals on Zoom. The live interaction was considered a much better system compared to the strictly asynchronous communication employed in the previous semester. Naturally, the students needed to communicate outside of class, and they reported they mostly used text-based platforms rather than live video.

One disadvantage of synchronous class meetings is the need for all parties to attend at the "same time." France is usually 6 hours ahead of Pennsylvania, so the 10 am class was able to meet at 4 pm with the class synchronously. However, France and Pennsylvania switch from standard time to daylight savings time on different weeks, causing some confusion.

Both professors noted that in the live conversations in class, many students struggled with the "soft skill" of being able converse easily (make "small talk") with strangers. Even in their own classrooms, students were more likely to look at their phones than to communicate with people sitting next to them. In the American class, the professor needed to repeatedly remind students to put away their devices and focus on the other people in the class, whether in the same room or in the remote room. This was not limited to the students in Pennsylvania, but also occurred in France, meaning it is not a local issue among a group of particular students. On the last day of synchronous class, the professors decided to focus on practicing soft skills and simply led a lengthy group conversation about normal life in each country. This activity was positively received by the students at both schools, and the American students stated that learning about “everyday life” was very interesting to them. The professors had asked the students to chat and get to know each other before they started collaborating on the case. Clearly, this had not happened and the professors have agreed to focus more on live conversation and “how to make small talk” in the next semester.

In an increasingly globalized business environment, being able to make connections with people from other cultures is vital to success. Asynchronous communication can be very efficient and provides more flexibility in terms of the time in which people send messages. However, deeper relationships and greater understanding of others normally requires some synchronous communication. This paper described how two professors in separate countries attempted to connect their students through synchronous class meeting held via Zoom. Such experiments are necessary to provide students with experiences that will prepare them for business on a global scale.

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THE IMPORTANCE OF BEING RICH, SUCCESSFUL AND ENVIRONMENTALLY CONSCIOUS?

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ABSTRACT

The industrial era saw people move from their farms and small towns into cities in order to work in factories. These mechanistic organizations took the impersonal view that humans were simply cogs in the machine. This was a drastic change from the agricultural era in which many people worked on family farms or in small businesses that placed more value on people and relationships. The advent of the information age in the 1950s saw the pendulum begin to swing back the other direction with a renewed focus on human resources as real people who are worthy of respect, dignity and consideration. Thought leaders encouraged a renewed consideration of ethics and the social responsibility of organizations (Bowen, 1953).

The most common term for this practice of considering profit as only one aspect of performance is Corporate Social Responsibility (CSR). However, this term can be misleading as it emphasizes corporations as the most important element in social responsibility. CSR truly finds its heart in the individuals who comprise the organization. Given that people are not raised in a vacuum, but within a culture, this study examines the relationship between three of Hofstede's cultural orientations and three human value questions (importance of being rich, importance of being successful, concern for the environment) included in the European Social Survey (European Social Survey, 2022). These were chosen for their potential relationship to social responsibility. The current study found few obvious relationships between cultural orientations and the proportions of people that placed importance on being rich or successful or concerned for the environment, although there were differences between various countries. Gender-based differences were numerous.

INTRODUCTION

The industrial era saw people move from their farms and small towns into cities in order to work in factories. These mechanistic organizations took the impersonal view that humans were simply cogs in the machine. This was a drastic change from the agricultural era in which many people worked on family farms or in small businesses that placed more value on people and relationships. The advent of the information age in the 1950s saw the pendulum begin to swing back the other direction with a renewed focus on human resources as real people who are worthy of respect, dignity and consideration. Thought leaders encouraged a renewed consideration of ethics and the social responsibility of organizations (Bowen, 1953).

The most common term for this practice of considering profit as only one aspect of performance is Corporate Social Responsibility (CSR). However, this term can be misleading as it emphasizes corporations as the most important element in social responsibility. Organizations, and societies in general, are made up of individuals with their own thoughts and practices. As Burbage (2018, para. 2) aptly puts it, "At its core, being socially responsible means acknowledging accountability for the impact of one's choices on the larger world." This applies to individuals as well as corporate entities, which are themselves managed by people. Clearly, people make decisions for companies and for themselves and those decisions have consequences as they impact other people and the natural environment. CSR is important for companies, but finds its heart in the individuals that comprise the organization.

People are not born and raised in a vacuum, but in families and societies within their own cultures. Hofstede (Hofstede Insights, 2022, para 2) defined culture as "the collective programming of the mind." Buckwalter (2021) examined the relationship between Hofstede's cultural orientation masculinity/femininity and the Global Sustainable Competitiveness Index (GSCI), which ranks the CSR initiatives of countries around the world. Inspired by that research, this study examines the relationship between three cultural orientations (masculinity/femininity, individualism/collectivism, and indulgence) and three human values: the importance of being rich, importance of being successful, and concern for nature and the environment. Data were obtained from the 9th Round European Social Survey (2022).

The following section briefly explains the nature of Hofstede's cultural dimensions (Hofstede Insights, 2022). The results of this study are then presented. Although this study did not reach the same conclusions as Buckwalter (2021) regarding the higher levels of social responsibility in cultures low in masculinity (feminine), there were clearly some differences between people in their attitudes towards wealth, success and the environment, especially when comparing the responses of men and women.

CULTURAL ORIENTATIONS

Hofstede's 6-D model of cultural orientations is one of the best known and most popular models for comparing cultures (Hofstede, 2022; Hofstede Insights, 2022). The original four orientations included individualism/collectivism, power distance, masculinity/femininity and uncertainty avoidance. Indulgence and long-term orientation were added later as the model was further developed. An important aspect of this model is that it does not describe individuals (for comparing two people within a culture) but the composite culture resulting from how individuals act and relate to each other (for comparison between cultures). Cultural orientation scores are relative and only meaningful in comparison (Hofstede Insights, 2022). Although the data were collected from individuals, this study examines groups of people within a culture, rather than comparing singular individuals. This study examined three of the Hofstede orientations that seemed most likely to be related to the desire to be rich, successful and/or environmentally conscious.

RESULTS OF THIS STUDY

Data for this study were collected by the 9th Round survey by the European Social Survey (2022). The 9th Round was selected because it included most of the countries mentioned by Buckwalter (2021). A total of 23,353 people (11,214 men and 12,139 women) participated. In the human value questions selected for this study, participants were asked to indicate whether a given statement reflected their self-concept, producing an ordinal scale as shown in Table 1. The questions selected for this study were deemed to have a relationship to social responsibility whether positively (concern for environment) or potentially negatively (personal wealth and success at the expense of others in society). For the "rich" concept, participants were presented with the statement, "It is important to be rich, have money and expensive things." For success, the statement was, "It is important to be successful and that people recognize achievements." Finally, the environment statement was, "It is important to care for nature and the environment."

Table 1
POTENTIAL SURVEY RESPONSES

Score	Statement
1	This is very much like me.
2	This is like me.
3	This is somewhat like me.
4	This is a little like me.
5	This is not like me.
6	This is not like me at all.

To analyze the data, the proportions of people who responded that this was "very much like me" or "like me" (scored 1 or 2 respectively) were calculated with SPSS and a chi-square analysis was performed to determine if there was an association between gender and response to the given statement. It should be noted that with the very large sample, seemingly small associations can be statistically significant. Also, it is not appropriate to calculate means for cultural orientations so an "average masculinity score," for example, is not provided.

