

ABSTRACTS**1. THE LONG-TERM FINANCING DECISION PROCESS: A COMPARATIVE STUDY OF THE VIEWS AND PRACTICES OF CFOs**

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ABSTRACT

This paper reports the findings of a survey conducted in 2005 to study the practices related to the financing decisions of the Chief Financial Officers (CFOs) of the largest firms that operate in Portugal. The results of research confirm similar practices with European and American CFOs, as well as significant differences in the most important determinants of debt decisions. The results show the predominance of the pecking-order theory over the trade-off theory and the importance of banking sector variables as the main determinants of financing decision. The results also reveal the use of a systematic process of the evaluation of funding sources based on financial models and the current practice of risk hedging. On the other hand, the results also confirm the lack of interest in obtaining equity capital from going public and difficulties in the fulfilment of the admission requirements to the stock exchange by Portuguese firms.

Keywords: *Financing process, Financing decisions evaluation, Hedging, Go public*

2. THE INFLUENCES OF BRAND EQUITY IN COMPETITIVE ADVANTAGE AND PERFORMANCE OF SPA BUSINESS IN THAILAND

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ABSTRACT

This study aims at examining and investigating the influences of brand equity in competitive advantage and performance of Spa business in Thailand. According to the existing literature, brand equity is the value added for products and services that will help businesses obtain greater competitive advantage and improved performance. In this study, four dimensions for antecedent of brand equity include brand awareness, brand loyalty, brand association, and appreciation of quality were chosen as independent variables. The results indicate that the brand equity has a significant positive relationship with competitive advantage and performance. Market turbulence as a moderating between competitive advantage and performance do not moderate the relationships. Thus, theoretical and managerial contributions are provided and limitations of the current study and suggestions for further research are introduced.

Keywords: *Brand Awareness, Brand Loyalty, Brand Association, Appreciation of Quality, Brand Equity, Competitive Advantage, Market Turbulence, Brand Performance, Business Performance*

3. CROSS-CULTURAL INNOVATION TEAMS: EFFECTS OF FOUR TYPES OF ATTITUDES TOWARDS DIVERSITY

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ABSTRACT

Firms, to increase their innovations on international markets, employ cross-cultural innovation teams. These teams face the challenge of their members' diversity as team members might have positive and negative attitudes towards cultural diversity which influence the performance of innovation teams. This study researches the antecedents of attitudes towards cultural diversity in cross-cultural innovation teams. We find that specific personality traits are related to attitudes towards cultural diversity. The results of our study also indicate that positive attitudes towards cultural diversity increase project and innovation performance.

Keywords: Cultural diversity, cultural sensitivity, attitudes towards diversity, innovation success, team performance

4. EFFECTS OF LEADERSHIP AT STRATEGIC LEVEL AND ITS MODERATORS ON INNOVATION: AN INTERNATIONAL EMPIRICAL STUDY

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ABSTRACT

This is an international study investigating the extent to which leadership at strategic level affects innovation in the context of three Slavic socio-cultural clusters. It has been found that leadership at strategic level had a strong relationship with top-management influence on two types of innovation – product-market (PM) and administrative (ADM) innovations. In addition, the results have indicated that executive locus of control failed to moderate the effects of leadership at strategic level on either PM or ADM innovations, but group-level characteristics, represented by TMT job tenure, and environmental components, such as social culture did so in the case of ADM innovations. Based on the revealed similarities and variations of the effects of leadership at strategic level across Slavic socio-cultural clusters, conclusions have been drawn for general patterns and situational specificity of leadership at strategic level, its effects on innovation processes, and the impact of contextual factors on these effects.

