
ABSTRACTS**1. THE INFLUENCES OF MARKET PROFESSIONALISM AND NEW PRODUCT DEVELOPMENT ON MARKET PERFORMANCE OF ELECTRONICS MANUFACTURINGS IN THAILAND**

Peerawat Chailom, Mahasarakham University, THAILAND
Phapruek Ussahawanitchakit, Mahasarakham University, THAILAND

ABSTRACT

This study investigates the relationships between market professionalism, new product development, and market performance, base on social cognitive perspective by using Thai Electronic Manufacturing Firm as a sample. The results reveals that market professionalism has a significant positive impact on new product development and market professionalism. Moreover, the study indicated that vision and experience were antecedent of market professionalism. Additionally, market professionalism also has a significant positive relationship with customer and competitor orientation. Contributions and suggestions for further research are also discussed.

Keywords: *Vision, Experience, Market Professionalism, Customer Orientation, Competitor Orientation, New Product Development, Market Performance*

2. DEVELOPING CREATIVE THEMES FOR INTEGRATED MARKETING COMMUNICIATON: SUBJECTIVE EXPERIENCES AS DIMENSIONS OF VALUE IN OFFERINGS

Glenna Pendleton, Cleveland State University, Cleveland, Ohio, USA
Ashutosh Dixit, Cleveland State University, Cleveland, Ohio, USA
Lundstrom, William, Cleveland State University, Cleveland, Ohio, USA

ABSTRACT

There are important conceptual and practical problems faced by researchers in developing creative themes for integrated marketing communications for new experiential offerings. The authors present two major streams of theory, and develop a basic integrated framework reflecting the traditional multi-attribute approach and the newer experiential approach to customer value for these new offerings. In addition, they discuss the practical problems in the development of measures for customer value. These problems center around the many different emotional "levels" of constructs that can be specified (i.e. entertainment, enjoyment, escape, aesthetics, etc.). A contribution of this study is an integrated framework that incorporates the newer intrinsic relationship consumers have with experiential offerings along with the traditional multi-attribute aspects of offerings. This intrinsic component is important when marketers are developing creative themes for integrated marketing communications.

Keywords: *Experiential Marketing, Intrinsic Value, Integrated Marketing Communications*

3. THE IMPACT OF THE NEW PENSION ACCOUNTING RULES (FAS 158) ON FINANCIAL STATEMENT ANALYSES

Gyung Paik, Brigham Young University, Provo, Utah, USA
Jeff Lark, Brigham Young University, Provo, Utah, USA

ABSTRACT

In this paper we examine the effect of FAS 158 on some key financial ratios that are used for financial statement analyses. FAS 158 changes only the presentation of a company's pension obligations—not the

substance. However, most key financial ratios will be affected because of the changes in reporting caused by FAS 158. For companies with overfunded pension plans, their assets and equity will decrease; for underfunded pension plans, their liabilities will increase while equity decreases. In this paper we explore the magnitude of the changes in key financial ratios brought about by implementing FAS 158. The changes in the financial ratios were usually caused by the reclassification of unamortized pension gains/losses or prior service costs, the creation of deferred tax assets, and increasing liabilities. Our findings show that, in general, the reclassification of pension-related items as assets, liabilities, and equity impacts most companies to a minimal degree. However, while the impact to companies on average may be insignificant to financial statement users, some companies saw significant changes to their financial ratios. These changes could lead investors or analysts to have an overly-optimistic perspective of the company.

Keywords: Financial accounting, pensions, financial statement analysis

4. MODELING OF INTERNATIONAL POSITIONING PROCESS FOR NEW TRADE ENDEAVORS: A RADICALLY SUCCINCT APPROACH

Somesh Kumar Sharma, Indian Institute of Science, Bangalore, India
R. Srinivasan, Indian Institute of Science, Bangalore, India

ABSTRACT

The article aims to present a model for effective international positioning process (IPP). The objective of this paper is to radically redesign the methodology of IPP and to develop four phase model. The first phase assesses the international business capability of an organization and second phase analyze the external environment to identify the potential international markets. The third phase makes decision about entry mode choice and fourth phase focuses on defining global competitive advantage. This paper specifically obtains the type of information 'international business decision makers' (IBDMs) consider for appraising and tailoring customized IPP. The authors identify 12 pieces of information, essential and appropriate for the proposed positioning process. They use multiple criteria decision analysis (MCDA) methods for utilizing the information obtained in the study, for shaping up IPP which has not been revealed in the literature for this purpose.

