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DIFFERENCES IN POVERTY BY PLACE OF RESIDENCE: THE IMPACT OF COMPREHENSIVE INCOME

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The University of North Florida

ABSTRACT: This paper re-examines the differences in central city, suburban, and non-metropolitan poverty by evaluating those differences based on comprehensive income as opposed to the cash income concept used in official poverty statistics. The distribution sensitive Sen Index of poverty is used to measure poverty based on comprehensive income and the analysis is carried out at the aggregate level and among the four U.S. census regions. While most of the differences in poverty by place of residence using a comprehensive income are consistent with our understanding of poverty based on cash income estimates, there are some important differences. The results suggest that although suburban poverty remains lower under either income concept, the differences in central city and non-metropolitan poverty are not always consistent, particularly in the South.

VOLUNTARY STOCK OPTION EXPENSING: IS IT A POSITIVE SIGNAL?

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Valparaiso University

Mary York Christ

Valparaiso University

Zhenhu Jin

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Valparaiso University¹

ABSTRACT: We investigate the determinants affecting the cross-sectional variation in abnormal stock returns when firms announce a decision to voluntarily change from only disclosing option expense in the financial statement footnotes to recognizing option expense in the income statement. This is interesting because (1) expensing options lowers reported net income and changes a number of accounting ratios, both of which can increase the cost of capital, and (2) firms were under political pressure to increase the transparency of their financial statements during our sample period. Our study responds to a call for further research in this area. We contribute to the literature by introducing variables not considered in prior research and by investigating the issue using multivariate regressions. Our results show that the variation in abnormal stock returns supports our cost of capital and political pressure arguments. Specifically, we find that concurrent earnings announcements explain positive abnormal stock returns and that a number of firm specific variables that proxy for cost of capital and political pressure explain negative abnormal stock returns. Interestingly, the major result of prior research is that the variation in abnormal returns is associated with an early announcement period. These studies conclude that investors view these announcements as positive signals regarding future performance. Our results show no such relation when considering other variables not previously incorporated into multivariate regressions and controlling for concurrent earnings announcements.

ISLAM-BASED GRASSROOTS INSTITUTIONS FOR SUSTAINABLE INTEGRATED RURAL DEVELOPMENT: THE CASE OF SHEBA POLLY IN BANGLADESH

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ABSTRACT: Development planning requires innovation of appropriate institutions at grassroots to achieve the two-pronged goal of material and spiritual betterment. *Sheba Polly*, an integrated rural development scheme, is such an initiative with emphasis on religious imperatives for development. It is a charitable institution to provide six categories of aids at cost and under a charity scheme of ‘service according to need and payment according to ability’. Unlike the Comilla, BRAC, and Grameen rural development models it is a faith-based (*total*) development model under a charity scheme and it conforms to Islamic spirit and strategy of development. The paper describes the operation and maintenance of *Sheba Polly* as a development agency in Bangladesh.

THE AUTOMOBILE INDUSTRY: WHO IS BUILDING AND SUSTAINING ENDURING VALUE

Ronald Wood
Marist College

ABSTRACT: Current reports show operating profits for Toyota at about \$2000 per vehicle, while GM reported \$18 per vehicle and Ford (\$200) per vehicle. This has resulted in GM and Ford losing significant market share, while engaged in mass restructuring by closing plants and laying off thousands of employees. Meanwhile Toyota is expanding and in fact has reached a worldwide market share reportedly at 10%. Toyota executives recently reported that their goal is now to achieve a 15% worldwide market share making them the number one automaker in the world. Both GM and Ford were innovators and able to sustain value during the most of the 20th century; but they stopped and became complacent, unwilling to get creative, innovate, and risk takers. This paper will provide a comparative analysis of Toyota, and Ford to discover some reasons why Toyota is sustaining value and Ford is not.

THEORY OF REASONED ACTION: REASSESSING THE RELATIONSHIPS OF MORAL AND ETHICAL CLIMATES IN ORGANIZATIONS

Michael C. Pickett
National University

ABSTRACT: Although not specifically designed for organizations, the Fishbein and Ajzen model (1975) suggests that a confluence of social and personal beliefs regarding a particular behavior determines one's intention to perform, or not perform, a given behavior. This model was adapted to the study of organizational behaviors with the addition of ethical climates as a mediating variable. The study begins with the Fishbein and Ajzen (1975) and Pickett's (2005) models and adapts them to an organization to isolate and define the factors that predict behavior. This study discovered that an employee's behavior is significantly related to organizational ethical climates and that attitude and subjective norms also had moderating effects on eventual behavior outcomes to a lesser extent than one's perceived intention.

