ABSTRACTS

1. CHALLENGES FOR INTERNATIONALISATION OF CHINESE FIRMS: LESSONS FROM A FAILED CHINESE OUTWARD INVESTMENT CASE

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ABSTRACT

Firms from developed countries traditionally internationalise using existing competitive advantages as they seek higher returns. However, firms in developing countries such as China, internationalise in order to address existing competitive disadvantages through the acquisition of technology and resources. Given the apparently daunting process of internationalisation for Chinese multinationals, questions arise about the specific challenges they face when embarking on overseas investment. This study analyses the failure of a New Zealand-Chinese international joint venture (JV). The results suggest that the primary challenges for Chinese multinationals include poor alignment of partner goals and strategies, cultural and organisational ‘foreignness’, and a lack of management expertise.

Keywords: outward foreign direct investment, internationalisation, international joint venture

2. INSTITUTIONAL OWNERSHIP AND FIRM PERFORMANCE IN THE FOOD, PHARMACEUTICAL AND RETAIL INDUSTRIES

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ABSTRACT

The past few decades have witnessed a dramatic rise in the institutionalization of share-ownership. The transformed ownership landscape has been accompanied with the rise of shareholder activities, or the active involvement of influential shareholders in corporate affairs. Shareholder activities range anywhere from individual negotiations with the board of directors and management to proxy fights at the annual shareholders’ meetings. Although shareholder activism has indulged in important initiatives aimed at protecting and preserving shareholders’ rights, the academic literature has yet to unambiguously establish the extent of linkage between institutional ownerships and the financial performance of the firms. The reason for the lack of consensus on the subject is attributed to the uncertain impact of shareholder activism on the modus operandi of targeted firms. In this paper, I investigate the linkage between institutional ownership and the financial performance of the firms belonging to the food, the pharmaceutical and the retail industries. The aforementioned industries constitute a highly visible and an increasingly important part of the world economy. The findings indicate that there exists no substantive connection between the extent of institutional ownership and the market returns of the firms.

Keywords: Institutional Ownership; Shareholder Activism; Corporate Governance; Financial Performance
3. DIFFERENTIATING INTERNATIONAL POSITIONING ACROSS INDUSTRIES: A COMPARATIVE STUDY

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ABSTRACT

International positioning perceptions are believed to influence firm's decision for international business, operating under different industries. This article explores and tailors the criteria using Principal Component Analysis and Factor Analysis, which reveals how international positioning differs across the industries. The criterion is applied to investigate the relationship between international positioning perceptions and the firms operating under different industries. Data from 329 international business companies demonstrated a high degree of correlation among 12 international positioning variables. These were broadly grouped into two categories using multivariate, one way ANOVA and factor analysis: firm based effective positioning and market based effective positioning. A significant relationship was found between decision sensitivity among industries and perceived international positioning effectiveness that reveals that industries that have more business sensitivity because of national insecurities / risks seeks more safe, focused and efficient international positioning strategy. Moreover, the study explores three most influencing international positioning variables that discriminate positioning paradigm across four groups of industries and discloses defence industry as exclusive in nature from positioning perspectives point of view.

Keywords: International business, Effective international positioning, Industries

4. ORGANIZATIONAL CULTURE AND EARNINGS QUALITY: AN EMPIRICAL INVESTIGATION OF SMEs IN THAILAND

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ABSTRACT

This study empirically examines the influences of organizational culture on earnings quality. Small and Medium-Sized Enterprises (SMEs) in Thailand is a sample of the study. Organizational culture is positioned as to have a major effect on earnings quality. Here, organizational culture includes customer focus, human resource practices, identification with the company, performance and behavior standards, corporate citizenship, and communication process. All dimensions are hypothesized to have positive impacts on earnings quality. The results of the study show that customer focus, human resource practices, identification with the company, and performance and behavior standards have significant positive relationships with earnings quality. SMEs with greater customer focus, human resource practices, identification with the company, and performance and behavior standards tend to critically generate higher earnings quality. Surprisingly, corporate citizenship and communication process do not influence on earnings quality. With along the results, potential discussion is efficiently implemented. Theoretical and practical implications are explicitly provided. Lastly, conclusion and suggestions and directions of the future research are described.

