

**ABSTRACTS****1. IS BOARDROOM STRUCTURAL INDEPENDENCE SUFFICIENT FOR FINANCIAL PERFORMANCE?**

Karim S. Rebeiz, American University of Beirut, Beirut, LEBANON

**ABSTRACT**

The recent regulatory initiatives around the world have been moving in the direction of greater structural independence in the boardroom. Nevertheless, the determination of the directional superiority of a specific boardroom structure remains to be unambiguously established in the prevailing academic literature. The linkage between boardroom configuration/financial performance very much depends on the environmental context (or the industry) of the firms. In addition, the endogenous relationship boardroom configuration/financial performance (i.e., the two way interactive association between independent and dependent variables) has most probably blurred previous analyses and thus prevented the unequivocal establishment of clear guidance in this regard. Using hierarchical ordinary least squares (OLS) regression, this study investigates the extent of the relationship between the compositional independence of the boardroom and the financial performance in the firms belonging to the retail/consumer industries. The boardrooms' data lag five years behind the performance returns that are measured by the return on equity (ROE), return on asset (ROA) and return on invested capital (ROIC). The study indicates no evidential relationship between the boardroom independent structure and the firms' accounting returns.

**Keywords:** *Boardroom, Structural Independence; Financial Performance, Outside/Inside Directors*

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## 2. VERTICAL RELATIONSHIPS AND CORPORATE PERFORMANCE OF BRAZILIAN COMPANIES IN THE ELECTRICITY DISTRIBUTION SUPPLIER SECTOR: A RESEARCH GROUNDED ON RBV

Claudio Malki, Mackenzie Presbyterian University, São Paulo, BRAZIL

Leonardo Fernando Cruz Basso, Mackenzie Presbyterian University, São Paulo, BRAZIL

Diógenes Manoel Leiva Martin, Mackenzie Presbyterian University, São Paulo, BRAZIL

### ABSTRACT

*Competition and the quest for competitive advantages on the market are prompting companies to reshape the profiles of their relationships with their customers and suppliers. They are opting for approaches based more on cooperation, trust, loyalty and quality, instead of bargaining power or clout that that might well be used by vertical scope participants as a way opportunistically pressuring these relationships. Based on the constructs of Durand (1999), this survey investigated the relationship between the possibility of substituting relationships with suppliers and buyers, viewed as resources by companies in the power generator, transformer, electric motor and control and distribution equipment sectors, and the financial and market performance of these firms, grounded on a resource-based view. The findings demonstrated that the less substitutable their relationship with customers, the worst the financial performance of the companies in the target sectors. Inversely, the less substitutable the relationships with their main suppliers, the better their financial performance. Financial performance was measured by the following aspects: return on assets, operating margin or return on sales and the profits generation capacity rating. Based on the homogeneity and specific characteristics of the target sectors, the finding may be explained by other theories, such as the Transaction Costs Theory and the industrial organisation itself, as noted by Porter (1980) and often neglected. These findings will certainly direct the academic community towards new research projects and reflections, in addition to offering a contribution to studies involving nonfinancial variables that affect the value creation of the companies, which is an international trend.*

**Keywords:** *resource-based view, competitive advantage, value creation, financial performance and market performance.*

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### 3. CONSUMER AWARENESS AND SUCCESSFUL DEMARKETING OF PUBLIC GOODS: A STUDY OF RESIDENTIAL WATER CONSERVATION BEHAVIOR

Tahi J. Gnepa, California State University-Stanislaus, Turlock, CA, USA

#### ABSTRACT:

*California's annual rainfall figures rank the state among the driest in the nation. Moreover, drought conditions across the state seem to occur now at more frequent intervals. Paradoxically, according to the US Geological Survey, California is the largest, per capita, consumer of water in the country. To avoid the worsening of an already tenuous balance between supply and demand of freshwater, water irrigation districts frequently embark on water conservation programs.*

*Whether de-marketing may be used to foster residential water conservation in drought-prone states such as California was the focus of this study. The study investigated customer awareness (knowledge of) water conservation behaviors, paired with their current practices (actual water consumption) in the Modesto and Turlock irrigation districts. By linking awareness to behavior, we sought to ascertain the potential for "de-marketing" to succeed in promoting sustainable residential water use.*