AN EXAMINATION OF HEALTH SAVINGS ACCOUNTS: ARGUMENTS FOR AND AGAINST THE NEW TAX SAVINGS AND HEALTH CARE DEVICE

Benjamin Rue Silliman
St. Johns University

ABSTRACT: A health care crisis in the United States exists with rapidly rising medical and insurance costs, causing the number of uninsured Americans to reach 45 million since 2004. A recently enacted tax vehicle known as Health Savings Accounts (HSA) allows taxpayers the ability to purchase a high-deductible health insurance plan and make tax-deductible contributions to a portable tax savings account used to accumulate funds to pay for future medical costs. Some economists and policymakers argue that the problem with rising health care costs is largely because it is not consumer-driven: traditional group insurance plans pay the direct cost of medical care, not the consumer. HSA proponents argue that health care costs will begin to decline since consumers pay a much larger portion of such costs directly, exercising more consumer-driven behavior as a result. HSA critics argue that the new accounts will ultimately destroy “adverse selection,” shifting healthier, higher-earning employees away from traditional group insurance plans, making health insurance even more expensive and unattainable for many middle- and lower-income working Americans.

LONGEVITY OF BUSINESS DEANS

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ABSTRACT: This study addresses the longevity of business deans in their positions of leadership at a particular institution. How long do business school deans remain in office? What factors can be associated with short or long tenures as a business dean? The study analyzes the employment experience of two groups of business deans. The first group is comprised of 59 attendees of a New Deans Seminar held in 1981 by AACSB International-The Association to Advance Collegiate Schools of Business. How long did these deans stay in office? How many have remained in their positions for 25 years or more since they became dean? How many were still in office after 5, 10, 15 and 20 years? A second group analyzed is comprised of 230 new business deans who attended AACSB's New Deans Seminar from October 2001 through June 2006. How many of these deans left their deanships before five years? Answers to these and other questions are provided by a study of longitudinal data. The results suggest that there are more short-term business deans than long-term business deans. In its analysis of the longevity of business deans, this article presents a five stage model depicting the career life cycle of deans as well as other higher education administrators. The discussion seeks to provide an understanding of why some deans enjoy long tenures in their positions while the tenures of others are short lived.

SOCIAL IMPACT MANAGEMENT: ARE MORE GUIDELINES NECESSARY FOR ACCOUNTING, REPORTING AND ASSURANCE?

Vinita M. Ramaswamy
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University of St. Thomas

ABSTRACT: There is a widespread acceptance of the realization that Corporate Social Responsibility (CSR) reports add to corporate value, as well as provide additional information about future resources and obligations of a company. Therefore, a study of reporting trends and practices in this area is important in order to assess the needs of the business community and its stakeholders, and to provide the necessary tools and guidance. This paper develops a Responsibility Reporting Index (RR Index) and performs a comparative study of the reporting practices of a sample of companies to investigate the hypotheses that there is a rising trend in the number of companies issuing corporate accountability reports, as well as in the complexity of the reports issued. The results indicate a clear increase in reporting frequency and as well as a proliferation in the components of these corporate responsibility report., However, there is no consistency in measurement standards or reporting practices. This paper also finds that socially responsible investing has increased considerably over the past few years, thus indicating an increased demand for CSR reporting.

LATERAL MARKETING STRATEGY AS A TOOL FOR VALUE CREATION : A CASE STUDY OF DAIRY PRODUCTS INDUSTRY IN TURKEY

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ABSTRACT: High level of maturity in the dairy products market in Turkey forced many firms to align their marketing strategies towards lateral marketing attempts. This approach enabled many producers to be able to differentiate themselves by using the “wellness” concept. The objective of this study is to demonstrate that even in mature and slowly changing markets, lateral marketing approach can be utilized in both differentiation in competition and offer value to the products. The paper discusses success stories of dairy products in Turkey and investigates ways to bring added value to the products in mature markets.

ORIENTING AND INTEGRATING FRESHMEN INTO THE BUSINESS SCHOOL EXPERIENCE

Musa Pinar

Michael K. McCuddy

Elizabeth F.R. Gingerich

Valparaiso University

ABSTRACT: Mentoring programs have proven to be beneficial for the career and psychological development of employees in business and industry settings. This paper examines students' perceptions regarding the potential benefits of a mentoring program within the business school setting. Specifically, the study investigates how helpful a proposed mentoring program could be in orienting and integrating students into the business school experience with respect to various academic and non-academic issues that they may face when they start their college education. A survey instrument was developed to investigate the academic and non-academic benefits of the proposed mentoring program, and was administered to lower-level and upper-level business students at a private university in the Midwestern United States. The results, based on 164 completed surveys, show that students as a whole perceive the mentoring program to be overwhelmingly beneficial for their academic and non-academic experiences. However, it seems that the mentoring program would be most beneficial in addressing students' academic concerns. Also, the study found that lower-level students may benefit more than upper-level students from the implementation of the mentoring program. Finally, we discuss issues concerning the implementation process itself.

THE DAY-OF-THE-WEEK (DoW) EFFICIENCY OF ASIA-PACIFIC STOCKMARKETS

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ABSTRACT: The day-of-the-week (DoW) anomaly or effect in stockmarkets has been extensively studied. If returns are generated on a trade and not calendar basis, then there should be no difference in the log-return distributions across the days-of-the-week. This implies that a DoW efficient market should have no significant differences between their conditional distributions over the days-of-the-week. Analogously, significant differences between conditional distributions over trading days indicate DoW inefficiencies.

