ABSTRACTS

1. THE RELATIVE STRENGTH OF EXCHANGE RATE, INTEREST RATE AND CREDIT CHANNELS IN MALAYSIA

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ABSTRACT

This paper estimates the augmented monetary conditions for Malaysia using Autoregressive Distributed Lag Model from 1980:1-2004:4. Results reveal evidence of cointegration between the real GDP and exchange rate, short- and long-term interest rate, asset price, and credits on private sector. While the exchange rate, interest rate and credit channels are the key transmission mechanisms in the conduct of monetary policy in Malaysia, the asset price channel is the least relevant. The relative strength of the monetary transmission mechanism channels that drive the real GDP is the credit channel, followed by the exchange rate channel, and interest rate channels, with short rate relatively potency than the long rate at the margin.

Keywords: cointegration, transmission channels, monetary policy stance, ARDL, Malaysia

2. PRICE EARNINGS RATIOS AND ASSET ALLOCATION OVER VARYING INVESTMENT HORIZONS

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ABSTRACT

We investigate the impact on the risk-return tradeoff for investors on using price-earnings ratios to choose whether to invest in bonds or stocks. Sharpe ratios are computed for portfolios consisting of 100% bonds, 100% stock, and portfolios annually changing between bonds and stocks based on the beginning of year price-earnings ratio. Holding periods from one to 25 years are examined. Simulations are used to create portfolio returns which are used to calculate Sharpe ratios for each holding period. Our results show that the a simple price-earnings ratio based investment rule generates portfolios with higher Sharpe ratios than investing only in bonds or stocks.

3. NON-TRADITIONAL STUDENT PERFORMANCE AND ATTITUDES TOWARD ONLINE AND OTHER FORMS OF DISTANCE LEARNING

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ABSTRACT

With increasing numbers of non-traditional students, a declining economy, and limited educational budgets, universities are increasing the number of online and other forms of instruction as part of their instructional mix. This study samples non-traditional students in four business core courses with experience in both online and distance education courses to determine their performance and attitudes toward these methods of instruction.

Keywords: Distance Learning, Student Performance.
4. META-ANALYSIS OF ACQUISITION TRENDS IN THE BANKING SECTOR

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ABSTRACT

Following of relaxation of banking regulations there has been a significant increase in intra-state and intra-state bank mergers over the past for decades. Fed Reserve raw data sets are used to analyze banking trends and mergers and acquisition motivations. Since the 1920s there have been four stages of mergers, but the acceleration of banking mergers from 1980 to 1994 has equaled almost 50% of the number of all banks in existence. This paper describes the correlation between regulation changes, expansion, and merger activities over a thirty year period that drove the unprecedented banking merger activities from 1965 to 1995.

Keywords: Banks, Mergers, Acquisitions, Horizontal Expansion, Banking Regulation

5. TRUST AND INNOVATION: THE IMPACT OF INTERPERSONAL TRUST ON TEAM INNOVATION

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ABSTRACT

Innovation in a team begins with individual members of a team having novel ideas in their minds. While it might be possible for such ideas to become the team’s innovation subsequently, what are the factors that could potentially impede or facilitate the process? In this paper, I first distinguish the concepts of trust, psychological safety, and cohesion from each other, and point out the difference between creativity and innovation, to illustrate the need for research that has a focus on trust and innovation. Next, I propose a multi-level model of trust and team innovation. In general, this paper has three implications. The practical implication of this paper is practitioners need to be wary of the moderating effect that trust can have on the relationship between team social background diversity and team innovation. The theoretical implication of this paper is that there is a need for more focus on the topic of trust and innovation in organization research. And finally, the methodological implication of this paper is that researchers can consider conducting their future research in team-related topics on a multi-level basis.

Keywords: Trust; Innovation; Team

6. HOW NATIONAL CULTURE INFLUENCES CUSTOMERS’ MOTIVATION FOR RELATIONSHIP MAINTENANCE: THE ROLE OF HOFSTEDE’ CONFUCIAN DYNAMISM DIMENSION

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INTRODUCTION

Marketing research highlights national culture is a critical determinant that influences how consumers of one country behave differently comparing to consumers from other countries. With the emergence of China as a major economic entity in the world, increasing attention should be devoted to the study of this country which has 1.3 billion potential consumers who are able to purchase the goods and service provided by multinational companies. With the call for attention on Chinese consumers' attitude and behavior, the debate of whether to apply standardized marketing strategies which have been used in developed countries for decades or to use customized ones which need to be modified and redesigned to fit the consumers in this region is still a vexing question for academicians and practitioners.
Long-term marketing relationships favor both consumers and service providers (e.g., Bendapudi and Berry, 1997). Loyal consumers have stronger commitment with their service organizations and they want to keep a stable connection with the current organizations. More specifically, loyal consumers have potent either psychological or economic attachment to the organizations. Despite marketing literature acknowledges that cultural characteristics play a vital role in predicting consumers’ behavior, there remains paucity to understand the different nature of customer relationship maintenance across various cultures. Thus, several unanswered questions related to cross-culture relationship marketing are developed in this study:

— Are there different commitment patterns exist across the relationship between consumers and their service providers?
— Do culture characteristics matter in consumers’ relationship maintenance?