*The findings indicate a significant degree of correlation between awareness and behavior and lend support to arguments by sustainability proponents that water district managers include de-marketing (via consumer education) in their efforts to foster residential water conservation in drought-prone states such as California.*

**Keywords:** De-marketing, water conservation, hierarchy of effects model.

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### 4. THE IMPACT OF ETHICAL ORIENTATION AND PROFESSIONAL COMMITMENT ON TAX PRACTITIONER DECISION-MAKING PERFORMANCE

Alfred C. Greenfield Jr., University of Texas of the Permian Basin, Odessa, Texas, USA

Wendy W. Achilles, Ellis College of NYIT, Chicago, Illinois, USA

R. Wayne Counts, University of Texas of the Permian Basin, Odessa, Texas, USA

#### ABSTRACT

*The primary objective of this study is to examine the impact of tax practitioners' ethical orientation and level of professional commitment on decision-making performance. Using a sample of 157 tax professionals, our results suggest a significant relationship between a tax professional's ethical orientation and decision-making. Further, participants with higher levels of professional commitment exhibited higher idealism and seemed less likely to include the unsubstantiated deduction in their client's tax return where as participants with a lower level of professional commitment displayed higher relativism and included the deduction in their client's tax return. These results have the potential to add to our understanding of decision-making in the tax profession and should be of interest to tax practitioners, managers, organizations and accounting researchers.*

**Keywords:** Ethics, ethical orientation, tax professional, decision making, professional commitment, idealism, relativism

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## 5. IMPROVING SERVICE QUALITY WITH THE THEORY OF CONSTRAINTS

Hollye K. Moss, Western Carolina University, Cullowhee, North Carolina, USA

### ABSTRACT

*Aside from success stories and case studies there have been very few in-depth studies of TOC in service industries. This study assesses the dissemination of TOC principles into services and looks at benefits that services are reaping as a result. An instrument to explore the penetration of TOC principles into services without using a vocabulary specific to TOC is developed and validated. SERVQUAL is adapted to evaluate the impact of the TOC principles on the five dimensions of customer service quality—tangibles, reliability, responsiveness, assurance, and empathy. Using responses solicited from a broad range of organizations, the use of the principles underlying the logistics and thinking process paradigms was found to lead to significantly increased customer service quality. The use of the principles underlying the logistics paradigm was found to have significant positive effects on each of the dimensions of customer service quality with the exception of tangibles. Services providers can increase their customer service quality by implementing TOC principles.*

**Keywords:** service operations; quality management; theory of constraints

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## 6. THE SIGNALING ASPECT OF PRE-ANNOUNCEMENT INSIDER TRADING AND THE STOCK PRICE RESPONSE TO SEASONED EQUITY OFFERINGS

Younghwan Lee, Kumoh National Institute of Technology, Gumi, KOREA

### ABSTRACT

*This paper finds that firms announcing a common stock offering experience more negative price reactions with pre-announcement insider net-sell activity than with pre-announcement insider net-buy activity. These results suggest that insider trading may be viewed as an "additional" signal related to the common-stock offering. In the cross-sectional regression analysis, it is also found that the insider trading seems to be the most important discriminator among the variables for issue size, the changes in insider ownership, the changes in financial leverage, and firm size to explain the stock price reduction at the announcement of the stock offering.*

**Keywords:** Signaling, Insider Trading, Seasoned Equity Offering

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## 7. SERVQUAL VS SERVPERF: ROUND 2 IN A MULTI-CULTURAL SETTING

Jungki Lee, Korea University, Jochiwon, KOREA

### ABSTRACT

*This study compares two leading measurement instruments of service quality (i.e., SERVQUAL and SERVPERF) in a cross-cultural setting. Psychometric properties of each scale are compared in three countries of distinctive characteristics (developed, industrialized, and developing). Data analyses show that the SERVPERF scale has slightly better reliability while the SERVQUAL scale has an edge in validity, implying the necessity of including cultural diversities of expectations in the measurement of service quality for cross-cultural studies. Implications for academicians and practitioners are provided.*

**Keywords:** SERVQUAL, SERVPERF, Service Quality, Cross-Cultural, Measurement of Service Quality

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## 8. RESOURCES, COMPETITIVE ADVANTAGES AND PERFORMANCE OF COMPANIES: A STUDY OF THE FOOD INDUSTRY IN BRAZIL

