## BAASANA LEADERSHIP

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From the Program Chair

Dear Friends and Colleagues,

It is once more my privilege to present to you the Proceedings of the 2016 BAASANA International Conference, hosted by Baruch College, City University of New York, USA. It has yet again been my honor and privilege to serve as Program Chair for the sixth BAASANA International Conference.

The BAASANA organizing committee has once again gone above and beyond the call of duty, assembling a rich variety of authors and speakers from a diverse array of universities, governments, and private-sector institutions around the world to share ideas and bring unique and innovative perspectives and insights to bear on a broad range of topics.

This year’s conference was once again marked by strong participation by students as well as scholars and practitioners, with another broad array of student panels. BAASANA remains firmly dedicated to the principle that a collaborative environment fosters the free flow of constructive and innovative ideas among scholars, practitioners, and students. We would like to thank this year’s attendees; we have all been enriched by their efforts and contributions.

I would also like to take this opportunity to thank the organizing committee, who did their customary superlative job of arranging the numerous details that go into a successful conference. Once again our peer reviewers, who reviewed manuscripts under heavy time pressure, and who selected the finest papers for this conference, are due our gratitude for the generous gifts of their time and effort.

I hope you will find the proceedings of the 2016 International BAASANA Conference as illuminating and enriching as I found the conference. I wish you a productive and prosperous 2017, and I look forward to seeing you in August 2017 at the University of Exeter in Exeter, UK as our UK chapter assumes host duties for the year.

Best wishes,
John O. Okpara, Ph.D.
Professor and Chair,
Department of Management and Marketing
Bloomsburg University of Pennsylvania
2016 BAASANA International Conference Program Chair
Editor’s Introduction

It is once again our privilege and pleasure to present to you the proceedings of the 2016 International BAASANA Conference, held August 17-19, 2016 at the City University of New York’s Baruch College in New York, NY. The collection of works presented herein comprise contributions to scholarship, practice, and pedagogy on broad and varied topics from biology and biotechnology to finance to e-leadership to English-language instruction practices in vocational middle schools in China.

The BAASANA family extends its heartfelt thanks and recognition once again to BAASANA president Dr. M. Ruhul Amin, 2016 Program Chair Dr. John Okpara, and logistics director Dr. Nick Koumbiadis of Adelphi University, along with the rest of the leadership and membership of BAASANA for their hard work on behalf of the conference and the association. Their dedication is essential to the success of the conference and of the association as a whole.

Afolabi Aiyedun opens the 2016 proceedings with a discussion of the role of logistics in channels of distribution in “The Role of Logistics in Product Distribution of the Supply-Chain Management System.”

Next, economist Archita Banik discusses socioeconomic effects on women’s health in India in “Socio-Economic Factors Affecting Women’s Health: Evidence from Human Development Profile of India.”

Emanuel Boussios takes up Internet governance in “What Kind of Legislation? The Controversy over the United States Government’s Control over Its Cyberspace.”

In “Mathematics Behind Search Engines: Focus on the Weighted Link Matrix,” Socrates Boussios delves into the mathematics underlying search engines, a topic fraught with implication for politics, commerce, and social interaction in the age of Google.

Erica Charles-Lynch investigates gender and hiring in Fortune 500 firms in “Women and Their Quest to Occupy Upper Management Positions in Fortune 500 Companies.”

In a study of ethical issues in finance, Dina Clark, Dennis Hwang, Blair Staley, Mark Usry, Te Chen Ying, and Teng-Shih Wang present “A Comparative Study of the Propensity of Whistle-Blowing: Empirical Evidence from China, Taiwan, Russia, and the United States.”

Moving to the natural sciences, John F. DeCarlo presents “Disentanglement of Entanglement: Gravity Without Gravity.”

The realm of customer loyalty and commitment provides the setting for “Loyalty and Commitment Forever: “Harkening Hofstede,” by George L. DeFeis and Donald Grunewald.

Linval Frazer looks at internal process controls in small business in “The Effect of Internal Controls on Small Companies’ Profitability and Survivability.”
Continuing with the governance theme, Lauren Freire, Alex Himmels, Victor Parbat, and Achraf A. Seyam consider the timeliness of financial reporting in “The Timeliness of State And Local Governments By GASB: An Evaluation of Efficacy of Financial Reports.”

Chanaz Gargouri, Carla Guaman, Viviana Araujo, Jonathan Curnow, Samantha Meier, and Smanta Moustafa investigate employment decision patterns and millennial-generation employees in “Discriminating Against Millennials in the Workplace: An Analysis on Age Discrimination Against Young Adults.”


Moving to a medical contribution, Dr. Hiroki Hamada presents “Dietary Supplement Drinks Designed for Aging Populations.”

Michael Hamlet, Frank Owarish, and Donald K. Hsu present a study of leadership in the Internet era in “Leadership and eLeadership: An Analysis of Contingency Factors and Considerations.”

Moving to a discussion of social media as a means of enhancing the classroom experience in higher education, Mahmood A. Al Hashemi presents “Social Media and Effective Teaching: A Case in Broadcast Classroom at Kuwait University.”

In a tourism marketing presentation, Ricard W. Jensen investigates the question, “Did Americans Travel to Canada for the 2015 Women’s World Cup? An Examination of How Marketing a Special Event Can Increase Sports Tourism.”

Md. Kumbayun Kabir discusses the potential for renewable energy in Bangladesh in “Electricity Generation Potential from Renewable Energy Sources in Bangladesh.”

Darrin Kass, Steven Welch, and Paul F. Rotenberry investigate leadership styles and leader self-evaluation in “Do Leaders That Underrate Themselves Perform Better as Leaders?”

Lawrence Kilgus looks at the impact of work-related stress on higher education faculty in “Higher Education Faculty and Stress: How Does Stress Impact Higher Education Faculty?”

Nicholas Koumbiadis investigates an ethical issue with importance for scholarship and practice in “The Effects on One’s Moral Perceptions by Incorporating a Forensic Accounting Course.”

Karen L. Koza and A. Ben Oumlil investigate conflict in interfirm relations in “Better Conflict Management for Better Relationship Performance: The Role of Exit Barriers.”

Carolyn LaMacchia tackles the weighty issues of consumer privacy and data mining in “Improving the Performance of Exact Approach for Privacy Preserving in Data Mining.”
Moving to the controversial issue of genetically engineered crops, Carolyn LaMacchia and Loren Selznick discuss “Grassroots Initiative Impacts National Food Distribution.”

Aaron Lin takes on post-earnings announcement drift using the lens of the Pastor and Veranisi learning model in “Uncertainty, Price Delay, And Post-Earnings Announcement Drifts.”

Xinyang Liu discusses domestic and foreign advertising in China in “Research on the Consumption Value of Advertising Media.”

Kun Ma, M. Ruhul Amin, Yinan Wang, and Ben Mou investigate measures of international investment competitiveness in “Research on Measurement and Application of International Investment Competitiveness Indices.”

Ashford Maharaj contends that it is the rich, not the state, who determines what is best for society in “Toward a Theory of Advanced State Capitalism.”

Camille Menendez leads a student panel in comparing practices in biotechnology higher education across countries in “Biotechnological Difficulties: Differences in Biotechnology Higher Education in India, Bangladesh, and the United States.”

The topic for another student panel is “Open Forum on Global Issues and Challenges in the 21st Century from the U.S. Perspective,” led by Camille Menendez and Madhav P. Sharma.

Moving to the field of biology, Camille Menendez and Yazhou Sun present “Identifying Unique Sequences in Common Pathogens.”

Isibel Moreno addresses the under-addressed (considering the potential personal and professional impact) issue of heartbreak in “A Solution-Focused Approach to Heartbreak and the Broken-Hearted.”

Kaberi Mustafa discusses information technology use in the Bangladeshi banking sector in “Impact of Nazdaq Technologies on the Banking Sector: A Success Case in Bangladesh.”

In “The Bureaucratization of Professional Work: A Critical Examination of Enterprise-Wide Quality Control Programs,” Paul D. Nugent looks at the workplace impact of programs such as Lean, Six Sigma, and other examples.

As markets and organizations globalize, organizations tend to become more diverse, requiring attention to managing diverse groups of employees, as Chiji A. Ohayia illustrates in “Managing Workforce Diversity.”

Next, Frank Owarish discusses the nature of leadership in the digital era in “Capturing the Essence of eLeadership: The Barack Obama Approach.”

Brian A. Peters discusses the role of fear in motivation in “The METUS Principle: Recognizing, Understanding, And Managing Fear.”
Budget issues in K-12 schools and the impact of same on employee work-life balance is the topic of “Online Education Issues for Work-Life Balance,” by Loreen M. Powell, Daniel Powell, and Michalina Hendon.

The Internet of Things (interconnected devices and sensors) promises to bring significant change to business and society. Loreen M. Powell, Hayden Wimmer, Lawrence Kilgus, and Daniel Powell investigate the coming change in “Internet of Things: Entrepreneurial Concepts.”

Dan Qi discusses the state of the art in project management in a human-resources context in China in “Research on the Application of Project Management in the Field of Human Resources in China.”

Sajjad ur Rehman takes on information literacy among business professionals in “Strategies for Developing Information Competencies Among Business Professionals.”

Continuing the information technology theme, Abdus Sattar Chaudhry discusses “Accessibility of Information Sources in Business Organizations in Kuwait.”

Conditions governing the tax-exempt status of not-for-profit organizations is the topic of an investigation by Achraf Seyam and Eric Kotkin, “What Do Tax-Exempt Organizations Need to Do to Maintain Their Exempt Status?”

Madhav P. Sharma leads three student panels in “Cross-Cultural Analysis,” “Diversity of Students’ Academic Issues Across Countries,” and “Student Services: Recommendation for Best Practices.”

Vickrey-Clark-Grove auctions and auctioneer profits are the subject of “Sequential Auctions with a Lottery Mechanism,” by Farooq Sheikh.

Pauline A. Stamp suggests that faculty faced with technology-dependent students faced by the “fear of missing out” replace social media dependency with the “joy of missing out,” in “Classroom Management and Social Media: FOMO vs. JOMO.”

Sun Hui and Chen Yu Mang discuss the impact of sustainable development policies on small and medium-sized enterprises in “About China’s Small and Medium-Sized Enterprises: The Economic Downturn in the Country Under the Pressure of Sustainable Development Research.”

Robert Szarka asks a provocative question in his presentation, “Does Economic Freedom Promote Women’s Political Rights?”

David Walters, David Zarifa, Brittany Etmanski, and Brad Seward look at placement of Ph.D. graduates in “Placement of Graduate Programs: An Examination of the Employment Outcomes of Recent Ph.D. Graduates in Canada.”

Dong-Ling Xu, Yan Zhang, and Jian-Bo Yang investigate the use of models to predict natural disasters in “Probability of Natural Disasters: A Forecasting Model Based on Data and the Evidential Reasoning Rule.”
The integrity of financial statements and the risk preference of CEOs is the topic of a presentation by Yan Chen, Mike Shapeero, and Chen Kong: “Risk Preference, Decision Mood and CEO Financial Statement Fraud.”

Next, Jian-Bo Yang and Dong-Ling Xu present on the impact of data proliferation on decision-making in “Data-Driven Inference and Decision Making Under Uncertainty.”

Last but not least, making English-language instruction more engaging in vocational middle schools in China is the topic of “Opinions on Teaching English Methods in Middle Vocational Schools” by Caihong Yu.

I hope you find this diverse collection of studies and presentations as fascinating, enlightening, and entertaining as I did; they continue to exemplify the quality of scholarship in the ranks of BAASANA. Thank you, and enjoy the 2016 International BAASANA Conference proceedings.

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Proceedings Editor
THE ROLE OF LOGISTICS IN PRODUCT DISTRIBUTION OF THE SUPPLY-CHAIN MANAGEMENT SYSTEM

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ABSTRACT
Supply-chain management has become very challenging because business barriers are down, competition is up, stakes are higher, and profit margins are low. Freight forwarding has evolved to meet the demands of businesses, and the supply chain has become more complicated, more demanding, and less forgiving. As production becomes more competitive, logistics professionals are under tremendous pressure to remain competitive. The supply chains in retail and manufacturing firms are experiencing an annual customer exchange rate of about 25%, profit reduction by about 3.8% per firm, resulting in an annual loss of approximately $100 billion per year. This research paper provides an understanding of the variables necessary to achieve a sustainable competitive advantage. A conceptual model was developed and ordinal regression model adopted to determine the relationship among three predictor variables: inventory control, logistics improvement, supply-chain management, and one criterion variable: system performance improvement. With the survey participants from retail and manufacturing industries, the result analysis showed that logistics improvement operates as a moderator variable between inventory control and supply-chain management for the overall success of the system-performance improvement.

Keywords
Supply chain, logistics, inventory control
SOCIO-ECONOMIC FACTORS AFFECTING WOMEN’S HEALTH: EVIDENCE FROM HUMAN DEVELOPMENT PROFILE OF INDIA

Archita Banik
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ABSTRACT
Women’s health is affected by various intertwined factors: biological, cultural, socioeconomic, and political. Previous studies have examined various aspects of women’s health including reproductive health, respiratory illness, maternal mortality, cardiovascular illness, and malnutrition. This study focuses on overall health status of ever-married women in India as indicated by the subjective measure of self-assessed health. Data are drawn from the India Human Development Survey (IHDS-I) collected in 2004-05. The contribution of this paper is to show the importance of different socioeconomic factors in explaining the health status of women in India. The study finds evidence of positive effects of education on women’s health status. It also confirms that the health of women deteriorates with age, and the number of children given birth. The paper suggests that women’s health can be improved in India through government policies that support women’s education. There is also evidence that policies for better education and family planning are also needed for enhancement of women’s health in India.

JEL Classification: I15, I18, I25, C25

Keywords
Self assessed health, ever married women, socio-economic factors, India, ordered probit, education.
WHAT KIND OF LEGISLATION? THE CONTROVERSY OVER THE UNITED STATES GOVERNMENT'S CONTROL OVER ITS CYBERSPACE

Emanuel Boussios, Ph.D.
Hofstra University

ABSTRACT
This research oscillates around a critical issue in the United States: that is, in the name of anti-terrorism the state utilizes sophisticated surveillance machinery to protect its citizens while at the same time promising to protect their civil liberties. Of course this political discourse lends itself to an important debate internationally, but in this research it will be more narrowly discussed on the current debate being held in the United States. At the core of the debate is on the constitutionality of state actions in a valiant effort to protect its people, and hence the nation-state, from its enemies. The most salient case, is that of Edward Snowden revealing the U.S. government’s abuses of this surveillance machinery. Snowden claims the U.S. government (and its Allies) acted criminally by aiding and abetting its own agents to collect information on its populace in the absence of lawful means (i.e. proper warrants). Although this case is far from its legal conclusion (Snowden, as of this writing, is still in asylum in Russia), it has brought a range of legal and ethical questions on democratic states’ cyber-intelligence gathering. This research will discuss the demands of cyber-intelligence reforms put forth by Edward Snowden and whether these demands are in fact practical in modern, high-technology societies such as the United States.

The debate of states’ use of surveillance in the name of security is not strange to American society or even to ancient city-states. For many, the lineage of surveillance can be traced back to antiquity while for others an emphasis on the visual represents the very essence of modernity. According to Fussey, “while the development of administrative surveillance has been viewed not simply as a mere feature of modernity, but an enabling mechanism that has facilitated its development.” Despite its long history in civilized society, the very existence of surveillance has been viewed by many as a social problem due its ease of abuse by government and its agents. Several scholars, have suggested that one way of explaining this is that while surveillance has always been present, it has not always been a mechanism of control. Current public discourse on surveillance in Western societies, including the U.S. and the UK, is about the encroaching nature of this form of social control.

Over the last several decades, most Western societies have seen a tremendous advancement in technology far beyond the simplicity of CCTV’s and the tremendous expansion in the actual use of surveillance. With computerization, surveillance is becoming more subtle and intense spreading from material space to cyberspace. Scholars have argued that the real “superpanopticon” exists in electronic environments – in the “worldwide web of surveillance.” Most individuals in Western nations have taken for granted that they observed, monitored, classified and controlled in almost every aspect of their public lives. Thus, surveillance practices “pervade all societal sectors that stretch ‘well beyond the state’; surveillance is a fact of modern life and not intrinsically anti-social or repressive”. According to Lyon, then, surveillance societies are defined by their double-edged character; surveillance technologies can be used to provide benefits, empower consumers and workers and enable
the promotion of citizenship rights. Traditionally, privacy has been used as a counterpoint to resisting and challenging surveillance but others argue a post-privacy challenge to surveillance exists that addresses the latter as a social question to do with power.

This research examines what is perhaps the most commented upon and certainly the least visible form of technological surveillance in modern society—that of cyber-surveillance. The examination of the cyber-surveillance debate here seeks to go beyond the dichotomy of ‘liberty vs. security’ but to how open the United States government should be about its cyber-intelligence capabilities and how these apparatuses are possibly infringing upon its citizens’ freedoms. This debate is hardly new, however, the freshness of the controversy stems from legislation introduced in response to 9/11; Homeland Security Act (HSA) of 2002 and Intelligence Reform and Terrorism Prevention Act of 2004 (IRTPA). Most recently as of this writing, the discourse surrounding cyber-intelligence gathering, includes the controversial Cybersecurity Information Sharing Act and the Cyber Intelligence Sharing and Protection Act. Each piece of legislation exacerbates three issues in the United States: reduced privacy; increased government secrecy; strengthened government protection of special interests.

**Keywords**

Cyber-intelligence, Cyber-terrorism, Homeland Security
MATHEMATICS BEHIND SEARCH ENGINES: FOCUS ON THE WEIGHTED LINK MATRIX

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ABSTRACT
Many decisions are driven by data. In all aspects of our lives, most importantly in the business context, an amazing diversity of data is available for inspection and insights. There exists a wealth of information regarding ranking algorithms and search engines. The rated importance of web pages is a significant factor on how links are presented. I will focus on the significance of the weighted link matrix.

Analyzing the mathematics behind the most popular search engines involves linear algebra and directed graphs-transition matrices and complements the discussion of Markov chains in matrix algebra. With a lot of interest coming from both mathematicians and computer scientists, understanding the mathematical structure of the internet is a key research problem.

Mathematical models have affected the use of aggregated data in ways no one anticipated. Behind the trend to use math to plan advertising or to hire the workers most likely to succeed are the new, complex algorithms that link not only words but also whole topic categories. As more of the world’s information is pooled into mathematics, the realm of numbers becomes an ever-larger meeting ground. All this information is useless unless we have a way of searching and sorting it.

Keywords
Search engines, search algorithms, weighted link matrix
Women are still struggling to keep up with men in the corporate world. The lack of opportunities available for women to enter into the upper echelons of corporate society is still a pressing problem today, even though studies show that there are more women in the workforce with advanced degrees. Women in their quest to occupy upper management position face many challenges. They are discriminated against as men are favored for leadership positions in the C-suites; they earn fewer wages for doing the same job as their male counterpart. Although a plethora of research have been done regarding this issue, this proposed study would explore the issues using the complexity theory. The complexity theory normally enables the researcher to study systems that are simultaneously complex and chaotic but applied to this research, it allows for the identification of patterns, structures, and order that arises within a specific construct. In this case, the different patterns, structures, and orders that arise in the exploration of the matter of gender discrimination within the workplace and how that affects the rise to executive level positions by females in America. This theory is ideal in that it allows for a deeper understanding of the interconnecting components within the system, a necessity considering how far back the neuroses of American society have their origins and the fact that it is those origins and those neuroses that have led to the creation and active participation in the gender bias that is present within society today.

Keywords
Complexity theory, gender discrimination, women executives, Fortune 500
A COMPARATIVE STUDY OF THE PROPENSITY OF WHISTLE-BLOWING: EMPIRICAL EVIDENCE FROM CHINA, TAIWAN, RUSSIA, AND THE UNITED STATES

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ABSTRACT
This paper explores cultural factors that influence the propensity to blow-the-whistle in China, Taiwan, Russia and the U.S. Statistical analysis of self-developed questionnaires reveals that: (a) Americans have a greater disposition to engage in whistle-blowing than Chinese, Taiwanese, and Russian employees; (b) the intention of Chinese and Taiwanese to whistle-blow is influenced to a greater degree by the dollar amounts involved and also by the impact of illegal, immoral or illegitimate practices on companies and societies than that of the Americans; the intention of Russian to whistle-blow is influenced to a greater degree by general sense of morality, social justice and professional ethics, and by the reasonable warrantee of job protection and to a lesser degree of monetary award; (c) Guanxi (personal relationships or networks) has a greater effect on the propensity to whistle-blow for Chinese, Taiwanese, and Russian than for Americans. Auditors and managers need to be aware that employees in different cultures respond differently to factors that influence whistle-blowing. The results of this study will help auditors and managers better assess risk and the effectiveness of internal controls and ethical standards.

Keywords
Whistle-blowing, cultural factors, Guanxi, internal controls, ethical standards, Russia, China, Taiwan, the USA.
ABSTRACT
Contrary to Einstein’s and the Copenhagen School’s explanations of how electrons might entangle at a distance faster than the speed of light, based on the physical and relational differences between fermion and cooper pairs, an explanation will be offered of not only how such entanglement occurs faster than the speed of light, but, via mathematical-scientific research, what function it plays relative to the conditions of entropy and boundaries of space-time.

More specifically, building experimental demonstrations of entanglement at Oxford, 2011: 15 centimeters (Vedral, Ian Walmsley); Oxford, 2014: 10 feet; Delft University of Technology, 2015: 1.3 miles (Ronald Hanson Holland), in contrast to Einstein’s conjecture that there must be some pre-existing relationship between the particles, particles that entangle, can disentangle, and then randomly re-entangle with other particles, which implies that they did not have any pre-existing connective history. By the same token, empirical evidence of entangled electrons in semiconductors and superconductors, where their effects are noted, prior to measurement, undermines the response of the Copenhagen school which was that properties in a physical system do not exist, and are indeed meaningless, prior to measurement.

Also, the quantum world presents a duality between Fermion and Cooper-Boson particles pairs: physical materials that insulate electricity and those that conduct it, and more broadly, between general relativity and quantum gravity. The latter point is enhanced by the fact that: one electron plus another electron does not always equal 2 electrons. In fact, fermion electrons, which have a half integer spin, do not comingle with other electrons; hence, they cannot occupy the same space; hence matter takes up space; and in contrast, cooper electrons, which a have an integer spin, and do comingle/entangle. In this respect, although electrons are equal, their external relation is more significant that intrinsic properties, making them very different.

In terms of this difference, the role of fermion is significant: stars do not collapse into/unto themselves, because of fermion quality of electrons; and when stars do yield to such pressure, they counter it with tremendous force, hence a supernovae explosion which is partly the cause of the origin of the planets. In contrast, fermions prevent matter from collapsing into itself; cooper pairs prevent matter/the universe from splintering apart. As per the nature of cooper pairs, Mark Van Raamsdonk (Gravitation from Entanglement in Holographic CFTs, 2014) suggests that if entangled particles are split, such a split leads to fragments and parallel worlds; in this respect, quantum mechanics, plus entanglement = quantum field theory. This is supported by the fact that unlike fermion particles, which are subject to weak force beta decay, cooper pairs are long-standing.

As per the time factor, in terms of entangled particles traveling faster than the speed of light, the speed of light is not an absolute limit, for three reasons: a) in keeping with Einstein’s theory of general relativity whereby gravitational interaction is mediated by the deformation of space-time geometry; and more specifically, matter acts upon space-time geometry, deforming it, and space-time
geometry acts upon matter, it is noted matter warps the geometry of space-time, and these effects, as with electric and magnetic fields, occur at the speed of light; b) the equivalence principle equates acceleration and the experience of gravity, and since the faster something moves, the less gravity that is imposed on it; c) entangled electrons not only create a resistant-less flow, but also constitute gravity via their entanglement, so that they are not subject to it.

To further pursue this assertion, it is suggested that physics, in this case, condensed matter physics, has not yet fully addressed a fundamental question: how many phases of matter exist? In addition to the classic solid, liquid, and gas phases, exotic quantum mechanic states currently include: superconductors and strange metals: samarium hexaboride ‘SmB6’ has been identified as insulator and a conductor, embodying some strange crossover region between magnetic and non-magnetic (Sebastian, Cambridge, 2015), and super fluids and super atoms. In this respect, the inter-relationship between quantum mechanics of the three dimensional world, to the 4 dimensional world of string theory, and then back to the former; in fact, the quantitative results tend to be re-derivations of answers that condensed-matter theorists had already calculated using more mundane methods, so that, physicists can look at 4D processes to hunt for other 3D transitions. To this effect, more precise calculations, which are currently in process, will be offered.

Keywords
Quantum entanglement, string theory, quantum mechanics
LOYALTY AND COMMITMENT FOREVER: “HARKENING HOFSTEDE”

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ABSTRACT
People are loyal and committed to many things, but this humanistic feeling may only be short-lived, for once they achieve and use what has been “stockpiled” -- in a sense, converting potential energy into kinetic energy -- so that no utility remains, which the authors contend is the basis of loyalty and commitment (Oliver, 1999; Gilliand and Bello, 2002) -- that feeling may dissipate dramatically. In a sense, is there ever one hundred percent confirmed loyalty or commitment or is it fleeting, albeit for good cause? What about other natural differences between people, which could influence their attitudes towards loyalty and commitment? These differences include: ethnicity, upbringing, attitudes toward risk, attitudes of individualism and collectivism, temporal concerns, masculinity and femininity, all related to how a person exudes loyalty and how a person exudes commitment. In other words, these cultural differences “harkens us back to Hofstede” (Hofstede 1984).