As shown in Table 2, there did not seem to be an obvious and strong relationship between cultural orientation and the percentages of people saying that being rich was important, but there was a statistically significant association between responses and gender, with men more likely to say it is "like me" in every single country included in this study. Even the highest proportion of 15.0% (Latvian men) is lower than the proportions that were found for the other items. The highest proportion for women (7.4%) was less than the average for men, showing women were less likely to say being rich is important to them.

Table 2 "THIS IS LIKE ME" IMPORTANCE OF BENG RICH							
Country	Masculinity	Individualism	Indulgence	Men	Women	Chi	Sig.
Overall				8.8%	5.8%	386	.001
Latvia	9	70	13	15.0	7.4	28.6	.001
Italy	70	76	30	11.6	8.9	22.0	.003
Austria	79	55	63	11.2	7.4	40.4	.001
Spain	42	51	44	10.7	8.3	30.2	.001
Ireland	68	70	65	10.6	7.5	23.7	.003
Estonia	30	60	16	9.9	7.5	35.0	.001
Switzerland	70	68	66	9.0	5.7	44.8	.001
Denmark	16	74	70	8.3	5.1	41.9	.001
Netherlands	14	80	68	8.2	3.3	63.4	.001
Sweden	5	71	78	6.8	2.3	57.4	.001
Norway	8	69	55	6.6	3.8	16.8	.032
Finland	26	63	57	4.7	2.9	62.6	.001
Iceland	10	60	67	3.8	2.1	34.7	.001
Portugal	31	27	33	3.6	2.4	29.9	.001

The term "rich" is fairly specific in dealing with money, while the term "successful" can have a much broader definition that may be defined differently by any given individual. In that light, it is not surprising that many more people indicated that success is important to them, compared to the proportions that indicated being rich was important (see Table 3). While Sweden, Iceland and Finland had the three lowest proportions for men, Denmark was above the mean. A similar scenario was evident among women, suggesting that low scores for masculinity did not influence the proportions across the board. The means for men and women were much closer for this item than for the item regarding wealth (4.9%).

Table 3 "THIS IS LIKE ME" IMPORTANCE OF BENG SUCCESSFUL							
Country	Masculinity	Individualism	Indulgence	Men	Women	Chi	Sig.
Overall				33.4%	28.5%	160	.001
Italy	70	76	30	52.1	47.3	17.9	.003
Austria	79	55	63	44.0	33.2	46.6	.001
Switzerland	70	68	66	40.6	29.6	42.5	.001
Denmark	16	74	70	35.0	31.0	11.6	.168
Latvia	9	70	13	32.7	27.8	15.1	.035
Portugal	31	27	33	32.4	33.6	8.0	.330
Netherlands	14	80	68	31.6	23.6	34.0	.001
Ireland	68	70	65	31.3	28.7	13.2	.104
Spain	42	51	44	31.2	24.3	15.5	.030
Norway	8	69	55	30.0	30.1	0.6	.999
Estonia	30	60	16	27.8	22.0	16.1	.013
Finland	26	63	57	22.7	18.2	39.9	.001
Iceland	10	60	67	16.7	17.3	6.0	.644
Sweden	5	71	78	15.8	13.0	17.7	.024

It was expected that the proportions of people who view personal wealth and success as important might indicate less concern for social responsibility, while higher proportions in regard to concern for environment would indicate greater social responsibility. As shown in Table 4, the percentages of men and women who indicated that the environment is important were much higher than for the previous two items in every country, even those that had the highest ratings for being rich and successful. In contrast to the previous items, the mean for women was 5.9% higher than for men, suggesting women were more likely to view nature and the environment as important.

Table 4
"THIS IS LIKE ME" IMPORTANCE OF BENG ENVIRONMENTALLY CONCSCIOUS

Country	Masculinity	Individualism	Indulgence	Men	Women	Chi	Sig.
				72.0%	77.9%	204	.001
Spain	42	51	44	81.0	84.4	17.0	.018
Finland	26	63	57	79.7	86.1	48.4	.001
Switzerland	70	68	66	79.6	83.9	27.8	.001
Austria	79	55	63	76.6	84.2	40.4	.001
Latvia	9	70	13	74.0	79.5	6.5	.486
Estonia	30	60	16	73.7	85.1	46.2	.000
Denmark	16	74	70	73.5	76.4	12.4	.133
Ireland	68	70	65	71.5	76.8	15.0	.059
Netherlands	14	80	68	70.4	70.8	5.0	.663
Italy	70	76	30	66.6	69.6	8.9	.262
Iceland	10	60	67	64.8	77.0	26.1	.001
Norway	8	69	55	64.7	70.6	15.3	.033
Sweden	5	71	78	64.6	77.4	58.3	.001
Portugal	31	27	33	60.7	63.4	5.1	.642

For each of the items considered in this study, there were differences between countries, but the Hofstede cultural orientations did not provide a clear explanation for them. Gender-based differences, however, were evident across all countries and all three item, suggesting that this is an area that should be studied further.

DISCUSSION AND CONCLUSIONS

The study examined the proportions of men and women who regarded being rich, being successful and environmentally conscious as important. In general, men were found to be more likely than women to place importance on wealth and success while women were more likely to say that nature and the environment are important. This could imply that women tend to be more concerned about social responsibility, because of their concern for nature and less concern for personal wealth. If this is true, it would be consistent with previous research (Canney & Bielefeldt, 2015) that found higher degrees of social responsibility among women. Other research (Seto-Pamies, 2015) has found that companies with more women on the board act with higher levels of social responsibility, particularly concern for the environment. This study found that women were more likely to say that success, rather than wealth (rich), is important. Lubinski, Benbow and Kell (2014, p. 2225), found that "there was a clear difference between the sexes in how much they valued distinguishing themselves at work as opposed to more evenly distributing their priorities across work, family, community, and non-work-related personal development." They found that men tended to be more concerned with success at work while women were more concerned other people. Further, women are said to define success along different lines than men do (Gilligan, 1982; Kiesel, 2015). Drawing this concept out, companies with more women, may be more likely to place importance on the "triple bottom line" of people and planet as well as profit (Lubinki et etl, 2014; Seto-Pamies, 2015, Stobierski, 2021).

Although this study did not find strong and direct relationships between cultural orientations and ratings on the importance of being rich, successful and environmentally conscious, this is not to say that people in different culture do not hold different attitudes towards these concepts. On the contrary, it suggests that further research should be conducted to determine which cultural descriptors can be useful for examining different aspects of social responsibility in general and CSR in particular.

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ACCRUAL-BASED EARNINGS AND CASH FLOWS AS INDICATORS OF BANKRUPTCY

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ABSTRACT

The accounting information should help investors and creditors evaluate the amounts, timing and uncertainty of firms' future cash receipts and disbursements. The Financial Accounting Standards Board (FASB), in its Statement of Financial Accounting Concept No. 1 (SFAC 1), contends that accounting earnings and its components provide a better indication of a firm's ability to generate future cash flows than information about cash flows themselves. But, this contention was questioned in many previous studies and the results of these studies that tested this contention was mixed. For example, Bowen et al. (1986) shows that traditional measures of cash flows (net income plus depreciation and working capital from operations) appear to be better predictors of future cash flows than accrual accounting earnings.Many of these studies were conducted more than 30 years ago. It would be an interesting research issue to see if there has been any significant change in the information usefulness of accrual-based net income and cash flows because of many changes in accountingstandards and several enactments of laws in the past such asAccounting Standards Update No. 2014-14 (2014) and Sarbanes-Oxley Act of 2002.