Leonardo Fernando Cruz Basso, Mackenzie Presbyterian University, São Paulo, São Paulo, BRAZIL  
Ricardo Rodrigues Loureiro e Silva, SERASA, São Paulo, São Paulo, BRAZIL  
Herbert Kimura, Mackenzie Presbyterian University, São Paulo, São Paulo, BRAZIL

### ABSTRACT

*In accordance to Resource Based View (RBV), the main cause of the variety of firm's performance in the market lies on the specific nature of their resources and accumulated competences. Nevertheless, the majority of explicative variables are qualitative what makes it hard to quantify and identify the correlation degree between the competitive performance and the resources of the company. Through a research performed in 1999, the French economist Rodolphe Durand developed his own methodology, building latent variables (proxys) that permit a highly satisfactory evaluation of the relationship between firm's performance and their specific resources. Based on this methodology we evaluated, in the specific case of Brazilian food sector, the degree of influence of the firm's productive assets on its competitive performance. The theory establishes that the higher the inimitability and immobility of assets, the higher their profitability, margin and market performance. Inimitability and immobility are associated with profitability in the magnitude of 31% and 28%, respectively. Inimitability and immobility do not present significant implication in margin. Inimitability and immobility have positive and significant implications in Market performance, in the magnitude of 95% and 66% respectively.*

**Keywords:** Resource-Based View (dynamic capabilities), Resource-Based View (sustainability), Resource allocation/management, firm's productive assets, competitive performance, food sector, value creation.

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## 9. SELF-SELECTION AND EVALUATION OF HEALTH CARE PROGRAMS

Monica Cain, Winston-Salem State University, Winston-Salem, North Carolina, USA

### ABSTRACT

*This paper uses two-stage least squares (2SLS) to model choice of program and health outcomes in a health care management setting. The study includes an analysis of the probability of a low birth weight (LBW; <2500 grams) and very low birth weight (VLBW; <1500 grams) infant for African-American women in North Carolina Medicaid who may choose to participate, or not, in the enhanced prenatal care coordination program called Maternity Care Coordination (MCC). The study data are linked birth certificate and Medicaid claims records for North Carolina Medicaid births in 2000-2002 (n=47,664) as well as county-level data from the Area Resource File. The estimation results suggest that an African-American woman who chooses to participate in MCC is significantly less likely to deliver a LBW infant than would a woman randomly assigned to the program. Similarly, an African-American woman who chooses to participate in MCC is significantly less likely to deliver a VLBW infant than would a woman randomly assigned to the program. These results demonstrate that failing to control for self-selection bias overstates the effectiveness of the MCC program for the study group.*

**Keywords:** health care management, Medicaid, birth weight, prenatal care, selection bias.

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### 10. A STUDY ON THE IMPACT OF FOREIGN DIRECT INVESTMENT ON COFFEE PRODUCTION OF SELECTED SOUTH AMERICAN COUNTRIES

J. Richard Horne, Nova Southeastern University, Ft. Lauderdale, FL, USA

#### ABSTRACT

*The purpose of this paper is to explore a segment of the international coffee trade and to determine any quantifiable relationships between the level of trade and other variables, in particular, foreign direct investment (FDI). The study also reviews several of the leading trade theories and attempts to associate actual current trade activities and other data with the elements of each model. That is, is the nature of the coffee trade accurately described by one of these trade models, and to what degree? The scope of this study includes the top five exporting nations for Arabica coffee in Latin America during the period 2000-2004.*

**Keywords:** Coffee production, foreign direct investment, trade, coffee pricing

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### 11. AN ORGANIZATIONAL DATA REPLICATION MODEL FOR MOBILE DATABASES

Erastus Karanja, Morgan State University, Baltimore, Maryland, USA  
Muhammed A. Badamas, Morgan State University, Baltimore, Maryland, USA

#### ABSTRACT

*This paper explores and compares different data replications techniques generally utilized by organizations as well as the benefits accrued from them. A detailed discussion of mobile databases in relation to their applications is outlined as well as the need for data replication in mobile devices. Two types of mobile network infrastructures namely peer-to-peer and client server are briefly mentioned and related to a detailed analysis of the different data replication techniques, timelines, and security of the data in order to establish the appropriate data replication techniques suitable to an organization. Finally, a conceptual model is proposed that is suitable and pertinent in various situations where mobile databases are indispensable for organizational day-to-day operational efficiency*