INTRODUCTION
Loyalty and commitment are two constructs that have been written about by many marketing and management researchers, as well sociologists and psychologists (Pritchard, Havitz, and Howard, 1999; Dick and Basu, 1994). What is questioned here is the steadfastness of the constructs (loyalty and commitment), for if loyalty and commitment are transient in nature, is there ever true loyalty or commitment? Here are four cases for considerations.

CASES FOR CONSIDERATION
Case One
People are committed and loyal to their frequent flyer programs until they build up an immense number of miles (potential), which are then converted to airline tickets for a flight (kinetic). One author stockpiled 250,000 OnePass Miles (frequent flyer program of Continental Airlines); converted all of these miles to five economy class roundtrip tickets (at 50,000 per ticket) from New York to Alaska for he and his family; then traveled to Alaska. With his OnePass Miles balance at zero, he never flew Continental again, as he had miles already accumulated on other airlines with other frequent flyer programs. Hence, when the airline tickets are used, thus reducing their “stockpile” of miles on that particular frequent flyer program, their loyalty and commitment to that particular airline vanishes. This phenomenon is much like diminishing returns on things seemingly in great demand, until that demand is partially-satisfied and then fully-satisfied, after which demand is no more.

Albeit, with the mergers taken place in the airline industry, and the combination of frequent flyer programs, one may be loyal, then un-loyal, then loyal once again, for the loyalty that “vanished” with the depletion of miles may have gotten a second life through the combination of frequent flyer
programs due to a merger. For example, when the balance in Continental’s OnePass program reduced to zero, and loyalty ended, the loyalty was renewed when Continental Airlines and United Airlines merged, as OnePace (Continental’s) with zero miles joined MileagePlus (United’s) with substantial miles accumulated, the loyalty was renewed from the “merged” OnePass/MileagePlus program, since traveling on the merged carrier would increase the miles accumulated.

But when their actual frequent flyer account balance drops to “zero” (no more potential) and they have other frequent flyer programs nearing awards (almost kinetic), their loyalty and commitment will basically shift to these other airlines. Thus, were they ever loyal or committed to these unique and valuable programs, or are these programs just accumulated commodities, whose conversion from potential to kinetic energy resembles their degree of loyalty and commitment?

Case Two
A case of “fleeting” loyalty and commitment would be the policy of a “lifetime money-back guarantee.” Is a person really loyal and committed to a product or a service when they have the benefit of a lifetime money-back guarantee? Knowing they have this guarantee, might they be less loyal and committed to their purchase? Think of Black & Decker which generally advertises a “lifetime money-back” guarantee on the tools and hardware.

Case Three
The Chief Executive Officer (CEO) of a company, who is the top person in the organization, and agency theory (Jensen and Meckling, 1976) aside, a CEO should be loyal and committed to the firm. What about when the CEO has a huge severance package as part of his benefit package, which was negotiated when everyone “loved each other” (Board and the CEO), would he be more loyal and committed to the firm without the severance package? Knowing he has a “golden parachute” severance package might reduce some of his loyalty and commitment to the organization. Remember this headline from 2007: “Robert Nardelli out at Home Depot -- No. 1 home improvement retailer gives ex-CEO $210 million package.” Was Mr. Nardelli ever fully loyal or committed to Home Depot? Maybe. But do you think the severance package could make him less loyal or committed, knowing what he could receive if he is “canned”?

Case Four
The “law of diminishing returns” presents the loyalty and commitment concept differently. For instance, when a need is in great demand (e.g., food when one is hungry), one is “loyal and committed” greatly to the first satisfaction of that hunger. However, when the hunger is quenched, does “loyalty and commitment” dissipate?

All of the cases present interesting points and discussions. Finally, what about the universality of this concept? Perhaps the level and degree of loyalty (Oliver, 1999) and commitment (Gilliani and Bello, 2002) differ according to one’s culture, one’s sex, one’s modus operandi, one’s feeling of individualism (or collectivism), one’s attitude toward risk (uncertainty avoidance), and one’s temporal attitude (long-term or short-term), and other differences. Also, are there differences in the nature of loyalty and commitment to a service (intangible) or a product (tangible) (Evanschitzky, et al., 2006; Pritchard, et al., 1999)? Indeed, it harkens us back to Hofstede. This conceptual study will result in propositions about the Hofstede’s dimensions relative to loyalty and commitment, with the goal, after more research, of determining hypotheses for empirical testing.
Loyalty and Commitment

These two words -- loyalty and commitment -- have been a source of problems, debates and confusion for time immemorial (Oliver, 1999; Gilliland and Bello, 2002; Dimitriades, 2006). If one uses dictionary meanings, "commitment" means making a promise and keeping it, for example, a husband is committed to his wife. This term also means a willingness to pledge your heart, soul, and work hard in a job to achieve what is intended. On the other hand, "loyalty" means faithfulness to an individual or a company or a cause. One can be committed and loyal to a job, but the situation becomes tricky when one is committed to someone and has divided loyalties.

INTERNATIONAL PERSPECTIVE: HOFSTEDE’S CULTURAL DIMENSIONS

When Geert Hofstede (Hofstede, 1996; 1984) conducted his magnum opus in the 1960s, which was been published in the 1970s and even relevant today, he envisioned five cultural dimensions, as follows:

Individualism vs. Collectivism

Those people that ascribe to individualism are more concerned with their individual rights versus the collective rights, for example, people of individualistic nations, for example the United States or the United Kingdom) and people of collectivist nations, for example, Sweden or Japan. One might think of how personal needs, goals, desires are prioritized versus the collectivist mindset, when the needs, goals, desires of the group or organization are prioritized.

Uncertainty Avoidance

Uncertainty avoidance has to do with either being risk-prone or risk-averse, albeit knowing that you could display both tendencies at different periods in your life. For example, when one is younger, you might be aggressive, more risk-prone, enjoy the gamble, bet on a long-shot -- low uncertainty avoidance -- but as you age, this attitude toward risk may change, as you have more responsibility, understand what is at stake, refrain from betting on a long-shot -- high uncertainty avoidance. Uncertainty avoidance reflects the degree of comfort and normalcy in ambiguous situations, and the extent to which they try to minimize or avoid these situations.

Masculinity vs. Femininity

Masculine societies will have very different rules and attitudes for men and women, which disappear in more feminine cultures. Countries in the Middle East, for instance, are very masculine, and a woman will not even attempt to express the same attitudes of a man. Other countries are more “sexually-balanced,” e.g., Australia.

Some countries and areas of the world are gradually changing their cultural attitudes on masculinity and femininity. In Japan, for example, more women are becoming business executives and higher government officials due in part to the marriage of the crown prince to a woman, who graduated from Harvard and served in the diplomatic service before her marriage, and her subsequent activities favoring an increase in the role of women in Japanese society, since she became a member of the royal family. In Saudi Arabia, women are beginning to become more assertive by demanding the right to drive a car, thus narrowing the limits on the role of women in society.
Power Distance

Power distance reflects to degree to which a hierarchy (superior-subordinate) and unequal distribution of power are accepted by the masses. High power distance results in the overall acceptance of large status differences between superiors and subordinates. With high power distance, managers can be autocratic (one-way control) and paternalistic (father-like), and employees will do as they are told. With low power distance, there is more team orientation, with group goals, democratic approaches and attitude.

Long-Term vs. Short-Term Orientation

This cultural dimension reflects people’s primary concern for the short-term or the long-term, i.e., will they accept short-term pain for long-term gain. If a person is only concerned with the short-term they may not invest time and effort to produce long-term gains. Such individuals are short-term oriented. On the other hand, if a person is only concerned with the long-term, they may not achieve any rewards until it is too late.

Pictorially, we see Hofstede’s five cultural dimensions influencing cultural differences, which all influence the extent of the cultural difference.

These five cultural dimensions yield five two-fold propositions, as follows:
PROPOSITIONS

Proposition 1: If a person has individualistic tendencies, the person will be less likely to be loyal and committed to a product or service, all other things being equal.

Proposition 2: If a person has collectivist tendencies, the person will be more likely to be loyal and committed to a product or service, all other things being equal.

Proposition 3: If a person exhibits low uncertainty avoidance tendencies, the person will be less likely to be loyal and committed to a product or service, all other things being equal.

Proposition 4: If a person exhibits high uncertainty avoidance tendencies, the person will be more likely to be loyal and committed to a product or service, all other things being equal.

Proposition 5: If a person exhibits masculine tendencies, the person will be less likely to be loyal and committed to a product or service, all other things being equal.

Proposition 6: If a person exhibits feminine tendencies, the person will be more likely to be loyal and committed to a product or service, all other things being equal.

Proposition 7: If a person exhibits high power distance tendencies, the person will be less likely to be loyal and committed to a product or service, all other things being equal.

Proposition 8: If a person exhibits low power distance tendencies, the person will be more likely to be loyal and committed to a product or service, all other things being equal.

Proposition 9: If a person exhibits short-term orientation tendencies, the person will be less likely to be loyal and committed to a product or service, all other things being equal.

Proposition 10: If a person exhibits long-term orientation tendencies, the person will be more likely to be loyal and committed to a product or service, all other things being equal.

SUMMARY

Loyalty and commitment are two constructs used to assess the personal (consumer-to-business) and organizational (business-to-business) connection that a buyer (consumer or business) has for a seller (business or organization). These two constructs, however, could be considered on a universal level. Hence, there are differences to consider vis-à-vis the various cultural dimensions, as researched well by Hofstede.

Furthermore, while this paper only considers Hofstede’s five cultural dimensions, and since subsequent research broadened and proposed different dimensions -- for example, the GLOBE Studies and Trompenaars work (Minkov, 2012; Smith, et al., 1996, 1995) -- which exist, this additional research should be considered as well. A well-rounded and universally-accepted determination of loyalty and commitment could result. Ten propositions -- two for each category of Hofstede’s cultural dimensions -- are proposed in this conceptual work. This work is just the beginning of research to come.
CONCLUSION

Much can be learned about the nature of loyalty and commitment in studying the universality of these concepts. Hofstede may have started the work, but others have followed and continue to do so. Much more work needs to be done, though, relative to newer cultural dimensions which separate us, including for instance, the ability to process information at the “speed of thought.” For some cultures are methodical and other cultures are more “knee-jerk.” With the world becoming increasingly smaller, this conceptual study is at the forefront of what promises to be a long-term and lasting research agenda.

Research also needs to be done on changes in some of these cultural differences over time. Some of the ten propositions may have to be further studied or revised as a result of these changes. For example, the narrowing of differences in some societies between individualist tendencies and collectivist tendencies may affect the propositions in these areas. Denmark and China seem to be becoming more influenced by capitalism and the ideas of Adam Smith and others for more individual freedom while some western societies such as the USA seem to be adopting more ideas from collectivism and socialist ideologies.

Change in ideas on masculinity and femininity have been fairly rapid in some countries and areas of the world. The woman’s liberation movement in some countries and changes in the cultural ideas of the role of men and the role of women have occurred starting with women gaining the right to vote and have increased participation in politics and government beginning in the nineteenth century. The glass ceiling on salaries and the discrimination against women in jobs are being reduced in many countries. In the USA, more women are now completing their college or university educations than men and more women are achieving success as executives in business and in government, or in other areas of society. The same changes are taking place in many other countries.

The narrowing differences between men and women in some countries are demonstrated by changes in fashion where more women wear pants or pantsuits and more men wear more colorful shirts. Casual dress among women and men has become more similar. The changing sexual orientation and even the change of sex through chemistry and surgery are becoming more acceptable in some countries.

These narrowing differences need to be studied to see whether the propositions need to be revised in the future. The cultural definitions introduced by Geert Hofstede and his followers still are helpful to many in understating cultural dimensions, but may need revision over time as cultural attitudes change over time.

REFERENCES


THE EFFECT OF INTERNAL CONTROLS ON SMALL COMPANIES’ PROFITABILITY AND SURVIVABILITY

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ABSTRACT
Researchers in empirical studies have shown that weak internal controls in organizations cause poor earning quality, lower return on investment, lower profit margin, and lower market value. Weak internal controls in organizations are also associated with higher audit fees. In addition, firms with internal control problems attract more scrutiny from government and regulators causing penalties, more in audit fees, increase expenses, and lower profits. Internal control is defined in this study as all the policies and procedures management uses to ensure the reliability of financial reporting, compliance with laws and regulations, and the effectiveness and efficiency of operations. This article draws on a literature dependency perspective of internal controls in small companies. The article briefly discusses the evolution of internal controls incorporating the Committee of Sponsoring Organization Committee (COSO) Integrated Internal Control Framework. It discusses the challenges small companies faced to implement internal controls. The article concludes by noting the benefits of internal controls in small companies and the various ways these policies can foster profitability and sustainability.

Keywords
Internal controls, small businesses, policies and processes
THE TIMELINESS OF STATE AND LOCAL GOVERNMENTS BY GASB: AN EVALUATION OF EFFICACY OF FINANCIAL REPORTS

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ABSTRACT

In March 2011, the Governmental Accounting Standards Board (GASB) issued a research brief titled “The Timeliness of Financial Reporting by State and Local Governments Compared with the Needs of Users.” This study formally exposed an apparent gap between the time-of-issuance of governmental financial reports and their usefulness according to a large and diverse group of survey participants. According to the GASB in the aforementioned report, nearly a quarter of the government entities take longer than six months to issue their annual reports, with many evidencing release times of a year or more. Comparatively, the users surveyed indicated that report usefulness begins to decline substantially when the time to issuance exceeds 45-60 days. After six months the information is no longer considered timely and is significantly less useful to users of the financial statements, which include creditors and investors, such as banks and bondholders, respectively. Timeliness is one of the six qualitative characteristics that governmental financial reporting is expected to possess, and it is currently not being met. First, one of the key reasons timeliness is impaired is directly correlated with the relative complexity of GASB Standards; consequently, there is a need for a qualified management staff whom is specifically trained to interpret and implement GASB standards. Second, some falsely believe the size of the government is indicative of report timeliness. The governments, regardless of their size, should post relevant information within a timely manner, which is commonly benchmarked at six months. Thirdly, complex data gathered from consultants is difficult for staff to interpret. Finally, turnover of management is an inherent problem associated with this study. We believe this timing issue may be reduced by introducing better internal controls, information technology, training of relevant staff, increased communication, and improved overall commitment by the government to issue these reports in a timely manner.

Keywords
Financial reporting, accounting standards, timeliness
DISCRIMINATING AGAINST MILLENNIALS IN THE WORKPLACE: AN ANALYSIS ON AGE DISCRIMINATION AGAINST YOUNG ADULTS

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ABSTRACT
Age discrimination is not only a problem for older professionals but also for young adults entering the workplace environment. This article focuses on understanding the perception of young adults between the ages of 18 and 29 about age discrimination in the workplace. A survey was shared through social media and 65 responses were retained. Data gathered was qualitatively analyzed from a sample population of young adult workers. The main focus of the paper is to understand the perception of young adults about age discrimination. Workable solutions were also suggested based on the survey results.
INTRODUCTION: REVERSE-AGEISM MIGHT BE WORSE

Despite its perniciousness, age discrimination remains a form of discrimination that is unfortunately socially acceptable in the workplace (Bayl-Smith & Griffin, 2014). Even with the regulations in relation to equal employment opportunity (EEO) in place, the Age Discrimination in Employment Act (ADEA) only protects employees that are above the age of 40. As it was clearly stated by the U.S. Equal Opportunity Employment Commission, “It is not illegal for an employer or other covered entity to favor an older worker over a younger one, even if both workers are age 40 or older” (EOEC, 2016, para. 3). Discriminating against millennials known, as reverse ageism is, perhaps, a new form of discrimination in the workplace that became salient to take actions in its regard.

Age discrimination is defined as the negative attitude toward individuals solely based on chronological age (Greenberg, Schimel, & Martens, 2002; Tougas, Lagacé, De la Sablonnière, & Kocum, 2004). The gap in the literature is that most researchers focused on older workers (DeArmond et al., 2006; McCann & Giles, 2002) little has been done on discrimination against millennials in the workplace. The focus of this paper is to understand the perception of young adults about age discrimination. Workable solutions for companies and policymakers were suggested based on the survey results.

Keywords
Age discrimination, ageism, millennial
COMMONWEALTH OF PUERTO RICO V. FRANKLIN CALIFORNIA TAX FREE TRUST ET AL. (NO. 15-233):
FINANCIAL CRISES OF PUERTO RICO AND THE ISSUE OF POLITICAL SOLUTION

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ABSTRACT
This paper examines the political relationship between the United States and the Commonwealth of Puerto Rico as it relates to the ability of the fiscally endangered US territory to restructure its debt. The Supreme Court of the United States will address this issue during its 2015-2016 term in the case of the Commona of Puerto Rico v Franklin California Tax Free Trust et al. (No. 15-233). This case involves a 1984 Congressional revision of the Bankruptcy Code (11 USC Sec. 101 et seq.) that included a special provision that denied Puerto Rico and the District of Columbia the opportunity to be listed as debtors under Chapter 9 of the Federal Bankruptcy Code. The special provision redefined the term “state”. Chapter 9 allows municipal governments and state owned industries (utilities) to file for debt relief (e.g. Detroit, Michigan). Under this new provision, and the redefinition of “state”, Puerto Rico and the District of Columbia were denied the opportunity of having their public utilities relieve their debt through the process of restructuring in bankruptcy. In response, in 2014 Puerto Rico passed the Recovery Act that provided debt relief under its own laws for its public utilities. The law was challenged by the bond holders, represented primarily by Wall Street hedge funds arguing that although Puerto Rico is not permitted to use Chapter 9 of the Bankruptcy Code for relief, it is still bound by provision 903 (1) of the Code that prohibits states from seeking debt relief on their own. Puerto Rico is arguing that the provision violates the Equal Protection Clause of the 14th Amendment of the US Constitution.

Puerto Rico became a colony of Spain in 1509, during the European colonization of the Americas, and remained so until the Spanish American War of 1898. Puerto Rico, along with Guam and the Philippines was ceded to the United States as war booty in the Treaty of Paris that ended the Spanish American War. Puerto Rico and Guam have remained colonies of the US since that time. After the arrival of the US, Puerto Rico operated under a US military government until 1900 when Congress through the Foraker Act Pub, L, 56-191 (Organic Act of 1900) established a civilian government in PR. In 1917, Congress enacted the Jones-Shafroth Act (Pub. L. 64-368) that granted Puerto Ricans US citizenship, that among other things allowed Puerto Rican men to be conscripted into the US military. Puerto Ricans living in Puerto Rico, however, do not have voting representation in Congress nor can they vote for the Presidency of the US. Puerto Rico was unquestionably a colony of the United States until 1952 when with the approval of the US Congress (Public Law 600 of 1950) the island was allowed to formulate a form of self-government. The Commonwealth of Puerto Rico became an unincorporated territory of the United States with its own Constitution and a limited form of self-government in 1953.

This will be the first time in many years that the issue of Puerto Rican sovereignty is addressed by the US Supreme Court. A series of cases called the “Insular Cases” of 1901, decided that the
Constitution did not apply *ex proprio vigore* to all US territories because they were not sovereign.\(^1\) Since that time, arguments have been made that those cases are anachronistic and do not accurately reflect the political relationship that exists today between the US and Puerto Rico.

At stake is the political future of 3.5 million American citizens living on the island, and another 4 million Puerto Ricans, also American citizens, who live in the mainland United States and around the world who still call Puerto Rico their home. (The issue has been raised in the current presidential debates.)

DIETARY SUPPLEMENT DRINKS DESIGNED FOR AGING POPULATIONS

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ABSTRACT
The increased demand of dietary supplements and alternative nutrition has been enhanced among the aging population in the globe, especially in USA, Europe and Japan, where elderly consumers seek elixirs to cure what ails them and to help them stay healthy well into their twilight years. Over the last decade, sales of dietary supplements and nutrition has surged and according to the Nutrition Business Journal the market has grown to US$96 billion in 2012 and US$104 billion in 2013. It is expected to rise to US$107 billion in 2017.

According to Euromonitor International, the current value sales of vitamins and dietary supplements in Japan increased by 1% to reach ¥1.1 trillion. Dietary supplements continued to hold the largest value share amounting to ¥689.3 as a result of slightly less than 2% growth. Within dietary supplements, combination dietary supplements saw the fastest growth of 6% in 2015, thanks to the robust growth of those products targeting the middle-aged and the elderly. Supplement nutrition drinks posted the strongest retail value growth, up by 3% in 2015, thanks to the increasing demand by senior consumers. Value sales of vitamins and dietary supplements are expected to rise at a 1% CAGR at constant 2015 prices over the forecast period to stand at ¥1.2 trillion in 2020. Dietary supplements and supplement nutrition drinks will see positive constant value CAGRs (Compound Annual Growth Rate) in line with increasing demand from the aging population.

Having realizing the role and importance of the dietary supplements and nutrition among the aging population, author has developed a series of dietary supplements and health drinks that have unique health benefits for the targeted population. Author uses the biotransformation of the foreign substrate using the plant cultured cells interested in medical, pharmaceutical and organic synthesis fields. In such a status we had studied the biotransformation of foreign substrate using plant cultured cells and it was found that the plant cells have the conversion ability such as stereoselective reduction, enantioselective oxidation, regioselective hydroxylation and glycosylation. Saponines are accumulated in plants as secondary metabolites and their high functional ability draws an international attention as functional material. Also glycosylation is useful primarily for enhancement of water-solubility and thermal stability. Glycosylation by plant cultured cells has been the subject of increasing attention, since a one-step enzymatic glycosylation by plant cultured cells is more convenient than chemical glycosylation, which requires tedious steps such as protection and deprotection of the hydroxyl groups of the sugar moieties. We had investigated the production of saponines in one step and at reasonably low cost by using plant cultured cells. In this way, we have studied the biotransformation of using plant cultured cells. To produce the glycoconjugates efficiently, we used the cultured plant cells of Phytolacca americana as biocatalysts. Three stilbene compounds such as trans-resveratrol, pterostilbene, and piceatannol were used as substrates. We also investigated the physiological activities of the product glycosides, and show Dr. Hamada’s product as a health food product in this presentation.
Keywords
Nutrition, aging population, dietary supplements, energy drinks
LEADERSHIP AND eLEADERSHIP: AN ANALYSIS OF CONTINGENCY FACTORS AND CONSIDERATIONS

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ABSTRACT
Leadership is a crucial element for all major human endeavors and it takes various forms and styles which keep on evolving with time. Often it is exercised by a single person but more and more as a team given the multifaceted aspects of a large enterprise such as a company or a government entity. In the political contexts we have seen a variety of styles used to garner support since most situations require leadership and followership. Society is increasingly driven by technology with computer systems playing a major role and in this context the entities are essentially electronic in nature; case in point Amazon. Increasingly traditional business organizations are being replaced and/or complemented by ebusiness; cases in point AliBaba and The New York Times; Kohl closing several stores and trying to do more business online. eLeadership is the type of leadership used specifically for the so-called electronic entities. eLeadership could also mean using electronic means in organizations which may be basically traditional in nature but have to adapt to the new contingencies. Determining which one to use has to do with the specific organizations and situations involved. This study will first explore the multifaceted aspects of leadership and eLeadership and identify their distinct nature. A review of contingency theories of leadership will be undertaken in particular to pinpoint the need to update such theories in light of the tremendous impact of technology on practically all organizations. Contingency theory is a behavioral theory based on the view that there is no “one best way” to lead an organization, organize a cooperation or make a decision. Contingency theory states that actions taken are dependant (contingent) to the internal and external factors. Two of the most important contingencies for organizations are: competition and technology with the former often driving to the use of more of the latter. In the business sector, how often do we see traditional organizations going under since they are unable to compete with those using eLeadership.

PART ONE
LEADERSHIP: A Theoretical Perspective to Practical Application

Leadership is the very heart and soul of business management. No one really manages a business by shuffling the numbers or rearranging organizational charts or applying the latest business school formulas. What you manage in business is people. Management and leadership are of course inextricably intertwined, but for the sake of clearer understanding, the writer thinks of business
management as something objective: You want to accomplish an objective, to get from here to there, and your performance can be measured. You can be taught the tools of your trade in a school of business administration. In fact if you pass all your examinations, you are rewarded with the title “Master of Business Administration.” However the legion of young men and women who come out of the business schools each year, armed with calculators and computer science, are at best enlightened business administrators, not leaders. Leadership is purely subjective, difficult to define, virtually impossible to measure objectively, and cannot be taught in school, any more than a baseball player can learn to throw a curve ball by reading a manual. And yet it is always palpably there in every enterprise, setting the personality of each individual company, a reflection of the character and personality of the chief executive and his top management team of players. The quality of leadership is the single most important ingredient in the recipe for business success (Geneen, 1984).