In this paper, we revisit the accounting earnings vs. cash flows issue in the context of bankruptcy predictions. We performed univariate research to assess the predictive ability of the two widely used accounting indicators, accrual-based net income (NI) and cash flows from operating activities (CFO). The research question specifically addressed in this study is which indicator, NI or CFO, is more accurate and faster in predicting a firm's bankruptcy.

RACE AND AGE DISPARITIES IN INFORMATION AND COMMUNICATIONS TECHNOLOGY

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ABSTRACT

The COVID-19 pandemic required isolation for many people at its peak, but this isolation was especially prevalent and painful for seniors who became cut-off from friends and family. This study examines access to information and communication technologies by the elderly and extends previous research by focusing on the outcomes for racial and ethnic minorities within this population. Our results indicate that Black and Hispanic seniors are less likely to own a computer or access the internet than their White peers. We also find that older Black users are significantly less likely to perform tasks online than White users. Finally, we find that Hispanic seniors are less likely to participate in some online activities than White seniors but equally likely in others.

INTRODUCTION

The importance of having reliable access to modern technology became especially apparent during the COVID-19 pandemic. Individuals and families were isolated during lockdowns and quarantines and the internet became a vital way people consumed entertainment, shopped, and stayed in contact with friends and family. COVID-19 was particularly dangerous for the elderly, who had much higher death rates from COVID infections than the general population. Ioannidis et al. (2020) found that in the U.S. people under the age of 65 were at a 16- to 52-fold lower risk of dying from COVID-19 than their older counterparts. These dire findings led to even longer and stricter isolations for the elderly (Markowitz 2020), that resulted in increased loneliness and poorer overall health outcomes (Paulin 2020). The National Academy of Sciences finds that those over 50 years of age that are socially isolated have higher rates of dementia, obesity, heart diseases, depression, and premature death (NAS 2020).

The pandemic did not cause a shortage of computers for the elderly or limit their access to the internet, instead it highlighted a problem that already existed. As governments begin to realize the importance of getting older adults access to computers and connected to the internet it becomes important to consider which specific groups are falling behind the most. With this knowledge officials can more effectively allocate resources to where there is the most benefit. It will also help identify which groups may need the most additional technical education when adopting modern ICT's.

LITERATURE

The fact that older adults are slower to adopt computers and connect to the internet was discovered early in the computer revolution. Studies by Lenhart et al. (2003), Goolsbee (2001), and Scanlan (2007) all noted that a person's age was inversely related to the likelihood that they would own a computer or connect to the internet. Morris and Brading (2007) referred to this gap as the "Grey Divide". These studies found that younger, wealthier, and better educated individuals were early adopters of new technologies, which resulted in digital divides based on age, income, education, and even race. More recent research has shown that the adoption rate of technology among older adults is increasing, but still lags other groups (Scanlan 2022 and Song et al 2021).

This study follows from work by Friemel (2016) and Kampfen and Maurer (2018) who find that it is inappropriate to group all older adults into a single category when exploring technology use. Specifically, they find that activities such as having used a computer before retirement and exhibiting technical interest significantly increases the likelihood of technology use among older adults. They also find that key socio-economic variables such as income and years of schooling have significant effects on computer and internet use among older adults. Deurson et al (2015) find that internet use is a male dominated activity among seniors with female seniors showing a greater propensity to not make use of available internet access at home. They conclude by stating "The results related to Internet attitudes show that it is vital that policies aimed at increasing older adults' digital engagement include creating a positive attitude towards the opportunities that Internet use brings."

This study extends the previous research by looking at how technology use among seniors differs based on race and ethnicity. We focus on computer ownership, internet access, and the online habits of Black and Hispanic seniors relative to their White counterparts. Walker et al (2020) performed a more limited version of this analysis by focusing on how elderly African American patients used health portals relative to White patients. They find that African American patients are significantly less likely to use inpatient portals than their White peers. Our study confirms earlier results by finding that older individuals are still less likely to own a computer, access the internet, shop online, use social media, bank online, or use the internet for health services. We then extend the literature by looking specifically at outcomes for older Black and Hispanic users relative to their White counterparts. We find that Black and Hispanic seniors are less likely to own a computer and access the internet than White seniors. Further we find that the digital divide between minority and White users expands significantly for those over the age of 65, hitting Black seniors especially hard.

DATA AND METHODOLOGY

The data for this study comes from the 2017 Current Population Survey (CPS) conducted jointly by the U.S. Census Bureau and the Bureau of Labor Statistics. We take advantage of the Computer and Internet Use Supplement survey that was included in the November 2017 survey (NTIA). This supplement asks detailed questions about computer ownership, internet access, and online activities on over 52,000 households and receives responses from over 123,000 individuals within those households. The breadth of questions asked in this survey allows us to address a greater variety of research questions, while the large sample size helps in the identification issues within the regression analysis. Ideally, we would use post-Covid data for the study but as of the time of writing 2017 is the most current data available for the supplement.

RESULTS

We first look to confirm whether previous research that shows older individuals are less likely to own a computer or access the internet than younger individuals still holds true. The variable for owning a computer is defined as owning a desktop computer, a laptop computer, or a notebook computer. The independent variables used in this analysis include race and ethnicity variables, disability status, sex, marital status, the number of people living in the household, whether they live in a metro area, whether they own their own business, household income (logged), highest education level, and regional dummies.

Column (1) of Table 1 shows that, similar to past studies, coefficients on age, Black, and Hispanic are each negative and highly significant. This confirms the continued existence of digital divides based on age, race, and ethnicity. The remaining results in Column (1) are as expected with higher computer ownership among females, married, more educated, and higher income households. Column (2) of Table 1 looks solely at individuals that are 65 years of age or older. Among this group we see that the size of the negative coefficients on both the Black and Hispanic variables increase substantially. This indicates the racial divide in ICT's is even greater among seniors than for the general population.

Column (3) in Table 1 relates to whether computer owners have internet access at home. We again verify previous research by finding that Black, Hispanic, and older computer owners have lower internet penetrations rates than their peers. Column (4) extends this result by again focusing solely on computer owners who are 65 or older. Our results again show that the racial digital divide is magnified for those who are 65 or older.

ONLINE HABITS

This section explores the online habits of Black and Hispanic seniors in areas related to online shopping, online finances, social media use, and online searches for health information. Since the CPS survey only asks about online activities for those who have access to the internet,

Table 1
Probit Regressions for Computer Ownership and Internet Access

	(1)	(2)	(3)	(4)
	Own a Computer	Own a Computer Age 65+	Internet Access	Internet Access Age 65+
Age	-0.004***	-0.011***	-0.005***	-0.013***
	(0.001)	(0.001)	(0.0001)	(0.001)
Black	-0.092***	-0.153***	-0.067***	-0.153***
	(0.006)	(0.013)	(0.005)	(0.013)
Hispanic	-0.117***	-0.159***	-0.046***	-0.098***
	(0.005)	(0.016)	(0.005)	(0.016)

Regional dummies, Metro Area, Own Business, and Household Number are included in the regression but are not shown. Standard errors are in parentheses. ** indicates significance at the 5% level and *** indicates significance at the 1% level or smaller.

the results will directly measure online habits of each group instead of capturing the underlying differences in access to technology. Table 2 looks at whether seniors are likely to shop online or engage in financial activities online, such as banking or stock transactions. Given the mobility concerns and transportation limitations for many seniors, actively participating in these online activities could be very beneficial for their overall well-being.

