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**ABSTRACTS****1. INSTITUTIONAL ISSUES IMPEDING PROGRESS OF THE FREE TRADE AREA OF THE AMERICAS AGREEMENT (FTAA)**

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**ABSTRACT**

*For any bilateral or multilateral trade agreement to be effective, it is imperative that all participants derive maximum benefit. This paper examines the institutional issues facing the partners of the Free Trade of the Area of the Americas (FTAA), analyzes some of the current areas of conflict and suggests action to reduce tensions and promote harmony, cooperation and accommodation which is a necessity when multiple countries attempt to foster such an agreement.*

**Keywords:** FTAA, agreement, countries cooperation

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**2. THE ATTRACTIVENESS OF THE PLACE IN A REGION LAGGING BEHIND**

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**ABSTRACT**

*Recent research indicates that modern regions and cities give a special attention to attract people with features that best correspond to the contemporary individual, business and development challenges through creation of sound living and entrepreneurial framework conditions. The attractiveness of a region or a city can be assessed by exploring the opinions of the student population considering the questions about their future home place.*

*This paper evaluates students' perception of the place attractiveness and explores a number of issues related to their preferences on different aspects of future home place. It is based on the survey among 168 undergraduate students at the J.J. Strossmayer University in Osijek (Croatia) conducted in 2008. In particular, this research tries to ascertain what factors are of importance when young people choose home place. The students' opinions offer a fruitful insight into the factors underlying migration choice in the region lagging behind and therefore can be used as a basis for policy recommendation directed to enhance a regional or urban competitiveness.*

**Keywords:** migration, Osijek, place attractiveness, migration factors, migration aspirations

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**3. EMERGING FDI PATTERNS IN THE CARICOM REGION**

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**ABSTRACT**

*Regional trade agreements for developing countries potentially attract FDI and increase economic development. We examine FDI flows to CARICOM, inter and intra-regionally over a 32 year time period, to establish how flows affect country capital structures, and hence development. We extend academic study of the economic impact of RTAs in an understudied region of the world. The study tests*

*FDI as a percentage of GDP and as a percentage of capital formation against macroeconomic variables. We use data from the World Bank and OECS countries for tests of both inter-regional and intra-regional FDI flows, comparing flows to the Latin American region and to an aggregate of World flows. FDI flows are increasing and are greatest to countries that have less political risk and better physical infrastructure. Greater FDI flows to countries with weaker currencies and smaller populations are arguably attributable to regional integration. Industries that are major foreign exchange earners, such as tourism, mining and quarrying, and petroleum further concentrate economies and point to problems for long term economic diversification and development. Data limitations restrict a comprehensive analysis of the CARICOM region over this time period, particularly for intra-regional flows. The study provides information for researchers and governments to consider regarding country capital structure, FDI flows and economic diversification for long-term stability. This paper extends previous work on country characteristics and FDI flows, and the economic impact of regional trade agreements. In addition, this paper shows that FDI flows increase in a similar manner to the amount of trade creation for countries that are members of CARICOM.*

**Keywords:** *Foreign Investment, Regional Trade Agreements, CARICOM, Country Capital Structure*

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#### **4. PARTICIPATORY BALANCE AS A DEVICE FOR THE STRENGTHENING OF THE PUBLIC SPHERE: A CASE STUDY**

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##### **ABSTRACT**

*Participatory balance can be defined as a decision-making process which involves the direct and effective participation of citizens in public administration with respect to establishing the objectives and distribution of public financing. It consists of a process of conjoint discussion concerning budget proposals brought forth throughout the year, all the while taking account of collective wishes. It can be thought of as a process which allows for the gradual perfecting of budget documents (in particular, investment plans for public works and services), which are actively discussed by the inhabitants of the territory. What is more, it is characterized by a strict time-frame so as to bring the chosen courses of action to term. Participatory balance has got a strong symbolic value as it represents the concrete wish to bring about change within institutions and, furthermore, is the main means through which to build and consolidate the relationship between citizens and politics. Currently, it is considered a significant re-balancing tool in relation to territorial internal affairs. By means of positive discrimination, this collective participation tool is meant to involve classes of subjects who do not possess formal political rights (minors and foreigners). The experimentation of participatory balance within various contexts has given way to the highly efficient management of the public bureaucracy machine, and has rendered the political policies adopted more effective through the construction of shared choices. Furthermore, it has allowed for the creation of broader social pacts that embrace weaker citizens, and has led to an increase in political consent among the administrations that have granted citizens open access to their work as far as supervision and direct intervention are concerned. The following work aims to illustrate this innovative, democratic participation tool through an authentic case study.*