Keywords: International Positioning Process (IPP), Model, Radical Redesigning, Cardinal and Adjuvant Dimensions, Multiple Criteria Decision Analysis

5. THE OPTIMUM BOARDROOM COMPOSITION AND THE LIMITATIONS OF THE AGENCY THEORY

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

ABSTRACT

I examine the extent of the linkage between the percent independent directors in the boardroom (measured by the ratio of independent directors over total directors) and the market returns of firms belonging to the technology, engineering and communication industries. The results indicate that an independent boardroom configuration positively impacts on the financial performance of the firms, which is in compliance with the agency theory of the firm. The relationship "boardroom configuration - financial performance" is however not linear in nature, but rather curvilinear with a negative concavity. The implication is that there is a limitation to the agency theory of the firm as the optimum boardroom configuration does not consist of 100% independent directors; instead, it comprises a minority of inside

directors to compensate for the information deficit inherent with a 100% independent boardroom configuration.

Keywords: Board of Directors; Corporate Governance; Agency Theory; Boardroom Composition; Outside Directors; Inside Directors; Financial Performance

6. CORPORATE SOCIAL RESPONSIBILITY AND OPERATING PERFORMANCE

Maretno A. Harjoto, Pepperdine University, Mailibu, California, USA

Hoje Jo, Santa Clara University, and Monterey Institute of International Studies, Monterey, California, USA

ABSTRACT

We examine the effects of internal and external corporate governance and monitoring mechanisms on the firms' choice of corporate social responsibility (CSR) engagement and operating performance engaging in CSR activities. Employing a large and extensive sample during the 1993-2004 period, we find that the CSR choice is associated with governance characteristics including board leadership, board independence, institutional ownership, analyst following, and anti-takeover provisions. After correcting for the endogenous treatment effect, our results show that contrary to the CSR over-investment argument, CSR engagement positively influences firms' operating performance measured by ROA and operating profit. In addition, after correcting the selection bias problem using the instrumental approach, we find that while the impact of external monitoring by analyst following and institutional ownership on operating performance is strongly positive, internal monitoring by board leadership and insider blockholders' ownership, play an adverse role on firm performance and internal monitoring by independent board provides positive impact, but mostly insignificant.

Keywords: Corporate social responsibility; corporate governance; analyst following; firm performance

7. DIFFERENCES BETWEEN LAND-BASED AND ONLINE GAMBLERS

Geoffrey Lee, University of Western Sydney, New South Wales, Australia

Robyn McGuiggan, University of Western Sydney, New South Wales, Australia

ABSTRACT

Gambling is acknowledged as a compulsive pathological disorder that has potential for negative socio-economic impacts in personal, work, social, legal, and financial arenas. Online gambling has rapidly grown into a US\$12 billion dollar industry in 2005 with estimates of between 14 and 23 million players in 2006. The internet provides an ideal channel to service gamblers though its inherent characteristics of ease of access, convenience, immersive atmospherics, and instantaneous results. For gambling providers, the channel offers advantages to traditional land-based enterprises in low-cost operations, access to international markets and new forms of games. For the most part, regulatory measures to manage the online gaming industry are regarded as ineffective. As such, there is a call to conduct research into the online gaming phenomenon. This study compared demographic, behavioral, and psychographic characteristics of land-based (n=229) and online gamblers (n=63). Using non-parametric t-tests and correlations, several statistically significant differences were identified. Despite the results showing that demographic characteristics cannot be used to identify online gamblers within the sample respondents, students were identified as spending and wagering more money than the people in full-time employment. A behavioral difference was identified, with online gamblers engaging in casino table games significantly more times per month. The analysis of the psychographic differences indicates that land-based gamblers exhibit higher mean scores on the reasons why they gamble, which are for charity,

atmosphere and excitement, as a favorite activity, as a social activity, and greater belief in luck. The analysis of perceptions of online gambling is consistent with the literature in that, compared with land-based gamblers, online gamblers have an overall positive disposition to the benefits of online gaming. The study recommends that government and policy makers must understand the reasons for the high incidence of student gambling to develop strategies to minimize problem gambling. In addition, recommendations on points of differentiation between land-based and online gambling channels may assist industry practitioners in effective marketing of their services.

Keywords: *Internet Gambling, Online, Gaming Research, Gaming Behavior*

8. CORPORATE GOVERNANCE AND INCENTIVE CONTRACT DESIGNING

Xinming Deng, Wuhan University, Wuhan, Hubei China
Chongzhen Cheng, Hubei University, Wuhan, Hubei, China
Xutao Zheng, Hubei University of Economics, Wuhan, Hubei, China

ABSTRACT

This paper mainly discusses the governance issues from the contract arrangement perspective, which explores the relations among the agents' residual claim parameters, effort variables, incentive variables, effort cost variable and incentive cost variable etc. through the design of the incentive contracts. We make the following conclusions: (1) The incentive contracts have contingent characteristics; (2) Monitoring efficiency is important to design the incentive contracts; (3) The principal must pay attention to the residual itself; (4) The agents' risk-neutral can't always promise to attain the best outcome of the incentive contracts; (5) The principals' first mover advantage is an important factor to achieve the efficiency optimization of the incentive contract.