Keywords: Leadership at Strategic Level, Social Culture, Innovation

5. WHEN THINGS GO WRONG: BUSINESS ANGELS' USE OF CUES IN JUDGING THEIR INVESTMENT RELATIONS

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ABSTRACT

Business angels play an important role in the development and growth of many entrepreneurial ventures. They provide not only capital, but also much needed business know-how and connections to customers and other financiers that are pivotal for the success of the firm. The relationship between the business angel and the entrepreneurial team evolves over time, starting with a due diligence process and the formulation of a contract. In this paper we are interested in the post-investment phase of the relationship, and how the business angel abstracts different cues that the relationship is experiencing problems. From

interviews with experienced business angels in very different settings and from very different backgrounds, six different cues have emerged as indicators that something is amiss in the relationship. These cues have the following themes; the outright rebellion, the strange report, missing deadlines, history revision, changing information flows and going underground. The majority of the business angels that we have interviewed claimed that these cues have different meanings and that some are more detrimental to the relationship than other. For instance, the outright rebellion and the urge to re-negotiate the contract are looked upon as serious breaches of the trust in the relationship. Strange reports and missing deadlines on the other hand, tend to activate the business angel and trigger some kind of action on his part, but initially with sustained trust.

Earlier studies have used either the agent-principal approach or the procedural justice perspective when they have studied the relationship between investor and entrepreneur. Usually papers take one or the other as their point of departure for a study, where the first focuses on control and monitoring and the other on trust building initiatives. However, from our interviews it seems as though they complement each other in the relationship over time. When everything is going as planned the control and monitoring activities are kept at a minimum, with weekly or monthly progress reports, instead the trust building activities dominate. When a cue emerges, the trust building process comes to a halt and the control and monitoring activities gain the upper hand. Before the business angel has identified the problem and together with the entrepreneurial team worked out a solution, everything else is put on hold. Some time after the incident, control and monitoring activities will be higher than usual, before everything gets back to normal.

The findings in this paper fit well within the theoretical framework put forward by Shepherd and Zacharakis (2001). In their model, they see communication as a moderating factor on the other three; commitment and consistency, being fair and just and obtaining a good fit between investor and entrepreneur. In our interviews it is clear that an open and frequent communication is a necessary condition for the development of a trusting relationship. Hence, most cues of a deteriorating relationship have to do with problems in communicating with each other.

Keywords: Business Angels, Entrepreneurs, Relationship, Trust, Cues

6. DETERMINANTS OF MODELS OF FOREIGN ENTRY: DUALITY IN APPROACHES

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ABSTRACT

This research investigates applicability of dynamic model of a firm's gradual entry in a foreign market (so-called Uppsala-model) from the dual perspective. Duality in theoretical approach reflected in consideration of isolated factors and every given factor under condition of interaction with the other factors. Empirical results are also interpreted from the dual perspective that is static and dynamic points of view. In the context of transition economies detailed analysis of different factors from the dual perspective suggests that while Uppsala-model is applicable for the firms from a transition economy entering abroad, foreign firms entering a transition economy follow modified dynamic model: export - wholly owned subsidiary - international joint venture. The findings are in line with previous works that when the cultural differences are great western firms prefer a wholly owned subsidiary. The research have theoretical and practical implications and help executives consider isolated, acting sometimes in different directions, foreign entry mode factors in their integrity.

Keywords: Foreign entry mode, Transition economies, Uppsala – model

7. THE IMPACT OF BABY BOOMER GENERATION ON SOCIALLY RESPONSIBLE INVESTING

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ABSTRACT

The primary objective of our research study is to investigate the extent to which baby boomers impact socially responsible investing. Our sample includes data from 1984 to 2006 on income before taxes, expenditure on retirement savings and education for four different age groups as identified by the Federal Reserve Board of Consumer Finances and Expenditure. Due to privacy and confidential matters resulting in lack of data on socially responsible investing behavior by individual investors, our research study assumes that average expenditure on retirement savings could be used as a proxy for socially responsible investing by the different age groups. Our results show that the expenditure pattern depicted by baby boomer generation significantly impacts retirement savings and investing and SRI trends.

Keywords: *socially responsible investing, baby boomers, retirement savings, expenditures*

8. THE IMPACTS OF STRATEGIC ORIENTATION AND HRM SYSTEMS ON FIRM PERFORMANCE

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ABSTRACT

This article addresses the impact of strategic orientation and HRM systems on firm performance and empirically investigates whether human resources management structure is significantly related with performance. In particular, we examine interaction effects between strategic orientation variable and HRM systems. These hypotheses are tested with a sample of 278 companies listed on the Korean Workplace Panel Surveys (WPS) from 2004 to 2006.