Column (1) of Table 2 provides evidence that Black and Hispanic internet users are less likely to shop online than White users overall. These marginal effects are relatively large and highly significant. Column (2) of Table 2 looks at the online shopping habits for individuals who are 65 or older. It shows that both Black and Hispanics seniors are less likely to shop online than the general population, with Black seniors displaying a larger negative marginal effect. Columns (3) and (4) of Table 2 relate to financial activities done over the internet, such as online banking. The results show that the coefficients on the Black variable overall and for 65 and older are both negative and significant. However, while the coefficient on the Hispanic variable is negative and highly significant in Column (3), Column (4) shows that among Hispanic that are 65 or older the marginal effect becomes less negative and is only significant at the 10% level.

Table 2
Probit Regressions for Shopping Online and Finances Online

	(1)	(2)	(3)	(4)
	Shop Online	Shop Online Age 65+	Finance Online	Finance Online Age 65+
Age	-0.006***	-0.014***	-0.009***	-0.017***
	(0.0005)	(0.002)	(0.0005)	(0.002)
Black	-0.125***	-0.193***	-0.137***	-0.170***
	(0.011)	(0.034)	(0.011)	(0.032)
Hispanic	-0.109***	-0.121***	-0.086***	-0.083*
	(0.01)	(0.033)	(0.01)	(0.032)

Table 1 variables are included in the regression but are not shown. Std errors are in parentheses. ** indicates significance at the 5% level and *** indicates significance at the 1% level or smaller.

Table 3 focuses on social media activity and the use of the internet to search for health information online. The negative coefficients on the Black and Hispanic variables in Column (1) indicate that minorities overall are less likely to use social media than White users. Column (2) shows that Black internet users who are 65 or older are even less likely to use social media than their White peers. Contrary to this, in Column (2) we see that Hispanic internet users who are 65 or older are just as likely to use social media as their White counterparts. Column (3) of Table 3 shows Black and Hispanic internet users are far less likely than White users to lookup up health information online. Column (4) indicates that for seniors this gap not only persists it expands, with each minority group lagging even further behind their White peers.

Table 3
Probit Regressions for Social Media Use and Online Health Searches

	(1)	(2)	(3)	(4)
	Social Media	Social Media Age 65+	Health Search Online	Health Search Age 65+
Age	-0.010***	-0.012***	-0.002***	-0.010***
	(0.0004)	(0.002)	(0.0005)	(0.002)
Black	-0.086***	-0.138***	-0.126***	-0.202***
	(0.01)	(0.031)	(0.011)	(0.032)
Hispanic	-0.057***	-0.05	-0.163***	-0.218***
	(0.009)	(0.032)	(0.009)	(0.031)

Table 1 variables are included in the regression but are not shown. Std errors are in parentheses. ** indicates significance at the 5% level and *** indicates significance at the 1% level or smaller.

CONCLUSION

In this study we find that seniors along with those identifying as Black and Hispanic still lag behind the general population in computer ownership, internet access, and participation in online activities. We find that the racial divide does not only persist for those who are 65 or older it is magnified in most cases. For example, we find that overall Black individuals on average are 9.2% less likely to own a computer than White individuals while Black seniors are 15.3% less likely to own a computer than their White peers. This implies the gap in computer ownership expands by 6.1% when focusing on those who are 65 or older. A similar outcome occurs with internet access, where Black users are 6.7% less likely to be online than White users, while senior Black users are 15.3% less likely to be online than White seniors. For Hispanic users we find they lag behind White users by 11.7% and 4.6% in computer ownership and internet access respectively. Senior Hispanics, however, are 15.9% and 9.8% less likely than their White peers to own a computer or have access to the internet.

This study also explores the online habits of individuals who already own a computer and have access to the internet at home to see if there still exists any discrepancy in online activities across race and ethnicity. We find that for each of our measures of online activities Black users were significantly less likely to engage in online activities than their White counterparts, with even bigger deficits occurring among those who are 65 or older. For Hispanic users the outcomes are more mixed. The results indicate that Hispanics do lag behind White users substantially in each online activity overall, however, this does not always hold true for those who are 65 or older. For example, social media use by Hispanic seniors is not statistically different from their White peers. Also, we find that while Hispanic seniors appear to be less likely to use the internet for finances this coefficient is only significant at the 10% level.

The COVID-19 pandemic highlighted how isolated seniors can become during times of national emergency. Providing adequate access to computers and the internet is crucial, but is lacking for some groups. Racial and ethnic minorities still face a substantial digital divide. For minorities over the age of 65 this divide can seem more like a chasm that cannot be easily traversed. Effective policy moving forward must include increased access along with training aimed at this underrepresented group. This will ensure fewer people become isolated when we face pandemics or national emergencies in the future.

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FEDERAL RESERVE VERSION 20.2.2: SYSTEM UPDATE REQUIRED

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ABSTRACT

Some traditional economic teachings have been usurped during the past 15 years as a result of policy changes by the Federal Reserve as the institution dealt with shocks to domestic and international economies. This paper focusses on a few of the policy changes which either eliminate or substantially change conventional economic, finance, banking, and monetarist teachings during this period.

Since 2007, the assets of the Federal Reserve Bank system have increased 900 percent to $9.0 trillion. This increase was attained by creating vast amounts of liabilities through numerous programs and policy changes that the Fed created and enacted in response to domestic economic turmoil. Some programs were unconventional by contemporary standards of economic thought and training. The Great Recession of 2008 finally provided the Fed an opportunity to begin to pay interest on reserve balances held by banks. Perhaps an unintended consequence, this action changed incentives in the banking system that continues to exist today.

As time has passed and programs have been allowed to expire, the Federal Reserve formulated a plan to decrease the size of their balance sheet remove reserves from the banking system. The programs began in 2017 but had minimal success before the exogenous economic shock of the pandemic. Another round of creating innovative programs and policies began, and traditional teachings are undergoing further changes as a result of these developments.

This paper examines five changes in policy by the Fed that affects long-held education and training in economic principles. It also provides seeds for deeper exploration of these issues and the effects on participants in our markets.

BRIEF DISCUSSION POINTS

During the Great Recession of 2008, the Fed introduced innovative policy tools to target specific liquidity needs and did so by creating reserves in the banking system. On October 1, 2008 Congress ultimately allowed the Fed to pay interest on reserve balances held by financial institutions, something the Fed had argued for since 1998. Interest on reserves, or IOR, lead to shifting incentives in the banking community. Traditionally, banks as lenders would minimize the amount of non-interest-bearing reserves they held, opting to transform deposits into loans. Further, if banks continue to hold large amounts of reserves, liquidity risk is minimal. Therefore, some precepts of banking education are in need of adjustment to these developments.

Another result of the buildup of banking reserves is the noticeable decrease in volume and participation by banks in the federal funds market. The decrease in volume may render targeting of the fed funds rate less effective as a monetary policy tool. So, it remains unclear whether targeting market interest rates as a policy tool should be highlighted in current economic education.