Keywords: Small and Medium-Sized Enterprises, Organizational Culture, Customer Focus, Human Resource Practices, Identification with the Company, Performance and Behavior Standards, Corporate Citizenship, Communication Process, Earnings Quality
5. RISK BALANCING DECISIONS UNDER CONSTANT ABSOLUTE AND RELATIVE RISK AVERSION

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ABSTRACT

Simulation-optimization techniques are employed to analyze changes in farmland control arrangements as a result of using different constructs of intertemporal risk behavior. Risk behavior based on constant absolute risk aversion (CARA) and constant relative risk aversion (CRRA) mean-standard deviation functions are used to achieve this objective. Specifically, a multi-period programming framework for a representative grain farm is developed to explore farmland control decisions under these two behavioral assumptions. Our results suggest that the use of a CRRA behavioral construct in analyzing farmland control decisions produce predictions that are more consistent with observed farm behavior.

Keywords: constant absolute risk aversion, constant relative risk aversion, decreasing absolute risk aversion, expected utility-mean variance framework, increasing relative risk aversion, simulation, optimization

6. VOLUNTARY DISCLOSURE IN KUWAIT CORPORATE ANNUAL REPORTS

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ABSTRACT

Prior studies have suggested the subdivision aspects of voluntary disclosure rather than treat this as an amorphous mix. The relative reasons for the variations observed across categories of voluntary disclosure remain under investigation. This study contributes to that investigation in the context of a Middle Eastern country. Three categories of voluntary disclosure are developed (namely, corporate environment, social responsibility and financial information) and each category is tested in terms of association with ten company characteristics (size, leverage, profitability, ownership structure, assets-in-place, age, complexity, internationality, auditor and industry) in the annual reports of 82 companies listed in the Kuwait Stock Exchange (KSE) for 2005. The voluntary disclosure level, measured by index, for the overall and each category is relatively low. Using multivariate regression analysis, different factors are shown to be associated with different disclosure categories. Specifically, size was important in determining corporate disclosure levels regardless of a company's country of origin and category of disclosure. Other factors explaining voluntary disclosure in developing countries were leverage, auditor and industry; however, cross-listing was the most important explanatory variable in developed countries.

Keywords: Voluntary disclosure, Company characteristics, Kuwait

7. AUDITOR REPUTATION AND INTERNAL CORPORATE GOVERNANCE MECHANISMS: COMPLEMENTARY OR SUBSTITUTABLE?

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ABSTRACT

The purpose of this paper is to study the impact of some corporate governance mechanisms on the firm’s choice of an external auditor in the Canadian context. The results reveal that the predominance of
external independent members in the board of directors, the presence of an expert in accounting or finance in the audit committee and the size of the company are three determinants mechanisms which influence the choice of the external auditor.

Keywords: Agency theory, auditor reputation, board of directors, ownership structure, interaction of corporate governance mechanisms

8. AN EXPLORATORY STUDY OF SWITCHING MOTIVES IN A B2B SERVICES CONTEXT

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ABSTRACT

This paper reports the results of first phase of an exploratory study of switching motives within a (B2B) services context. The present research investigated the switching motives of 496 business service customers of facility management companies in U.S. It was found that the majority of customers had stated high levels of “satisfaction” with the services they were receiving. One of the goals of this research is to incorporate the various levels of satisfaction to the levels of loyalty, repurchase intent and more importantly to the switching behavior of satisfied and loyal customers.

Keywords: Customer Satisfaction; Customer Loyalty; Switching Behavior; Business-to-Business Services

9. AN EMPIRICAL REVIEW OF THE HIERARCHY OF SMALL BUSINESS FINANCING PRACTICES

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ABSTRACT

Small businesses frequently fail due to insufficient start-up capital. A small business owner’s familiarity with finance alternatives may trigger survival or failure. Financing alternatives vary from personal, family and friends’ funding, to the complex institutional loans. By evaluating the critical factors or decision variables with respect to the structure of the new business, and comparing it to the funds that are necessary, decision criteria for the determination of the best initial financing option can be developed. This paper will summarize various financing sources utilized by small southeast Texas businesses.

Keywords: Small Business Financing, Small Business Source of Funds, Small Business Financial Forecasting
10. TEMPORAL CONSIDERATIONS IN THE IMPACT OF ORGANIZATIONAL IMPROVISATION ON NEW PRODUCT DEVELOPMENT PROCESS

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ABSTRACT

Organizational improvisation has already been proposed as an important process by which firms gain competitiveness by successfully overcoming obstacles and creating opportunities. Drawing on improvisational and experiential learning literature, this paper theorizes how long term organizational learning takes place when improvisations occur, and further examines organizational improvisation’s role in the new product development process. We find that organizational improvisation not only enhances the immediate performance of the new product development process but also has the potential to have a positive cumulative lagged impact on organizational outcomes through long term organizational learning. An empowered workforce is also posited as essential for the organizations to effectively improvise in a fast changing work context such as in new product development. The paper proposes a testable conceptual model indicating the mediating role of organizational learning in the impact of improvisation on new product development process performance. The implications of the proposed model for organizations are discussed.