Leadership according to Geneen (1984) is the ability to inspire other people to work together as a team, following your lead, in order to attain a common objective, whether in business, in politics, in war, or on the football field. No one can do it all alone therefore, others must want to follow the leader. The writer does not particularly subscribe to the theory that there are natural born leaders. He believes that leadership is learned, although it cannot be explain entirely how it is learned. The ability to lead and inspire others is far more instinctual than premeditated and it is acquired somehow through the experiences of one’s everyday life, and the ultimate nature and quality of that leadership comes out of the innate character and personality of the leader himself.

Understanding the Basics

Leaders come in every size, shape, and disposition - short, tall, neat, sloppy, young, old, male, and female. Nevertheless, they all seem to share some, if not all, of the following ingredients: The first basic ingredient of leadership is a guiding vision. The leader has a clear idea of what he wants to do (professionally and personally) and the strength to persist in the face of setbacks, even failures. Unless you know where you’re going, and why, you cannot possibly get there. That guiding purpose, that vision is what is essential.

The second basic ingredient of leadership is passion - the underlying passion for the promises of life, combined with a very particular passion for a vocation, a profession, a course of action. The leader who communicates passion gives hope and inspiration to other people. This ingredient tends to come up with different spins and sometimes appears as enthusiasm.

The next basic ingredient of leadership is integrity. There are three essential parts of integrity: self-knowledge, candor, and maturity. “Know thyself,” was the inscription over the Oracle at Delphi and it is still the most difficult task any of us faces. Until you truly know yourself, strengths and weaknesses, know what you want to do and why you want to do it, you cannot succeed in any but the most superficial sense of the word. The leader never lies to himself, especially about himself, knows his flaws as well as his assets, and deals with them directly. You are your own raw material. When you know what you consist of and what you want to make of it, then you can invent yourself.

Candor is the key to self-knowledge. Candor is based in honesty of thought and action, a steadfast devotion to principle, and a fundamental soundness and wholeness. An architect who designs a Bauhaus glass box with a Victorian cupola lacks professional integrity, as does any person who trims his principles - or even his ideas-to please.

Maturity is important to a leader because leading is not simply showing the way or issuing orders. Every leader needs to have experienced and grown through following - learning to be dedicated, observant, capable of working with and learning from others, never servile, always truthful. Having located these qualities in himself, he can encourage them in others.
Integrity is the basis of trust, which is not as much an ingredient of leadership as it is a product. It is the one quality that cannot be acquired, but must be learned.

Two more basic ingredients of leadership are curiosity and daring. The leader wonders about everything, wants to learn as much as he can, is willing to take risks, experiment, try new things. He does not worry about failure, but embraces errors, knowing he will learn from them.

**Characteristics of a Leader**

*Vision, Eloquence, and Consistency*

One of the key tasks of leadership is to give the organization a sense of direction. Strong leaders seem to have a vision of where the organization should go. They are eloquent enough to communicate this vision to others within the organization in terms that can energize people, and they consistently articulate their vision until it becomes part of the culture of the organization.

*Commitment*

A strong leader is someone who demonstrates commitment to his or her particular vision, often leading by example.

*Being Well Informed*

Good leaders do not operate in a vacuum. They develop a network of formal and informal sources that keep them well informed about what is going on within their company. They develop back-channel ways of finding out what is going on within the organization so that they do not have to rely on formal information channels.

*Willingness to Delegate and Empower*

Good leaders are skilled delegators. They recognize that unless they do delegate they can quickly become overloaded with responsibilities. They also recognize that empowering subordinates to make decisions is a good motivational tool. Delegating also makes sense when it results in decisions being made by those who must implement them.

*Astute Use of Power*

Edward Wrap notes that good leaders tend to be very astute in their use of power. Good leaders play the power game with skill, preferring to build consensus for their ideas rather than use their authority to force ideas through. They act as members or democratic leaders of a coalition, rather than as dictators. Second, good leaders do not commit themselves publicly to detailed strategic plans or precise objectives. Third, good leaders possess the ability to push through programs in a piecemeal fashion. They recognize that, on occasion, it may be futile to try and push total packages or strategic programs through an organization, since significant objections to at least part of such programs are likely to arise.

*Emotional Intelligence*

Emotional Intelligence is a term coined by Daniel Goleman to describe a bundle of psychological attributes that many strong leaders exhibit. They include self-awareness, self-regulation, motivation, empathy, and social skills. Self-awareness refers to the ability to understand one’s moods, emotions, and drives, as well as their effect on others. Self-regulation is the ability to control or redirect disruptive impulses or moods— to think before acting. Motivation refers to a passion for work that goes beyond money or status and a propensity to pursue goals with energy and persistence. Empathy means
understanding the feelings and viewpoints of subordinates and taking those into account when making decisions.

Leaders, Not Managers

The difference between leaders and managers is as the differences between those who master the context and those who surrender to it. There are other differences, as well, and they are enormous and crucial. According to Bennis (1989):

- The manager administers; the leader innovates
- The manager is a copy; the leader is an original
- The manager maintains; the leader develops
- The manager focuses on systems and structure; the leader focuses on people
- The manager relies on control; the leader inspires trust
- The manager has a short-range view; the leader has a long-range perspective
- The manager asks how and when; the leader asks what and why
- The manager has his eye always on the bottom line
- The manager imitates; the leader originates
- The manager accepts the status quo; the leader challenges it
- The manager is the classic good soldier; the leader is his own person
- The manager does things right; the leader does the right thing

Leadership Skills

Most business schools teach six fundamental managerial skills that supposedly insure success in today’s business world:

- set goals and establish policies and procedures
- organize, inspire, and control people
- analyze situations and formulate strategic and operating plans
- respond to change through new strategies and reorganizations
- implement change by issuing new policies and procedures
- get results and produce respectable growth, profitability, and return on investment

While these may have worked in the past, declining American productivity and competitiveness prove they no longer suffice. To achieve corporate excellence in the dynamic future, leaders must learn to transcend the past with New Age skills: creative insight, sensitivity, vision, versatility, focus, and patience.

The first two skills help forge a strong foundation for excellence because insight informs successful strategies and sensitivity helps build strong cultures. Vision and patience help leaders integrate their skills. While vision helps them invent an excellent future, patience allows them to take the necessary time to implement it successfully. And since any organization must be able to evolve, versatility and focus provide for adaptation, the former stimulating anticipation of future needs, the latter directing implementation of change efforts. Vision logically comes after insight and sensitivity because it yokes the two, while patience naturally follows versatility and focus because it links all the other skills by providing exquisite timing.
Creative Insight: Asking the Right Questions

Insight, which involves adapting a variety of critical perspectives, forces executives to strike at the heart of a problem, not just at its visible symptoms. Executives lacking insight see either the forest or the trees, but never both. Without insight, executives waste valuable resources because they don’t get at the roots of problems and are therefore unable to design successful solutions. By asking the right questions, leaders obtain the key to the increased insight that informs superior strategies.

Insight, which help leaders to spot and take advantage of strategic opportunities, is the first of two foundation skills. Leaders unite insight with the second foundation skill, sensitivity-understanding and acting upon people’s expectations and needs-to forge the strategy-culture alloy from which excellence is created. These two skills help leaders successfully manage the two basic components of corporate excellence. Insight requires a mind capable of concentration, one that not only thinks creatively but is capable of adopting a variety of perspectives. Just as a photographer will take quite a few “shots” of a subject before deciding which pose will create the most effective portrait, an executive with insight will take several “shots” of a problem from varying points of view to determine which solution will produce the most desirable results. By doing so the insightful executive often discovers opportunities others never see and solves problems in ways that others never conceive possible. Insight depends on physical and mental experience. However, since no one lives long enough to experience everything, leaders can easily be trapped within a rigid set of habits, underutilizing their experience and greatly reducing their ability to spot opportunities, create advantages, and devise solutions to problems. Multiple perspectives free them to maximize their experience by letting them apply it in a different way for each point of view.

To gain insight executives learn to ask a series of questions from far-ranging points of view. When insightful executives solve problems, they try to heighten their perceptions, going beyond the old, habitual, comfortable ways of experiencing the world.

Like blind people, they ask questions that might never occur to their sighted friends. One executive urges his people to try a little experiment that involves tying a blindfold over the eyes and then try to perform ordinary tasks. “Include a relative or friend in the game,” he says. “You’ll appreciate having a sort of ‘seeing-eye dog’ to keep you from bumping into furniture and hurting yourself.”

He claims that a rewarding side effect of this exercise is an increased sensitivity to one’s dependence on others. “Too many executives feel at the center of any change in their organizations and pay too little attention to the fact that they must rely on the advice and insight of even the lowliest members of their team. Being blind for a couple of hours is a humbling experience.”

Recognizing Insight

Recognizing insight in leaders or others begins with increased comprehension of the characteristics most insightful executives share. Don’t look for once-in-a-lifetime brilliant flashes. Deep insight is a basic and abiding skill that continually guides the thinking of a strong leader.

Creative problem-solving derives from the ability to adopt multiple viewpoints and ask the right questions. If creativity makes people more independent, self-directed, and assertive and helps them allocate the right resources to cope with life’s difficult situations, then insight may be thought of as a highly directed application of creativity.

Eugene Raudsepp, president of Princeton Creative Research and author of “How Creative Are You?”, has won acclaim for original research into creative problem-solving. A portion of Raudsepp’s “problem-solving behavior” test have been applied to help identify the characteristics of insightful executives.
They prefer tackling problems that do not have precise answers, asking questions like “In what ways can we create new needs in our customers, needs only we can meet?”

They spend more time synthesizing information than gathering it, relishing the process of breaking information down into its component parts, then reconfiguring those parts to expose the essence of a problem. They can easily drop an approach to a problem that is not working, forcing their way out of habitual methods of thinking or analyzing. They doggedly pursue difficult problems over long periods of time, never feeling frustrated when the solution isn’t readily apparent. They don’t worry about asking questions that might display their ignorance. Such “dumb” questions cut to the heart of the matter and open a new path of thinking. They pay more attention to information’s content than to its source, never caring where insight comes from as long as it’s based on accurate data or real perceptions. They do not apply strictly logical step-by-step methods to problem-solving, because they realize that each problem is unique and uniqueness resists easy formulas. They entertain offbeat ideas without automatically labeling them “crackpot”: some of the best ideas seem idiotic in the beginning. They saturate themselves with all they can learn about a problem, preparing themselves thoroughly and with great enthusiasm. They love complex problems and enjoy struggling with thorny issues. They mentally experiment with solutions that would not even occur to others, considering every possible approach.

They usually think up more ideas more rapidly than anyone else in brainstorming sessions because their disciplined but flexible minds thrive on such exercises. They picture situations and possibilities with vivid imagery that often colors their language, describing possible solutions in rich detail. They have made meditation a habit, not an occasional exercise, and set aside time each day for such activity.

In their own experience, insightful executives also routinely manifest their creativity by:

- Holding open discussions in which they encourage disagreement. Insightful executives spend a good deal of their time fostering honest exchange of ideas among their associates and subordinates.
- Reading voraciously to satisfy a thirst for knowledge and the experience of others. Executives with insight constantly add new information and perspectives to their understanding.
- Enthusiastically entertaining new ideas. They help their associates and subordinates come up with innovative approaches.
- Asking penetrating questions. They ask more questions than they answer.
- Swiftly devising a number of scenarios for solving a problem. They visualize all possible viewpoints.
- Sensitivity: Doing unto others. If, in the final analysis, people are an organization’s greatest asset, then leaders must understand how to bind them together in a culture wherein they feel truly motivated to achieve high goals. Face-to-face communication, ongoing training and development, creative incentive programs, and job security all display the sort of sensitivity that nurtures strong cultures. Every strong culture derives from management’s sensitivity. Without it, employees feel unmotivated, underutilized, and even exploited.
Everyone has heard the old saying, “Don’t judge a man until you’ve walked a mile in his shoes.” That could serve as a working definition for sensitivity, the second core skill. The Japanese call it *haragei*, from *hara*, stomach, and *gei*, art. The art of getting inside another person. “Do unto others as you would have them do unto you” is a simple concept, yet difficult to practice because true sensitivity doesn’t merely involve crawling inside another person’s head, it includes acting to fulfill the needs and expectations you find there. Perhaps it seems obvious that a strong corporate culture cannot exist without sensitivity on the part of the organization and its executives to employees at all levels, but, as with insight, harnessing sensitivity requires a great deal of time and concentration. Just listening to a security guard’s confession of a drinking problem or sympathizing with a secretary’s need to balance childcare responsibilities with her job is not enough. Sensitive executives not only consider such problems, they act on them. While it may be easy to listen and sympathize, it is not easy to nurture an environment that continually meets the needs and expectations of many unique and fallible human beings. All people want their needs and expectations fulfilled by the organizations they choose to work for. Otherwise, they bide their time or resign. In either case, morale plunges and productivity declines. Turnover in personnel and deteriorating productivity are sure signs of organizational and executive insensitivity.

**Recognizing Sensitivity**

In his masterful work *Human Intimacy: Illusion and Reality*, Victor L. Brown asserts that the realities of human intimacy include love, trust, openness, sincerity, service, and sacrifice, while the illusions of human intimacy trap us into self-obsession, manipulation, personal gratification, superficiality, and a false belief that violating the realities of human intimacy will not bring damaging consequences. According to Brown, successful human relationships grow from kindness, empathy, and commitment, and he warns that illusions about human relationships rise when people relate to “fragments of human beings,” “deny the consequences of human behavior,” and “deal in indulgence, not discipline.” Despite the fact that contemporary society enjoys the virtually unlimited technology to create material comfort, people in our society tend to move from one superficial, unfulfilling relationship to another. Only through deep commitment and hard work can people win lasting pleasure and enduring security. But it does take work to talk to, touch, and in other ways cultivate intimacy with others.

Over the years there has been an observation of five blocks that make the journey to true sensitivity a difficult one. If leaders recognize these blocks, they will be in a better position to avoid them.

- Assuming you know others’ expectations and needs without discussing them.
- Treating all employees the same regardless of differences.
- Viewing employees as tools or production units.
- Seeing employees as they once were, not recognizing changes or improvements.
- Believing employees should respond the way you would respond in the same situation.

When executives assume, without asking, that they understand the expectations and needs of their people, they risk making poor decisions about such important factors as working environment, employee recognition, incentives, and communication methods.
To overcome this, they must listen carefully when employees discuss their expectations and needs. Most executives spend 80 percent or more of their time listening to people, but unfortunately half the time they don’t really hear what’s being said.

When an executive treats every employee the same, serious problems arise. Treating everyone the same communicates the message, “I don’t care enough about you to find out what makes you unique.” To remove this block leaders must identify and understand the differences among individuals. This does not mean they develop a different set of policies for each employee, but it means that they recognize and respond to the differences among their people.

Executives who view their employees as tools or production units deserve ten years of hard labor as a tool or production unit. On the other hand, those who try to induce in their organizations the intensity and intimacy of their family relationships win the same sort of satisfaction and security they enjoy at home, not just for themselves but for their employees as well.

Locking employees into a past perception ignores the fact that people change, at times quickly and in major ways. Regardless of deep-seated idiosyncrasies and personality traits, tomorrow’s employee may differ as much from today’s as today’s differs from yesterday’s. People acquire new technical knowledge, learn new skills, increase their experience and judgment, improve competence, and evolve interpersonal relationships. If an employee achieves a major improvement in any area, give public recognition to that achievement. If an employee seems to have lost something, figure out why.

Do not expect your people to respond to a given situation the same way you would. Even if you say, “Of course not,” don’t be sure. Most of us can’t help projecting our own attitudes and approaches on others. Even if they have successfully crawled into another person’s head, they have to be constantly on guard against projecting their own ideas onto that person’s decision or solution to a problem. Fortunately, if an employee’s decision concerns the organization’s commitment, competence, or consistency, a strong corporate culture will narrow the range of acceptable courses of action, but many decisions do not concern cultural factors. Some executives push so hard for conformance to a cultural model that they thwart innovative, independent thinking, creating “yes” people instead. Such people do not support strong cultures. To remove this block, they must avoid projecting their skills or style when they evaluate employee actions.

Executives need to detach themselves and rely on the tenets of the organization’s culture rather than letting their biases determine their judgment.

Five Levels of Sensitivity
True sensitivity springs from a deep understanding of the basic needs and expectations of people. Two of the most well-known, widely used theories are Abraham Maslow’s hierarchy of needs and Frederick J. Herzberg’s motivational theory. Maslow identifies five levels of needs: physical well-being; safety and security; social affiliation; self-esteem; and self-actualization. When your physical needs such as those for food, clothing, and shelter are satisfied, the needs of the next level become paramount. Then, when the needs for safety and security are met through an assurance that your job situation frees you from having to worry about your physical needs, you concentrate on social affiliation needs, which are fulfilled by belonging to a group with shared beliefs, values, and concerns. Once these needs are satisfied, the need for self-esteem rises to the fore. This need is fulfilled by feeling good about yourself as a result of recognition and praise from others. Finally, once you develop self-esteem, you focus on the need for self-actualization, which you attain through growing and developing into the sort of individual you believe you can or must be.

Herzberg’s motivational theory isolates two groups of needs, motivators and dissatisfiers. The motivators include interesting work, challenging work, personal achievement, recognition, and the
opportunity for increased responsibility. The satisfaction threshold for motivators has no limit and can reach ever increasing heights. By contrast, the dissatisfiers are organizational policies, working relationships and conditions, supervision, and compensation. Although one can achieve satisfaction in these areas, satisfaction does not increase one’s motivation. For example, an organization’s poor policies will cause dissatisfaction, but good policies will only create satisfaction, not motivation. Dissatisfiers cause varying levels of dissatisfaction but not varying levels of motivation. One’s satisfaction threshold -for instance, one’s idea of a good salary-rises over time, making dissatisfaction a strong possibility in the future.

The five levels of sensitivity are:

- Sensitivity to security expectations and needs requires that one you dedicate himself to his people’s physical well-being, environment, working conditions, compensation, supervision, and benefits. Demanding that his managers do the same. Sensitivity to belonging expectations and needs involves scrutinizing the social interaction, group dynamics, community feeling, participation in decision-making, and sense of family his people experience. Do you feel like a family member?
- Sensitivity to recognition expectations and needs entails thoroughly evaluating how and when your employees win formal and informal recognition via oral and written praise, promotions, bonuses, awards, honors, and other means. No two people are exactly alike and the kind of recognition craved by one may not satisfy another.
- Sensitivity to quality-of-work expectations and needs requires you to define the sort of work people find interesting and challenging. What makes people feel inspired and excited? What calls forth their most creative effort? Individual differences become even more crucial at this point.
- Sensitivity to self-actualization expectations and needs helps you to look inside the hearts and minds of your people. Do you comprehend their dreams? What do they really wish to become? Do they feel that their dreams lie within their eventual grasp?

Spend thoughtful time with each worker.

Vision: Creating the Future. Leaders who develop clear vision can mentally journey from the known to the unknown, creating the future from a montage of facts, figures, hopes, dreams, dangers, and opportunities. By applying the art of meditation to organizational introspection, leaders gain a deep understanding of a business and its environment.

Clear Vision Creates the Future

We all have dreams and fantasies about the future. Most of us picture ourselves more successful, wealthier, and happier than we are now; but we will not reach those goals by idle dreaming. Major events loom on the horizon, among them technological breakthroughs in artificial intelligence, that we can view either as threats to our humanity or as opportunities for advancement. Our individual and corporate success will depend on our ability to anticipate and participate in such changes.

Unlike dreaming or fantasizing, vision, the first of two integrative skills, help executives position themselves and their organizations to create and take advantage of future opportunities.
Vision is both an offensive and a defensive skill, on one hand helping you chart a course that creates change, and on the other helping you respond to external changes. It links the foundation skills to the adaptive skills (versatility and focus) and it joins the second integrative skill, patience to allow leaders the necessary time to create lasting excellence, Visionary executives integrate creative insight and sensitivity to forge the strategy-culture alloy, and they patiently use versatility and focus to maintain excellence over the long term. Executives with clear vision invent excellent futures for their firms; those who lack it set their companies adrift in dangerous waters.

What do we mean by vision? Essentially, vision is a mental journey from the known to the unknown, creating the future from a montage of current facts, hopes, dreams, dangers, and opportunities. Just as the mental journeys of Thomas Jefferson and Karl Marx guided nations, such journeys can dictate the success of businesses; and just as nations must adapt their original visions to changing conditions, so must corporate leaders mold their visions to keep pace with a rapidly evolving world.

How can we recapture vision? The old vision of hard-nosed, bottom-line management served well until recently. Some of it may still serve well. Leaders do not have to start from scratch, but if they are to successfully lead their companies into an ever changing future, they must shape the old vision in imaginative ways. As visionary leaders guide their companies through change, they will be able to transcend the facts and figures at hand.

Clear vision results from a profound understanding of an organization and its environment. The executive needs a practical knowledge of the dynamics of industries, markets, and competition and must recognize the potential of the corporation to influence and exploit those dynamics. It takes a craftsman’s, not a technician’s, skill. The craftsman can see exactly what the end product will look like and exactly what work must be done to achieve it. He then puts his tools and materials to work shaping the product, adjusting and adapting as he goes, keeping constant mental view the look and feel of the goal. By contrast, if one simply follow a set of instructions without vision, he will never create superior results.

**Recognizing Vision:**

First, one must learn to distinguish between executives with vision and those without it. Since it’s easy to feign vision, this not as simple as it seems. Some self-styled visionaries are really dreamers who let their imaginations paint interesting but impractical pictures of the future. Such fantasies may inspire people for a period of time, but when they fail to materialize, they bring disillusionment in their wake.

John Kotter, Harvard Business School professor and author of The General Managers, has shed interesting light on the nature of effective executives by filming a “day in the life” of two very different senior executives, one closely resembling the “visionary executive,” one falling considerably short. The visionary executive, a skillful strategic player, works quite differently from the non-visionary one, who is merely trapped in a role. Consider the differences:

The visionary executive smilingly admits he has only a few crucial appointments scheduled on his calendar. In contrast, the non-visionary executive couldn’t squeeze in another appointment. His overloaded schedule has strapped him in a straitjacket.

The visionary executive spends considerable time walking around the organization, warmly greeting and chatting with employees. The trapped executive spends the bulk of his time in large, formal meetings, during which he directs the actions of his subordinates.

The visionary executive frequently talks about his philosophy, the corporate direction and values he thinks will keep the company successful. The non-visionary executive never talks about
philosophy and, in fact, does not appear to have one. “I’m too busy to fool around with abstractions and fantasies,” he says.

The visionary executive urges his employees to bring both their brains and hearts to work because, in the critical path of life, one cannot separate the two. The other executive, who frowns a lot and rarely smiles, takes executives aside between meetings to criticize their work.

During his work day, the visionary executive spends a lot of time in the plant discussing new products. He hosts spontaneous and informal lunches with key personnel, after which he delivers inspirational speeches to small groups of key employees. The non-visionary executive, who wastes most of his time in meetings, devotes a lot of time to such unproductive undertakings as reviewing a sales training script, reading it aloud, word by word, to the district managers. The two types of executives can be defined by the following traits. The non-visionary executive:

- Solves daily problems and makes decisions.
- Meets formally with immediate subordinates.
- Is aloof, rational, critical, and “cold” (people and ideas prompt a reserved response).
- Pays attention to weaknesses.
- Talks about current business activities.

In contrast, the visionary executive:

- Articulates philosophy.
- Makes contact with employees at all levels.
- Is receptive, expressive, supportive, and “hot” (people and ideas ignite him).
- Pays attention to strengths.
- Talks about future goals.

Obviously, vision distinguishes the strategic player from the trapped executive.

Though strategic players do more than merely create visions for their organization, their visions reside at their very core and rule every action. By contrast, trapped executives do what they do because they’re too busy to see where they are going, they have no concept of what’s really important, and they experience rather than invent the future.

**Versatility: Anticipating Change**

A difficult skill to master, versatility presumes that some goals other than immediately pressing business problems should concern leaders. Unless leaders aggressively pursue interests outside their field, they will not be able to comfortably adapt to change.

**Change**

No other single word so completely captures the essence of contemporary society and its enterprises, and no other characteristic of the era poses more demanding problems for executives. Tried-and-true approaches no longer work against the force of accelerated change. Technical innovations, global communications, and fierce competition can bring changes overnight that once took decades or even centuries to manifest themselves.

Product and service life cycles have grown dramatically shorter because, according to a Fortune article, rapid technological change plus easy credit, mass communications, and advertising have put business on a rollercoaster. As never before, corporate and executive success, even survival, depends on an ability to control the ride.
Executives take advantage of accelerated change with versatility and focus. They use versatility to anticipate change, and focus to successfully implement it. If the foundation skills (creative insight and sensitivity) help you lay the groundwork for excellence, the adaptive skills (versatility and focus) help you make the changes required for maintaining it.

What is meant by versatility? By versatility we mean the capacity to embrace and participate in an ever changing world. That may sound obvious and easy to accomplish, but most people resist change because any major change, from a marriage to a new job, brings with it new conditions, adapting to which takes time and energy. Since we almost instinctively react to change as a threat rather than an opportunity, we cannot learn to master it unless we learn to welcome rather than fear it. You must help evoke and control change rather than simply suffer through it. To better anticipate changes, versatile executives seize opportunities to incorporate change into their personal and professional lifestyles.

Unfortunately, it’s easy to fall into accustomed habits, reacting to new situations with previously successful responses. But only when you change a habit can you begin experiencing the world with a fresh perspective, the sort of outlook that spots a trend, foretells an innovation, or anticipates shifts in consumer behavior, competitor strategies, products, and opportunities. If you become intimately aware of change in one aspect of life, you automatically become more acutely aware of impending changes in other areas.