Dropping the required reserve ratio to zero in March 2020 completely eliminated the required reserve ratio as a policy tool and leaves textbooks in need of updating. At this time, fractional reserve banking and the concept of the money multiplier no longer apply. This policy affects traditional education in several disciplines including economic, finance, and banking.

Further, during this period and continuing to the current day, money supply growth targets have been abandoned. Milton Friedman and monetarists held that inflation occurs when the growth rate of the money supply exceeds the growth rate of the economy. By reacting to demands for liquidity during the recession and recovery and the more recent pandemic, the Fed has broken away from that conventional wisdom, and the money supply has increased quickly. Given the recent surge in inflation, it appears that Dr. Friedman's teachings have been confirmed.

Finally, the Fed engages in reverse repurchase agreements that effectively transfers reserve balances to another liability account, with no effect on assets. On June 30, 2022, there were over $2.2 trillion of these overnight agreements in place compared to $3.6 trillion in reserve balances. The stated purpose of the reverse repos is to prevent spillover effects in the fed funds market to ensure that targeting of the fed funds rate remains a viable policy tool. If one is not aware of creative methods of accounting, and solely focused on reserve liabilities of the Fed, the large balance of reverse repurchases as a sister account may go unnoticed.

REVIEW OF CYBER TERRORISM CASES AND EXTENT OF IMPACT ON FIRMS' MARKET VALUATION

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ABSTRACT

Cyber terrorism is a digital attack on computers, networks, or digital information systems. This study reviews cyber terrorism cases and, using an events study methodology, evaluates the extent of the impact of cyber terrorism on firms' market valuation. Cyber terrorism has several notable negative effects on business operations, such as loss of physical and virtual assets, loss of revenues from shut-down of online operations, and harm to firm reputation; all leading to potentially lower firm market valuation (lower stock price). Financial information was obtained on firms that were featured in news stories as targets of cyber terrorism. Results indicate that market valuation is significantly negatively affected by cyber terrorist attacks. This paper describes the serious risks posed by cyber terrorism on business firms, which in turn can affect entire national economic systems. Further, the paper provides suggestions for defending against cyber terrorism. Firm managers can learn from the experiences of previous victims of cyber terrorism and bolster their cyber security.

EMERGENCE OF SERVICE ROBOTS AND THEIR IMPACT ON CUSTOMERS: TASK-ORIENTED PHYSICAL ROBOT DEPLOYMENT BY SKILLS

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ABSTRACT

Robots have moved from the industrial sector into dynamic human environments, increasingly assisting humans both at work and in their private lives, becoming service robots (Chuah et al., 2021). The combination of technology, artificial intelligence, and human capabilities has effectively improved service delivery in the service industry. This is especially true when robots perform relatively simple and repetitive tasks related to customer support, such as taking orders, processing payments, providing product information and checking-in guests at hotels. The service industry is relatively vast, as are the different robots that can serve in it, such as in hotels, airports, restaurants, hospitals, and even deliveries (Tuomi et al., 2021). Tasks within the service industry require the performance of three basic skills to maintain the purpose of providing customer satisfaction (Huang and Rust, 2021). The abilities of social/emotional, cognitive/analytical, and physical skills are naturally given to customers and employees; thus, service robots must implement them to maintain social status within the industry (Nassiraei and Ishii, 2007; Vujovic et al., 2017). To better understand service robots, it is necessary to classify their similarities, differences, and possible combinations based on their abilities and the complexity of the tasks they can perform. This study summarizes different types of robots with their definitions, possible classification labels, and examples. It also proposes a classification model for task-oriented physical robots based on three different skills, providing a common language within the entire domain of robots in service encounters.

AN APPLICATION OF THE TRANSACTIONAL THEORY OF STRESS AND COPING ON PERSONAL FINANCE AND MORALE: AN EMPIRICAL STUDY

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ABSTRACT

Guided by Lazarus and Folkman's (1984) transactional theory of stress and coping as the theoretical framework, the objective of this research was to determine the association between personal financial factors and morale. Additionally, the impact of individual and environmental factors, and the appraisal and coping process were examined. A literature review was conducted based on the theoretical constructs of the individual and environment, stressful events, the appraisal and coping process, and morale. The sample consisted of 2044 individuals aged 50 and older, with slightly more males than females, from the 2018 Health and Retirement Study (HRS). Respondents were mostly white, married, and retired. Most respondents had at least some college and owned a home. The majority of respondents were also under the age of 69 and had a mean income of $ $115,390. The sample reported better than median scores for morale, control of finances, and mastery. However, lower than median scores for financial stressors were reported. OLS regression was utilized to model morale. Either full or partial support for some of the hypotheses was indicated. As it pertains to the financial stressor construct, there was a significant relationship with morale as theoretically anticipated and hypothesized. Mastery, stressful events, coping behaviors, and positive or negative social support were also significant in the modeling. Control variables of significance included marital status, gender, education, and race. This research fills a gap by examining the influence of personal financial factors on morale based on a large dataset of secondary data robed in a theoretical framework. By understanding the relationship between financial stress and these outcomes, financial practitioners and educators can develop interventions to promote positive adaptations.

Keywords: Financial stress, morale, appraisal and coping, stressful events

CEO'S FINANCIAL EXPERIENCE AND THE COST OF EQUITY CAPITAL

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ABSTRACT

Based on upper echelons theory and the perspective of managers' heterogeneity, this paper examines the relationship between CEO's financial experience and the cost of equity capital, using CEO change events and the DID (difference in differences) method. We find a significant negative relationship between CEO's financial experience and the cost of equity capital, i.e., firms managed by CEOs with financial experience have lower cost of equity capital. We also find that this negative relationship is more pronounced in firms with bad corporate governance. However, ownership type is not found to influence the relationship. In further analyses of the influencing mechanisms, we find that CEO's financial experience can restrict earnings management, inflate the debt level and mitigate financing constraints. These results indicate that CEO's financial experience lowers the cost of equity capital by reducing information risk, financial risk, and cash flow risk.

Keywords: CEO; Financial Experience; Cost of Equity Capital; Corporate Governance
JEL codes: G30, G32

THE TWO SIDES OF VALUE PREMIUM: DECOMPOSING THE VALUE PREMIUM

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ABSTRACT

Scholars and investors have studied the value premium for several decades. However, the debate over whether risk factors or biased market participants cause the value premium has never been settled. The risk explanation argues that value firms are fundamentally riskier than growth firms. At the same time, the behavioral explanation argues that biased market participants systematically misprice value and growth stocks. In this paper, we use the implied cost of equity capital to capture all risks that investors demand a premium and sort stocks into risk quantiles. The implied cost of equity capital is estimated using models proposed by Gebhardt et al. (2001), Claus and Thomas (2001), Ohlson and Juettner-Nauroth (2005), and Easton (2004). We find that value stocks have higher implied cost of equity capital and lower forecasted earnings growth while growth stocks have lower implied cost of equity capital and higher forecasted earnings growth. More importantly, even within the same risk quantile, the value premium still exists. The results suggest that risk and behavioral factors simultaneously cause the value premium. Furthermore, by decomposing the holding period return, we find that adjustments in valuation ratios caused by negative earnings surprises for growth firms and positive earnings surprises for value firms at least partially lead to the value premium.