**Keywords:** *balance, democracy, citizenship*

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## 5. THE MARKET REACTION TO THE FORGIVENESS OF DEFERRED TAXES DUE TO THE REPEAL OF THE DOMESTIC INTERNATIONAL SALES CORPORATION: EXPECTATIONS REGARDING SUBSEQUENT EXPORT RELATED TAX INCENTIVES

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Sharad Maheshwari, Hampton University, Hampton, Virginia, USA  
Jacob Angima, Hampton University, Hampton, Virginia, USA

### ABSTRACT

*This study addresses two issues regarding the Deficit Reduction Act of 1984 (DRA) which was signed July 1984, replacing the Domestic International Sales Corporation (DISC) with the Foreign Sales Corporation (FSC). The change resulted in wealth adjustments for DISC exporter since accumulated unpaid taxes on the DISC were forgiven. The first is whether the DISC repeal affected the values of DISC's operators. The second is whether alternative accounting methods resulted in different values across firms during news releases regarding DISC repeal. The investigation of these issues is accomplished by (1) measuring the contemporaneous association between changes in firm security prices and news releases about DISC repeal, and (2) comparing the reaction due to tax announcements of firms that had/had not provided taxes on accumulated DISC income to isolate the accounting method choice effect. The results indicate that the DISC-related announcements conveyed significant negative news to exporters. However, on average security price changes of firms moved in the same direction and the choice of accounting method did not result in an unequal impairment of firm value. It is expected that the subsequent market reaction to the repeal of tax incentives of the Foreign Sales Corporation and the Extraterritorial Exclusion Act will be similar.*

**Keywords:** *Deferred Taxes, Foreign Sales Corporation, Extraterritorial Exclusion Act, Domestic International Sales Corporation*

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## 6. SOME DETERMINANTS OF THE REAL AND FINANCIAL SECTOR DIVERGENCE PROBLEM IN TRANSITIONAL ECONOMY: THE CASE OF CROATIA

Drago Jakovcevic, Graduate School of Economics & Business, Zagreb, Croatia

### ABSTRACT

*The paper actualizes the problem of imbalance between the real and the financial sector of the Croatian economy. In spite of the solid economic growth rates, stability of local currency, liberalization of current and capital transactions and the initiated structural reforms and legislative adjustments to the EU acquis, the Croatian financial system and the real sector are not in balance which would guarantee long term, crisis-free stability. The banking system, almost completely internationalized in terms of ownership, in the last few years has been developing strongly and dynamically, reaching the level of efficacy of the banking systems in developed world countries. High and expansive growth rates of the banks' assets are supported not only by the growth of GDP, but also by the significant foreign debt of the domestic sector. The central bank has introduced a limitation on the growth of placement and practically halted the growth of foreign debt of the domestic banks. Such measures decrease the excessive total foreign debt of the country, weaken the pressure on the growth of inflation, but also additionally slow down the economic growth which could, if it results in a recession, cause a credit crunch. The negative trends mentioned are accompanied by an exceptionally high leap of real estate prices on whose values in the function of collateral banks have achieved progressive expansion of their assets. The problem of bank portfolio safety and of the stability of the financial system will escalate if a more significant drop in real estate prices occurs, which would disable the banks from compensating for credit placements without major losses by auction of collateral.*

**Keywords:** *economic growth, foreign debt, loss given default, real estate*

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## 7. (VOLUNTARY) HEALTH CARE MANAGEMENT IN SMEs

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Matthias Fink, Vienna University of Economics & Business Administration, AUSTRIA  
Sascha Kraus, University of Vaasa, FINLAND & Vienna University of Economics & BA, AUSTRIA

### ABSTRACT

*With reference to topical debates in which the lack of voluntary corporate health care programs in small and medium sized enterprises (SME) and the obstacles of their realization are pointed out, we analyze – by means of the resource based approach – to analyze to what extent there are differences in corporate health care activities according to company size. An analysis of work reports on corporate health care of 101 Austrian SMEs of different sectors which presented their health promotion programs from 1999 and 2005 serves an empirical basis (document analysis). In terms of the analysis of the derived quantitative data, correlation and regression analyses have been used in order to compute the statistical results. Contrary to expectations, our findings indicate that smaller companies do not conduct less health care activities than larger enterprises.*