By creating change at one level, you can better control it at all levels.

Recognizing Versatility

A flurry of recent articles has touted high-output management, high-speed management, high-tech management, and other supposedly newfangled techniques for adapting to this era. These articles claimed that executives facing market turbulence are learning vital lessons:

- To think constantly about new products.
- To back new product thinking with prompt investment.
- To stay close to the customer.
- To keep up with competitors’ investments and costs.
- To more closely coordinate product design, manufacturing, and marketing.
- To move quickly.

These six lessons may offer clues to recognizing versatility, but it must be added that versatile executives regularly and consistently:

- Develop and try new ideas, products, approaches and methods, never allowing complacency or inflexibility to settle in.
- Monitor the environment with acute attention to detail, quickly and thoroughly studying anything that might signal a trend or a change in customer or competitor behavior.
- Get into the habit of moving boldly but in a coordinated, orderly fashion, seizing opportunities with discipline.

In his book *The Leader*, Michael Maccoby articulates the development of a new “self-development or self-oriented” character in our society. Maccoby suggests that leadership by this new character can become the basis of a new society, one that fosters productive adaptation to a rapidly evolving world. The “new” self-oriented person says: “I can contribute more, if they listen to my ideas, if I am treated as an individual, neither as child nor a machine, and the rewards are fair. Otherwise,
I’ll look out for myself.” Clearly, this new character has two sides, one positive and one negative, The positive side includes:

- A flexible, experimental, and tolerant attitude.
- An interest in self-development, playfulness.
- A sense of fairness and a participative orientation.

The negative side includes:

- Self-centeredness, detachment from others.
- A self-indulgent, demanding attitude.
- Rebelliousness and manipulativeness.

If executives can ingrain the positive traits in themselves and their people, at the same time minimizing the negative ones, they will be able to cultivate the new character.

An assessment of the positive or negative new character traits in individuals and groups can help executives recognize versatility. If the negative traits outweigh the positive, versatility does not exist, but if the positive ones outweigh the negative, it does. The ratio between the two indicates how much need there is for improvement. An example of how this works: consider the following situation.

An executive orders an employee, who has been working within a six-member task force, to deliver a summary presentation to senior management, bringing it up to date on current progress and results. A person with the positive traits enthusiastically accept the assignment, then immediately call the other five task force members together to discuss the best way to make the presentation. Everyone would freely discuss different approaches and decide as a group on the best one. All six members would prepare the content of the presentation. As new ideas came forth during the preparation, everyone would have a chance to react to them. It could be a deeply satisfying, shared experience, with the person designated as the spokesperson giving credit to colleagues during the presentation and sharing the experience with everyone afterwards.

By contrast, a person with the negative traits might enthusiastically accept the assignment, then retreat to a private office to determine how best to exploit this opportunity for personal advantage. To retain all the possible glory, he or she would not involve the other members of the task force. What an opportunity to shine in the eyes of management! No credit would be given to others during the presentation, and afterwards the spokesperson would keep details of the meeting as secret as possible.

Focus: Implementing Change.

Everything that happens in your organization either contributes to or erodes its efforts to implement change and keep strategy and culture in harmony. Focus enables leaders to invest available resources toward implementing successful and lasting change. How do you acquire focus? By eliminating unfocused activities and understanding the steps to successful implementation.

Focus Exploits Change

Think of accelerated change as an object hurtling toward you at tremendous speed. If you first spot it a mile away, its speed and the distance between you and it blur its nature; all you can see is an indistinct shape. As the object continues rushing toward you, you begin to discern a rough oblong shape, but you cannot determine much else about it. Is it a threatening enemy missile or a friendly vehicle you might ride toward the future? Quickly, it bears down on you. As you peer at it closely, you suddenly see handles on its side. An opportunity, not a danger! If you have focused well and soon enough, you can seize it, letting it whisk you forward well ahead of those who failed to focus on it in time.

Focus, the second of the two adaptive skills, allows executives to exploit change. Versatile executives anticipate change. Focused executives successfully implement it. While versatility comes...
from full participation in an ever changing world, focus requires undivided attention to details. The Chinese character for crisis combines two seemingly conflicting symbols: one for danger, the other for opportunity. Picture versatility and focus as that sort of combination. While they may seem on the surface to contradict one another, they actually represent two inseparable skills. Such versatile men as Leonardo da Vinci and Benjamin Franklin maintained an intense focus that not only propelled them toward great achievements but also sustained their interest in and enthusiasm for a variety of endeavors. Their focus spurred their versatility and their versatility discovered new targets for their focus.

Focus is defined as the ability to direct individual organizational energy and resources toward one or a few details at a time. Suppose you have correctly anticipated an impending change. How do you adapt to that change without damaging the delicate balance between strategy and culture? By focusing on one step of implementation at a time, you can bring about the sort of permanent change that a brilliant strategy and strong culture can naturally accommodate. Successful organizations must be able to evolve, but if they try to change “too much, too soon” they risk losing their excellence.

**Recognizing Focus**

Some people have developed the ability to focus intensely on whatever activity or problem they tackle, and as a result, achieve desired results in a short time, thus buying time to pursue other tasks or problems with equal focus. Highly focused people have a hard time not applying focus to all phases of their lives. There are three attributes of focus which aptly define the focused executive:

- Pursuing every activity of life with full attention. Focused executives can put such uninterrupted concentration into meetings that they can conclude in twenty minutes what might take several full-hour meetings for their unfocused counterparts. They buy time for meditation and action on other important matters.
- Limiting activities to those in which you can achieve excellence. Focused executives do not waste time signing the corporate letterhead or selecting office furniture when someone else can do so more efficiently and with more flair.
- Totally shifting from one activity to another when required. Focused executives move from activity to activity at convenient breaking points, or they tie up loose ends before launching their focus in another direction.

Scientists, doctors, and researchers might not be able to explain the phenomenon that enables people to focus their attention on one activity while temporarily excluding others, but it is believed that one word sums up the primary force behind focus, interest. When something truly interests you, it automatically attracts a certain degree of focus.

Versatile executives find their attention drawn to a wide variety of interests, each of which they award with their full attention. To master focus, you must develop the ability to manage your interests, determining when and for how long you should award each your undivided attention. Although your interests develop over the years and are strongly influenced by tastes and preferences acquired as early as childhood, you can take four steps to manage them as focused executives do:

First, identify and categorize your personal and professional interests, not just those activities to which you do devote time, but also those to which you think you should devote time. Try to rank your interests in terms of their importance. Which lead to excellence? When change requires you to focus on an area that does not interest you, you may be tempted to ignore the change. However, if the change will have a strong impact on your organization or industry, you can take one of two paths:
delegate the responsibility for implementing a certain change to someone who does display interest in that area and therefore can achieve the necessary focus, or implement the change yourself in a way that coincides with your interests.

Identify and categorize the personal and professional interests of the people who report directly to you, paying attention to those they feel are most important.

Sensitivity will help you do so quickly and accurately. When you’re sensitive to the interests of your people, you can better manage those interests, maximizing their great potential by applying them in areas where focus will help your organization exploit change.

Identify and categorize the personal and professional interests of the people who report directly to you, paying attention to those they feel are most important. Sensitivity will help you do so quickly and accurately. When you are sensitive to the interests of your people, you can better manage those interests, maximizing their great potential by applying them in areas where focus will help your organization exploit change.

Always review your own and your people’s interests with aspect to a given change. Knowing that interests change, focused executives also know how to instill interest in both themselves and their people. Meditation and freewheeling discussions can reveal interesting facets of a previously mundane or boring problem. The more interest you can build, the more likely you are to achieve focus.

Sustain interest in an area long enough to allow your focus to successfully, implement change. When you lose interest you also lose focus and set yourself up to become a victim rather than a master of impending change. How many times have you seen a new program or approach introduced, only to be scrapped a few months later because of a lack of sustained focus. If a change takes tremendous time and effort, consider a rotating assignment of personnel to make sure the interest level remains high.

**Patience: Living in the Long Term**

Executives must rise above the thoughts and actions of others and commit themselves to the long-term perspectives of their enterprises. If leaders believe in their firm’s long-term purpose, they must be patient enough to see it through.

*Patience*

Patience is defined as a persistent commitment to approach all management tasks with the future firmly in mind (and therefore under control), employing the skills at the right time, in the right proportion, and for the right duration. Because it allows you to take the time to create excellence, patience integrates the other skills, fostering the ideal environment in which they all can flourish.

*Recognizing Patience*

In their recent book, *Decision Making at the Top*, Gordon Donaldson and Jay Lorsch, both Harvard Business School professors, summarized their research into the complexities of corporate decision-making. Their goal was to discover why so many organizations make decisions that cause them to disappear during times of economic turbulence. Obviously, it takes a strong leader to guide an organization through major changes involving strategy and culture, and Donaldson and Lorsch identified two leadership qualities that are essential to success: patience and persistence. It takes time to develop new ways of doing things, and you can not take the necessary time unless you have patience. Donaldson and Lorsch identified these characteristics of patient executives:

- A capacity for personal reappraisal that allows the executive to rise above the pressures of day-to-day activities and evaluate his or her role in the broader
scheme of things. When one executive, who had been intimately involved in
the development and implementation of a new marketing strategy, backed off
to reappraise her role, she was amazed to discover that her tight hold on the
reins actually prevented others from embracing her new strategy. She
immediately began working through rather than over others. A commitment to
corporate assessment that leads the executive to analyze the sources of the
organization’s difficulties and to address them in terms of the organization’s
existing and future strengths. This characteristic, while similar to the first, goes
beyond individual analysis to the organization as a whole.

- Confidence in a vision of the organization’s future. Confident people are patient
people, and patient people marshall strong confidence behind their vision.
Those who lack faith in themselves, their visions, and their organization are
always impatient.

Patience helps you make good decisions in the proper place, at the right time. As patience
plays its integrative role in creating excellence, it functions as a timer to make sure events unfold in
logical sequence. Chester Barnard recognized this long ago in his classic 1938 work, The Functions
of the Executive, in which he described four characteristics of good decision-makers: “The find art of
executive decision consists in not deciding questions that are not now pertinent, in not deciding
prematurely, in not asking decisions that cannot be made effective and in not making decisions that
others should make.” In other words, patient executives know when not to decide. The pace of
accelerated change has blinded many executives to this time-honored advice. Barnard goes on to assert
that four rules can help executives make good decisions:

Make decisions that are pertinent now. That means having the patience to put off a decision
that your financial officer pleading with you to make right now but that in your judgment need not be
made until certain events and circumstances have occurred. When someone insists that you must
answer yes or no right now, you should usually answer no.

Never make decisions prematurely. That does not mean patient executives do not act quickly
or experiment with solutions to problems, but it does mean that they do not act hastily or experiment
prematurely.

Make decisions that can be carried out. Executives who make decisions their organizations
cannot support are not only impatient, they are foolish. Patient executives carefully pursue strategies
their cultures can implement, focusing on changes they know their people can successfully make.

Never make decisions others should make. In emergencies and crises, impatient executives
cannot resist making decisions for their subordinates, but when you make a decision someone else
should make – even a strategically sound one – it adversely affects the culture.

REFERENCES


**PART TWO**

**eLEADERSHIP FOR THE 21ST CENTURY**

**COPING WITH NEW CHALLENGES: A COMPENDIUM**

**INTRODUCTION**

Leadership has always been a crucial factor in the advancement of society as a whole and of specific segments thereof such as government organizations or business companies. No entities can progress without leadership. Studies have been undertaken over time to capture the essence of leadership and much has been written about the subject which is even taught in several universities. Leadership can be exercised by a single person or by a group (collective leadership such as that of a university senate) depending on the context. There are also different expectations from leaders depending on the particular socio-political context. As society has evolved and become more complex, leadership has become more demanding.

Leadership which may have been successful in a prior era may not be suited to a new era. Leadership may also have to be adapted to specific circumstances. While there is much to the credit of the so-called democratic leadership, there may be situations which require a strong hand such as autocratic leadership. Also, leadership which may be suitable for a traditional society may not be suitable for a modern technological society. The so called advanced, developed, societies are facing leadership challenges. The context has changed drastically over the years, yet leaders with style which may have worked in the previous era often do not realize that a new leadership approach may be needed. Many businesses were set up in the pre-technological era and they are expected to evolve to meet the requirements of the new age and succeed or else fail. Yet many of the leaders of the previous generation feel that they can continue on with a leadership which may worked out in the past but may not be adequate in the new context. Leaders trained in another era have difficulties facing the new realities of the electronic world. Society is moving from the information era to the knowledge era; few understand the implications, perhaps those in the academic world who are contributing to creating the new technological revolution through their research and teaching and those managing research and development in hi-tech companies. Today’s leaders are expected to be technologically savvy. The Obama Administration is a group which came to power as a result of skillful use of technological means of generating political support. A strong and sustained effort was made to reach out to the young with the new technological means such as the smart phones and YouTube and to the older generation with the traditional means, such as face to face communications. Today the Obama Administration communicates effectively to the constituencies through various technological means.
In 2001, Melissa Raffoni (Harvard Business Review, Oct 15, 2001) “Today it's hard to conceal a smirk when someone mentions a term like e-leadership. Although it's fine to enjoy a good chuckle at the way the Svengalis of the New Economy have received their comeuppance, don't let your skepticism get out of hand. A review of several recent books suggests that many of the principles of e-leadership still have merit, even if they could be made timelier...by the infusion of pre-Internet era wisdom.” We have come a long way ever since, with e-Leadership taking more and more center stage.

The computer-communication revolution: reaching to the clouds, riding the wireless wave

Computer-communication systems have drastically changed society in the recent years and the transformation is still ongoing and appears to be never ending. We process information albeit knowledge differently than in the past and we communicate these also in new ways. New electronic entities have emerged to take the lead and it is often immaterial who the leaders are as long as these entities exercise the leadership needed. Do we need to know who are the ‘magicians’ at IBM, Oracle or GE; we think we know about Apple. We know who the CEOs are but we also know that they may be the ‘drivers’ or not, or that they may exercise a style of leadership which allow the technological leaders to get things done; they are thus self-effacing.

Computer-communication systems have been making significant contributions to society at large and to the ways companies are led. Leadership which used to be based upon authority and hierarchy is no longer adequate to deal with the new situations facing companies. The new leadership which encompasses e-Leadership is information-knowledge based. Most organizations have gone through a flattening process whereby information technology/knowledge technology reduce the number of layers needed in any organization. “Large, bureaucratic organizations, which primarily developed before the computer age, are often inefficient, slow to change, and less competitive than newly created organizations. Some of these large organizations have downsized, reducing the number of employees and the number of levels in their organization hierarchies. Behavioral researchers have theorized that information technology facilitates flattening of hierarchies by broadening the distribution of information to empower lower-level employees and increase management efficiency. It pushes decision-making rights lower in the organization because lower-level employees receive the information they need to make decisions without supervision (this empowerment is also possible because of higher educational levels among the workforce, which gives employees the capabilities to make intelligent decisions). Because managers no receive so much more accurate information on time, they become much faster at making decisions, so fewer managers are required. Management costs decline as a percentage of revenues and the hierarchy becomes much more efficient. These changes mean that the management span of control has also been broadened, enabling high-level managers to mange and control more workers spread over greater distances.” (Laudon, 2010)

A new leadership, albeit eLeadership, is needed in a context which is constantly evolving (contingency factor). This leadership requires coping with a sea of information and knowledge. Now that there is so much more information and knowledge one of the attributes of leadership is to be to analyze and synthesize information/knowledge at a quicker pace than ever before and organizations able to do so become much more competitive than those not able to do so. By blending information and knowledge it is now possible to produce intelligence more than ever before and developing and using intelligence is a crucial consideration in leading any entity be it governmental, on profit or for profit. Who can forget the ‘gaps’ in leadership by failures to ‘connect the dots.’
Leadership of new electronic entities

There are more and more electronic entities in existence than ever before; also many of the entities of the previous generation are undergoing change to become electronic-oriented to be equipped to deal with a world dominated by electronic entities. Take the case of Barnes and Noble compared with Amazon.com. The following news clip shows Barnes and Noble edging to e-Leadership in its sector failing which it stands to lose ground to its competitors.

"Barnes & Noble Inc. (BKS) will move further into selling books online and through digital downloads, but retain its stores as key elements as it begins the next chapter of its growth, the bookseller's new chief executive said. "Electronic sales and digital books will be the key to our future," said William Lynch, who was named CEO Thursday. At the same time, the biggest bookseller by revenue will keep the number of its stores unchanged as standalone shopping and meeting sites and places to procure digital content. The comments came during a conference call in which Barnes & Noble executives discussed the reasons for tapping the president of the company's Web site as its new chief executive. Lynch succeeds Steve Riggio, who held the post since 2002. "We want to integrate our traditional stores with our online offerings," said Chairman Leonard Riggio. "To thrive and prosper, we need to step up the pace to move into the future."

Lynch, 39 years old, joined the bookseller in February 2009 and has worked to develop the company's e-commerce business and launched its digital commerce platform, including the big-selling Nook e-reader. Before that, he had worked at home-shopping company HSN Inc. (HSNI), running HSN.com. The goal is to provide the Barnes & Noble customer with "access to content at any place or any time," Lynch said.

The executives indicated plans to speed the integration of stores with online and digital content, but did not offer a timeline. They did indicate the number of stores is not expected to grow anytime soon, although they added the book market will not transform into solely a digital and ecommerce business. The move to step up the pace on online and digital offerings comes as book readers have moved into nontraditional areas, like digital books, sapping the revenue of traditional booksellers. The world's biggest brick-and-mortar bookseller said last month its fiscal third-quarter profit declined slightly as same-store sales dropped by more than expected. Barnes & Noble also forecast a fourth-quarter loss. One bright spot was the company's online arm--revenue generated from its dot-com business, which included sales of the Nook, increased 32% from a year earlier. Barnes & Noble has been feeling pressure from activist investor Ronald Burkle, who in February objected to the board's rejection of his request to acquire 37% of the bookseller's common stock without triggering a "poison pill" antitakeover provision. In a November filing with the Securities and Exchange Commission, Burkle, whose Yucaipa Cos. holding company owns around 19% of Barnes & Noble, expressed concern about the adequacy of Barnes & Noble's corporate governance, specifically in connection with the company's purchase last year of Barnes & Noble College Booksellers Inc., which had been privately owned by Leonard Riggio. Steve Riggio, Leonard's brother, will remain vice chairman "and be actively involved in the company," Barnes & Noble said. Meanwhile, the company promoted Chief Operating Officer Mitchell Klipper to CEO of its retail group, which consists of the Barnes & Noble retail business as well as the newly acquired Barnes & Noble College Booksellers business. Standard & Poor's Corp. maintained sell recommendation for shares. "We think this change clearly demonstrates a strategic shift for the company as it works to establish itself as a dominant player in e-commerce and distribution of digital content," said retail analyst Michael Souers, "However, we maintain that the shares are expensive," trading at over 25 times S&P's fiscal 2011 earnings per share estimate of 87 cents. Barnes & Noble shares are up 12 cents, or 0.5%, to $22.45."
Traits of an eLeader: Inside Steve’s Brain by Leander Kahney, Portfolio (Review by Jon Swartz, USA Today)

Probably no figure in Silicon Valley history has inspired more curiosity or attained a greater mythical status than Steve Jobs, the icon behind Apple (AAPL). For decades, journalists have toiled in vain to offer a peek behind the curtain of the Wizard of Cupertino, Calif. Not for lack of trying. Jobs has famously remained tight-lipped and cloistered in secrecy, offering interviews to few reporters. And, on those rare occasions, yielding little or no insights into his personal thoughts. In many ways, he is tech's version of Charles Foster Kane, the mysterious protagonist in Citizen Kane. There have been book attempts. The best of the lot — Alan Deutschman's The Second Coming of Steve Jobs, snappily written and meticulously researched — got no closer to the inner Steve than anyone else. Now comes a fresh, noble perspective from Leander Kahney, news editor at Wired.com and a longtime follower of Apple and its mercurial co-founder. Rather than float on the periphery of the Jobs gestalt, he's decided to get inside the man's head. (Jobs did not respond to Kahney's requests for an interview.) What emerges is Inside Steve's Brain, which offers insightful nuggets on the mind/personality that helped create personal computers and digital music players for the rest of us while moonlighting as a modern-day Walt Disney at Pixar, the groundbreaking animation studio. Kahney posits that Jobs has molded his conflicting personality traits into a business philosophy that has had as much impact on society as Henry Ford or Walt Disney. According to Kahney's provocative book, Jobs is an elitist who dismisses most people as "bozos," yet he makes devices so simple anyone can use them. He's an obsessive creature with a volcanic temper, but he forges deep partnerships with creative artists such as Academy Award-winning animator John Lasseter, design whiz Jonathan Ivi and Steve Wozniak. A Buddhist, he produces mass-market goods in Asian factories, and he promotes them with the zeal of P.T. Barnum. In short, Kahney writes, "Jobs has embraced the personality traits that some consider flaws — narcissism, perfectionism, total faith in his intuition — to lead Apple and Pixar to triumph against steep odds. And in the process, he has become a self-made billionaire." Ultimately, Jobs' unconventional ways and management practices serve their purpose. Perhaps no other company has been as good at giving customers what they want before they know they want it, Kahney writes. The fun stuff lies in the details of Apple's idiosyncrasies — from the corporate politics inherent in parking for employees to the protocol for entering conference rooms. They abound in this book. Lest anyone underestimate Jobs' micromanaging ways, consider this tidbit: His exacting standards cover such esoteric details as the number of screws on the bottom of a laptop and the curve of a monitor's corners. Apple is all about messianic zeal, as any of its millions of devotees will attest. Kahney has produced a rich, essential read for them to get inside Jobs' head and discover what makes Apple insanely great.

Corporate Leadership: the Jack Welch Way
By: Vadim Kotelnikov
Founder, Ten3 Business e-Coach – Inspiration and Innovation Unlimited!

Jack Welch has been with the General Electric Company (GE) since 1960. Having taken GE with a market capitalization of about $12 billion, Jack Welch turned it into one of the largest and most admired companies in the world, with a market value of about $500 billion, when he stepped down as its CEO 20 years later, in 2000. Although Jack Welch is "the celebrated leader of a global manufacturer often noted for its technological prowess, he has utilized a very human process to drive change through
GE's vast organization. Having respect for the individual as a pivotal force in organizational change, Welch created a model of exceptional performance every corporate leader can learn from.

**Why Change Fails: 8 Common Errors**

**The Role of the Leader in the New Economy**

As Jack Welch wrote in a letter to shareholders: "In the old culture, managers got their power from secret knowledge: profit margins, market share, and all that... In the new economy, the role of the leader is to express a vision, get buy-in, and implement it.

**12 Leadership Roles**

That calls for open, caring relations with every employee, and face-to-face communication. People who can't convincingly articulate a vision won't be successful. But those who can will become even more open – because success breeds self-confidence." Welch believed that great business leaders have to:

1. possess large doses of energy, and
2. know how to use that energy to energize others.

Welch moves from meeting to meeting, conveying that message – and the host of other ones as well, some of which have become his trademarks:

- Business is simple.
- Don't make it overly complicated.
- Face reality.
- Don't be afraid of change.
- Fight bureaucracy.
- Use the brains of your workers.
- Discover who has the best ideas, and put those ideas into practice.

**Prescription for Winning in Business: 3Ss**

Jack Welch summed up his prescription for winning in three words:

- **Speed**
- **Simplicity**
- **Self-confidence** ...

**More**

**Strategies for Leading Breakthroughs**

So what separates extraordinary leaders from proponents of the status quo? They break the rules. Except, not in an arbitrary or capricious way. When you look at examples of extraordinary leadership, like the Founding Fathers of the United States or Jack Welch of GE, certain practices or principles become apparent. To start, there is a declaration of what the future will be. There is also a purpose, something to stand for. And finally, there is a clearly articulated commitment... More
Employee Empowerment

Under Welch's leadership, managers had wide latitude in building their GE units in entrepreneurial fashion. Determined to harness the collective power of GE employees, Jack Welch redefined also relationships between boss and subordinates. He wrote: "The individual is the fountainhead of creativity and innovation, and we are struggling to get all of our people to accept the countercultural truth that often the best way to manage people is just to get out of their way. Only by releasing the energy and fire of our employees can we achieve the decisive, continuous productivity advantages that will give us the freedom to compete and win in any business anywhere on the globe."