Keywords: Organizational Empowerment, Organizational Improvisation, Organizational Learning, New Product Development Process

11. U.S. OFFSHORE OUTSOURCING WITH REFERENCE TO INDIA A CRITICAL EXAMINATION

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ABSTRACT

Offshore outsourcing in manufacturing and services has created a great deal of controversy among economists and policy makers. The opponents of off-shoring raise the fear of job loss by American skilled as well as unskilled labor, erosion of wages and benefits, loss of employment security, and the possibility of structural unemployment in the long run. On the other hand, the supporters of off-shoring view this phenomenon as a positive development as it leads to further specialization of labor, lower costs in production, and expansion in global trade. To this group outsourcing promises improved wages, a higher standard of living, lower cost of goods to consumers, without any adverse long-term economic effect. India with its abundant pool of skilled labor has become a magnet for global outsourcing. However, India needs to liberalize its economy further by reducing tariffs on a wide range of products and removing limits on foreign ownership of its businesses. This paper examines the issue of offshore outsourcing with special reference to India.

Keywords: Outsourcing, Off-shoring, India, Globalization, China

12. PR AGENCY – IMAGE DEPARTMENT

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ABSTRACT

In this article we tried to underline certain aspects of the PR work as a whole, and also of the PR counselor’s work. We focused not only on the description of the PR departments, but also on the analysis
of the image department’s structure in public and private institutions. Starting from the existent realities we tried to build our own image department model, which should have an improved structure and a clear description of the PR counselor’s attributions, regarding intra-systemic and inter-systemic communication.

Keywords: Public Relations, image department’s structure, counseling, organizing, marketing, mass-media, information, communication, PR agency

13. THE ROLES OF COLLUSION, ORGANISATIONAL ORIENTATION, JUSTICE AVOIDANCE, AND RATIONALISATION ON COMMISSION OF FRAUD: A MODEL BASED TEST

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ABSTRACT

Several previous studies have pointed out the need for the use of a more robust statistical methodology in order to gain a better understanding of all forms of fraud. In this paper, we studied the aetiology of fraud proposed by Cressey (1973) by examining two models that incorporated rationalisation into causal relationships within a fraud commission model and hence of a fraud risk model. A sample of 122 Indonesian respondents, who had ever encountered any forms of fraud, was used to test two theory based structural equations models. Because of the poor fit of the two theoretical models to the data as shown by the SRMR index and because the path between rationalisation and commission of fraud was found to be non-significant, an exploratory research process was used to derive a further model. The outcome of this process was the introduction of additional paths into the second theoretical model. This model was tested using another sample of 122 respondents and produced a good fit to the data. Significant direct and indirect drivers of commission of fraud were identified and these extended the theory and introduced the consideration of a wider range of fraud risk factors for the global audit profession. Collusion was perceived to be the strongest direct influence on commission of fraud with a lesser effect arising from opportunity for fraud and a final direct influence arising from the avoidance of justice. In addition, organisational orientation was perceived to provide another indirect influence on the commission of fraud. The paper concludes with a discussion of the implications of these findings.

Keywords: Fraud, Collusion, Rationalisation, Organisational Culture, Institutional Arrangement, Business Ethics, Fraud Audit Standards

14. WEB CONNECTIVITY AND TRADE FLOWS: PUZZLING EVIDENCE

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ABSTRACT

This study provides an empirical investigation on the effects of the Internet on bilateral trade flows. The empirical investigation is based on pooled South African data and takes advantage of the recent theoretical underpinning of the relationship between bilateral trade flows and the Internet. A gravity equation of international trade is estimated in the context of constant coefficient model, and fixed effects model. The principal findings suggest that the Internet of the importing and exporting countries as separate variables are not important factors in determining bilateral trade flows. Furthermore, the interaction between the Internet of exporting and importing countries as single variable is also not statistically significant. This result, therefore, cast doubt over the widely accepted positive nexus between the Internet and trade flows.