Keywords: *Firm Governance; Incentive Contract; Residual Claim; Residual Rights of Control*

9. ONLINE CONSUMERS' PERCEIVED RISK ANALYSIS: A GRAPHICAL MODELING APPROACH

Iksuk Kim, California State University Los Angeles, California, USA
Freddy Su Jin Lee, California State University Los Angeles, California, USA

ABSTRACT

The research was designed to directly test how consumers' perceived risks from the previous store environment and the Internet are related to the Internet purchasing intention. The results of the research clearly suggested that some risks appear to be mediated through the others in Internet shopping.

Keywords: *Perceived Risk, Internet Marketing, Graphical Modeling*

10. SUBORDINATE CUSTOMER ROLES AND SATISFACTION IN MEDICAL SERVICES SECTOR^{*}

Jungki Lee, Korea University-Sejong, Jochiwon, Chungnam, Korea

ABSTRACT

This paper explores factors that would positively affect customer satisfaction in medical service industries where customers are known to have a high rate of dissatisfaction due to a power imbalance in favor of the

service provider. The study applies the concept of perceived control and investigates whether the higher level of perceived control actually enhances the satisfaction level with the service provider. Four out of six hypotheses are supported, indicating the significant role that perceived control exerts on customer satisfaction in medical service interactions. Implications for future research and business are provided.

Keywords: subordinate roles, medical services, perceived control, cognitive control, behavioral control, decisional control

11. SOVEREIGN CREDIT RATINGS AND MACROECONOMIC VARIABLES: AN APPLICATION OF BOUNDS TESTING APPROACH TO MALAYSIA

Mansur Masih, King Fahd University of Petroleum & Minerals, Saudi Arabia
Abd Halim Ahmad, Northern University of Malaysia
Siti Nurazira Mohd Daud, University of Southampton and Islamic Science University of Malaysia
Ainulashikin Marzuki, Islamic Science University of Malaysia

ABSTRACT

This paper aims to investigate the short- and long- run macroeconomic determinants of sovereign credit ratings in developing countries. Malaysia is used as a case study. This study employed quarterly data from 1991 to 2004. We apply a recently developed time series technique called 'Auto-Regressive Distributed Lag' (ARDL) [Pesaran, Shin, and Smith, Journal of Applied Econometrics, 2001] which has taken care of a major limitation of the conventional cointegrating tests in that they suffer from the pre-test biases. Based on the above rigorous methodology, our evidence tends to suggest that both in the short- and long- run, Debt ratios such as (Debt to GDP, Debt Service to Reserve) and US Treasury Bill rate (3-months) appear to have had a significant impact on Malaysia's sovereign credit ratings. The findings of the study tend to indicate that Malaysia's short- and long-term ability to pay its debt contain information for the prediction of her credit ratings. These findings are plausible and have strong policy implications for developing countries like Malaysia.

Keywords: Malaysia, sovereign credit rating, macroeconomic variables, ARDL cointegration

12. THE FEDERAL RESERVE AND THE AMERICAN BUSINESS CYCLES

Adil H. Mouhammed, University of Illinois at Springfield, Springfield, Illinois, USA

ABSTRACT

This paper attempts to explain the Fed's behavior of increasing and decreasing the federal funds rate. A Veblenian approach is developed and used to explain such a behavior. The paper argues that since 1968 every recession was preceded by an increase in the federal funds rate. This decision always promotes an evolving recession. The Recessions of 1991 and 2001 were preceded by increasing the federal funds rate several times. The Fed made such decisions because it tried to reduce wage share and capacity utilization and to control employment. This behavior will increase profits at the expense of the underlying population. The recent economic slowdown of 2007-08 was also preceded by increasing the federal funds rate seventeen times but for a failed reason of maintaining the exchange rate of the dollar during an inflationary condition of a high budget deficit.

Keywords: Fed, Federal Funds Rate, Business Cycle, Profit Share, Labor Share, Rate of capacity Utilization, Veblen

13. SATISFACTION AND CUSTOMER PERCEIVED NEED IN ADOPTING AN ENTREPRENEURIAL INNOVATION

Notis A. Pagiavlas, Winston-Salem State University, Winston-Salem, North Carolina, USA

ABSTRACT

This study explores the effects of consumer satisfaction with existing options of a high involvement service as it shapes perceived need for an alternative and likelihood to try a new entrepreneurial offering. Especially in business-to-business markets, heavy users are expected to be the most feasible target market in switching to "superior" alternatives. Results indicate that this might not be the case. While respondents in a survey study indicated relatively low satisfaction with attributes of existing air transport commercial services, and need for an alternative, the correlation between the two measures was not significant. In addition, lower satisfaction did not relate to the expressed likelihood to utilize the new service, once available. These findings shed light into decision making processes that do not conform to standard marketing discussions and findings relating to adopting an entrepreneurial offering. Post hoc theoretical explanations include the concepts of "desired" vs. "adequate" service levels that influence consumer choice and demand for alternatives.