**Keywords:** Asynchronous data replication, mobile databases, synchronous, client server, peer to peer

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### 12. UTILIZING KNOWLEDGE EVOLUTION IN INTELLIGENT TRANSPORT SYSTEMS

Ook Lee, Hanyang University, Seoul, KOREA

#### ABSTRACT

*Any shortest path finding problem can be regarded as a design problem since it requires the design of an algorithm which can be implemented as an information system-based solution. This paper addresses a dynamic shortest path finding problem in urban road networks that has time dependent characteristics such as time windows for allowing traffic in a specific time as well as traffic operational characteristics such as U-turn and left-turn prohibition. This paper is motivated by the development of Advanced Traveler Information Systems(ATIS) in the context of Intelligent Transportation Systems(ITS). The transportation network analysis should be done with these realistic characteristics. However, existing shortest path algorithms cannot accommodate such an important aspect. This paper presents a dynamic shortest path algorithm for the urban ATIS application within a real time. The algorithm is based on a genetic algorithm (GA). The performance of the algorithm has been tested on the small example network by computer simulations.*

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**13. DETERMINANTS OF ILLEGAL FILE SHARING: MODEL AND TEST**

Joshua J. Lewer, Bradley University, Peoria, IL, USA  
R. Nicholas Gerlich, West Texas A&M University, Canyon, TX, USA

**ABSTRACT**

*This paper develops a model of media evasion based on optimization theory. The behavioral model adjusts for several compensating variables including age, locus of control, and religious intensity among others. An expanded survey instrument is applied to three universities; a private Midwest Christian liberal arts school, a public Division II university, and a public Historically Black College (HBC) to collect data on both student attitudes toward and actual propensity to steal music and other forms of multi-media. With a total sample of 302 individuals, means testing and logistic regression methods that include compensation effects, are applied to analyze the determinants of illegal file sharing. The empirical results are interesting and find that (1) traditional aged and non-traditional aged students have significant attitudinal differences with regards to file sharing ethics, (2) age is the major determinant of student attitudes towards file sharing, (3) age, gender and past piracy behavior are significant determinants of current piracy behavior. Our model and empirical findings suggest that media industries may be better served by analyzing cultural and generational factors in determining proper recourses for illegal file sharing.*

**Keywords:** *Illegal Behavior; Ethics; Logistic Regression*

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**14. INDIVIDUAL AND ORGANIZATIONAL CONSEQUENCES OF MOBBING IN THE WORKPLACE: CASE OF BANKING SECTOR IN TURKEY (A SURVEY)**

Tekin Akgeyik, The Istanbul University, Istanbul, TURKEY  
Meltem Güngör, The Istanbul University, Istanbul, TURKEY  
Selale Usen, The Istanbul University, Istanbul, TURKEY

**ABSTRACT**

*The term "mobbing" is commonly used to describe systematically and victimized by fellow workers, subordinates or superiors. The impact and cost of mobbing at work needs to be considered both at the individual and the organizational level. This study seeks to investigate reported individual and organizational consequences of mobbing behaviors. The survey was conducted between May 2004 and January 2005 in banking sector in Turkey. The present study has found that the victims report emotional and physical health problems such as anxiety, headaches, ulcers, sleeplessness and losing of a sense of humor. The Research has also showed that mobbing increases sickness leaves and absenteeism.*

**Keywords:** mobbing, consequences of mobbing, bullying, Turkey, banking.

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**15. THE NEW MARKETING INTERMEDIARIES – A MULTIPLE CASE STUDY OF THREE NEW E-BUSINESS MODELS**

Ross A. Malaga, Montclair State University, Montclair, NJ, USA

**ABSTRACT**

*The past few years have seen a dramatic rise in the use of affiliate relationships to drive Web-based sales. Through this model businesses actively market other business' products and services and in exchange receive a commission. However, there are various ways in which this model can be applied on the Web. This paper examines and attempts to categorize these new marketing intermediaries through a series of case studies. This research identifies three specific new marketing intermediary models. The first model examines how marketing intermediaries make money by using pay-per-click (PPC) advertising*

to funnel traffic to their affiliate partners. The second model discusses the mini-site and micro-site approaches, in which a small, highly targeted Web site is developed in order to rank well in the search engines and drive traffic to affiliates. The final model deals with a complete business-to-consumer Web site on which all the product links connect the user directly to the affiliate. The paper also examines some of the risks and drawbacks associated with the models discussed.