Keywords: Value Premium; Cost of Equity Capital; Behavioral Finance
JEL codes: G12

DESIGNING A SOCIAL MEDIA ANALYTICS UNDERGRADUATE RESEARCH CAPSTONE PROJECT

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ABSTRACT

Research and practice in information systems education suggests that capstone projects help students integrate knowledge and skills acquired through the coursework and demonstrate their employability. Social media text mining and analytics provides a valuable tool for organizations to assess public sentiment toward important business and social topics. Guided by Kolb's experiential learning theory, we designed and implemented a social media analytics capstone project that integrated undergraduate research and community engagement. With a regional non-profit organization as the client, students identified research questions on their topics of interest, collected relevant data from a social media data source, assessed public sentiment through text mining and analytics, and presented their findings through multiple venues. Preliminary assessment suggested that students achieved positive learning outcomes for each of the four steps of Kolb's experiential learning cycle. Specifically, students gained concrete experience by completing the research assignment that yielded valuable insights for a real-life community organization. They performed reflective observations by receiving constructive feedback from multiple stakeholders and improving their work. They also achieved abstract conceptualization by completing various self-reflective activities. Lastly, they will carry out active experimentation by utilizing the knowledge and skills gained through the capstone project in their current and future employment. Transferability of the social media analytics project and suggestions for future improvements will be discussed.

WORKING REMOTELY AND CORPORATE CULTURE WARS IN THE POST-PANDEMIC ERA

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Danielle Foster, Ohio Northern University

ABSTRACT

Organizational culture is a sacred element of any organization. It is the lifeblood and the guiding force that makes each organization unique in its ability to navigate day-to-day and longer-term perspectives of corporate operations. Strong cultures help identify direction, and philosophy and provide confidence in how to proceed to pursue innovative ideas and solve problems. Since 2020, the value and the strength of many organizational cultures have been tested as a result of the increased reliance on working remotely and the adoption of a hybrid model of business operations not previously utilized to a great degree. While many survived the strain of modified operations under COVID-19 restrictions, many organizations are now faced with the key question of how they go forward after the COVID pandemic era has seemingly passed. Such a realization will have a significant impact on all key elements of the organization, especially company culture.

INTRODUCTION

Highly involved corporate cultures are not just a motto but rather a way of life in terms of how things are done. Corporate culture is the collective personality of an organization. It is the accumulated experience, knowledge, and the strategic and moral compass that organizations follow to build and maintain consistent success in a competitive environment. A healthy, well-stated, and understood corporate culture can be the reason why people decide to join and stay with an organization. Strong and uncompromising corporate cultures create and encourage purpose, a sense of value, and a shared commitment to achieving organizational goals and sustained competitive advantage through team development (Rebello, 2021). High culture organizations that are distinctive and offer an employee value proposition are truly an effective attraction, retention, and motivational tool that offers a model for employee success and satisfaction (Morey, 2022). Before the COVID pandemic, many organizations offered employees a basic psychological contract of fair exchange between their relative contributions and the organization's responses to these efforts. Corporate culture is based on the idea of a clearly defined and tacit social order which is a constant reminder of expectations and behavior that is shared, pervasive, enduring, and implicit that some say eats strategy for breakfast (Groysberg, et al., 2018). Corporate cultures that include total value propositions (TVP) were developed out of the necessity of attracting and encouraging truly productive and creative employees who are able to survive and even thrive in a workplace with high expectations based on collaboration, growth, recognition, equity, and the nature of work that was challenging and rewarding (Elisman & Quarles, 2022). The real dilemma at times is to develop corporate cultures and work expectations that support employee talents and creativity, not limit or destroy them (Kuzel, 2021).

COVID-19 AND BEYOND

Throughout the pandemic, many organizations and their employees faced a myriad of rules, regulations, and changing expectations of acceptable behaviors and procedures for working in a safe environment as determined by health officials, the government, and their respective organizations. These ever-changing pandemic-related regulations and policies took a toll on employees in the form of confusion and inevitably caused challenges to accepted corporate culture. There was this overriding feeling on the part of company leaders that the organization had lost its real identity when social and professional interactions were abandoned (McGovern, 2021). According to the Society for Human Resource Management (SHRM), about 24 percent of HR professionals indicated that overall workplace culture worsened since the beginning of the pandemic resulting in exhaustion and strained adherence to established workplace guidelines and company culture (SHRM, 2022). Many employees expressed feelings of disengagement and Zoom fatigue because of the overuse and over-dependence on technology to replace previous personal interactions (Klynn, 2021). The problem arose because many of the key elements of a successfully applied corporate culture had evolved based on personal interactions that created bonding experiences that shaped ongoing attitudes and behaviors (Hutchinson, 2021). While this phenomenon was common during the pandemic, many speculate as to its impact on a post-pandemic work environment. The obvious test to many corporate and organizational cultures during COVID-19, and now in a post-pandemic environment, was how organizations that emphasized collaborative, face-to-face work environments dealt with remote and isolated work protocols that have negatively impacted and severely limited successful group-oriented business procedures. The absence of clearly defined and constant reminders of expectations and behavior created obstacles that had to be dealt with to make sure that the organization remained competitive and successful. Almost immediately the question became what is working and what degree of flexibility and adaptability was needed to carry on. Progressive organizations started to look at what improved as a result of remote work and areas where things needed to be improved and not what was lost (Morey, 2022). Company leaders began to reimagine their culture in an environment without routine face-to-face interactions and worked to match the need for a workable and coherent culture that matched the current realities. Company culture does not disappear in a remote or hybrid context, it merely evolves outside of office-based routines, protocols, and daily personal interactions (Hinds & Elliott, 2021). Identified strengths are leveraged and are built upon what proved to be successful once the tug-of-war started for people to return to the office.

Despite the move to remote work in many industries, there still exists great pressure to return to full and complete in-person work procedures in daily operations. Many organizations insist that there is no substitute for a culture that exists and thrives based on daily work-related interactions. Bear Construction Company of Chicago is convinced that the only way they can do business successfully and survive is through in-person work that encourages and supports idea generation and work creativity (NBC, 2022). In addition, other organizations such as Google and

Facebook are counting on the return to the office because they invested heavily in expanding their office space that they find promotes a shared culture and helps mend their corporate social fabric (Padres, 2022). While remote work has its advantages and has generally promoted worker productivity, several fears and concerns exist as to what remote work could do to some organizations' way of doing business that is based on in-person work cultures. The most common issues cited are a loss of consistency in dealing with work problems, a loss of role modeling and acceptable worker behaviors, the undermining of corporate diversity efforts and programming for women, a loss of collaboration and communication, inability to manage employee workloads, increasing employee turnover, and ultimately the feeling of workers being nothing more than loosely associated gig employees (Agovino, 2022; Alonso, 2022; Padres, 2022).