The goal of this paper is to provide an avenue to understand consumers’ relationship marketing in different countries. A conceptual framework is thus developed to depict that cultural differences have strong impact on consumers’ motivation for maintaining the relationship with the organizations. Our paper also provides managerial suggestions to practitioners.

7. MIDDLE LEVEL MANAGERS STRESSORS STUDY

Dr. Ruta Ciutiene
Dr. Asta Savaneviciene
Dr. Ausra Rutelione

ABSTRACT

The paper presents middle level managers stressors study. As a result of theoretical analysis middle-level managers work stress research framework was prepared. Stress at work factors were grouped to 5 basic scales: time pressure, effective communication, organization and management, evaluation, internal and external relationships. Empirical research was performed in four countries of EU: Lithuania, Spain, Portugal, and Romania. Research results allowed evaluation of reasons of stress suffered by middle-level managers and foreseeing of instruments for stress management.

The research was carried out in the framework of the Leonardo da Vinci project FIT MANAGERS, co-financed by the European Commission.

Keywords: work related stress, stress, middle level managers.
8. THE TABU SEARCH APPLICATION: AN APPROACH TO MINE MARKET BASKET DATA

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ABSTRACT

The economic value of data mining is well established. Market basket analysis is one of the most well-known data mining techniques that is used to discover the customer purchase patterns. However, as the size of the dataset increases, the mining process becomes increasingly cumbersome and time consuming. In this paper, we propose to apply Tabu search metaheuristic (TS) to find global optimal solutions for large scale market basket datasets. In preparation for Tabu search, a market basket dataset is converted to a graph-based network. The result of an experiment with a large scale supermarket dataset show that the proposed TS algorithm produces highly accurate solutions in reduced computational times comparing to the traditional algorithm used by SAS Enterprise Miner.

Keywords: Market basket, Tabu search, Meta-heuristic

9. ENTERPRISE RISK MANAGEMENT (ERM): A STUDY OF ERM IMPLEMENTATION LEVELS IN BRAZILIAN COMPANIES

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Ernani L. B. Fernandes, Secretaria de Orçamento Federal (SOF)

ABSTRACT

The objective of this study was to evaluate the level of ERM implementation in Brazilian companies, comparing it to the results found in American companies (Desender, 2007), as well as to find out the influence of ERM in the companies’ corporate governance. We observed the following: companies from the financial sector are more mature in ERM implementation, companies that separate the CEO from the chairman of the board actually have a higher degree of implementation, and, finally, the implementation of ERM in the studied Brazilian companies is more mature than that of the American companies, although the methodological biases of each author must be taken into account. The Brazilian inter-sector results were statistically significant, although the others were not.

Keywords: ERM, corporate governance, risk management.

10. THE BUDGETARY CONTROL OF THE FIRMS WITHIN THE INDUSTRIAL ESTATE AUTHORITY OF THAILAND: IMPACTS ON INVESTMENT EFFICIENCY AND FIRM WEALTH

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ABSTRACT

This article is about the effects of the budgetary control on firm wealth. The study examines the relationships among the budgetary control and investment efficiency which is also taken as a mediator, while business growth strategy as well as an audit committee are taken as the moderators, and firm wealth is taken as a dependent variable. The results indicate that the operating budget and financial budget have positive influences on investment efficiency. However, both the operating budget and financial budget have positive influences on investment efficiency under business growth strategy as a
moderator. At the same time, investment efficiency is not related to firm wealth within an audit committee as a moderator. Moreover, researches have examined the relationships between investment efficiency and firm wealth via an audit committee as a mediator. This research shows that the impact of investment efficiency is directly related to an audit committee, and that, an audit committee also has a positive influence on firm wealth. Finally, contributions and suggestions are also provided for further research.

Keywords: operating budget; financial budget; business growth strategy; investment efficiency; audit committee; and firm wealth.

11. MIS CAREER PLANNING BY COURSE RELATED MIS RESEARCH

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ABSTRACT

This paper provides an example of classroom pedagogy helping students to understand and plan for their career based on current market needs and demands. Students worked collaboratively as a group to develop categories of employment, skill and knowledge requirements, and suggestions for developing the needed abilities. Ultimately students prepare a career plan that extends beyond completing their degree.

Keywords: Employability, MIS Careers

12. AN EMPIRICAL TEST OF THE RISK-RETURN TRADE-OFF IN EDUCATIONAL CHOICE

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ABSTRACT

Education is commonly viewed as an investment in human capital. Is there a risk-return trade-off in education as in financial assets? This paper empirically tests the correlation between the risk and return of education using the Current Population Survey (CPS) data in 1968-2006. I construct longitudinal data by matching the consecutive CPS March supplements. I assume that the return to education is heterogeneous across individuals and random. I estimate a mixed model of earnings with random coefficient on schooling. Part of the estimation of the mixed model includes estimation of the variance-covariance structure of the random coefficients. I use the estimated variance of the random return to education to measure risk in educational choice. I find that the risk and return of education is positively correlated and the risk of educational investment has a significantly positive effect on the return to education.