Discover much more lessons from Jack Welch in the FULL VERSION of e-Coach

Jack Welch's Recipe for Winning Employees' Hearts and Minds...
Understanding Strategic Issues...
Asking Effective Questions...
Redesigning Organization...
Creating Change...
Leading Transformational Change...
Business Innovation...
Transforming the Old Management Model...
Getting Rid of Bureaucracy...
Turning Managers into Leaders...
People Power...
Employee Empowerment...
Energizing Employees...
Attitude Motivation...
Build a Star Team, Not a Team of Stars...
Harnessing the Power of Diversity...
Organizational Transformation...
Building a Learning Culture...
Learning Organization...
Idea Management...
Creativity Management...
Entrepreneurial Organization...
Behave Like a Small Company...
Systemic Innovation...
Creating Vision...
Setting Stretch Goals...
Stretching Business Strategy...
Setting Objectives...
The Four E's of Leadership...
Venture Strategies...
Speed...
Simplicity...
GE Leadership Effectiveness Survey (LES)...
Jeff Bezos’ Quotes: Lessons from Amazon’s Business Leadership Strategy
1. “A brand for a company is like a reputation for a person. You can earn reputation by trying to do hard things well.”
2. “Work hard, have fun and make history.”
3. “Amazon.com strives to be the e-commerce destination, where customers can find and discover anything they want to buy online.”
4. “If you build a great experience, customers tell each other about that. Word of mouth is very powerful.”
5. “There are two kinds of companies; those that work to try to charge more and those that work to charge less. One will be second.”
6. “What is dangerous is not to evolve.”
7. “There are two ways to extend a business. Take inventory of what you are good at and extend out from your skills. Or determine what your customers need and work backwards, even if it requires learning new skills. Kindle is an example of working backwards.”
8. “We expect all our businesses to have a positive impact on our top and bottom lines. Profitability is very important to us or we wouldn’t be in this business.”
9. “We see our customers as invited guests to a party, and we are the hosts. It’s our job everyday to make every important aspect of the customer experience a little bit better.”
10. “What we want to be is something completely new. There is no physical analogy for what Amazon.com is becoming.”
11. “The most important single thing is to focus obsessively on the customer. Our goal is to be earth’s most customer-centric company.”
12. “To create the world’s most customer-centric company, the place where you can find and buy anything you want online.”
13. “Our garage was basically science fair central.”
14. “I think I occasionally worried my parents that they were going to open the door one day and have 30 pounds of nails drop on their head or something.”
15. “I realized I’m never going to be a great physicist. That was where I was working when I came across the fact that the web was growing at 2,300 percent a year.”
16. “I’m going to do this crazy thing. I’m going to start this company selling books online.”
17. “It’s highly unlikely and that started me thinking, ‘What kind of business plan might make sense in that context of growth?’”
18. “There are multiple ways to be externally focused that are very successful. You can be customer-focused or competitor-focused. Some people are internally focused, and if they reach critical mass, they can tip the whole company.”
19. “We have so many customers who treat us so well, and we have the right kind of culture that obsesses over the customer.”
20. “If there’s one reason we have done better than of our peers in the Internet space over the last six years, it is because we have focused like a laser on customer experience, and that really does matter, I think, in any business. It certainly matters online, where word of mouth is so very, very powerful.”
21. “You have to use your judgment. In cases like that, we say, ‘let’s be simple minded. We know this is a feature that’s good for customers. Let’s do it.’”
22. “I love people counting on me, and so, you know, today it’s so easy to be motivated, because we have millions of customers counting on us at Amazon.com. That’s fun.”
23. I knew that if I failed I wouldn’t regret that, but I knew the one thing I might regret is not trying.”
24. “The framework I found which made the decision incredibly easy was what I called – which only a nerd would call – a ‘regret minimization framework’. So I wanted to project myself forward to age 80 and say, ‘Okay, now I’m looking back on my life. I want to have minimized the number of regrets I have.”
25. “It’s very important for entrepreneurs to be realistic. So if you believe on that first day while you’re writing the business plan that there’s a 70 percent chance that the whole thing will fail, then that kind of relieves the pressure of self-doubt.”
26. “We are willing to go down a bunch of dark passageways, and occasionally we find something that really works.”
27. “Every well-intentioned, high-judgment person we asked told us not to do it. We got some good advice, we ignored it, and it was a mistake. But that mistake turned out to be one of the best things that happened to the company.”
28. “For the first four years of the company, we worked in relative obscurity. We always had lots of supporters and we always had lots of skeptics, and that’s still the same today. It’s just that the level of visibility is so much higher. If you look at the six years that we’ve been doing business, in exactly one of those six years we were not the underdog.”
29. “If you’re not stubborn, you’ll give up on experiments too soon. And if you’re not flexible, you’ll pound your head against the wall and you won’t see a different solution to a problem you’re trying to solve.”
30. “We’re very comfortable being misunderstood. We’ve had lots of practice.”
31. “I’d rather interview 50 people and not hire anyone than hire the wrong person.”
32. “No communication is terrible!”
33. “For every leader in the company, not just for me, there are decisions that can be made by analysis. These are the best kinds of decisions!”
34. “The most junior person in the company can win an argument with the most senior person with a fact-based decision.”
35. “You can do the math 15 different ways, and every time the math tells you that you shouldn’t lower prices because you’re going to make less money. That’s undoubtedly true in the current quarter, in the current year. But it’s probably not true over a 10-year period, when the benefit is going to increase the frequency with which you customers shop with you, the fraction of their purchases they do with you as opposed to other places. Their overall satisfaction is going to go up.”
36. “Sometimes we measure things and see that in the short term they actually hurt sales, and we do it anyway.”
37. “Our point of view is we will sell more if we help people make purchasing decisions.”
38. “If you’re very clear to the outside world that you’re taking a long-term approach, then people can self-select in.”
39. “As Warren Buffett says, you get the shareholders you deserve.”
40. “A lot of people – and I’m just not one of them – believe that you should live for the now. I think what you do is think about the great expanse of time ahead of you and try to make sure that you’re planning for that in a way that’s going to leave you ultimately satisfied. This is the way it works for me.”
41. “You know if you make a customer unhappy, they won’t tell five friends, they’ll tell 5,000 friends. So we are at a point now where we have all of the things we need to build an important and lasting company, and if we don’t, it will be shame on us.”
42. “If you think about the long term then you can really make good life decisions that you won’t regret later.”
43. “The Internet in general and Amazon.com in particular, is still in Chapter One.”
44. “We haven’t built a lasting company yet.”
45. “I’m not near the end of the story.”
46. “That blank sheet of paper stage is one of the hardest stages, and one of the reasons it’s hard is because at that stage there’s nobody counting on you but yourself. Today it’s easy because we’ve got millions of customers counting on us, and thousands of investors counting on us, and thousands of employees all counting on each other. In that beginning stage it’s really just you, and you can quit any time. Nobody is going to care, so you set about doing the simple things first.”
47. “I think one thing I find very motivating — and I think this is probably a very common form of motivation or cause of motivation — is… I love people counting on me, and so, you know, today it’s so easy to be motivated, because we have millions of customers counting on us at Amazon.com. We’ve got thousands of investors counting on us. And we’re a team of thousands of employees all counting on each other. That’s fun.”
48. “The thing about inventing is you have to be both stubborn and flexible. The hard part is figuring out when to be which.”
49. “We watch our competitors, learn from them, see the things that they were doing for customers and copy those things as much as we can.”
50. “I want to see good financial returns, but also to me there’s the extra psychic return of having my creativity and technological vision bear fruit and change the world in a positive way.”
51. “Another thing that I would recommend to people is that they always take a long-term point of view. I think this is something about which there’s a lot of controversy. A lot of people — and I’m just not one of them — believe that you should live for the now. I think what you do is think about the great expanse of time ahead of you and try to make sure that you’re planning for that in a way that’s going to leave you ultimately satisfied. This is the way it works for me. There are a lot of paths to satisfaction and you need to find one that works for you.”
52. “The Internet in general, and Amazon.com in particular, is still Chapter One. You’re asking me about my story, and it’s still the very beginning.”
53. “When a company is very tiny it needs a tremendous amount of not only hard work but, as we talked about earlier, luck. As a company gets bigger it starts to become a little more stable. At a certain point in time the company has a much bigger influence over its future outcome and it needs a lot less luck and instead it needs the hard work. At that point there’s a little bit more pressure, because if you fail you have nobody to blame but yourself.”
54. “Things never go smoothly.”

**Major transformation of society calling for new leadership**

The key to progress for countries and companies in the twenty first century is to ride ‘The Third Wave’ (Toffler) and to master ‘The Power Shift’ (Toffler).

“Alvin Toffler is an historian and futurist. In *The Third Wave* he presents an historical view of our two previous civilizations types, a look at the new Third Wave economy, and an analysis of the conflicts that arise between the warring forces of these three civilization types as change sweeps across
the globe. Now sure, we've all read the endless *Wired* articles about the New Economy with its virtuous circles, network effects, and general cyberiffic rosy view of the future, but this book is where it all came from. The truly amazing thing is that Toffler wrote the third wave almost 20 years ago, in an era before the World Wide Web, before the IBM PC, and before anyone knew that Vader was Luke's father. While some of the ideas never came to fruition, it remains an amazingly accurate picture of the future.

The book starts off with a lengthy description of First and Second Wave civilizations. A First Wave economy is agrarian society where everyone makes their own products for their own consumption and there is little or no trading between households. A Second Wave civilization is an industrial society. Rampant specialization and economies of scale have taken over as people form into larger and larger groups like corporations and nation-states. The key indicators of a Second Wave economy are standardization, specialization, and centralization. Almost no one creates products for themselves, but instead people spend most of their time working in a factory creating products to be sold to others. This split of producer and consumer is the primary sign of a Second Wave economy and, according to Toffler, one of the major reasons for strife and chaos in the modern world.

After covering the first two economies (with most of his time spent on the second) Alvin Toffler begins his description of a Third Wave economy, which America has already started to become. (This was true at the time of the writing. I'd say it's well underway now). The key tenets of a Third Wave economy are de-massification and de-centralization. Products will no longer be standardized in huge factories, but, using new manufacturing technology, will be customized in extremely small production runs; sometimes a single unit. Consumers will have a bigger part in the creation of the products they buy, turning the producers and consumers into 'prosumers'. All bureaucratic structures will be de-centralized. National governments will divest more power to regional governments and global organizations that deal with the problems of our new world wide economy. Corporate structures will also be de-massified, giving more power (and economic payoff) to people lower on the ladder.

The key to a Third Wave civilization is flexibility: people work when they want, where they want, and for whom they want. These are all traits found in technology startups and are becoming more common in traditional industries. Flextime, tele-commuting, and stock options all fit very nicely into this future. And they are all features we should look for in prospective companies.” (Credit: Joshy http://slashdot.org/books/99/05/10/1824225.shtml)

In ‘Powershift’, “Toffler carries forward his earlier analysis with an exploration of how individuals, organisations and nations will be affected by inevitable changes in the way power is perceived and applied. He talks of a "... new power system replacing that of the industrial past." The 'powershift' term of the title has a meaning for Toffler which is very different from the usual meaning of the two words 'power shift'. He says in the book that, while a power shift is a transfer of power, a 'powershift' is "... a deep-level change in the very nature of power." A powershift does not merely transfer power, but also transforms it. In Powershift, we are reminded of the three basic sources of power: Violence, Wealth and Knowledge. All businesses work in what Toffler describes as a "power-field" in which these three "tools of power" constantly operate. He goes on to claim that the rising importance of knowledge, so eloquently argued throughout the trilogy, has brought about a profound change in the balance of these three powers. There is no comfortable hint in Powershift of an early solution to the problems associated with change. Toffler talks about the struggles to come as individuals, businesses and national economies move away from their traditional power reliance towards a new dependence on knowledge. Furthermore, in his view, the problems will not be over when these power conflicts are resolved, since he sees even greater challenges ahead as world
divisions develop between "fast" and "slow" economies. Another of Toffler's powerful ideas, explored in detail throughout the trilogy but most strongly in Powershift, is what he calls "de-massification". By this Toffler means a complete reversal of the trend towards "mass" solutions so prevalent in the late 20th century. He sees mass marketing giving way to niche and micro-marketing; mass production being replaced by increasingly customised production; and large corporations being broken down into a number of small, autonomous units. Even politics and the concept of nationhood, Toffler believes, will be affected by the pressure to "de-massify". This pressure, he suggests, is being created by the increasing awareness of better-informed individuals, and is becoming practical through the unstoppable development of information technology.”

http://www.thefreelibrary.com/Alvin+Toffler+:+The+Futurologist%27s+Futurologist

**eLeadership: a tale of two cities**
**Miracle on the Han River**

*From Wikipedia, the free encyclopedia*

For the historical context of this phrase, see Economy of South Korea.

The South Korean economy grew almost non-stop from near zero to over a trillion dollars in less than half a century.

**Miracle on the Han River** (Hangul: 한강의 기적 Hangangeui Kijeok) refers to South Korea's highly accelerated export-fueled economic growth, overnight industrialization, technological achievement, education boom, exponential rise in living standards, rapid urbanization, skyscraper boom, modernization, successful hosting of the 1988 Summer Olympics and 2002 FIFA World Cup, fast democratization and globalization that miraculously transformed the country from the ashes of the Korean war to a wealthy and highly developed country today with a globally influential trillion dollar economy and well-known multinational conglomerates such as Samsung, LG and Hyundai-Kia.[1]

More specifically, this phrase refers to the economic growth of Seoul, through which the Han River flows. The phrase comes from the "Miracle on the Rhine", which is used to describe the economic rebirth of West Germany after World War II, resulting partially from the Marshall Plan. The word "miracle" is used to describe the growth of postwar South Korea into the world's 13th largest economy and a role model for many developing countries,[2] something considered to be impossible by many at the time. Seoul's infrastructure was destroyed by the Korean War and millions lived in poverty at the time, with thousands of unemployed people struggling to fulfill basic needs. In less than four decades, this "hopeless" city was completely transformed into a world leading global city, a centre of business and commerce in Asia and a highly developed world city and economic hub, having among the most advanced technological infrastructure in the world. It is considered by many Koreans as a symbol of national pride and "can-do" spirit; see also:
Singapore has been called an economic miracle because of how much it has achieved in a short span of time, and in spite of its lack of natural resources. In the post-independence 1960s, all that the island possessed was a strategic entrepôt location, a hardworking population and visionary leadership. It has since built up its foreign reserves that total S$251,452.1 million (Monetary Authority of Singapore, May 2009), and generated a money supply of S$84,579.2 million. Its total GDP in 2008 was S$244 billion, contributed mainly by the services sector. Singapore’s core industries lie in electronics, chemicals, financial services, oil drilling equipment, petroleum refining, rubber processing and products, processed food and beverages, ship repair, offshore platform construction, life sciences, and entrepôt trade.

Its major trading partners are Malaysia, United States, Japan, Hong Kong, China, Taiwan, People's Republic of China, Thailand, Republic of Korea, Federal Republic of Germany, Philippines, Europe and Indonesia.

Singapore’s pro-enterprise environment makes it one of the easiest countries to set up a business in, while property, business and income tax rates remain competitively low. Singapore’s free-market economy and political stability, together with a modern infrastructure, business transparency and favourable tax conditions, make it attractive to both investors as well as international companies wanting to set up a regional base in Asia.

Source: Enterprise One, Singapore Department of Statistics, The World Factbook

The building blocks of eLeadership: Pioneering role of Bell Labs

Bell Labs has been at the forefront of technology since 1925. Here are ten Bell Labs innovations that changed the world.

Data Networking

Since the transmission of the first facsimile in 1925, Bell Labs has explored ways to use networks to deliver more than just voice traffic. In the late 1940s, researchers demonstrated the first long-distance remote operation of a computer by connecting a teletypewriter in New Hampshire with a computer in New York. Throughout the '80s and '90s, Bell Labs worked to increase modem speeds and pioneered the first trial of Digital Subscriber Line (DSL) technology. Today, DSL is becoming a popular way to transform regular copper phone lines into high-speed data connections, giving consumers faster access to the Internet.

The Transistor

Developed in 1947, as a replacement for bulky and inefficient vacuum tubes and mechanical relays, the transistor revolutionized the entire electronics world. The transistor sparked a new era of modern technical accomplishments from manned space flight and computers to portable radios and stereos. Today, billions of transistors are manufactured weekly.

Cellular Telephone Technology

In a paper in 1947 Bell Labs was the first to propose a cellular network. The primary innovation was the development of a network of small overlapping cell sites supported by a call switching infrastructure that tracks users as they moved through a network and pass their call from one site to another without dropping the connection. Bell Labs installed the first commercial cellular network in Chicago in the 1970s. Since then Bell Labs has continued to innovate in the wireless area, recently
creating digital cellular telephone technology offering better sound quality, greater channel capacity, and lower cost.

**Solar Cells**

While there were theories and activities to harness the sun’s energy dating back to the 1800s, Bell Labs, in 1954, was the first to actually build a device that used the sun’s power to create practical amount of electricity.

**Laser**

The invention of the laser, which stands for “Light Amplification by Stimulated Emission of Radiation,” can be dated to 1958 with the publication of a scientific paper by Bell Labs researchers. Lasers launched a new scientific field and opened the door to a multibillion-dollar industry that includes applications in medicine, communications, and consumer electronics.

**Digital Transmission and Switching**

In 1962, Bell Labs developed the first digitally multiplexed transmission of voice signals. This innovation not only created a more economical, robust and flexible network design for voice traffic, but also laid the groundwork for today's advanced network services such as 911, 800-numbers, call-waiting and caller-ID. In addition, digital networking was the foundation for the convergence of computing and communications.

**Communications Satellites**

Bell Labs was the pioneer in communications satellites. In 1962 it built and successfully launched the first orbiting communications satellite (Telstar I). Telstar was unique in that it had the ability to receive a signal, amplify it, and then transmitted it back to elsewhere on earth . . . which is, after all, the core of what a communications satellite does. This technology allowed telephones calls to be bounced from coast to coast and around the world. The satellite was powered by Bell Labs solar cells and transistors – two other Bell Labs pioneering inventions.

**Touch-Tone Telephone**

First introduced by Bell Labs in 1963, touch-tone replaced rotary dials. This ushered in a new generation of telephone services and capabilities including voice mail and telephone call center applications. In a recent survey of Americans, touch-tone dialing was named the most important business communications advance of the last century.

**Unix Operating System and C Language**

The Unix operating system and the C programming language, closely intertwined in both origin and impact, were created at Bell Labs between 1969 and 1972. Unix made large-scale networking of diverse computing systems - and the Internet - practical. The C language brought an unprecedented combination of efficiency and expressiveness to programming. Both made computing more "portable." Today, Unix is the operating system of most large Internet servers, as well as business and university systems; C and its descendants are the most widely used programming languages in the world.
Digital Signal Processor (DSP)
Bell Labs built the first single-chip digital signal processor in 1979. The DSP is the engine of today's multimedia revolution. DSP technology is in multimedia PCs and in the modems that connect computers to the Internet. It's in wireless phones, answering machines, and voice-mail; it's in video games talking toys, DVD players and digital cameras. And DSP chips are at the heart of a growing number of systems that talk to you in synthesized speech and recognize your spoken responses.

MIT as a driving force: the leader of leadership
At the core of leadership development and research at MIT Sloan is a pragmatic, research-based model of how successful leaders at every level actually work. The 4 Capabilities Leadership Framework (FCF) provides the framework for teaching leadership and for leadership practice in general. As leadership moves away from a "command and control" model to a more "cultivate and coordinate" model, the way that leadership is taught must change, too. Developed over a four-year period by Professors Deborah Ancona, Tom Malone, and Wanda Orlikowski, with Senior Lecturer Peter Senge, and tested in diverse real world settings, the FCF is a powerful tool for understanding and integrating the four critical components of leadership. The FCF, as described in research on Leadership in the Age of Uncertainty, defines these components as follows.

- Sensemaking: making sense of the world around us, coming to understand the context in which we are operating.
- Relating: developing key relationships within and across organizations.
- Visioning: creating a compelling picture of the future.
- Inventing: designing new ways of working together to realize the vision.

Moreover, the FCF seeks to help leaders discover their unique Change Signature – the leader's credo and characteristic way of creating change. Each leader's signature draws upon his or her values, skills, experience, tactics, and personality in order to build trust, respect, and authenticity.

The quiet eLeadership of RAND
RAND Mission: The RAND Corporation is a nonprofit institution that helps improve policy and decisionmaking through research and analysis. RAND focuses on the issues that matter most such as health, education, national security, international affairs, law and business, the environment, and more. With a research staff consisting of some of the world's preeminent minds, RAND has been expanding the boundaries of human knowledge for more than 60 years. As a nonpartisan organization, RAND is widely respected for operating independent of political and commercial pressures. Through our dedication to high-quality and objective research and analysis and with sophisticated analytical tools developed over many years, RAND engages clients to create knowledge, insight, information, options, and solutions that will be both effective and enduring.
60 Ways RAND Has Made a Difference

RAND has helped to improve policy and decision-making in countless ways over the past 60 years. An interactive online book reflects on sixty of those notable contributions.

**Conclusion: need for continuing education and eLearning**

The International Institute of Strategic Research and Training is a think tank set for the purpose of assisting leaders, from the business sector to government sector, national and international to reflect on the needed skills and build these up as needed to become eLeaders.

The IISRT concept is about making a difference in the lives of people, turning setbacks into opportunities, maximizing opportunities, ingeniously and generously. Here is key methodological guidance (source: [www.strategicresearch.info/default.aspx](http://www.strategicresearch.info/default.aspx))

<table>
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<tr>
<th>Critical thinking is both an art and a science and has developed significantly in recent years; leaders, managers and scholars stand to benefit from the use of available tools (<em>The Foundation for Critical Thinking</em>) and they could also share their experience and help develop these tools further.</th>
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<td>Lateral thinking: Another approach has also been highly used as a tool to find creative solutions to all kinds of problems, find more</td>
</tr>
<tr>
<td>Lessons Learned (a strategic methodology involves learning from experience; from mistakes so as not to repeat them and enhancing/improving good practices)</td>
</tr>
<tr>
<td>Sources of Inspiration (equal to sources of wisdom; often a citation can trigger thought and action)</td>
</tr>
<tr>
<td>Persistence: often complex tasks require persistence i.e. sustained effort; persistence may mean trying not just one way but several ways in order to get the needed results. A related concept is perseverance i.e. to keep on trying and not giving up. Worthwhile ventures always need persistence and perseverance.</td>
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"Early in his career (Sir Francis Bacon) claimed 'all knowledge as his province' and afterwards dedicated himself to a wholesale revaluation and re-structuring of traditional learning. To take the place of the established tradition (a miscellany of Scholasticism, humanism, and natural magic), he proposed an entirely new system based on empirical and inductive principles and the active development of new arts and inventions, a system whose ultimate goal would be the production of practical knowledge for 'the use and benefit of men' and the relief of the human condition."

[http://www.iep.utm.edu/b/bacon.htm](http://www.iep.utm.edu/b/bacon.htm)
The key to making an idea stick: NEA Higher Education, Vol. 26, No. 2 Dec 2008, page 7,
Under Best Practices: "in 'Made to Stick' (2007) Chip and Dan Heath demonstrate that the key to making an idea stick - i.e. understood, remembered and having a lasting impact - is to keep it simple by 'finding the core of the idea'."

Art/Science of getting a large number of tasks done and/or to doing a large number of tasks: (1) manage time judiciously (2) multitask (3) delegate as possible (4) bring in needed help (5) work in team (6) leverage computer systems e.g. use calendaring, use project management software (7) avoid procrastination (8) enjoy the action (9) feel good at being constructive

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<th>Priority setting (a necessary part of any complex venture)</th>
<th>The strategic approach: strategic planning leading to strategic action and result</th>
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The IISRT also attempts to help the leaders use the mix-scanning model (Amitai Etzioni) to know where efforts are needed and how to leverage situations.
www.strategicresearch.info/default.aspx

Conclusion: Revisiting the Contingency Theory of Leadership
In 1964 Fred Fiedler published an article entitled ‘A Contingency Model for Leadership Effectiveness’, which became a landmark in leadership theory advocating the importance of the leader’s personality and the situation in which that leader operates. The theory is as relevant today as it was in the preceding decades. The other theories as pinpointed above provide useful guidance to leaders and would-be leaders.

The following case study summarizes the essence of the revised contingency theory: as society evolves and become more technology driven, McDonald cannot continue with business as usual but has to adapt to the new circumstances. The company appointed Atif Rafiq as Chief Digital Officer to lead the needed transformation. “Rafiq left Amazon two years ago to become the fast-food chain first Chief Digital Officer. His mission is to transform its business with technology. The former Kindle Direct Publishing Chief built a digital unit from scratch recruiting hundreds of techies from Google, Amazon and others. He also sparked partnerships with Silicon Valley players like Postmates, which will deliver McNuggets straight to your McHome. Recent initiatives include hands-free payments and automated kiosks where customers can order their food. In March 2016, Rafiq created a virtual reality experience that let people step into a Happy Meal.” (Source: Fortune Magazine, April 1, 2016, page 41).

An empirical analysis of leadership (as published by The New York Times) in the Corner Office of the weekend Business Section shows that successful leaders make good use of their own personality and generate creative solutions as required by the circumstances. And so there is no all encompassing leadership formula but rather answers to specific challenges. A case study is provided in Appendix 1.

A similar analysis of the article in Fortune Magazine, April 1, 2016, edition entitled ‘The World’s 50 Greatest Leaders also show that the only common thread among them is their ingenuity in leveraging the opportunities they found or created. See Appendix 2.

This interview with Dottie Mattison, C.E.O. of Gracious Home New York, was conducted and condensed by Adam Bryant.

Tell me about your early years.
I grew up in Metairie, La., a suburb of New Orleans. I have three older brothers who spent a lot of years making me into another brother in a lot of ways. And I have a younger sister. I come from a big, Irish Catholic family.