**Keywords:** Health care, voluntary, management, SMEs

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## 8. AGENT-SUPPORTED SITUATION AWARENESS IN GLOBAL BUSINESS

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### ABSTRACT

*With increasing globalization, business people travel frequently to other countries to face diversified cultures and unfamiliar and dynamic environments. They hope for information and knowledge support to familiarize themselves quickly with the new environment to acquire situation awareness (SA). Such business people increasingly rely on the Internet. However, surfing the Internet to research is time consuming, and these researchers suffer from information overload. Those seeking situation awareness expect more advanced, intelligent help. This paper investigates the potential use of intelligent agents to support situation awareness in global business and proposes a framework for agent-based situation awareness.*

**Keywords:** Intelligent Agent; Situation Awareness; Global Business

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## 9. THE CONTESTED SPACE: WOMENS EXPERIENCE IN LEADERSHIP ROLES

Linley Lord, Curtin University of Technology, Perth Western Australia

### ABSTRACT

*This paper reports on findings from research regarding academic women's experience in leadership roles in Australian universities. Their experience of leadership occurs in the contested space. The contested space arises because of the tension between 'self' and 'others' expectations of leaders and leadership. A lived experience of leadership occurring in the contested space means for the women in this research that their leadership authority is challenged because they are women and regardless of the leadership style they choose. It is a space of ongoing negotiation regarding their legitimacy as a leader. Despite their efforts to create and maintain professional working relationships and to be recognised for their own competence they continue to be seen as representative of all women and accountable for all women's behaviour.*

**Keywords:** academic women, leadership, contested space, leadership expectations, women leaders

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## 10. DOING BUSINESS IN CHINA: A GERMAN PERSPECTIVE ON JOINT BUSINESS VENTURES

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Christine Mitter, Salzburg University of Applied Sciences, AUSTRIA  
Florian Siems, Salzburg University of Applied Sciences, AUSTRIA

### ABSTRACT

*This article should serve as a starting basis for Western companies to better understand the needs and particularities of doing business with the PRC as one of the most expanding markets of the future. The goal of this article is to analyse the problems of intercultural management of Chinese- German business relations, especially with regard to the HR dimensions, and to ascertain their roots and potential possibilities of advancement. After defining some of the most relevant cultural differences between Germany and China and having a closer look at the socio-cultural characteristics of the PRC (section 1), aspects of Human Resource Management and Leadership for German-Chinese business cooperations will be examined in the main part of this article (section 2), followed by a conclusion with necessary implications for management (section 3).*

**Keywords:** *China, Germany, Joint Ventures, Intercultural Management*

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## 11. STUDY REGARDING SOME DETERMINANT CHARACTERISTICS OF THE OFFER IN RETAIL UNITS BY OUTLINING CONSUMER'S PREFERENCES

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Dan Cristian Dabija, Babe Bolyai University, Cluj-Napoca, Romania  
Ioana N. Abrudan, Babe Bolyai University, Cluj-Napoca, Romania

### ABSTRACT

*The aim of this study is to test consumer's preferences regarding retail in a major Romanian city. In addition, the present research underlines the way consumers perceive some determinant characteristics of the offer of retail units and establish a certain priority order in their preferences regarding the units, depending on the attraction force exerted by the attributes of the specific offers. Thus, the study is focused on the way the offer of retailers is perceived by consumers and on the motives that determine them to prefer a certain type of retailer. The article begins with a short presentation of research methodology and of the important characteristics of the sample of consumers included in the study. Furthermore, in the central part of the paper, the authors present the results of the measurements obtained through the research, accompanied by the drawn conclusions.*

**Keywords:** *preferences, determinant characteristics, priority, diversity*

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## 12. POLITICAL INFLUENCES ON DOW JONES INDUSTRIAL AVERAGE INDEX RETURNS: PERCEPTION AND REALITY

Haiwei Chen, California State University, San Bernardino  
Jim Estes, California State University, San Bernardino  
Greg Richey, California State University, San Bernardino

### ABSTRACT

*In this study, we provide a thorough examination of the notion that the Dow Jones Industrial Average Index does better under a Republican administration. Using data from 1901 to present, we identify the period in which Republicans control 1) the White House and 2) the White house, House of*

*Representatives and the Senate. We find that the party affiliation of the Presidency has no effect on returns. The effect from political gridlock has little impact on returns in that the returns during the period of complete control by the Republicans are not significantly different from that during the period of complete control by the Democrats. However, confirming the results in previous studies, returns are significantly higher during the second half of a Presidency than during the first half.*