Our analysis provided the results listed below. First, the typology of strategies formulated by Miles & Snow has implication for HRM system, because depending on the strategic orientation adopted, the firm can emphasize to a great extent some aspects of HRM. The results confirm the relationships, revealing, on the band, significant differences between prospector, analyzer and defender. Second, the strong effect of HRM system on organizational performance. This result is likely to be rooted in Korean context of Korean business organization.

Third, this article shows that the strength of relationship between HRM systems and performance will vary with different types/ levels of business strategy. In the case of organization pursuing prospector's strategy the strength of relationship between HRM systems and performance will be stronger as compared to the analyzers and defenders.

Keywords: *HRM systems, Strategic Orientation, Firm Performance, Korean Workplace*

9. RELATIONSHIP BETWEEN MANUFACTURING AND DESIGN DEPARTMENTS: AN EMPIRICAL VALIDATION OF A THEORETICAL FRAMEWORK

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ABSTRACT

Dean and Susman (1989) give four arrangements (design having a veto, manufacturing having a veto, use of integrators to co-ordinate activities of design and manufacturing, use of matrix structure) that define relationship of design and manufacturing functions. In this paper we relate these to the strategy of the firm (Miles and Snow et. al, 1978). This relationship is given in the form of hypotheses. We argue that in 'defenders' manufacturing will have the 'veto' over design; in 'prospectors' design will have the 'veto' over manufacturing; where as 'analyzers' will use 'integrators' to co-ordinate activities of design and manufacturing. This framework was supported by a sample data of twenty firms having design and manufacturing departments.

Keywords: *relationship of design and manufacturing functions, veto with design, veto with manufacturing, integrators for design and manufacturing functions*

10. VIRTUE OR COMPLACENCY? A STUDY OF THE FUTURE MANAGER AND A NEW MODEL FOR MEASURING CORPORATE ETHICS

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ABSTRACT

Who are the people to manage the future corporation? What is their preparation for being not only effective managers, but moral managers? This research is driven by dissatisfaction with the current dialogue of business ethics and social responsibility often being trivialized and marginalized in both the corporate suites and also in the schools of business where the future manager is often introduced to the tools required for management and leadership of today's and tomorrow's organizations. The overarching objective presented here is to offer a new theoretical framework that can help predict the measurement of what I will call corporate arête – or, corporate excellence, in the traditional foundation of moral virtue. The paper is a comprehensive study of 300 business students testing their general knowledge of ethics as they prepare to enter management roles in the world of business. In a 2003 symposium of one of Peter Drucker's last lectures, he stated, 'there are no ethics in business' – what did he mean? This paper attempts to look deeper into his apparent riddle and through an aggressive statistical analysis, I provide insight into the future manager to determine if the corporations of tomorrow are to be managed by complacent or virtuous leaders.

Keywords: *Ethics, Corporate Responsibility, Future Manager, Management Statistics*

11. LABOR FLEXIBILITY: RETHINKING DEPLOYMENT

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ABSTRACT

The purpose of this paper is to identify boundaries for the deployment of workforce flexibility. Although the virtues of a flexible workforce cannot be overemphasized, prior research in manufacturing has shown that high levels of labor flexibility are undesirable when task complexity is high and when machines are

already highly flexible. The present study ties these two streams of research by focusing on the overstimulation phenomenon that occurs under conditions of high flexibility. The results suggest an inverted-U pattern for the relationship between labor flexibility and the production of a varied mix.

Keywords: labor flexibility, task complexity, mix flexibility

12. A TECHNIQUE FOR MINING GENERALIZED QUANTITATIVE ASSOCIATION RULES FOR RETAIL INVENTORY MANAGEMENT

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ABSTRACT

Purchase dependency in demand of the items can be captured by the generalized quantitative association rules mined from the sale transaction data. In purchase dependency, purchase of an item depends on the purchase of another item. Purchase dependency is observed in retail sale and it can be used as an important input for designing inventory replenishment policy. Most of the available data mining softwares do not provide any module for mining generalized quantitative association rules. This paper suggests a procedure for mining generalized quantitative association rules from retail sale transactions where items are purchased in discrete quantities. In large organized retail stores, most of the items are packaged in the form of stock keeping unit (SKU) and hence, purchased in discrete numbers.