We were always out and about and doing stuff after school. I started a babysitting agency when I was 11 years old. I scooped a lot of ice cream. We did do entrepreneurial things, but we just did them so we could buy things, like clothes.

And your parents?

My dad worked at a delivery and warehousing business. And my mother was a secretary for the Archdiocese of New Orleans. They were real working-class people. They enjoyed living in New Orleans, and a lesson that they never articulated but that they exhibited was that you live where you live. You should be part of your community. It’s not just scenery.

My dad’s dream in life was to have a lot of children, because he grew up as an only child. So he was a happy man. He had five healthy children.

What were your college years like?

We had to put ourselves through school, so we just worked and worked and worked.

I had a job where I would wake up at 4 in the morning to collect canceled checks from bank branches and then bring them to the main branch. It was a great job, because I’d do it before school.

But everything was framed around whether I could afford it timewise and moneywise. It was difficult, but it gives you perspective because it builds your confidence about how you can take care of yourself. You make decisions based on the trust you have in yourself, and what you can make happen.

The thing that really stuck was retail operations at the Gap. In the early 1990s, there was nothing hotter on the planet than Gap Inc. The company was forming an inaugural retail management program, and Mickey Drexler and his team had an idea that seasoned managers and operators from the field would make great merchants and great planners. And so I flew to California, interviewed for that job and got it. The company moved me, and it was a dream.

Early leadership lessons for you?

It’s a simple point, but it’s very difficult to subordinate your value system and really meet people where they are, to understand what motivates them and how that is sometimes drastically different than what motivates you.

And by the way, that’s the best part of the job now. It’s very rewarding to put together a diverse team. I’ve also become way more sensitive to other people’s tone and body language, and whether or not people want to be in the room. The worst feeling is when you’re in a meeting and you can tell someone doesn’t want to be there. It’s likely something you did.

How else has your leadership style evolved?

I talk a lot less than I used to. I still talk too much, and I work on this every single day. A mentor of mine once told me, “You stop at the first question. Keep asking ‘why,’ and then ask again, and then ask again, because you’re not going to get remotely close to the truth unless you keep asking questions.” He would literally say, “Ask ‘why’ six times.”

The other thing that I’ve had consistent feedback on over the years is that I just move way too fast. A colleague sat me down one day and said, “Your slowest move is everyone else’s fastest move.” And it wasn’t meant as a compliment.
What are your pet peeves in terms of culture?

I don’t like a culture where you have to have a meeting after the meeting to discuss what happened in the meeting.

I have a new leadership team at Gracious Home — a lot of people who are still getting to know each other, and getting to know me. It’s an awesome opportunity because we can all build the company together, but I’ll say this once a month to reinforce it: “We’re not leaving this room until we figure this out. We’re not having a meeting outside the meeting.”

When the meeting happens outside the meeting, it’s two people who have 20 percent of the information solving a problem instead of 10 who have 100 percent of the information. It’s really about transparency. If you have information, you can’t hoard it. I have only ever seen excellence achieved, and businesses scaled, when everybody had the same fact set. I’ve never seen it the other way.

How do you hire?

The most important thing is for someone to be comfortable in an interview, because obviously you get to better see who they really are when they’re comfortable. So we’ll probably just start by talking about your family and your day.

And then I want to hear about work you’ve done. Tell me about who you are at your finest. Tell me about your superpower. I’m not allergic to people saying “I.” First of all, everyone’s been trained now not to say it, and to say “we” instead. But you can also see responsibility and creativity when people talk about themselves. I think a healthy ego is sometimes a good thing.

My favorite question is “What do you do on the weekends? What do you do in your spare time?” Because ultimately you find out what matters to people, you find out where their passions lie.

I have a fun lottery question too: “If you won the lottery, what business would you open?” Sometimes that turns out to be a product category they know a lot about, or a certain kind of customer they understand really well.

I like people who know how to work. Done is better than perfect. So when people tell me about their weekend projects in their house, like the treehouse they built and they couldn’t go to sleep until it was done, that’s a cool thing.

Each week, Adam Bryant talks with top executives about leadership. Follow him on Twitter: @nytcorneroffice. This interview has been edited for space and clarity. See also past interviews: http://projects.nytimes.com/corner-office

Appendix 2: The World’s 50 Greatest Leaders

Demagoguery, pandering, even populism aren't leadership. Here's what is.

Especially striking in our new ranking of the World’s 50 Greatest Leaders is how many of them you may not recognize. In our media-saturated, personality-obsessed global culture, how can that be? Yet it is so, and that’s what makes this group so heartening. It turns out the world is full of people you’ve never heard of who are rallying followers to make life better in ways you never imagined. The professor who led the group that uncovered the Flint, Mich., water crisis; the New Delhi government official risking his career to fight pollution; the Italian mayor welcoming Middle East migrants to his tiny town—improving its economy and brightening their prospects. Who knew?

 Plenty of other great leaders cited here are rightly famous, and we’ve recognized some in previous editions of the list. This year there are even a few three-peats, including Amazon AMZN 0.08% CEO Jeff Bezos—our new No. 1 (read the fascinating feature article here)—Apple AAPL 0.73% chief Tim Cook, and Pope Francis. Anyone who has been ranked previously must requalify
each year with new achievements. As always, we cast a wide net, seeking outstanding leaders in all sectors of society around the world. It isn’t enough to be accomplished, brilliant, or admirable. We recognize those who are inspiring others to act, to follow them on a worthy quest, and who have shown staying power. No mere flashes in the pan, and thus none of the U.S. presidential aspirants, make our list. And no, we didn’t select Donald Trump, the phenomenon of the moment (for more on that, see our Editor’s Desk); many candidates over the decades have ignited flames that flared brightly and then went out if the candidate lost the nomination or the election; others have proved to be little more than demagogues. Simply applying for the world’s top leadership job, as Trump and his rivals are doing now, does not in itself make one a great leader. Nor, as you’ll see, does having that job necessarily put you on our list.

The leaders you’ll meet here, known and new, will lift your mood and upgrade your assessment of the world’s future. Some may inspire you to join their followers. And those unheard-ofts, so seemingly ordinary, may even prompt you to rethink your own potential as an inspiring leader.

The World’s Greatest Leaders list: Angela Merkel and Stephen Curry. Ruth Bader Ginsburg and John Oliver. Paul Ryan and an Australian marathoner. What do they have in common? They’re playing a leading role in making the world a better place and inspiring others to do the same.—by the staff of Fortune

Bezos Prime: As Amazon spreads its hydra-headed offerings in new directions, its founder is also evolving. In a rare interview, Jeff Bezos talks about becoming a “leader of leaders” and about taking on the mantle of civic leadership at the Washington Post.—by Adam Lashinsky

Bono: I Will Follow: The gregarious U2 front man could easily be mistaken for a dilettante celebrity—if it weren’t for the results he delivers. How Bono’s consensus building has helped turn One into one of the world’s most effective forces for poverty alleviation.—by Ellen McGirt

The lead writers for Fortune’s 2016 list of the World’s Greatest Leaders were Jonathan Chew and Claire Groden. Additional contributors: Kristen Bellstrom, Scott Cendrowski, Geoff Colvin, Scott DeCarlo, Erika Fry, Leigh Gallagher, Stephen Gandel, Matt Heimer, Clifton Leaf, Michal Lev-Ram, Laura Lorenzetti, Tory Newmyer, Brian O’Keefe, Leena Rao, Jeff John Roberts, Geoffrey Smith, Anne VanderMey, Phil Wahba, Claire Zillman

A version of this article appears in the April 1, 2016 issue of Fortune. http://fortune.com/worlds-greatest-leaders/
SOCIAL MEDIA AND EFFECTIVE TEACHING: A CASE IN BROADCAST CLASSROOM AT KUWAIT UNIVERSITY

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ABSTRACT
This article discusses the impact of social media on teaching, especially how to use social media in engaging students in effective learning. By focusing on the rapid development and proliferation of social media like blogs, Twitter, WhatsApp, Facebook, Snapchat etc. that promote and enhance community development through information sharing and collaboration by creating opportunities for individual interaction and expression with other users in the community and the virtual world by sharing ideas, views, audios, videos and photos etc. enriching knowledge, attitudes, behaviors among the participants. Taking that idea into consideration, the author will discuss how he uses social media in effective teaching.

Keywords
Social media, student engagement, teaching and learning
DID AMERICANS TRAVEL TO CANADA FOR THE 2015 WOMEN’S WORLD CUP? AN EXAMINATION OF HOW MARKETING A SPECIAL EVENT CAN INCREASE SPORTS TOURISM

Ricard W. Jensen
Montclair State University

ABSTRACT
The 2015 Women’s World Cup presented a remarkable opportunity for sports tourism in Canada and provided an opportunity for increased tourism from the United States into Canada. The tournament covered a time period of one month and attracted 1,353,506 spectators, many of whom came from the United States. The primary purpose of this descriptive study is to examine the extent to which fans from the United States (and to a lesser extent from other countries) traveled to Canada for the 2015 Women’s World Cup, the venues fans attended, the amount they spent, and their motivations for traveling to Canada for the event. A secondary purpose is to examine marketing strategies that were used to create interest in the event and attract tourists including television advertising, the use of other traditional media (e.g., newspaper ads, billboards, etc.) and social media marketing. This paper utilizes secondary data and published reports from the FIFA 2015 World Cup Host Committee and the Canadian Sports Tourism Council, interviews with Canadian sports tourism officials at each of the host cities, and reports from the mass media. The methodology consisted of content analysis of these sources to identify tourism trends. Results of the study show that tourism from the United States to Canada for the World Cup was influenced by the success of the American Women’s National Team, the marketing of the tournament in the United States by Fox TV and the growing interest in women’s sports by people in the USA. In addition, the analysis also reveals that host cities in Canada that are located near United States population centers (e.g., Vancouver, Montreal, Winnipeg) attracted more tourists than host cities that were more remote and distant from the USA (e.g., Edmonton, Moncton); the transportation infrastructure (e.g., access by airlines, highways, and railroads) also influenced tourism; host cities with better infrastructure attracted more tourists. The results also show that Americans in Canada at the time the World Cup was held were more aware of the tournament than people from other countries, and were more likely to be in Canada to attend World Cup matches than people from other nations. The implications for sports marketing and sports tourism are also discussed.

INTRODUCTION
The FIFA Women’s World Cup has been played since 1991 and the tournament has become increasingly popular over the years, in part because so many women are playing the sport; more than 30 million women throughout the world now play soccer (Williams, 2015). The 2015 Women’s World Cup was especially popular in the United States. More than 61.4 million fans watched some part of the tournament on television in their homes; this is an increase of 64 percent of the number of people who viewed the 2011 tournament that was hosted by Germany. The final match of the tournament, in which the United States defeated Japan, was viewed by 26.7 million viewers in their homes (25.4 million viewers on Fox television and by another 1.3 million viewers on Spanish language network
Telemundo) making it the most-watched televised soccer game in American history (Sandomir, 2015). Once the out-of-home viewing audience is factored in (e.g., people viewing in bars, public places and stadiums), the total American TV viewership totaled more than 31 million individuals (Nielsen, 2015). This viewership broke the previous record set by the American men in the 2014 men’s World Cup which attracted a television audience in the United States of 26.5 million. The 2015 Women’s World Cup doubled the number of Americans who tuned in to the previous tournament, when 13.5 million people in the United States tuned in to the 2011 final (Nielsen, 2011). The Women’s World Cup was played at six venues across Canada (Winnipeg, Ottawa, Edmonton, Montreal, Vancouver, Moncton (New Brunswick). Tournament matches began June 6 and concluded on July 5. The tournament drew a total of more than 1.35 million fans, many of whom came from the United States. After the tournament concluded (Baker, 2015; Brijbassi, 2015). Canada Soccer reported that the tournament set a new total attendance record (1,353,506) for any FIFA competition other than the FIFA World Cup, including thousands of out-of-town spectators.

Examining the experiences at each of these venues provides insights about international tourism at the tournament. Anecdotal evidence suggests that large numbers of fans from the United Kingdom, Japan, China, Germany, South Korea and France (among other nations) traveled to Canada for the tournament. The purpose of this paper is to discuss the extent to which the Women’s World Cup generated tourism, especially from people in the United States. Douglas (2015) described how the success of the English national team is making women’s football more popular in the United Kingdom, where a recent match of the women’s national team drew more than 45,000 fans. Japan, the defending champion, was well-represented as thousands of their fans came to support the team; the passion was great in Vancouver which has a large Asian population. Large numbers of fans of the China and United Kingdom national teams greeted both teams when they arrived at the airport after the tournament. A summary of media reports about tourism at each venue is shown below.

Purpose of the Study

The primary purpose of this descriptive study is to examine the extent to which fans from the United States traveled to Canada for the 2015 Women’s World Cup, the venues they attended and their motivations for traveling to Canada for the event. A secondary purpose is to investigate tourism trends from other countries associated with this event.

Descriptive Data about tourism and attendance at each World Cup Host City

**Vancouver** was the site of nine matches, including the final and attracted a total 356,899 fans (an average of 39,635 fans per match); these were the highest attendance figures for any host city. The tournament generated $118.9 million in revenues for the province of British Columbia and $82.9 million for the City of Vancouver. The two matches in which the United States played each drew more than 50,000 fans; the only matches in Vancouver that drew more fans featured the host Canadian side. During the tournament, hotels in Vancouver were 99 percent full, due in large part to all the fans in the region for the tournament. Many of the fans in Vancouver were Americans who came for the Final (Lee, 2015) including large numbers of members of the American Outlaws supporters group (Fletcher, 2015). The tourism numbers in Vancouver were bolstered by the fact that British Columbia is a hot spot for Asian tourists and by Japan advancing to the title game (Lam, 2016).

**Edmonton** hosted 11 matches including the tournament opener between Canada and China which drew 53,058 spectators, the largest crowd to watch any national team in any sport in Canada. Surprisingly, the only game played by the United States in Edmonton (against Colombia) drew a paltry
crowd of only 19,412 spectators perhaps because Edmonton is some distance away from the US-
Canada border and is difficult to get to (Theobald, 2015). The tournament generated more than $78.3
million for the province of Alberta and $56.4 million for the City of Edmonton (Ramsay, 2015; Baker,
2015).

Winnipeg was the site of 7 matches and drew a total of 194,562 fans (an average of 27,805
fans per match). Winnipeg benefited by hosting games featuring Team USA in the opening rounds;
35 percent of the fans at matches in Winnipeg came from the United States and 73 percent of the out-
of-town visitors who stayed at least one night were from the United States (Trunzo, personal
 correspondence). Accounts in the news media suggest that many American fans made the short drive
 across the border from the United States to Canada to watch opening-round matches (Cuciz, 2015).
The match between the United States and Sweden drew 32,716 spectators, and it was estimated that
 at least 10,000 American fans were in Winnipeg throughout the tournament, and so many fans were
 present hotels in the city were sold out and fans had to reserve rooms far away from the site (Kives,
2015). So many fans from the United States were driving to Winnipeg that the line at the border
crossing lasted 3 hours. The tournament helped spur $42.4 million in revenues for the province of
Manitoba and $35.9 million for the city of Winnipeg.

Ottawa was the site of 9 matches and a total of 189,460 fans attended matches there (an average
of 21,051 fans per match). The match between the United States and China drew the most fans to this
site, with a crowd of 24,141 fans; many other matches attracted more than 20,000 fans. To promote
attendance, more than 85 special events were developed to let fans engage in activities to create more
interest. Ottawa was especially popular among fans from Norway, Mexico and South Korea were
especially well-represented (Kallan, 2015). Post-event analysis suggests that hosting World Cup
events generated more than $148 million in tourism related revenues for the province of Ontario and
more than $28 million in tourist-related revenues for Ottawa and gave the city worldwide exposure as
a tourist destination; matches played in Ottawa were nearly sold out (Laucius, 2015).

Montreal was the host site for 9 matches, including the semifinal between the United States
and Germany. The matches at the Olympic Stadium in Montreal drew a total of 228,431 fans (an
average of 25,831 fans per match). Those attendance numbers increased greatly for the thrilling semi-
final between Team USA and Germany that lured in 51,196 fans; the media said the venue and the
match were both thrilling (Gelevan and Bennett, 2015). The match between Canada and New Zealand
attracted more than 45,000 spectators. Montreal’s success as a tourism venue was based in part on the
efforts of the city to create fan zones that reflected the unique culture of the teams that participated in
the event, and as a result during the tournament compared to the previous year. The tournament
generated more than $71.3 million in tourism revenue for the province of Quebec and $47.6 million
for the city of Montreal.

Moncton, New Brunswick (population 70,000) hosted 7 matches and attracted at total of
78,392 fans (an average of only 11,199 per match). The matches drawing the most fans featured the
national teams of England and France and attracted more than 13,000 spectators. Montecit was hurt
by several factors; the town is small, its stadium only seats, and the region is isolated in the
Canadian maritime provinces. Still, still, fans came from throughout eastern Canada and the
northeast United States to see the tournament (CBC, 2015).

RESEARCH QUESTIONS
RQ1: How many tourists from the United States and other countries attended the tournament?
RQ2: To what extent were there variations in the numbers of American tourists at different World Cup
sites?
RQ3: To what extent did matches featuring the American national team and the Canadian national team draw more fans than matches featuring other teams?
RQ4: What were the motivations for Americans to travel to Canada for tourism at the time the World Cup was taking place?
RQ5: What was the economic impact of American tourists on Canada during the tournament?

METHODOLOGY
This study relies on secondary data provided by the 2015 Women’s World Cup and the Canadian Sports Tourism Council as well as information from published news accounts. Whenever possible the secondary data were analyzed to establish tourism trends related to the tournament. Information from the mass media and trade media were studied using methods associated with content analysis and were incorporated into the presentation.

RESULTS: ANSWERING THE RESEARCH QUESTIONS
RQ1: How many tourists from the United States attended the tournament?
According to the Canadian Sports Tourism Association (2016), 95,645 fans from the United States visited Canada during the World Cup and stayed at least one night, more than triple the number of USA fans who returned home on the same day (Figure 1). This may be due to the fact that sites in Canada were some distance away from the United States.

Table 1. American stayover and excursionist tourists at the Women’s World Cup.

<table>
<thead>
<tr>
<th>Host City</th>
<th>Excursionist Tourists</th>
<th>Stayover Tourists</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vancouver</td>
<td>12,746</td>
<td>33,908</td>
<td>46,654</td>
</tr>
<tr>
<td>Edmonton</td>
<td>857</td>
<td>12,624</td>
<td>13,481</td>
</tr>
<tr>
<td>Winnipeg</td>
<td>2,382</td>
<td>17,429</td>
<td>19,811</td>
</tr>
<tr>
<td>Ottawa</td>
<td>1,313</td>
<td>10,301</td>
<td>11,614</td>
</tr>
<tr>
<td>Montreal</td>
<td>6,821</td>
<td>20,184</td>
<td>27,005</td>
</tr>
<tr>
<td>Moncton</td>
<td>1,030</td>
<td>2,200</td>
<td>3,230</td>
</tr>
<tr>
<td>Totals</td>
<td>25,149</td>
<td>96,645</td>
<td>121,794</td>
</tr>
</tbody>
</table>

Data from the Canada Sports Tourism Council.

Because this was a global sports event, tourists also came to the World Cup from many other countries. According to data from the Canadian Sports Tourism Council, 23,512 individuals from countries other than the United States came to Canada for the tournament and stayed at least one night. The nations that brought the most tourists to the World Cup include Japan (6,170 individuals), Germany (2,596), Ecuador (2,584), Switzerland (2,256) Brazil (1,7570, and Australia (1,720). The distribution of international stayover tourists is shown in Figure 1.
Figure 1. Numbers of International Stayover Tourists at the World Cup (by Country).

![Women's World Cup Tourists (Per Country)](image)

Data provided by the Canada Sport Tourism Council.

RQ2: To what extent were there variations in the numbers of American tourists at different World Cup sites?

The total number of spectators attending matches at the various World Cup venues are shown in Table 2. Anecdotal evidence (see Table 3) suggests that more Americans were likely to attend matches at cities closest to the American border (e.g., Vancouver, Winnipeg, and Montreal) and less prone to attend matches at more distant sites (e.g., Edmonton, Ottawa, and Moncton). Thus the data in Table 2 suggest significantly more fans attended matches at sites nearest the USA-Canada border, and the data analysis and anecdotal evidence from media sources suggests that American fans attended matches in those cities in large numbers. Vancouver was by far and away the most visited Cup site for American tourists; the reasons are obvious, Vancouver is easily accessible and is directly across the border from the soccer hotbed of Seattle and Vancouver hosted the championship match creating a perfect storm for American tourism. Montreal drew second-most American fans because it hosted the United States semi-final match and because it is relatively close to the American border; similarly, Winnipeg attracted a lot of American fans due to its proximity to Chicago and Minneapolis. In contrast, Edmonton and Moncton did not see significant numbers of American tourists because these destinations are distant from the USA border and more difficult to access, and because only qualifying round matches were held at these sites.

Table 2. Venues and Attendance at Women’s World Cup Venues.

<table>
<thead>
<tr>
<th>Host City</th>
<th>Total Attendance</th>
<th>Average Attendance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vancouver</td>
<td>356,899</td>
<td>39,655</td>
</tr>
<tr>
<td>Edmonton</td>
<td>305,692</td>
<td>27,790</td>
</tr>
<tr>
<td>Winnipeg</td>
<td>194,632</td>
<td>27,805</td>
</tr>
<tr>
<td>Ottawa</td>
<td>189,460</td>
<td>21,051</td>
</tr>
</tbody>
</table>
Table 3. Number of Tourists Who Attended Matches Closest to the USA Border

<table>
<thead>
<tr>
<th>Host Cities</th>
<th>Total Attendance</th>
<th>Average Attendance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attendance at Host Cities Closest to the USA-Canada border¹</td>
<td>779,962</td>
<td>30,947</td>
</tr>
<tr>
<td>Attendance at Host Cities Distant from the USA-Canada border²</td>
<td>573,544</td>
<td>20,013</td>
</tr>
</tbody>
</table>

¹Attendance at World Cup matches at Vancouver, Winnipeg, and Montreal
²Attendance at World Cup matches at Edmonton, Ottawa, and Moncton

RQ3: To what extent did matches featuring the American national team and the Canadian national team draw more fans than matches featuring other teams?

We wanted to ask the extent to which attendance at World Cup matches featuring the American national team might have been significantly greater than other games; the principle was that one might expect more American tourists would be likely to attend matches in which Team USA played. We also wanted to compare matches featuring the host team (Canada) versus other matches in the tournament. Table 4 shows the total attendance at each venue featuring matches involving Team USA, Team Canada and teams from other countries, while Table 5 displays the average attendance for Team USA and Team Canada at each site. The data show that matches featuring Team USA averaged 29,814 fans; more than the average number of spectators at other matches (average of 20,744 fans) but less than the average number of individuals who attended matches featuring Team Canada (47,887 fans). As it relates to our hypothesis, the average number of fans at matches in which Team USA played was higher in sites closest to the border than at remote sites; an average of 45,511 fans per match at games played at Vancouver, Winnipeg and Montreal compared to an average of 21,176 fans per match at games in Edmonton, Ottawa, and Moncton.
Table 4. Total Attendance at World Cup Matches Featuring Team USA and Team Canada

<table>
<thead>
<tr>
<th>Host City</th>
<th>Attendance for Team USA matches</th>
<th>Attendance for Team Canada matches</th>
<th>Attendance for Other Matches</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vancouver</td>
<td>105,535</td>
<td>107,882</td>
<td>143,483</td>
</tr>
<tr>
<td>Edmonton</td>
<td>19,412</td>
<td>88,602</td>
<td>142,320</td>
</tr>
<tr>
<td>Winnipeg</td>
<td>63,864</td>
<td>0</td>
<td>130,768</td>
</tr>
<tr>
<td>Montreal</td>
<td>51,176</td>
<td>45,420</td>
<td>131,475</td>
</tr>
<tr>
<td>Ottawa</td>
<td>24,141</td>
<td>0</td>
<td>146,332</td>
</tr>
<tr>
<td>Moncton</td>
<td>0</td>
<td>0</td>
<td>65,254</td>
</tr>
<tr>
<td>Totals</td>
<td>264,128</td>
<td>241,904</td>
<td>641,632</td>
</tr>
</tbody>
</table>

Table 5. Average Attendance at World Cup Matches Featuring Team USA and Team Canada

<table>
<thead>
<tr>
<th>Host City</th>
<th>Average Attendance for Team USA Matches*</th>
<th>Average Attendance for Team Canada matches*</th>
<th>Average Attendance for Other matches*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vancouver</td>
<td>52,767 (2 matches)</td>
<td>53,941 (2 matches)</td>
<td>28,696 (5 matches)</td>
</tr>
<tr>
<td>Edmonton</td>
<td>19,412 (1 match)</td>
<td>44,301 (2 matches)</td>
<td>23,720 (6 matches)</td>
</tr>
<tr>
<td>Winnipeg</td>
<td>31,392 (2 matches)</td>
<td>0 (0 matches)</td>
<td>21,437 (5 matches)</td>
</tr>
<tr>
<td>Montreal</td>
<td>51,176 (1 match)</td>
<td>45,420 (1 match)</td>
<td>18,833 (7 matches)</td>
</tr>
<tr>
<td>Ottawa</td>
<td>24,141 (1 match)</td>
<td>0 (0 matches)</td>
<td>20,904 (7 matches)</td>
</tr>
<tr>
<td>Moncton</td>
<td>0 (0 matches)</td>
<td>0 (0 matches)</td>
<td>10,875 (6 matches)</td>
</tr>
<tr>
<td><strong>Average Attendance (all venues)</strong></td>
<td><strong>29,814 (7 matches)</strong></td>
<td><strong>47,887 (5 matches)</strong></td>
<td><strong>20,744 (36 matches)</strong></td>
</tr>
</tbody>
</table>

*The number of matches are in parenthesis

**RQ4: What were the motivations for Americans to travel to Canada for tourism at the time the World Cup was taking place?**

Survey data from the Canadian Sports Tourism Council sought to understand the motivations of people to travel to Canada during the time the World Cup was taking place. The surveys asked visitors in Canada at the time if they were aware that the World Cup was taking place and if it was the primary reason they were traveling to Canada (Fisher, 2016). Nearly all the respondents from the United States (94 percent) said they were aware of the tournament, but fewer visitors from other countries in Canada at the time said they were aware of the World Cup (79 percent). Similarly, more fans from the USA said they were in Canada primarily to see the World Cup (86 percent of Americans reported they
traveling just for the tournament) compared to only 69 percent of tourists from other countries who reported they were in Canada specifically for the tournament. These data suggest that Americans were more aware of the tournament than people from other nations and were more motivated to want to travel for the World Cup.