Keywords: Education, Human Capital Investment, Risk-Return Trade-Off, Mixed Model

13. REGULATIONS AND THEIR IMPACT ON SMALL BUSINESS AND ENTREPRENEURSHIP

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ABSTRACT

This paper highlights the financial burden incurred by the American private sector, and small firms in particular, as they seek to comply with regulations on the federal level. This will also examine the experience of entrepreneurs and small businesses in selected cities, as they struggle to thrive amid a
plethora of state and local regulations that often hamper economic growth and development. This should provide invaluable lessons especially for policymakers interested in promoting urban renewal.

**Keywords:** Regulatory Barriers, Small Firms, Regulatory Environment, Entrepreneurship

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14. THE EFFECTS OF RISK MANAGEMENT EFFECTIVENESS ON ORGANIZATIONAL SUSTAINABILITY OF INFORMATION TECHNOLOGY BUSINESSES

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**ABSTRACT**

This article is about the effects of risk management effectiveness on organizational sustainability. The study examines the relationships among risk management effectiveness on corporate competitive advantage, where organizational commitment is taken as a moderator. The results indicate that risk management effectiveness including organizational operational efficiency, good corporate governance, and law and regulation compliances have a direct effect on corporate competitive advantage. Risk management effectiveness under organizational commitment has become increasingly important as its career development advantages have become more widely known until risk management effectiveness helps to ensure corporate competitive advantage. Moreover, the strong positive corporate competitive advantage could be given higher financial worth, as well as it can add value and increase the opportunities for organizational sustainability. In addition to the opportunities, it promotes significant and continuous improvement in corporate competitive advantage that will strengthen organizational sustainability. Finally, contributions and suggestions are also provided for further research.

**Keywords:** risk management effectiveness; organizational operational efficiency; good corporate governance; law and regulation compliances; corporate competitive advantage; organizational sustainability; organizational commitment; and continuous improvement.

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15. MARKET ORIENTATION AND THE DIMINISHING RETURN ON INVESTMENT IN COMMUNITY BANKS: IS MARKET ORIENTATION, OR ANY OF ITS THREE COMPONENTS, CONTRIBUTING TO BANK FAILURES?

John Fitzgerald
Gerald Sullivan
Boris Djokic

**PROBLEM AND BACKGROUND**

With a 40% reduction in the number of banks in Florida and 39% in Georgia between 2006 and 2012, the authors have looked at market orientation as a possible reason or contributor to the bank failures or success. Customers are demanding ever more at lesser cost. Competition is coming from all points on the financial services compass. Shareholders are seeking increased returns on their investment in bank equities. In addition, the financial regulators are demanding that capital be increased thus putting pressure to increase retained earnings. Additionally, consolidation is at a rapid pace either through the banks own direction or at the direction of the Federal and State regulatory authorities. It is into this fray that the authors of this article journeyed to determine if market orientation contributed to the failure of the closed banks.

Prior to 2006, studies have shown an inconsistent relationship between market orientation and enhanced business performance. Numerous researchers have addressed this issue with mixed results. (Kohli & Jaworski, (1990, 1993); Narver & Slater, (1990, 1994); Desphande et al., 1993; Avlonitis & Gounaris,
Some studies showed a slightly positive relationship between two of the three factors and levels of profitability, while other studies concluded there was no relationship. In 2007 the authors found a point of diminishing return on investment (4.7 on a scale of 7) when it came to customer orientation and concerns over competitive factors. To the knowledge of the authors, no research had previously been conducted to investigate at what point there is a diminishing return on an investment in market orientation. In the attempt to better understand the relationships between the factors of a customer and competitive orientations and profitability, the authors conducted another study in 2011 to determine if the same point of diminishing returns held true in the reduced economic times in effect from 2008 to 2010. The results of that study showed that the point of diminishing returns moved backwards to a 4 on a 7 point scale from the previous point of 4.7 during "normal" economic times thus implying a lesser level of service and its associated costs, as the banks absorbed the expense of additional loan losses brought on by distressed economic conditions.

**PURPOSE OF THE STUDY**

The authors have recently reviewed the listing of banks closed by the Federal Banking Authorities, specifically the Federal Deposit Insurance Corporation. Those banks contained in our prior research that had failed were reviewed to determine if there was a relationship between Market Orientation and each of its three components and the failure of the bank. The results of the “bank failure” study are contained in this paper.

**16. PENSIONS VS. HEALTH CARE, IT’S NOT ALL ABOUT PENSIONS**

James Estes, California State University San Bernardino

**Abstract**

*This paper is a study of the differences in the fiscal obligations of state public employee pension vs. health care obligations. Common perception and median continues to stress pension obligations, but is that really the largest threat to fiscal solvency for the states. This paper will show that not only pension, but health care obligations are a very real threat to the solvency of the states and to current and future retirees. This paper will explore alternatives and compare public pensions to private pensions pointing the absolute critical need for immediate reform.*

**Keywords:** Pension, State Funding, Health Care, GSAB