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## 16. NONPARAMETRIC ANALYSIS OF MATCHED PAIRS DATA IN BUSINESS RESEARCH

Carol A. Markowski, Old Dominion University, Norfolk, Virginia, USA  
Edward P. Markowski, Old Dominion University, Norfolk, Virginia, USA

### ABSTRACT

*Nonparametric methods of statistical analysis frequently utilized as alternatives to traditional statistical methods based on normal theory assumptions. Benefits of the use of nonparametric methods include wider applicability in terms of level of measurement required and less stringent distributional assumptions as well as the opportunity for increased statistical power. In this paper, we demonstrate an important fundamental weakness of normal theory based methods for certain data structures. This weakness is illustrated in the context of the analysis of the results of a matched pairs experiment. Additionally, we apply the use of nonparametric analysis of data on the change in dividend yield subsequent to tax policy changes for a study of tax policy effects in four countries. Among our conclusions is that the combined use of normal theory and nonparametric methods can uncover effects not identified by either single approach.*

**Keywords:** Nonparametric statistical methods, dividend tax policy, matched pairs study

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## 17. PRE EVENT TRENDS IN IMPLIED AND INTRADAY VOLATILITIES

Pat Obi, Purdue University Calumet, Hammond, Indiana, USA

### ABSTRACT

*This study explores the nature of pre-event investor sentiments based on anomalies in implied options and intraday volatilities. Implied volatility is known to convey investor sentiments by its tendency to rise in advance of a market downturn. Because the airline industry was particularly distressed by the 2001 terror attacks in the United States, the magnitude of its pre-event volatility patterns is measured against that of the rest of the market. Empirical results show that pre-event abnormal returns for airlines is negative and is, in general, larger than that of the market as a whole. There was also a remarkable increase in preevent implied volatility, which provided short position holders with profitable trading opportunities. In the price-risk relationship, Granger causality results are mixed, showing in particular that a bi-directional causality exists between implied volatility and equity market valuation.*

**Keywords:** Implied Options Volatility, Intraday Volatility, Pre-event Abnormal Returns, Granger Causality.

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**18. MASTERING PURPOSEFULNESS CRITICAL FOR NEW LEADERSHIP TO TRANSFORMATIVELY CHANGE**

Marilyn E Harris, Capella University and Human Systems Change Consulting, Petoskey, Michigan, USA

Guilan Wang, Central Michigan University, Mt. Pleasant, Michigan, USA

Beverly Jones, Kettering University, Flint, Michigan, USA

**ABSTRACT**

*In the 21<sup>st</sup> century it is not enough to develop new leadership for transformative change. It is critical that leaders and followers alike understand and master the use of **purposefulness** to develop new leadership, applying it in the global systems environment. This paper considers what is necessary in the development – application process of new leadership in a world fraught with little understood transformative change, an environment of increasing accelerating change, increasing uncertainty, and growing complexity. This paper shows the importance of intentionality in deepening purposefulness and in the development of common will as key indicators of positive movement in transformative change. It concludes with implications for the future to do exceptionally well by intentionally doing better.*

**Keywords:** Complexity, Transformational Change, Transformational Leadership

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**19. THE STATUS OF PLANNING IN SMALL EXPORTING FIRMS: AN EMPIRICAL EXAMINATION OF MANUFACTURING ENTERPRISES**

Faramarz Parsa, State University of West Georgia, Carrollton, Georgia, USA

Nabil Ibrahim, Augusta State University, Augusta, Georgia, USA

John Angelidis, St John's University, New York, New York, USA

**ABSTRACT**

*There is widespread recognition of the importance of international trade and the crucial role of small firms in promoting exports and reducing the trade deficit. However, there is surprisingly very little empirical work examining the techniques, tools, and approaches to planning that are actually being used by small companies that are engaged in exporting activities. This study is designed to partially fill this gap in the literature by reporting the results of a survey of 420 small firms engaged in exporting. It examines the planning practices of these firms. The intent is to develop a profile for small businesses with respect to their strategic planning processes. Some explanations as well as implications and limited generalizations are developed.*