**RQ5: What was the economic impact of American tourists on Canada during the tournament?**
The Canadian Sports Tourism Council reported that the tournament generated $493.6 million in economic activity for Canada, contributed $249.1 million to the gross domestic product, and resulted in tax revenues of $97 million; (Brijbassi, 2015). At least part of the economic growth generated by the World Cup stemmed from the 3,100 jobs that were supported by the event. The tournament generated millions of dollars in gross domestic product for each of the host cities, led by Vancouver (see Table 6). Estimates from the Canadian Sports Tourism Council show that same-day tourists (excursionists) spent an average of $162 per day, while stayovers (who stayed overnight) spent an average of $547 per trip, and that total tourism revenues related to the tournament totaled more than $93 million.

**Table 6. Economic Impact of Hosting the World Cup. (Dollar amounts are in millions))**

<table>
<thead>
<tr>
<th></th>
<th>Vancouver</th>
<th>Edmonton</th>
<th>Winnipeg</th>
<th>Ottawa</th>
<th>Montreal</th>
<th>Moncton</th>
<th>Spillover</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial Expenditure</td>
<td>$53.1</td>
<td>$32.2</td>
<td>$20.0</td>
<td>$18.1</td>
<td>$29.2</td>
<td>$14.7</td>
<td>$0</td>
</tr>
<tr>
<td>GDP</td>
<td>$38.3</td>
<td>$26.3</td>
<td>$16.9</td>
<td>$12.1</td>
<td>$20.6</td>
<td>$9.2</td>
<td>$89.3</td>
</tr>
<tr>
<td>Wages</td>
<td>$28.7</td>
<td>$18.5</td>
<td>$12.1</td>
<td>$9.0</td>
<td>$15.8</td>
<td>$7.3</td>
<td>$46.4</td>
</tr>
<tr>
<td>FT Jobs</td>
<td>692</td>
<td>405</td>
<td>278</td>
<td>188</td>
<td>368</td>
<td>155</td>
<td>745</td>
</tr>
<tr>
<td>Industry Output</td>
<td>$82.9</td>
<td>$56.4</td>
<td>$35.9</td>
<td>$28.6</td>
<td>$47.6</td>
<td>$22.5</td>
<td>$144.1</td>
</tr>
<tr>
<td>Taxes</td>
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<td>$7.7</td>
<td>$5.8</td>
<td>$10.3</td>
<td>$3.8</td>
<td>$28.2</td>
</tr>
</tbody>
</table>

*Data are from the Canadian Sports Tourism Council.*

**CONCLUSION**
This exploratory study sought to investigate to which the 2015 Women’s World Cup in Canada attracted tourists from the United States and other countries. The results suggest that significant numbers of Americans traveled to Canada for the tournament, and that the matches closest to the USA-Canada border attracted more American tourists. The results also show that matches featuring Team USA and the hosts (Team Canada) attracted more spectators that matches featuring other nations, thus showing the impact of American fans on overall attendance. The results suggest that Americans were more aware of the tournament than tourists from other countries and that Americans were more likely to have traveled to Canada specifically because of the tournament. Finally, the data show that the tournament generated significant economic impacts with tourism-related revenue being one of the most important factors.

Several lessons about sports tourism can be learned from this case study. Data suggests that fans from the United States were more likely than people from other nations to travel to Canada for the
tournament. Certainly, such factors as geographic proximity, ease of travel, familiarity with the destination country, and the success of the American team all played a factor in tourist decisions. The data suggest that the culture of local host cities affected tourism (e.g., Vancouver has a large Asian population and is closer to Japan than other sites). Geographic proximity and the history of success of national teams also seems to have played a role in influencing tourist trends. A valuable lesson to be learned is that tourism often benefits from visitors from nearby nations, especially when people in those countries have the power to spend and are passionate about the events that are hosted.

This study suffers from a number of limitations. There was a lack of primary data and thus this study is limited to secondary data analysis. More thorough investigations need to be done that include primary data collection and analysis. Future research should focus on quantifying the impacts of sports-related tourism including how people learn about sports events, motivations to attend, and how fans spread word-of-mouth. Another promising research area focuses on the growing popularity of women’s sports.

REFERENCES


ELECTRICITY GENERATION POTENTIAL FROM RENEWABLE ENERGY SOURCES IN BANGLADESH

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ABSTRACT
Bangladesh, with 160 million inhabitants, has already been recognized as one of the power starved countries on earth. Until the present (2015), only around 60% of the total population is connected to grid electricity and the remaining 80 million people are still dependent mostly on traditional biomass (e.g. animal manure, crop residues). Out of total power generation (nearly 6,000 gigawatts, or GW) on earth, Bangladesh produces only around 7-8 GW. If the entire countrymen have to be provided electricity then additional 7-8 GW of electrical power will be needed. The Government of Bangladesh has declared its commitment that by the year 2020, electricity will be supplied to all households. On the other hand, indigenous natural gas which is mostly (80%) being exploited in power generation is projected to be significantly exhausted by 2030. Therefore, Bangladesh is going to face a massive challenge in generating sufficient electricity to support development activities. Given the situation, the application and exploitation of renewable energy technologies would be effective and pragmatic option for electricity generation. Considering the incidence of global radiation (around 4.5 kWh/m² daily) and sun-shine hours, solar PV systems can be effectively installed to generate electricity throughout the country. The present paper based on the incidence of global radiation and sun shine hours (data collected under SWERA project), well illuminated and free roof tops (quick bird satellite image) in the cities, etc.) presents the potential contribution of solar PV based electricity that would substantially meet the electricity demands of the country. At the same time, a significant reduction of greenhouse gas emission can be possibly made through the application of solar PV systems, which will ultimately contribute in achieving carbon reduction target by 2030 declared in the country’s Intended Nationally Determined Contribution (INDC).

Keywords
Electricity, renewable energy, solar PV systems, well illuminated roof areas
DO LEADERS THAT UNDERRATE THEMSELVES PERFORM BETTER AS LEADERS?

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ABSTRACT
Recent research has indicated that the more highly a leader underrates themselves on a 360-degree feedback assessment, the more highly they are perceived as a leader (Zenger and Folkman, 2015). Additionally, underrating was associated a higher probability of possessing strengths and a lower probability of possessing fatal flaws. The purpose of this research is to both replicate and better understand these results using students enrolled in an MBA program. We have three main objectives with this research project; first, we plan to replicate the differences between over and under-raters on actual measures of leadership performance. Students complete an in-basket assessment and feedback includes self-ratings and peer-reviewed external ratings on managerial skills like communication, initiative, teamwork, organizing, and decision-making. 360-degree feedback assessments provide subjective data on leadership performance, while a managerial in-basket provides a more objective determination of leadership skill. Specifically, under-raters should perform better on the in-basket.

Our second goal is to better understand why the source of over- and under-rating. Zenger and Folkman (2015) suggested that these results were due to humility rather than self-awareness, because both over- and under-rating could be considered examples of lacking self-awareness. This study will include actual measures of emotional intelligence, the Emotional and Social Competency Inventory (ESCI), which provides an evaluation of self-awareness, self-management, social-awareness, relationship management, and cognitive style.

Lastly, Zenger and Folkman (2015) did not consider gender differences in their study. Research has shown that women miss out on promotions, raises, and leadership positions because of their lower self-evaluations. Therefore, we would expect that women would be more likely to under-rate their skills compared to their male counterparts, but that this under-rating would not be related to actual performance.

This study has implications for how we train and develop leaders, both academically and in organizations. Much of the literature on emotional intelligence over the past two decades has suggested that self-awareness may be the most significant quality a leader can develop (George, Sims, McLean, & Meyer, 2007). These results would suggest otherwise, so it is important to provide a better understanding of the relationship between over- and under-rating and leadership.
Keywords
Leadership, self-evaluation, Emotional and Social Competency Inventory (ESCI)
ABSTRACT
Higher education faculty members may be perceived by many as being in an honorable profession. However, stress and burnout among college and university professors is more common than many people may realize. Two primary causes of higher education faculty burnout are the social and research work required in the profession (Ilaja & Reyes, 2016). Teachers at all levels of education fulfil a variety of roles that go beyond teaching which leads to stress (Randelovic, Stojiljkovic & Milojevic, 2013). A professor’s class schedule may also have an impact on stress. Faculty members with early morning or evening classes reported a perception of being less healthy and having a greater number of stress-related symptoms than their counterparts (Cladellas & Castello, 2011). Cladellas and Castello found that the female professors with early morning or evening classes were impacted by stress more than male professors. This was consistent with the findings of Sliskovic and Sersic (2011) in that female professors reported higher stress levels than male professors. The authors also found that full professors reported having overall lower stress than assistant or associate professors and that the types of stress being experienced varied by rank. Increased stress has been found to cause job dissatisfaction leading to undesirable faculty behaviors such as absenteeism, job avoidance, tardiness, making errors, and low performance (Banerjee & Mehta, 2016). The purpose of this study is to determine factors that impact stress levels in public (state-owned) universities that may lead to faculty burnout and potential turnover. Recommendations will be made based on the findings as ways to reduce stress levels in higher education faculty and the risk of burnout and turnover.

Keywords
Job stress, employee turnover, higher education faculty

References


THE EFFECTS ON ONE’S MORAL PERCEPTIONS BY INCORPORATING A FORENSIC ACCOUNTING COURSE

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ABSTRACT
The aim of this study examines the extent to which one’s moral perception is effected by incorporating a forensic accounting into their program of study. This study looks at students before and after being enrolled in a forensic accounting course and examines their moral perceptions using. We compared each group of students’ moral perception using Victor and Cullen’s Ethical Climate Questionnaire (1980) to a control group of students who have completed an Introduction to Forensic Accounting against students who have not taken a course in Forensic Accounting. We found several significant changes based on this study to an individual’s moral perception. The results will be discussed.

Finally, we concluded that the effects of taking a forensic accounting course may influence one’s moral awareness and the way they may perceive future ethical issues.

Keywords
Fraud; moral awareness; ethics; fraud examination; ethical climate
BETTER CONFLICT MANAGEMENT FOR BETTER RELATIONSHIP PERFORMANCE: THE ROLE OF EXIT BARRIERS

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ABSTRACT
Conflict exists even the in the best relationships. As a greater number of channel relationships seek to strengthen ties, and consolidate skills and interests, members must develop effective conflict-management skills that complement their styles. Knowledge developed by relations with familiar and internal units may not be effective toward fostering autonomy and encouraging joint action in relationships. One way to develop these skills and proactively manage conflict is by understanding and assessing the outcomes of channel members’ behaviors, orientations, and structural ties. There is a need for empirical investigations into understanding conflict implications within new organizational forms. This research fills this need through an empirical investigation of how conflict resolution unfolds within relationships, how episodic specific conflict can impact performance outcomes, and how exit barriers affect/change perceptions/outcomes within the conflict-resolution process. We are able to offer greater and relevant insight into conflict management issues experienced in the changing business environment.

Keywords
Conflict Management, Conflict, Exit Barriers, Inter-Organizational Relationships, Structural Ties, Channel Member Behaviors

INTRODUCTION
The fundamental thesis that guides this research is that exit barriers are important endogenous safeguards that affect the course of conflict development. Consistent with literature, we define exit barriers as investments of resources (i.e., either economic or non-economic in nature) embedded within a relationship that would decline in value, or be lost, if a relationship were to end (Anderson & Weitz 1992; Rusbult 1980; Wathne, Biong & Heide 2001; Williamson 1985). Economic exit barriers are supported within new institutional economics (Klein, Crawford & Alchian 1978; Williamson 1983), and emphasize the economic motives for relationship continuance. Non-economic exit barriers are supported within social science literature (Madhok 1995; Rusbult 1980; Uzzi 1997), and emphasize the relational motives for relationship continuance based on the personal/social/psychological relationship between channel members. We argue that both types of exit barriers are necessary in explaining today’s channel relationships and crucial to understanding of how conflict unfolds between channel members. By demonstrating how building these two types of
exit barriers, positively (or the lack of them, negatively) affects the conflict-resolution process by reducing (or increasing) the intensity of conflict and improving (or deteriorating) the relationship between channel members, we provide practitioners with a more enduring and insightful means to manage conflict. Better conflict management produces relationships with greater stability and fewer negative ramifications on the overall performance of channel members.

This research expands marketing knowledge of proactive conflict management through: (1) The development and validation of a conceptual model of the conflict-resolution process that focuses on the consequences of conflict, in terms of episodic and global, economic and non-economic. We provide a valuable contribution to understanding the results of good conflict management. (2) The integration of exit barriers into the model of the conflict-resolution process. Viewing the conflict-resolution process in terms of both more traditional determinants and exit barriers is important because such a combination considers the complexity of the relationship members are working within as they address and resolve disputes. Ensuring that proper exit barriers are in place within a relationship and understanding how such exit barriers influence the conflict-resolution process should enhance members’ ability to better manage conflict situations and enhance the chances for better performance for members within a channel relationship. This research makes a significant contribution to the academic world by clarifying and extending existing conflict-resolution work. It also guides and supports the business world by helping practitioners sustain viable and profitable relationships with channel partners.

RESEARCH DESIGN AND STUDY

We test our conceptual model of the resolution process within the context of a large catalog agent network of one of the dominant retailing chains in North America. This context is particularly interesting because this large retailer has recently formed this independent catalog operation as part of its revitalization efforts for the organization and refocusing of merchandise services on the customer, both for the purpose of improving performance across customer segments. This particular context provides a fertile ground to explore these questions due to the high stakes this retailer has in assuring its efforts are well directed. Questionnaires were mailed to all catalog agents (n = 1359) within the retailers network identified as the top decision makers within their agency (i.e., owners or part-owners), where n = 302 agents met criteria to be included in the study. The response rate for our study was 44.28%, very good for a cross-sectional quantitative field study.

We incorporated a mixture of measures and methods for soliciting information on our constructs: (1) elicitation of scripts and closed formed questions for conflict information, (2) objective and closed formed questions for performance information, and (3) closed formed questions for exit barriers. Both sides of the dyad provided information on characteristics of the conflict episode and performance of the relationship. This permitted a more complete assessment of the phenomenon under investigation than any single method or any single type of measure, and hence, more confidence in our results.

In order to assure our sample population contained sufficient variance to test our hypotheses, we designed our sampling frame such that a wide-variety of firms was surveyed. Our catalog agents ranged from small stores selling a variety of product lines in addition to the principal retailer’s line to larger stores selling dedicated or near dedicated lines for the principal retailer. The characteristics of our sample catalog agents represent a wide range of sizes, in terms of sales and commissions, dedicated shop floor area and full and part-time employees, as well as, representing differing number of years of doing business with the principal retailer, and additional business generated by being the principal retailer’s agent.
Further, precautions and procedures were taken to examine and reduce possible biases arising from multi-samples, non-response, and common methods were addressed, ensuring the interpretability and integrity of our findings.

MEASUREMENT DEVELOPMENT AND MEASURES

All but one of our measures was based on scales that had received psychometric scrutiny in the past. We modified these constructs only to the extent necessary to accommodate contextual differences between research sites. We also found it necessary to mix self-report, open-ended, recall format (conflict scripts), self-report, closed form, perceptual (e.g., exit barriers, episodic non-economic outcomes), self-report object data (e.g., monetary value at stake in the dispute) and archival data (overall economic/financial performance as sales data) for measures. This enabled greater confidence in our results (i.e., threats arising from common method bias), and the ability to capture a more complete and contextual picture of both the constructs under investigation and our theoretical model.

Additionally, there were two pretests of the questionnaire. The first pretest assessed clarification of item wording and adequacy of the constructs, and the second pretest was a statistical pretest designed to test construct integrity and reliability. These pretests led to the final instruments and mailings to agents. Two reminders followed two and four weeks after initial mailings.

All closed form perceptual measures (economic and non-economic exit barriers, episodic non-economic outcomes, global relational performance outcomes) were anchored using 5-point Likert scales. Using Joreskog’s factor structure analysis, composite reliabilities ranged from .69 to .91.

Several steps were used to assess the psychometric integrity of the measures used for self-report, open-ended, recall format measures, i.e., cooperative orientation, information intensiveness and integrativeness of conflict behaviors used by the retailer, and the level of economic concessions and satisfaction with the level of economic concessions given to the agent.

RESULTS

In general, the majority of our hypotheses were supported, demonstrating the importance of understanding how conflict disputes unfold, their implications to channel members, in terms of performance, and how endogenous safeguards, as exit barriers, might affect those outcomes. As verification of our model, we performed a path analysis to test the strength of the paths offered within our conceptual model.

Path analysis provided us with a means for relating correlations or covariances of variables to model parameters and a means to distinguish direct, indirect and total effects of one variable on another. We use fit statistics acknowledged within marketing as valid tools to assess the holistic model’s fit to our data, and discuss hypotheses supported and not supported within this analysis.

DISCUSSION AND IMPLICATIONS

The theoretical contribution of this research is two-fold. One, the development and validation of a conceptual model of the conflict resolution process that focuses on the consequences of conflict, in terms of episodic and global, economic and non-economic. In this manner, we can provide a valuable contribution to understanding the results of good conflict management. Two, the development and validation of a conceptual model of exit barriers that acknowledges two distinct dimensions, economic and non-economic, and the integration of exit barriers into the model of the conflict resolution process. Viewing the conflict resolution process in terms of both more traditional determinants and exit barriers is important because such a combination considers the complexity of
the relationship members are working within as they address and resolve disputes. In this manner, we show that the very fabric of a relationship expressed in terms of economic and non-economic exit barriers help shape the course of conflict, beyond the effects of conflict resolution mechanisms. Making sure proper exit barriers are in place within a relationship and understanding how such exit barriers are apt to influence the conflict resolution process should enhance members’ ability to manage conflict situations, and as a result, enhance the chances for better performance for members within a channel relationship.

No other research has exploded the resolution process with an eye on both episodic and global performance outcomes. No other research has integrated into a resolution model defining dimensions of a relationship, as exit barriers, to consider how such factors might change how conflict unfolds. Here our greatest contributions lie.

This study provides empirical evidence supporting the following, all else equal:

(1) Retailer’s predisposition toward integrative resolution mechanisms is positively influenced by his/her motivational orientation to cooperate and share relevant information with agents at the start of a dispute.

(2) Retailer’s use of integrative resolution mechanisms positively influences the level of monetary concessions (economic outcomes) granted to the agents and agents’ affective sentiments (non-economic outcomes) arising at the conclusion of a dispute. Further, the level of economic outcomes granted to the agents has a greater influence on agents’ affective sentiments than does the use of the resolution mechanisms. In other words, episodic economic outcomes acts as a mediator between conflict resolution behaviors and episodic non-economic outcomes.

(3) Affective sentiments (non-economic outcomes) at a dispute’s end have a carry-over affect on the overall health of the relationship (global relational outcomes) and the performance of the agents (global financial/economic outcomes). Greater levels of positive affective sentiments (i.e., lower levels of retained hostilities and positive perceptions of the ability of the retailer and agent to cooperatively work together to resolve problems), led to greater levels of global financial/economic and relational outcomes. Therefore, agents that view the conflict process as productive (i.e., carry away positive affective sentiments) are more apt to perform better within the relationship (i.e., higher relative sales and higher perceptions of outcomes given comparison level) and hold the relationship in high regard (i.e., higher perceptions of mutuality, solidarity, flexibility and relationship continuance).

(4) A combination of exit barriers (either economic or non-economic) and traditional variables, as resolution behaviors and episodic outcomes, significantly increases our understanding of the conflict resolution process. Here, our findings suggest that the nature or complexity of the relationship itself affects how the resolution process unfolds.

(5) Economic exit barriers negatively affect episodic economic outcomes and non-economic exit barriers positively affect episodic non-economic outcomes. When agents have high economic investments within the greater relationship (i.e., economic exit barriers), they are more apt to settle for lower levels of monetary concessions from any given dispute, regardless of the resolution mechanism used, than those agents with low economic investments. Further, agents with high non-economic investments within the greater relationship, (i.e., non-economic exit barriers), are more apt to
positively evaluate the resolution process, in terms of positive affective sentiments, regardless of the resolution mechanism used and the economic outcomes received, than those agents with low non-economic investments.

This research demonstrates that by understanding how exit barriers shape conflict episodes, it opens a viable way for members to better manage channel relationships. Making sure proper exit barriers are in place within a relationship and understanding how such exit barriers are apt to influence the conflict resolution process should enhance members’ ability to manage conflict situations, and as a result, enhance the chances for better performance for members within a channel relationship (Liu et al. 2008).

REFERENCES


ABSTRACT
Organizational databases are recognized as information-rich, strategic assets for internal analysis. Data mining techniques can discover patterns in large databases including relationships considered strategically relevant to the owner of the data. Organizations mine their own data to discover patterns and direct their efforts. These same insights are revealed to outside organizations when they participate in a data sharing agreement. The frequent item set hiding problem is an area of active research to study approaches for hiding the sensitive knowledge patterns before disclosing the data for mining outside the organization. Several methods address hiding sensitive item sets including an exact approach that generates an extension to the original database that, when combined with the original database, limits the discovery of sensitive association rules without impacting the non-sensitive information. To generate the database extension, this method formulates a constraint optimization problem (COP). Solving the COP formulation is the dominant factor in the computational resource requirements of the exact approach. This research developed a heuristic that improves the performance of an exact hiding method by reducing the size of the COP formulation without significantly affecting the quality of the solutions generated. Results of the heuristic processing were compared with an existing exact approach in terms of size of database extension, ability to hide sensitive data, and impact on non-sensitive data.

Keywords
Privacy preserving, Frequent item set hiding, Data mining, Big Data

INTRODUCTION
Large repositories of operational and customer activity are analyzed within an organization and shared with trading partners to improve efficiency and direct marketing efforts. The practice of sharing data comes at a cost to privacy in two areas: (i) the confidential raw data, or information, and (ii) the sensitive knowledge patterns within the disclosed data. Association rule mining, introduced by Agrawal, Imielinski and Swami (1993), is the process of discovering item sets that frequently occur in a transactional database so as to produce significant association rules that hold for the data. To avoid disclosing strategic association rules with external parties it is important to hide sensitive item sets before sharing data. The frequent item set and association rule hiding problem or frequent item set hiding (FIH) problem, for brevity (Aggarwal & Philip, 2008; Atallah, Elmagarmid, Ibrahim, Bertino, & Verykios, 1999) is an area of active research that studies techniques to hide the sensitive knowledge patterns that are considered strategically relevant to the owner of the data and result in adverse consequences if disclosed outside of the organization (Aggarwal & Philip, 2008; Atallah, et al., 1999; Gkoulalas-Divanis & Verykios, 2009b; Menon, et al., 2005). A variety of privacy preserving techniques are available to prevent the discovery of sensitive relationships contained in the shared data
without seriously affecting the original data and the non-sensitive rules (Gkoulalas-Divanis & Verykios, 2010; Gkoulalas-Divanis & Verykios, 2009a; Gkoulalas-Divanis & Verykios, 2009b; Menon & Sarkar, 2007; Menon, Sarkar, & Mukherjee, 2005). When compared, privacy preserving data mining algorithms display strengths and weakness in processing performance and ability to hide appropriate data (Vaghashia & Ganatra, 2015).

Early approaches performed data sanitization by deleting specific items from specific transactions (Gkoulalas-Divanis & Verykios, 2009b; Menon & Sarkar, 2007; Menon, Sarkar, & Mukherjee, 2005). A new direction of research in privacy preserving techniques is identified as exact approaches, provide for better solutions but with increased time and memory processing requirements. It is Gkoulalas-Divanis and Verykios (2009b) who introduced the first exact methodology that strategically hides sensitive item sets by creating a database extension of non-sensitive data that is combined with the original databases to form a new database. This approach, referred in this report as the Exact Hiding Algorithm, formulates a Constraint Optimization Problem (COP), solved through Binary Integer Programming (BIP), with the goal of maximizing the data quality of the new database. The solution of the COP identifies a set of transactions, the database extension, which is combined with the original database. The statistical significance of sensitive patterns is reduced in this larger database. Data quality is achieved through minimizing the size of the database extension, minimally impacting the frequency of non-sensitive item sets, and reducing the statistical significance of sensitive item sets. The scalability of this exact hiding process has limitations and addressing limitations in frequent item set hiding approaches is very important due to the exponentially increasing size of databases (Agrawal & Srikant, 1994; Gkoulalas-Divanis & Verykios, 2009b; Menon & Sarkar, 2007; Menon, Sarkar, & Mukherjee, 2005).