**Keywords:** *Political Stock Market Cycles, Dow Jones Index, Political Party*

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### 13. EVOLUTIONARY EPIC OF 'GREENING' CHINESE DRAGON'S MANAGEMENT INSTITUTIONS

Anna L. Rowe, Curtin University, Perth, Western Australia

#### ABSTRACT

*The 2007 United Nations Intergovernmental Panel on Climate Change, coupled with Al Gore's statements on global warming and the Stern review, have propelled global environmental issues further to the forefront. The People's Republic of China (PRC), the world's most populous nation with one fifth of humanity matched by an insatiable appetite for raw materials to boost its economic growth, has a pivotal role in global environmental protection. The 1972 UN Conference on Human Environment in Stockholm was a turning point for China's contemporary environmental journey.*

*The focus of this paper is to broadly map out the four major phases of the PRC's environmental management institutions as an organisational field that impact on corporate environmental management. Utilizing an institutional theoretical lens, a historiography analysis of critical events that shape the construction of regulative, normative and cognitive institutional stages of development is reported in this study. The evolutionary epic has shifted from an initial denial of environmental problems (cognitive), to reliance on regulatory laws (regulative) in managing such concerns, and to a lesser extent, towards environmentalism as social responsibility (normative), and strategic environmentalism (cognitive). The journey of China's cognitive and normative environmental institutions coexists with the dominant coercive regulative institutions.*

**Keywords:** *China, Environmental Management, Historiography, Institutional Theory*

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### 14. REVERSAL IN EARNINGS AND MEAN ANALYSTS' EARNINGS FORECASTS

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Richard A. Lord, Montclair State University, Upper Montclair, New Jersey, USA

#### ABSTRACT

*Prior research provides evidence that analysts play a valuation role in the capital markets. We extend this line of study, by analyzing both profitable and unprofitable intangible intensive firms. Our results show that the mean analysts' earnings forecasts provide useful information about the market pricing of two kinds of earnings reversals, one for GAAP earnings and the other for earnings arising from intangible assets. We also show that the mean analysts' earnings forecasts help to detect the influence of capitalization and amortization of intangibles on book value reflected in security prices. Our findings indicate that market participants expect a larger reversal in earnings arising from intangible assets than from GAAP earnings.*

**Keywords:** *Intangible Intensive Firms; Reversal in Earnings; Analysts' Earnings Forecasts*

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### 15. MOTIVES OF INTERNATIONAL JOINT VENTURES FORMATION IN INDIA: IDENTIFICATION OF LATENT RESOURCE BASED MOTIVES

Rajeev D Sharma, Charles Darwin University, Northern Territory, AUSTRALIA

#### ABSTRACT

*The study of IJV motives has been helpful in identifying a wide range of motives in different country contexts. However for many potential IJV stakeholders, the range of motives can be daunting. Many potential IJV parent firms prefer to make initial assessment based on a simplified set of motives. This study is an attempt to identify a simple structure of IJV motives that is easy to comprehend. Findings of IJV motives in India are subjected to factor analysis to achieve significant reduction in the range of important motives.*

**Keywords:** *International joint venture, motives, factor analysis, and resource-based view*

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### 16. CUSTOMER SATISFACTION MODELS AND THE INTEGRATION OF PRICE PERCEPTIONS – A NEW MANAGERIAL APPROACH AND AN EMPIRICAL DEMONSTRATION

Florian Siems, Salzburg University of Applied Sciences, AUSTRIA  
Sascha Kraus, University of Vaasa, FINLAND & Vienna University of Economics & BA, AUSTRIA  
Christine Mitter, Salzburg University of Applied Sciences, AUSTRIA

#### ABSTRACT

*Customer satisfaction and loyalty are important marketing topics today. For managing customer satisfaction and loyalty, a lot of models were developed in the last years. Most of these models concentrated on quality as the antecedent of customer satisfaction and loyalty. The purpose of this paper is to show that incorporating price perceptions in these models can be very useful for managing satisfaction and loyalty. Thus the current paper is divided into two parts. We first show theoretically – based on several consumer behavior theories and publications – what price perceptions can be. Then we go on to demonstrate empirically – based on a study for the Basel Zoo in Switzerland and by using structural equation modeling – how price perceptions can be integrated in customer satisfaction models and how the findings can be used for a better management of customer satisfaction and loyalty.*