Keywords: opportunity recognition, consumer feedback, entrepreneurship, service

14. DETERMINANTS OF AUDIT FEES IN KUWAIT

Bader Al-Shammari, Public Authority for Applied Education and Training, Kuwait
Abdullah Al-Yaqout, Public Authority for Applied Education and Training, Kuwait
Ahmad Al-Hussaini, Public Authority for Applied Education and Training, Kuwait

ABSTRACT

Many studies have been conducted on the market for audit services in developed countries, but to date very few have focused on developing countries in general and Middle Eastern countries in particular. This study investigates the audit market in Kuwait, a country for which this market has not been investigated before. We developed a model for the determinants of audit fees that takes into account client size, risk, complexity, profitability, industry and auditor. Our findings show that there are similarities in the determining factors for audit fees in Kuwait and other countries previously studied. However, we also found differences. Contrary to the findings of most of the other studies there is no fee premium in Kuwait for the Big Four auditing firms. This study shows that the level of audit fees is positively associated with client size and complexity of client operations. Other variables are not significant.

Keywords: Audit Fees, Client characteristics, Big Four Audit Firms, Kuwait

15. DETERMINING EARNINGS QUALITY: A MULTI-FACTOR MODEL APPROACH

Gregory M. Dempster, Hampden-Sydney College, Hampden-Sydney, VA, USA

ABSTRACT

We develop an econometric model of earnings quality determination, based on objective and publicly-available data, for assisting auditors and researchers interested in detecting the effects of earnings management. We choose a multi-factor model approach which allows the econometric data to indicate the sensitivities of important "factors" in the earnings quality determination process, isolating factors that best act as "predictors" of earnings quality in a backward-looking time series. In order to illustrate the

multi-factor model approach, we employ hypothetical data fashioned on the criteria set forth in the Bellovary et al. (2005) Earnings Quality Assessment (EQA).

Keywords: *Earnings Quality, Earnings Management, Multi-Factor Models*

16. DEVELOPING AND MEASURING DIMENSIONS OF SUPPLY CHAIN CAPABILITIES

Abirami Radhakrishnan, Morgan State University, Baltimore, USA
'Sri' V. Sridharan, Clemson University, Clemson, USA
Dessa David, Morgan State University, Baltimore, USA
Steve Davis, Clemson University, Clemson, USA
D. DeWayne Moore, Clemson University, Clemson, USA

ABSTRACT

This research paper develops and empirically validates the construct of Supply Chain Capabilities (SCC). Using data from 96 buyer-supplier dyads, we develop and empirically validate two dimensions of SCC – Capabilities of Upstream Dyad and Capabilities of Downstream Dyad. Content validity, reliability, unidimensionality, convergent validity and discriminant validity of the SCC construct are empirically established.

Keywords: *Supply Chain Capabilities, Empirical Research, Structural Equations Modeling*

17. DIVIDEND REDUCTIONS AND THE PECKING ORDER THEORY

Richard H. Fosberg, William Paterson University, Wayne, New Jersey, USA

ABSTRACT

Fama and French (2001) discovered that over the last several decades there has been a marked reduction in the proportion of firms paying dividends. One possible explanation for the reduction in the propensity of firms to pay dividends is that a large number of firms are following the pecking order theory in financing their operations. If this is the case, then a reduction in dividend payments should be accompanied by a reduction in the use of debt financing by most firms. In this study I find that to be the case. Specifically, there is a direct relationship between firm dividend payments and the amount of debt financing a firm uses to finance its operations. This relationship is found to hold for both the 1990-1994 and 2000-2004 time periods. Additionally, there is no evidence that firms are moving away from the pecking order theory in the latter time period. This result suggests that the increase in the number of firms paying dividends in the early twenty-first century noted by Julio and Ikenberry (2004) is not the result of firms abandoning the pecking order theory.

Keywords: *Dividends, Capital Structure, Pecking Order*

18. THE IMPACT OF STRUCTURAL EMPOWERMENT ON PROJECT MANAGER'S ORGANIZATIONAL COMMITMENT

Sheila M. Smith, Ball State University, Muncie, IN, USA

ABSTRACT

Using Rosabeth Moss Kanter's Structural Theory of Organizational Behavior (1977) as the theoretical foundation, this study examined the influence of structural empowerment on organizational commitment

among 79 project managers. Kanter (1977, 1979) suggest perceptions of formal power, informal power, and access to opportunity, information, resources, and support have implications for an employee's organizational commitment. Results indicate that empowered project managers exhibit a strong commitment to an organization.

Keywords: *structural empowerment, organizational commitment, project management*