Keywords: Trade, Internet, Gravity Model
15. EXAMINING THE RELATIONSHIP BETWEEN ORGANIZATIONAL STRUCTURE, MARKET BASED REWARDS AND INFORMATION SHARING

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ABSTRACT

The increasing importance customer relationship management and the need to adopt to the changing business environment have increased the crucial nature of information sharing. Using a sample of 105 large Canadian firms, we investigate the relationship between information sharing and selected organizational characteristics by separating them based on centralization. Stepwise logistic regression correctly classified 91% of the sample using selected information sharing, formalization and conflict variables.

Keywords: Information sharing, market-based rewards, centralization, formalization, conflict

16. ENTREPRENEURSHIP IN EMERGING ECONOMIES: EVIDENCE FROM THE GLOBAL ENTREPRENEURSHIP MONITOR

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ABSTRACT

This paper is an exploratory research that leverages on data from Global Entrepreneurship Monitor (GEM). It is constructed as a comparative analysis from an entrepreneurship perspective of some Central and Eastern European and Latin American economies that belong to the upper middle income group as defined by the World Bank. The paper is organized in four sections. The introduction is followed by an overview on the Global Entrepreneurship Monitor. In the next section, the research question is introduced along with data analysis. The final section presents conclusions, limits, and implications of the paper.

Keywords: Entrepreneurship, Emerging Economies, Central and Eastern Europe, Latin America

17. RUSSIAN-AMERICAN MBA PARTNERSHIPS: THE CAL STATE EAST BAY EXPERIENCE

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ABSTRACT

The collapse of the Soviet Union and the transformation of Russia to a market-economy created a demand for Western management training and education. Russian universities adapted their curricula and teaching methodologies, and American and European universities engaged in various forms of educational partnerships. In this paper I describe the successful MBA partnership between Cal State East Bay and the Institute of Business and Economics in Moscow. Generalizations are offered about the expectations of Russian and American partners, and some operational challenges are identified. The paper concludes with some of the practices which have contributed to the success of this fifteen-year old partnership.

Keywords: MBA; Moscow; education partnerships; management education; Russia
18. A REVIEW OF VARIOUS LINEARIZATION OF THE QAP: A COMPARATIVE STUDY FOR ASSESSING RELATIVE COMPUTATIONAL EFFORT

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ABSTRACT

In past several linearization of the Quadratic Assignment Problem (QAP) have been given (Lawler, 1962; Christofides et al., 1980; Adams and Sherali, 1986; and Bazara and Sherali, 1980). In this paper we give a new set of constraints that perfectly linearise the Quadratic Assignment Problem. We have solved linearization of many problems given in the literature using package LINGO and found that our linearization of the QAP is as good as the linearization given by (Christofides et al., 1980). We have shown in this paper that partial linear programming relaxations of these linearisations of QAP give optimal solution to the original QAP problem. Empirical evidence shows that this results in substantial savings in computational time. T-test has been also carried out to show the significance statistically.

Keywords: Facility Layout, Quadratic Assignment Problem, Linearization, Combinatorial Optimization

19. THE WORLD IS STILL A VILLAGE: THE USE OF COMPETITIVE INTELLIGENCE BY SMES TO SUPPORT INTERNATIONAL ACTIVITIES

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ABSTRACT

This paper presents the results of a survey of small and mid-sized high technology manufacturing firms located in the New England region of the United States and doing business internationally. Small and medium sized enterprises (SMEs) face resource-related challenges in utilizing competitive intelligence (CI), and we expected that they would be quick to use the information available on the internet in order to gain information on competitors inexpensively, especially in international contexts. We expected that their high tech manufacturing expertise would translate into early and extensive use of the internet for CI. The survey examined the characteristics of CI utilization, and whether patterns of utilization have changed over time. The findings indicated that CI was less frequently or intensively utilized than expected. The small and personal nature of the specialized markets in which high technology SMEs frequently operate is suggested as a possible explanation for the surprising results.

Keywords: competitive intelligence, small to medium-sized enterprises

20. EFFECTS OF BUDGETARY PARTICIPATION AND ORGANIZATIONAL COMMITMENT TO JOB PERFORMANCE: THE THAI LISTED COMPANIES

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ABSTRACT

This paper examines the links existing between budgetary participation, organizational commitment and job performance in Thailand. Data were collected by questionnaire survey addressed to the managers who are involved in making budgetary decisions in budget departments of Thai listed companies in Thailand. Data were analyzed using statistic regression analysis. All hypotheses are supported.

Keywords: Budgetary Participation, Organizational Commitment, Job Performance