**Keywords:** Planning, Small Businesses, Exporters, Manufacturing, International Business.

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**20. INTER AND INTRA NETWORK KNOWLEDGE FLOWS AND MARKET PERFORMANCE FOR SMALLER FIRMS IN PHARMACEUTICAL INDUSTRY**

Feng-Chuan Pan, Tajen University, TAIWAN

Wen-Hsu Tsai, Tajen University, TAIWAN

Shih-Jeih Fang, National Cheng-Kung University, TAIWAN

**ABSTRACT**

Competition in the pharmaceutical industry has long focused on the innovation, of which result from intensive knowledge exploration and exploitation and appear as patent in the market. Smaller firms in the industry generally lack sufficient resources and subsequent knowledge within the organizational boundary. We propose that smaller firms in pharmaceutical industry seek to enhance its competitive

advantage shall effectively explore knowledge from external organizations, and consequently combine such knowledge into current system for further exploiting. Establishing a subsidiary in foreign countries may satisfactorily serve this purpose. A foreign subsidiary will need to maintain quality relationship or social capital with both members of organizational network as well as those in the network of its market. BY combing the exploration and exploitation capabilities, subsidiaries of smaller firms could achieve market performance and be contributive to the parent's competitive advantage.

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## 21. INSURANCE AGENT JOB SATISFACTION

James H. Turner, Xavier University, Cincinnati, Ohio, USA

### ABSTRACT

*Job satisfaction was measured and utilized to develop a model predictive for production (commission). Three models were tested: one using a global measure of job sat, one using individual components of job sat, and one using individual components of job sat in combination with individual characteristics. The most predictive and parsimonious model explained over one-third of the variability in productivity. This model included three job satisfaction measures --supervision, pay, and promotion -- and one personal characteristic -- tenure.*

**Keywords:** Job Satisfaction, INDSALES, personal characteristics procedural justice.

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## 22. BOOTS, BULLS AND BARBECUE DEVELOPMENT OF THE STATE CULTURE ATTITUDE (SCA) SCALE

Scott Wysong, University of Dallas, Irving, Texas, USA  
James Munch, Wright State University, Dayton, Ohio, USA  
Susan Kleiser, Texas Christian University, Fort Worth, Texas, USA

### ABSTRACT

*While a number of researchers have examined various aspects of culture, very few have investigated the culture of a state. To explore this issue, 189 respondents living in Texas were asked about their attitudes toward the Texas economy, Texas traditions, and the superiority of Texans. The results reveal that an individual's attitudes toward the state affect their intensity of affiliation with the state indicating that consumers can and do identify with a state's culture at different levels. Using the State Culture Attitude (SCA) scale developed herein, future researchers can investigate consumer attitudes toward other state cultures, further strengthening our understanding of culture and marketing.*

**Keywords:** Culture, Subculture, Consumer Attitudes

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## 23. RESTRICTED STOCK TRANSACTIONS MAY NOT ADD VALUE

Armand Picou, Texas A& M University – Corpus Christi, Corpus Christi, Texas, USA  
Michael Rubach, University of Central Arkansas, Conway, Arkansas, USA

### ABSTRACT

*Do restricted stock transactions add value? This paper examines restricted stock transactions in two contexts. First, the issuance of restricted stock is used extensively in structuring the long-term compensation for an organization's managers. The use of stock options as a mechanism to align managers' interests with those of stockholders have come under severe attack by regulators, academics*

*and the press. In response, firms are switching to restricted stock awards to alleviate agency problems. However, are restricted stock awards the answer? This paper presents evidence that restricted stock awards do not add value. We find evidence of a negative reaction from predominately institutional investors following the release of proxy statements that disclose restricted stock awards to top management teams. Restricted stock awards may not mitigate but may exacerbate persistent agency problems. Second, restricted or lettered stock is acquired by insiders, generally those shareholders who control an issuer. Barron's discloses the notices of intent to sell and the sales of these restricted shares by these insiders under Rule 144 This paper presents additional evidence that the insider trading of Rule 144 restricted stock is not a signal of added value.*

**Keywords:** *Restricted Stock, Institutional Investor, Corporate Governance, Agency Problems.*

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