The empirical distribution functions (EDFs) of the $\log(\text{Close}/\text{Open})$ returns on a particular day to the $\log(\text{Close}/\text{Open})$ returns on the remaining four business days (bizdays) are compared to measure the existence of the DoW effect, if any, amongst the stock exchanges comprising the Asia-Pacific region. Any significant deviations between the day-of-the-week EDFs are taken as an indicator of the presence of a DoW effect. The Kolmogorov-Smirnov (KS) statistic and test is used to ascertain the significance of the DoW effect. A modified KS-statistic, called the DoW-statistic, further used to define the degree of DoW efficiency or inefficiency. The lowest DoW-statistic obtained for each market is subsequently used to rank the 11 Asia-Pacific stockmarkets investigated based on their DoW (in)efficiencies.

Of the 11 Asia-Pacific markets considered, it was found that the Australian stockmarket was the most DoW efficient for the period 1/1/2000 to 1/1/2007. The least DoW efficient was the Indonesian stockmarket for the same period. The DoW-statistics for Asia-Pacific markets ranged from 0.9065 to 0.8092 with higher values being more DoW efficient and lower values being more DoW inefficient.

DECENTRALIZED SYSTEM OF MEDICAL, HEALTH AND SOCIAL WELFARE: AN EXPERIMENT IN REORGANIZATION OF GOVERNMENTAL SERVICES

Iraj Mahdavi
National University

ABSTRACT: In the process of reorganization and consolidation of public health, medical and social services in Iran and development of a new Ministry of Health and Social Services, several new concepts were introduced and implemented that were new to the Iranian administrative and management cultures and which resulted in a totally new approach to the government's role and view of providing public service. In this paper the author discusses these concepts which are still relevant and applicable, especially in the developing countries.

“YOU’VE GOT MAIL”: VIRTUAL TEAMING

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Marsha Carson

Lauren Maxwell

University of Central Arkansas

Emmanuel Lopez

Universidad de Colima

ABSTRACT: Through the use of e-mail, students share cross-cultural experiences that provide an opportunity to learn the cultures of their virtual partners. Students gain practical experience through the use of virtual teaming in an educational setting that will serve as a valuable asset when they use virtual teaming in the workplace. The objective of this paper is to provide a practical guide for professors who are interested in implementing cross-cultural virtual teaming projects into their courses. This article presents an overview of the evolution of cross-cultural virtual projects among universities in Canada, Mexico, the United States, and Europe. The universities are/were partners in four grants sponsored by the Fund for the Improvement of Post-Secondary Education (FIPSE). The initial virtual project involved an exchange of cultural information between students in business courses at four universities. The project has evolved to include graduate and undergraduate courses in sociology, public administration, management, marketing, economics, communications, finance, and management information systems. Virtual teaming topics include codes of ethics, cases in global ethics, global cultural analysis, culture through cinema, leadership through cinema, and export/import of limons (limes). Virtual teaming projects can be integrated into any course, and the participating courses can be cross-disciplinary, i.e. a Business Communications course could be teamed with a Systems Analysis and Design course.

PROMOTING LIFETIME EMPLOYMENT OF FREETERS IN JAPAN

Khondaker Mizanur Rahman
Nanzan University

ABSTRACT: Since the post-bubble period of the 1990s, the traditional lifetime employment system in Japan has failed to accommodate all job seekers in its mainstream and, consequently freeters, part-timers, and other non-regular employment practices, have come into being and increased enormously, threatening the very foundation of the national labour market and human resources management (HRM) system. In view of this situation, using a structured questionnaire survey, this paper examines the type of facilities and support that freeters and part-timers need at the pre-employment, job-search, and post-employment phases, and from employers, management and other sources to help them secure full-time employment. With the assumption that training and education is the most effective means to increase employability and job sustainability, the paper postulates a schematic framework of training and education that, if applied as envisaged, would elevate their positions to lifetime regular employment.

VALUE RELEVANCE OF INTERNATIONAL FINANCIAL REPORTING STANDARDS: CAN IFRSs SAVE THE WORLD?

S. Thomas Rim
National University

ABSTRACT: Accounting rules differ significantly across countries partially because of environmental factors such as the type of legal system followed by the country, importance of equity as a source of capital, cultural differences and the extent to which accounting statements serve as the basis for the taxation. As the capital is more mobile and becoming global, it is almost imperative to have one single language to interpret financial information by either the International Financial Reporting Standards or the U.S. GAAP. This paper investigates incremental value relevance of accounting reconciliation from the International Financial Reporting Standards (IFRSs) to U.S.GAAP for Chinese companies simultaneously issuing A-share and B-share in China and listed at the U.S. stock market. As the SEC announced a ‘roadmap’ aimed toward eliminating the reconciliation requirement for foreign IFRS filers by 2009, this study will contribute to investor’s decisions for value relevance.