Keywords: Association Rule, Data Mining, Inventory, Quantitative Association Rule, Retail

13. WHAT IS A GUIDE FOR FIRMS? : THE CREATION OF CUSTOMER VALUE

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ABSTRACT

The objective of the present study was to understand the antecedent creation of the customer value of the firm for successful market performance, in the context of furniture exporting in Thailand. This research proposed a conceptual model of customer value such as new product development, relationship awareness, and flexibility demand expected to influence customer value, which in turn, impacted market performance. The model was tested using data collected from survey of 102 furniture exporting firms in Thailand. The results supported the hypotheses of the conceptual model including new product development, relationship awareness, and flexibility demand. They had a positive influence on customer value and market performance. Though, the customer value had a positive influence on market performance, but the interactions between the customer value and market turbulence as a moderator was not significant. Contribution and suggestions are provided for future research.

Keywords: Customer Value, New Product Development, Market Performance, Flexibility, Customer Relationship, Market Turbulence

14. IMPROVING ACCURACY AND AUTOMATING FORECASTING WITH SPREADSHEETS

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ABSTRACT

In this paper, the author analyzed a scope of the forecasting methods and their enhancements using Excel spreadsheets; measurements of forecast accuracy applied to selecting the best forecasting method; and

optimization of forecasting parameters. The paper suggests several ways of improving forecasting in Excel by automating the forecasting process. This can be done through the simplification of forecasting data input, optimization of input parameters, and the ease of selecting accuracy criteria to identify the best forecast. The author presented a new integrated criterion of forecast accuracy, mean prediction criterion (MPC), which is a combination of mean absolute deviation (MAD) and mean squared error (MSE). This criterion can be effectively used to identify the best forecasting method using Excel.

Keywords: Business Forecasting, Forecasting with Excel Spreadsheets, Forecast Accuracy Criteria

15. FINANCIAL MARKET DYNAMICS AMONG THE GULF COOPERATION COUNCIL COUNTRIES (GCC) AND THE UNITED STATES

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ABSTRACT

In this research, correlation and regression analysis are performed to determine the degree of the relations among the GCC countries and the United States. The results show that Saudi and Arab Emirates market among all GCC markets significantly influence the other GCC markets and there is no relationship found among the GCC markets and the United States. It is also found that the United Arab Emirates is the leading market, as opposed to the previous study's findings of Saudi Arabia as the leading market.

Keywords: financial market, GCC countries

16. TRANSNATIONALITY: AN INDEX OF STRATEGIC SUCCESS?

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ABSTRACT

The creation of shareholder value has become the standard by which all companies are judged and one of the greatest strategic challenges managers face in growing shareholder value is to balance the need for global cost efficiency with the countervailing need for local market familiarity and responsiveness. Bartlett and Ghoshal (1989) popularized the notion that in an increasingly competitive global economy characterized by the need to balance cost efficiency and market responsiveness, transnational companies have a distinct competitive advantage. In an effort to subject the Bartlett and Ghoshal (1989) paradigm to closer scrutiny, data for the UNCTAD top 100 transnational companies were subjected to a multivariate discriminate analysis, where market capitalization (V_0) was treated as the criterion variable and a firm's (1) transnationality index (TNI), (2) internationality index (II), and the interaction of transnationality and internationality (TNI)(II) were treated as predictor variables. If, in fact, being more transnational is an avenue to strategic success, and such success is measured in terms of a firm's ability to maximize shareholder value, one would expect higher levels of transnationality and internationality indices to translate into higher levels of market capitalization.

Keywords: Transnationality; Internationality; Interactivity; Market capitalization; discriminant analysis; Unbiased classification procedure