What many companies viewed as a short-term situation in dealing with COVID-19 quickly realized that this was a long-term outcome based on the many positive results achieved during the pandemic and the increasing demands of workers who insisted on working remotely. Significant trends in worker relocation, the Great Resignation, and the role of technology such as Zoom created a major paradigm shift not expected to occur for years. While many companies made a strong argument for the return of face-to-face interactions with some success, others were willing to compromise to the extent that remote work is here to stay and to rapidly increase its use into the future. In addition to the expectation of remote work as an accepted workplace procedure, the insistence of those being recruited who demanded it made it the new normal (Arora, 2020). Those being recruited are two and a half times more likely to apply for jobs that are remote where 1 in 7 jobs are now classified as being remote as compared to pre-pandemic remote jobs which were 1 in 67 (Whitaker, 2022). As a result of accepting the fact that organizations may not have large numbers of employees congregated together daily to perform work, the consideration of how to extend physical culture virtually in a hybrid workplace began to take place (Hutchinson, 2021).

POST-PANDEMIC AND CORPORATE CULTURE CLASHES

Some still doubt if we are actually beyond the COVID pandemic in any way that spells a new normal. However, if we are indeed ready to at least declare a post-pandemic era, what does the near future hold in store for us as far as a coherent response from business organizations? Through it all, it seems clear that those who were able to bend without breaking were the winners the last two years. It was a challenge that brought about a new reality of how to reinstate, or more to the point, adopt a new corporate culture that would work and be supportive. A corporate culture that is dynamic and flexible performs better than those less adaptable and is usually in a better position to innovate, experiment, and more easily take advantage of new opportunities (Chatman et al., 2014; Chatman & Gino, 2020). Besides promoting flexibility and adaptability in corporate culture philosophy, company leaders and Human Resource professionals also depend on holding to true values with new practices, leveraging company ideals, transparency, integrity, a reliance on company structure, and a willingness to change culture when called to do so (McGovern, 2020). Many Human Resource departments have found solutions to current issues that involve COVID and factors outside of COVID. For example, the development of Human-Centric Cultural Values helps achieve a healthy balance between remote and in-person work requirements in terms of investing in human capital development as related to social interaction, emotional support, innovation as supported by behavioral elements as well as technology (Ingram, 2019).

With all the changes that have been seen along with those to develop over the next few years many in Human Resources are eager to learn about and embrace a significant paradigm shift in workplace behaviors, norms, and the role of the corporate culture. Reforming corporate culture should include previously held values and beliefs or the organization as tempered and reshaped as a result of the pandemic. The importance of continued remote work should be balanced with the notion that some organizations still prefer to emphasize in-person work, collaboration, teamwork, and idea generation. Despite trends and employee demands many organizations anticipate and expect the return of workers to the office. Workplace and corporate culture are defined by shared norms and routines that are challenged by remote work (Pardes, 2022). This is no small task for many organizations and it may prove to be a non-starter for some jobs where remote contributions may be viewed as wholly inadequate and unacceptable. While there are clear examples where remote work arrangements were productive for many employees and their organizations, the nagging concern is that face-to-face work relationships are difficult to recreate using remote means based on the reliance on technology to mimic interpersonal contact and information sharing (Rojas, 2021).

THE IMPACT OF REMOTE WORK ON GENDER EQUALITY AND PROXIMITY BIAS

The consequences of working remotely on women's career equality have garnered significant attention during the pandemics' shift to remote and hybrid work. While some scholars and experts claim that it hurts a woman's career equality, others claim that it may decrease the amount of discrimination faced by women in the workplace (Hill et al., 2021). According to EY Americas (2022), in the US alone, 2.5 million women have left the workforce since the pandemic struck, compared with 1.8 million men. Even with the mass shift to remote and hybrid work, as well as the flexibility that it brought, these options were not fully accessible to all women. Given that women are more highly represented in industries that could not move their work remotely, they remained active in the workforce while facing demands such as children that needed to be educated at home while schools were shut down. Examples of these industries include nursing, hospitality services, caregiving, and retailing (How Gender Parity Can Make up Lost Ground after the COVID-19 Pandemic, n.d.). To address the issues faced by females in the workforce, organizations can focus on creating family-focused policies that will help drive gender equality. EY Americas (2022) suggests expanding access to affordable, high-quality childcare and openly acknowledging the demands of caregiving.

For those workers that were able to shift to remote work, female workers shared that they want to keep the additional flexibility and enjoy working remotely. According to SHRM (2022), 52 percent of the women surveyed say they enjoy working from home and would like to continue to do so, compared with 41 percent of men. More than 60 percent of women state that they feel more energized when working from home, and 58 percent say they feel more engaged. Managers, however, don't hold working from home in high regard. Nearly 80 percent of managers believe that remote workers are more easily replaceable than onsite workers (SHRM, 2022). This phenomenon is referred to as proximity bias. Proximity bias exists for all remote workers, not just females.

The Percipio Company and SHRM (2022) describe proximity bias as an unconscious bias where you favor what is closest in time and space while undervaluing those in remote locations. The bias refers to the fact that it is easy to favor workers that are in one's immediate environment, resulting in the fact that in-office workers get consulted more often, participate in the office community more easily, and in addition, can have body language read more easily than those on zoom or via electronic communication methods. Stronger relationships may develop in the office where an inflated view of those nearby may form, while the skills and expertise of those whom they have less contact with may be undervalued. Studies show that in some hybrid work environments, bosses view those around them in person as more hard-working and more trustworthy than their remote colleagues (Hello Hybrid, n.d.). In addition to proximity bias, workplace loneliness may be felt if there is not a sense of belonging for the employee.

LEADING AND MOTIVATING REMOTE WORKFORCES – WHAT CAN LEADERS DO TO MAKE SURE THAT OUT OF SIGHT DOES NOT MEAN OUT OF MIND

Numerous scholars and executives agree that the first step to dealing with proximity bias is to acknowledge that it exists (Hello Hybrid, n.d.). After the acknowledgment, leaders can begin to brainstorm strategies to reduce the bias and level the playing field for remote workers. An example cited by SHRM (2022) of a successful remote-first proximity reduction strategy is Synchrony Financial, located in Stamford, CT. Synchrony conducted a survey prior to returning to the office that showed that 85 percent of its workforce wanted to remain remote full time, so they gave their entire workforce the remote option full time and required that all employees must work a minimum of one day remote to reduce proximity bias. In addition to reducing real estate, the company implemented an app reservation system for remote workers wanting to reserve space to work in the office. The employees may reserve desks, conference rooms, and offices via the app (SHRM, 2022). Additional suggestions from HR managers to create an inclusive environment for all employees include creating a writing-based culture using virtual town square communication platforms such as Slack, establishing multiple sources of quantifiable merit systems, and providing leadership training on how to create equitable and cohesive teams in hybrid environments.

QUIET QUITTING: THE CASE OF AUTHENTIC LEADERSHIP

In lieu of the recent labor shortage, as well as the shift to remote and hybrid work, the need to retain talented employees is at an all-time high. Quiet quitting is a new term for the behavior that has been seen for many years where employees are not inclined to go above and beyond their job duties and are counting the seconds down until they can go home. SHRM (2022) data shows that quiet quitting stems from managers' lack of ability to build relationships while also undervaluation and underappreciating their employees. The old adage that employees don't leave their job; they leave people rings true with quiet quitting. While quiet quitting may be a buzzword, it represents the mentality that setting healthy work-life boundaries is here to stay. Gallup poll data shows that the percentage of workers who say they aren't engaged at work has stayed above 50% percent since the year 2000. Leaders and organizations must address the movement to increase retention while also becoming a desirable place of employment for job-seekers. Organizations can address quiet quitting through self-reflection, leadership development, building positive relationships, showing that you care and value them, showing concern for their overall wellbeing, working on their own job expertise, and being consistent with their efforts to build a more positive relationship (Folkman, 2022).