**Keywords:** *price perceptions, customer satisfaction, loyalty, price fairness, reference prices, profit chain*

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### 17. EDUCATING FOR ACCOUNTING ETHICS: ABILITIES AND IDENTITIES? THE CASE FOR A MODEL OF MORAL MOTIVATION DEVELOPMENT

Jan Svanberg, South Stockholm University College, Huddinge, Sweden

#### ABSTRACT

*When moral motivation has been the subject of study in accounting ethics, it has been described according to the moral virtue theory. According to it an accountant has a general propensity for moral action and the propensity is a relatively stable and context independent personality trait. The present article adopts a different approach. Moral motivation is described as a highly dynamic and context dependent cognitive function which can be conceptualized with the self-concept. The salient identity provides the standards for self-evaluations, which determine the motivation for moral behavior. An accountant can activate a personal identity, a relational identity, and various social identities and each of them has its own motivational consequences. A theory of 'moral motivation development' that partly parallels the Kohlberg moral development theory is described and the interrelationship between moral reasoning and moral motivation is discussed.*

**Keywords:** *Accounting ethics, deliberative moral reasoning, self-concept, education*

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## 18. PROFESSIONAL KNOWLEDGE, AUDIT QUALITY, AND PERSONAL IMAGE: AN EMPIRICAL STUDY OF TAX AUDITORS IN THAILAND

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Phapruek Ussahawanitchakit, Mahasarakham University, Thailand

### ABSTRACT

*This study examines the influencing of professional knowledge on personal image through audit quality. Also, we investigate two moderator effects: time pressure influence on the relationship between professional knowledge and audit quality, as well as social recognition influence on the relationship between audit quality and personal image. Professional knowledge in this study defines as two characteristics: technical knowledge and practical knowledge. We posit the positive relationship among professional knowledge, audit quality, and personal image as well as time pressure and social recognition as moderators of these relationships. Samples are tax auditors who are specific independent occupations that depend upon the conditions of The Revenue Department of Thailand. The role of tax auditors are increasing and their responsibilities are similar to auditors. Questionnaire was used to collect data and analyze by regression statistic technique. The results show that there are the positive relationship between professional knowledge and audit quality but no influence of a moderator – time pressure. Surprisingly, this finding also indicates that no affect of social recognition on the relationship between audit quality and personal image. However, the positive relationship between audit quality and personal image has just been occurred. Giving probable discussion is competently implemented in the study. Contributions, future research and conclusions will be purposed.*

**Keywords:** Professional Knowledge; Technical Knowledge, Practical Knowledge, Audit Quality, Personal Image, Time Pressure, Social Recognition, Tax Auditor

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## 19. THE IMPACT OF MERGERS AND ACQUISITIONS ON WORLD ENERGY ENTERPRISES' STOCK RETURNS

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Dimitris Kenourgios, University of Athens, Athens, Greece  
Ioannis Tsakalos, University of the Aegean, Chios, Greece

### ABSTRACT

*This study examines energy firms' stock returns' behaviour, when they announce mergers and acquisitions. The methodology used is event study analysis. The particular companies that were selected are companies from all over the world and are divided into four regions. Companies' selected taking into consideration the market where they are listed, if they are bidders or targets, if they are domestic or not, the value of the transaction and the year of announcement. Findings show that mergers and acquisitions add financial value on energy firms' shares.*

**Keywords:** energy sector, mergers and acquisitions

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## 20. EFFECTS OF ORGANIZATIONAL LEARNING CULTURE ON SERVICE QUALITY AND PERFORMANCE OF THAI ACCOUNTING FIRMS

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### ABSTRACT

*This study attempts to examine the relationships among organizational learning culture, service quality, and performance. Accounting firms in Thailand are the sample. Organizational learning culture is an independent variable, including team orientation, systems orientation, learning orientation, and memory orientation. For service quality, it is a mediating effect of the research relationships. The result shows that only team orientation has a significant and positive influence on service quality and performance. Also, service quality has a direct and positive effect on performance. Surprisingly, systems orientation, learning orientation, and memory orientation have no impacts on service quality and performance. With respect to the research results, organizational learning culture potentially has both direct and indirect relationship with performance, especially team orientation. Theoretical and practical implications are clearly provided. Lastly, conclusion and suggestions and directions of the future research are effectively described.*

**Keywords:** *Organizational Learning Culture, Team Orientation, Systems Orientation, Learning Orientation, Memory Orientation, Service Quality, Accounting Firms*

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