One leadership tool that can help leaders address quiet quitting is to embrace and become an authentic leader. Authentic leaders are leaders that are true to their morals and ideals and strive to be true to themselves as they develop and lead others (George & Sims, 2007) The four components of authentic leadership, according to Northouse (2016), are: Self-awareness and Self-regulation, internalized moral perspectives, balanced processing, and relational transparency. Self-aware leaders actively attempt to understand themselves, their motives, their weaknesses, and their strengths (Northouse, 2016). Authentic leaders exhibit balanced processing, actively avoid favoritism and seek to minimize biases in decision-making (Northouse, 2016).

ZOOM TOWNS AND AMENITY MIGRATION

One benefit of a remote lifestyle is the freedom to travel while being fully employed. Remote workers are able to freely move to any area they desire to live. The forces that are discussed in this paper are not only reshaping organizations, they are also reshaping cities and communities around the country. During the pandemic, Americans fled cities to seek supposed safer environments in the countryside and the coasts, and now they are realizing the lifestyle benefits of these sought-after locations. The term Zoom towns refers to the places that are experiencing an extreme increase in population due to the shift to remote work. As previously discussed, the pandemic has increased this shift drastically, and the highest population growth of these Zoom towns is in small towns and cities outside of national parks, scenic public lands, and other natural amenities. According to Utah State University (2022), many gateway and natural amenity region (GNAR) communities have experienced the most extreme population growth as a result of amenity migration and, as a result, are experiencing many pressures and challenges. Some of the challenges found in the Utah State study (2022) include housing affordability, cost of living, and congestion. Many towns, leaders, universities, state and local governments, non-profits, and individuals are concerned with the destructive consequences of this movement. The GNAR initiative hopes to support research and educational efforts to address this issue.

Other towns and corporations have taken a different approach and have actively created programs to recruit and entice remote workers to move there as a way to reverse population declines. The Life Works Here talent initiative was launched in November of 2020 with a $1.5 million-dollar investment from the Walmart heirs and gives 100 people $10,000 to relocate to Arkansas for a minimum of one year, plus numerous outdoor perks (Johanson, 2022). Similar incentive programs exist in Tucson, Arizona. Remote Tucson is giving outdoor enthusiasts $7,650 in cash, goods, and services to use as a base for work and adventure (Johanson, 2022). Ascend West Virginia is offering $12,000 to relocate plus a year's worth of outdoor adventure and gear in the Appalachian Mountains. The total value, including networking and educational workshops, is worth $20,000 (Johanson, 2022).

An additional force that is helping to spur moves to rural areas is the federal infrastructure law that contains $65 billion dollars for broadband internet (Yancey, 2022). According to Yancey (2022) it is the modern-day equivalent of the rural electrification of the 1930s.

In light of this, as the new work norms in the hybrid workplace have been taking shape, the need for employees to recognize and accept them becomes very important, which may be achieved by facilitating a smooth transition from the old to the new. Such an acceptance of this idea will allow organizations to move forward successfully. To achieve a way to close the gap between existing and the revised culture, organizations need to identify and leverage successful new habits and routines that were developed and used during COVID, to leave behind old cultural elements no longer applicable to the new environment, and to effectively communicate the new practices and norms that now seem to work well in a hybrid workplace (Klynn, 2021). Many have found in-person and virtual town halls and other events such as brainstorming sessions and social events have worked well to get the word out about the revised culture and to adjust to the new way of doing things.

CONCLUSION

In a period that may be the beginning of a truly post-pandemic era, organizations are faced with the significant challenge of sustaining a positive and successful work environment based on known and accepted corporate culture. In a post-pandemic era, talent and supportive work environments need to be nurtured and supported to navigate the near future and to be ready to deal with other crises that may occur (SHRM, 2022). Many organizations have already been involved in developing an extremely flexible culture that promotes the philosophy of structure and coordination (Chesky, 2022). It is interesting to note that a change in company culture once driven by health and safety concerns is now a function of what is practical and necessary. Companies have the choice to either proactively embrace and take charge of corporate culture initiatives as they move forward or become the victims of an inevitable and overwhelming force that will take the organizations to places not considered desirable or workable to promote and sustain overall success. Successful corporate culture, whether old or new, should always emphasize flexibility and team-oriented success.

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FOUNDATION OF ENTREPRENEURSHIP

Laurent Josien, SUNY Plattsburgh

The synopsis below is the framework of the book I am going to write as part of my sabbatical, I am using the IGBR Las Vegas Fall 2022, to solicit peer input on what, if anything, should be added or removed from the synopsis.

Chapter 1: Being an entrepreneur

- Definition(s)
  - Entrepreneur
  - Academic definition of entrepreneurship
    - Schumpeter
    - Micro macro
    - Various academic definitions
- History
- Famous entrepreneurs
- Economic impact of entrepreneurship
- Types of entrepreneurs
  - Home-based.
  - Internet-based.
  - Lifestyle. ...
  - High potential. ...
  - Social. ...
  - Venture capital. ...
  - Franchise format.

- Types of entrepreneurship
  - small businesss.
  - scalable startups.
  - large company or intrapreneurship.
  - social entrepreneurship
  - green entrepreneurship

- What about risk?
- Characteristics of a business owner

Chapter 2: Entrepreneurial myths

- Own boss

- Freedom
- Definition of success
- I can't talk about my idea
- If I like it they will buy it
- Business size
- Entrepreneurship seizure

Chapter 3: Ideas generations

- Pain/pleasure gain
- Market gap
- Competitors
- International ideas
- New technologies/patents
- Consumer feedback
- Complaints
- Focus group

Chapter 4: Idea selections

- important factors to consider
- removing emotional attachment
- funnel
- SWOT analysis
- 5 forces analysis
- Continuous evaluation
- Analysis paralysis

Chapter 5: Business Model and revenue generation

- growth market
- market trends
- niche marketing
- Product life cycle
- Business Model generation
- Revenue stream

Chapter 6: Gathering Data

- Primary vs secondary data
- Online source
- Developing your own research
    - Creating your own surveys
    - Talking to potential customers

- where do find data
    - competitors
    - SBA/SBDC
    - Industry group
    - census
-

Chapter 7: Industry and competitor analysis

- I have no competitor "trap"
- Current "solution" to issue
- market life cycle
- competitors
-

Chapter 8: Prototyping and testing the Market

- Prototyping
- Soliciting advise and feedback
- Learn to fail/NISI
- Kickstarter or other online crowdfunding

Chapter 9: Developing a business plan

- Why and who for?
- Elements of a business plan
    - Executive summary
    - Company description
    - Industry analysis
    - Market analysis
    - Economics of the proposed business
    - Marketing plan
    - Operation plan
    - Management team and company structure
    - Financial analysis

Chapter 10: Creating a pitch deck

- What is a pitch deck
- Understanding who you pitch to
- Nailing your presentation

Chapter 11: Legal foundations

- Leadership team, new venture team
- Sole

- LLC
- Corporations

Chapter 12: Financing your business

- Equity vs loan
- Self funding
- Crowdfunding
- Friends, family and fools
- Self funding
- Bootstrapping
- Business plan competition
- Venture capital
- SBA “loans”
- Loans