This research addresses the scalability of the Exact Hiding Algorithm without significantly affecting the quality of the solutions generated through the development of a Partitioning Heuristic which decomposes the COP formulation into multiple, smaller problems. The solver processes the small problem separately and generates a smaller database extension. The multiple database extension are combined to form an extension that is close to the extension generated by solving the original COP formulation. The heuristic was developed with the intention that there would be little impact to the quality of the result when compared to the Exact Hiding Algorithm.

As in the evaluation of the Exact Hiding Algorithm, the quality of the exact solutions generated by this research was assessed using the distance metric and quality standards for the item sets. Distance quantifies the number of items included in the COP generated database extension and a smaller value for distance is preferred because it indicates less “harm” to the original database by the sanitization process. Quality standards also consider the status of the item sets before and after the sanitization process. This means that all sensitive item sets are infrequent, frequent item sets remain frequent, infrequent item sets remain infrequent, and no new frequent item sets have been introduced to the sanitized database. In addition, experiments were analyzed to build a rationale for appropriate application of the heuristic.

EXPERIMENTAL DESIGN

This research developed the Partitioning Heuristic to address the computational cost of the Exact Hiding Algorithm. To assess the heuristic, the Exact Hiding Algorithm was implemented. A second version of the EHA was implemented; this version included the Partitioning Heuristic and is referred to as the Exact Hiding Algorithm with the Partitioning Heuristic. Problem instances were defined based on publically available datasets. Both algorithms processed using the problem instances. The processing results were compared and analyzed for performance and quality.
Problem Instances

A problem instance is specified by a dataset (\( \mathcal{D} \)), minimum frequency (mfreq), and set of sensitive item sets (S). Dataset (\( \mathcal{D} \)) represents the original database that contains sensitive and non-sensitive relationships that may be discovered through data mining techniques. Support represents the measure of how frequent a relationship appears in the database. The minimum frequency mfreq refers to the threshold of interest in relationships; relationships in the data may be considered interesting if their support is greater than the mfreq.

This research used the same real-world datasets publicly availability through the Frequent Item set Mining Implementations (FIMI) Repository and the Data Mining Forum that were used in the evaluation of Gkoulalas-Divanis & Verykios (2009a) including the Chess, Mushroom, and BMS-WebView-1 datasets (FIMR, 2014). The BMS-WebView-2 dataset was also used in that research but was not available at the time of this study (FIMI, 2014).

Each dataset exhibits a unique distribution of item sets so investigation was required to select an appropriate minimum frequency (mfreq) for mining the dataset. The minimum frequency used to mine a dataset influences the number and support of item sets considered frequent and infrequent. The minimum frequency used in the problem instances for this study yielded a sufficient number of item sets that could be identified as sensitive and a small enough (in many cases) number of infrequent item sets so that the solver could process the COP formulation. A relationship exists between the mfreq and the number of items sets considered frequent and infrequent. When mining a dataset, the higher the mfreq, the smaller the number of frequent item sets and the larger the number of infrequent item sets. The longer the size of the sensitive items sets in terms of the number of items within the item set, the larger the size of the infrequent item sets.

The Exact Hiding Algorithm (EHA) and Exact Hiding Algorithm with the Partitioning Heuristic (EHA-PH) were processed for each problem instance. The EHA-PH was processed with \( k = 2 \) (in 2 steps) and again with \( k = 4 \) (in 4 steps). As a result, there were three processes for each of the 18 problem instances for a total of 54 experiments. Table 1 describes the 18 problem instances used in experiments to compare EHA and EHA-PH. Support Category Low identifies sensitive item sets with support close to the minimum threshold while High identifies sensitive item sets with higher support values.
Table 1. Problem instances used in the experiments.

<table>
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<td>1</td>
<td>High</td>
</tr>
<tr>
<td>18</td>
<td>BMS</td>
<td>.005</td>
<td>15</td>
<td>1</td>
<td>High</td>
</tr>
</tbody>
</table>

The result of each experiment was evaluated in terms of quality and performance. Performance was evaluated both in terms of the number of constraints generated in the COP formulation and solver processing time where smaller numbers for these measurements is desirable. The quality evaluation considered the distance measurement and quality standards for frequent, infrequent, and sensitive item sets. Table 2 illustrates the data collected during each experiment.

Table 2. Data collected for each problem instance.

<table>
<thead>
<tr>
<th>Algorithm identification: (EHA, EHA-PH with k=2, or EHA-PH with k=4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Problem Instance number:</td>
</tr>
<tr>
<td>( n_c ): number of constraints in COP</td>
</tr>
<tr>
<td>( s ): solver solution status</td>
</tr>
<tr>
<td>( t ): solver run time</td>
</tr>
<tr>
<td>( Dx ): number of generated transactions</td>
</tr>
<tr>
<td>( n_s ): number of sensitive item sets that are not hidden</td>
</tr>
<tr>
<td>( n_f ): number of frequent item sets that became lost/infrequent</td>
</tr>
<tr>
<td>( n_i ): number of infrequent item sets that became lost/frequent</td>
</tr>
</tbody>
</table>

Hiding Algorithms

Implementation of both the Exact Hiding Algorithm and the Exact Hiding Algorithm with Partitioning Heuristic Algorithm is accomplished through a four-step process: (1) generation of item sets (2) identification of the sensitive item sets (3) identification of the frequent item sets and the
The **Exact Hiding Algorithm** and the **Exact Hiding Algorithm** with Partitioning Heuristic **Algorithm** differ in the formulation of the COP (step four). The formulation of the COP depends on the following information:

a. \( N \), the number of transactions in the database \( \mathcal{D}_o \),

b. \( M \), the cardinality of the set of items,

c. \( Q \), the minimum number of transactions that the database extension \( \mathcal{D}_x \) must have to properly secure the sensitive knowledge.

d. The frequent item sets in the border between frequent and infrequent item sets.

e. The infrequent item sets in the border between frequent and infrequent item sets.

With this information, the COP Formulation calculates the threshold for each item set in the revised frequent and infrequent borders then formulates each section of the COP problem. The threshold signifies the maximum number of item sets that may be generated so that infrequent items may remain infrequent and frequent items remain frequent in the final version of the database. The **Exact Hiding Algorithm** uses the following formula:

\[
\text{Threshold} = (\text{mfreq} \times (N + Q + SM) - \text{sup}(I, \mathcal{D}_o))
\]

The **Exact Hiding Algorithm** with Partitioning Heuristic **Algorithm** considers the value \( k \) in determining the threshold and uses the following formula:

\[
\text{Threshold} = \frac{(\text{mfreq} \times (N + Q + SM) - \text{sup}(I, \mathcal{D}_o))}{k}
\]

During the development of PH, preliminary experiments confirmed the threshold formula for the **EHA-PH**. The following variations of the formula were considered:

\[
\text{Threshold} = \text{mfreq} \times (N + (Q / k) + SM) - \text{sup}(I, \mathcal{D}_o)
\]

\[
\text{Threshold} = \frac{\text{mfreq} \times (N + Q + SM) - \text{sup}(I, \mathcal{D}_o))}{k}
\]

Results of preliminary experiments based on these alternate equations revealed that the solver could not reach a solution in almost all problem instances based on thresholds calculated with these equations.

**Theoretical Discussion of Design**

The **COP solver** regulates the values of all items in every transaction of \( \mathcal{D}_x \) based on the constraints. Processing resources for the COP solver increases at an exponential rate with increasing problem sizes. Theoretically, if the original COP formulation for a problem can be logically decomposed into smaller problems, and the separate results can be combined, then the combined processing resources will be less than the total resources required to solve the original COP formulation. Each time the solver processes small problems, it generates a fraction of the total transactions required for \( \mathcal{D}_x \) to hide the sensitive item sets. Each generated transaction set is combined to form \( \mathcal{D}_x \).
The Exact Hiding with Partitioning Heuristic Algorithm modifies the COP Formulation process by generating transactions in $k$ steps instead of generating all the transactions in $Dx$ at once. This algorithm decomposes the problem by considering the variable $k$ in determining the number of transactions to generate and in the calculation of the threshold for item sets in the revised border. The Exact Hiding with Partitioning Heuristic Algorithm generates approximately $|Dx|/k$ transactions which the solver processes separately. Combining the transactions in the $k$ steps of the Exact Hiding with Partitioning Heuristic Algorithm to form $Dx$ approximates the $Dx$ generated in one step of the Exact Hiding Algorithm.

The variable $Q$ determines the number of transactions that $Dx$ must have to properly secure the sensitive knowledge in the Exact Hiding Algorithm COP Formulation. The Exact Hiding with Partitioning Heuristic Algorithm COP Formulation considers the value of $Q$ and $k$ and generates $|Q|/k$ transactions for each of the $k$ steps. Generating $|Q|/k$ transactions formulates a smaller COP with fewer variables and constraints.

Comparison of the sizes of the COP Formulations

The Exact Hiding Algorithm and the Exact Hiding with Partitioning Heuristic Algorithm generates each section of the COP problem: the objective function, frequent border constraints, infrequent border constraints, not-null constraints, and binary variable declarations. The Exact Hiding with Partitioning Heuristic Algorithm applies the variable $k$ to each section of the formulation process. Formulation of the objective function is based on the value $Q$ and the number of items in the border of frequent and infrequent item sets. The objective function in the Exact Hiding Algorithm includes $Q \times M$ variables. Applying $k$, the Exact Hiding with Partitioning Heuristic Algorithm includes $|Q \times M| / k$ variables. The Exact Hiding Algorithm generates $2Q$ constraints for each record in the frequent and infrequent item set border. A threshold is calculated for each constraint. The Exact Hiding with Partitioning Heuristic Algorithm generates $2Q / k$ constraints for each records in the frequent and infrequent item set border. The formula for the threshold using the Exact Hiding Algorithm is divided by the $k$ variable to determine the threshold for the Exact Hiding with Partitioning Heuristic Algorithm constraints. The heuristic has the greatest impact on the formulation of the COP in this section of the process. The not-null constraints section generates a constraint for each generated transaction so that the sum of the variables is greater than or equal to one. The number of not-null constraints generated by the Exact Hiding with Partitioning Heuristic Algorithm is the number generated by the Exact Hiding Algorithm divided by the variable $k$.

The Exact Hiding with Partitioning Heuristic Algorithm generates transactions in $k$ steps instead of generating all the transactions in $Dx$ at once. The solver independently solves each of the COP created by the Exact Hiding with Partitioning Heuristic Algorithm process and generates approximately $|Dx|/k$ transactions for each solver process. As a result, there are $k$ transaction files generated by the solver. An additional step is added at the end of the Exact Hiding with Partitioning Heuristic Algorithm for combining the transactions in the $k$ steps to form $Dx$ approximates the $Dx$ generated in one step of the Exact Hiding Algorithm.

EXPERIMENTAL EVALUATION

Resources

The process was developed and experiments were conducted with a personal computer running with Windows 7 Professional 64-bit operating system and an Intel® Core™ i7 CPU, Q820, 1.73 GHz with 8 Gbytes of RAM. No other applications were processing during solver execution. Eclipse Juno Software Development Kit, version 4.2.1, was installed with JRE System Library [JavaSE-1.7] and
IBM’s ILOG CPLEX, version 12.4 to read the COP formulation, execute the solver, and provide the results of the COP (IBM, 2014). In some cases, the COP formulation was too large for the processing by the solver as indicated by the error message: java.lang.OutOfMemoryError: Java heap space (Stack Overflow (2014). The limit of the solver’s processing capability is directly related to the size of the COP formulation. The solver failed due to insufficient physical memory when attempting to process the COP formulations for the Chess dataset at higher support threshold and for all problem instances based on the BMS1-Webview dataset. Examining the operation system’s performance statistics when the solver was processing large COP formulations revealed that the CPU usage was at 99% and the Physical Memory was at 99% just prior to the failure of the Java process. The solver processed the formulations based on the Chess dataset at the lower support threshold and for all problem instances based on the Mushroom dataset.

Processing Results

The results of all solver processes for both algorithms revealed that the item set quality standards were met by both the approaches: all sensitive item sets were hidden, no frequent item sets became lost or infrequent, no infrequent item sets became lost or frequent, and no new item sets were generated. Table 3 compares the results of the experiments. The table reveals the change in the number of constraints, solver run time and size of the database extension when applying the partitioning heuristic.
Table 3 – Comparison of the Exact Hiding with Partitioning Heuristic Algorithm to the Exact Hiding Algorithm

<table>
<thead>
<tr>
<th>Problem Instance</th>
<th>Constraints Δ</th>
<th>Solver Run Time Δ</th>
<th>Size of $\mathcal{D}x$ Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>1: Chess, .6, 5 × 7, Low</td>
<td>$PH_{(k=2)}$ (49%)</td>
<td>$PH_{(k=4)}$ (75%)</td>
<td>$PH_{(k=2)}$ (33%)</td>
</tr>
<tr>
<td>2: Chess, .6, 10 × 7, Low</td>
<td>$PH_{(k=2)}$ (50%)</td>
<td>$PH_{(k=4)}$ (75%)</td>
<td>$PH_{(k=2)}$ (30%)</td>
</tr>
<tr>
<td>3: Chess, .6, 15 × 7, Low</td>
<td>$PH_{(k=2)}$ (50%)</td>
<td>$PH_{(k=4)}$ (75%)</td>
<td>$PH_{(k=2)}$ (33%)</td>
</tr>
<tr>
<td>4: Chess, .6, 5 × 7, High</td>
<td>$PH_{(k=2)}$ (49%)</td>
<td>$PH_{(k=4)}$ (74%)</td>
<td>(1)</td>
</tr>
<tr>
<td>5: Chess, .6, 10 × 7, High</td>
<td>$PH_{(k=2)}$ (50%)</td>
<td>$PH_{(k=4)}$ (75%)</td>
<td>(1)</td>
</tr>
<tr>
<td>6: Chess, .6, 15 × 7, High</td>
<td>$PH_{(k=2)}$ (50%)</td>
<td>$PH_{(k=4)}$ (75%)</td>
<td>(1)</td>
</tr>
<tr>
<td>7: Mushroom, .1, 5 × 5, Low</td>
<td>$PH_{(k=2)}$ (50%)</td>
<td>$PH_{(k=4)}$ (75%)</td>
<td>(60%)</td>
</tr>
<tr>
<td>8: Mushroom, .1, 10 × 5, Low</td>
<td>$PH_{(k=2)}$ (50%)</td>
<td>$PH_{(k=4)}$ (75%)</td>
<td>(57%)</td>
</tr>
<tr>
<td>9: Mushroom, .1, 15 × 5, Low</td>
<td>$PH_{(k=2)}$ (50%)</td>
<td>$PH_{(k=4)}$ (75%)</td>
<td>(58%)</td>
</tr>
<tr>
<td>10: Mushroom, .1, 5 × 5, High</td>
<td>$PH_{(k=2)}$ (50%)</td>
<td>$PH_{(k=4)}$ (75%)</td>
<td>(52%)</td>
</tr>
<tr>
<td>11: Mushroom, .1, 10 × 5, High</td>
<td>$PH_{(k=2)}$ (50%)</td>
<td>$PH_{(k=4)}$ (75%)</td>
<td>(53%)</td>
</tr>
<tr>
<td>12: Mushroom, .1, 15 × 5, High</td>
<td>$PH_{(k=2)}$ (50%)</td>
<td>$PH_{(k=4)}$ (75%)</td>
<td>(52%)</td>
</tr>
<tr>
<td>13: BMS, .005, 5 X 1, Low</td>
<td>$PH_{(k=2)}$ (50%)</td>
<td>(2)</td>
<td>(2)</td>
</tr>
<tr>
<td>14: BMS, .005, 10 X 1, Low</td>
<td>$PH_{(k=2)}$ (49%)</td>
<td>(2)</td>
<td>(2)</td>
</tr>
<tr>
<td>15: BMS, .005, 15 X 1, Low</td>
<td>$PH_{(k=2)}$ (51%)</td>
<td>(2)</td>
<td>(2)</td>
</tr>
<tr>
<td>16: BMS, .005, 5 X 1, High</td>
<td>$PH_{(k=2)}$ (50%)</td>
<td>(2)</td>
<td>(2)</td>
</tr>
<tr>
<td>17: BMS, .005, 10 X 1, High</td>
<td>$PH_{(k=2)}$ (50%)</td>
<td>(2)</td>
<td>(2)</td>
</tr>
<tr>
<td>18: BMS, .005, 15 X 1, High</td>
<td>$PH_{(k=2)}$ (50%)</td>
<td>(2)</td>
<td>(2)</td>
</tr>
</tbody>
</table>

(1) Solver processed Exact Hiding with Partitioning Heuristic Algorithm but not the Exact Hiding Algorithm
(2) Solver did not process either Exact Hiding with Partitioning Heuristic Algorithm or the Exact Hiding Algorithm
In cases where the solver processed, exact solutions were generated for both algorithms. Review of the distance quality measurement revealed that the Exact Hiding Algorithm distance measurement was consistently smaller than the distance measurement of the Exact Hiding with Partitioning Heuristic Algorithm. This means that the Exact Hiding Algorithm produced the ideal solution (smallest database extension). As Table 3 reveals, the database extension for the Exact Hiding with Partitioning Heuristic Algorithm was no more than 7% larger than those solutions generated by the Exact Hiding Algorithm.

Problem Instances 1, 2, and 3 were based on a collection of sensitive item sets with support that was close to the minimum support threshold (low support category) in the Chess dataset. Problem Instances 4, 5, and 6 were based on a collection of sensitive item sets with support that was greater than the minimum support threshold (high support category) in that dataset. The COP formulations for Problem Instances 4, 5, and 6 generated by the Exact Approach Algorithm were too large for processing by the solver with the available resources. However, solver was able to process the COP formulations generated by the Partitioning Heuristic for these problem instances. The solver processed all Problem Instances (7 through 12) based on the Mushroom dataset for both the Exact Approach Algorithm and the PH algorithm. Problem Instances 13 through 18, based on the BMS-WebView1 dataset, generated COP formulations that were too large for processing. For very COP formulation based on the BMS-WebView1 dataset, the solver failed due to insufficient memory.

In every problem instance, the Exact Hiding Algorithm generated the most constraints. For each step of the Exact Hiding with Partitioning Heuristic Algorithm where \( k = 2 \), the number of constraints were consistently about one-half the number of constraints generated by the Hiding Algorithm for all datasets. The number of constraints generated by the Exact Hiding with Partitioning Heuristic Algorithm, where \( k = 4 \), is consistently about one-fourth the number of constraints generated by the Exact Hiding Algorithm.

The datasets were mined with \textit{mfreq} that yielded a collection of frequent item sets for selecting sensitive item sets. Examining the size of the COP formulations reveals that the number of constraints increases as the number of sensitive item sets increases. Examining the COP formulations for problem instances with the same number of sensitive item sets that include the same number of items where the only difference is the support category (low or high) reveals that in all cases, sensitive item sets with high support values generate a larger COP formulation that problem instances with low support values. The difference in the size of the COP formulations is greater where there is a change from low to high support values than when there is a change in the number of sensitive item sets that include the same number of items. In general, sensitive item sets with very high support values increase the number of negative item sets which also leads to an increase in the number of constraints in the COP formulation. Large values of \( Q \) (the number of transactions required to hide the sensitive data) have a substantial impact on the number of constraints in the COP formulation. The value of \( Q \) impacts the constraint formulation for every item set in the revised positive and negative border.

**Performance**

Relationships are observed in data for all problem instances regardless of which algorithm was used to formulate the COP. The greater the number of sensitive item sets in a problem instance, the larger the COP formulation. The greater the length of the sensitive item sets in terms of the number of items within each item set, the larger the COP formulation. The higher the support of the sensitive item sets, the larger the COP formulation. The number of transactions required to hide the sensitive item sets (the value of \( Q \)) has a substantial impact on the number of constraints in the COP formulation. In addition, sensitive item sets with very high support values required the generation of more
transactions to become hidden (higher values for $Q$). The higher the support of sensitive item sets, the higher the number of infrequent item sets leading to an increase in the number of constraints in the COP formulation.

The Exact Hiding Algorithm and the Exact Hiding with Partitioning Heuristic Algorithm are resource intensive in two areas: the identification of the border of frequent and infrequent item sets and the processing of the solver. Preliminary and final experiments consistently revealed, for all datasets, that the lower the level of $mfreq$, the longer the processing time of the apriori-based algorithms that determine the border. In addition, the longer the average record length of the dataset or the larger the item set lattices, the greater the processing time of the apriori-based algorithms. Random samples with different number of records revealed that larger record counts lead to longer processing times. Random samples based on differences in the length of the item set lattice revealed that the more items in the lattice, the longer the processing times for determining the revised border.

The processing of the solver is the most resource intensive portion for both the Exact Hiding Algorithm and the Exact Hiding with Partitioning Heuristic Algorithm. Solver processing times are longer for the larger COP formulations. In problem instances where the solver successfully processing, elapsed processing times ranged from about 3 to 9 minutes for the Exact Hiding Algorithm and about 2 to 7 minutes for the Exact Hiding with Partitioning Heuristic Algorithm. Performance concerns are not directed at the solver elapsed processing time. Rather, the most restrictive resource for all of the hiding algorithms is the memory available on the computer system during the solver process. The limit of the solver’s processing capability is directly related to the size of the COP formulation. The solver failed due to insufficient physical memory when attempting to process the COP formulations for the Chess dataset at higher support threshold (problem instances four, five, and six) and all of the BMS-WebView-1 COP formulations (problem instances thirteen through eighteen). In problem instances where the solver did not have sufficient physical memory to process the larger COP formulations the process failed due to insufficient physical memory. Technology improvements in the solver and increase capability of hardware will improve solver performance.

CONCLUSION AND FUTURE RESEARCH

This report presents research into the frequent item set hiding problem that focused on improving the scalability of the exact hiding method of Gkoulalas-Divanis and Verykios (2009b). This study identified a promising heuristic that reduces the computational cost of the exact approach without significantly affecting the quality of the solutions generated. The research also provided insight into conditions that impact performance of exact methods. Future research could evaluate limitations of this heuristic with respect to the number of steps for partitioning the COP. Is there a relationship between the number of partitions and the size of the database extension ($distance$) when all solver solutions are combined?

This research presented an algorithm that formulates the COP in steps of equal size, variable $k$. Heuristic processing that generates COP formulations in $k$ steps generate the same set of transactions that are combined to form the database extension. Future research could evaluate modifying COP Formulation of the Exact Hiding with Partitioning Heuristic Algorithm so that each step generates a different proportion of the entire problem. Heuristic processing that generates different size COP formulations will generate a variety in transactions in the database extension. Although a variety in the transaction in the database extension is not a quality metric, it may be considered desirable. It will also be interesting to repeat experiments with the Exact Hiding with Partitioning Heuristic Algorithm as processor and solver performance improves.
REFERENCES


* Acknowledgement: Sumitra Mukherjee, Ph.D, Dissertation Chair, Francisco Mitropoulos, Ph.D., Dissertation Committee Member, & Michael J. Lazio, Ph.D., Dissertation Committee Member, Nova Southeastern University, Ft. Lauderdale, FL, USA
GRASSROOTS INITIATIVE IMPACTS NATIONAL FOOD DISTRIBUTION

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ABSTRACT
A recently passed Vermont law threatens to impose a local prejudice against Genetically Modified Organisms (GMOs) on food supplies for the entire country. To comply with Vermont law and avoid fines, food suppliers must label their packages with GMO “warnings.” Because distribution networks are now so complex, it has become virtually impossible to guarantee that a product will be kept out of an individual state. Therefore, packages will need the off-putting labels even though the products are intended for sale in other states. This paper will explore the difficulties of a modern food production company isolating a product from an unfriendly jurisdiction, the legal implications of the Vermont law, and possible alternatives to the approach selected by Vermont.

Factory-style farms and highly mechanized processing plants provide an enormous supply of meat, dairy, and grocery products. These products flow through a mass distribution network until they reach the consumer. At the federal level, the U.S. Department of Agriculture (USDA) and the U.S. Food and Drug Administration (FDA) mission is the protection of consumers through regulations of food suppliers in appropriate labeling and production practices. Each U.S. state also includes a Department of Agriculture which mandates additional food production regulations at the state level. Food producers implement the requirements of these agencies in a variety of actives including product labeling practices and quality standards for production and distribution.

Product labeling regulations specify the appropriate listing of ingredients and rules for special labeling. Products that claim “low fat”, “organic”, or “high protein” on a label must meet specific ingredient requirements specified by the federal agency. Products that include potential carcinogens must provide warning information on their label. The intent of providing specific labeling information is to educate the consumer. Food manufacturers face a tremendous responsibility for the safety of the masses who consume their products. To protect the public interest, federal and state agencies also regulate the production and distribution of food products. Regulations take the form of mandatory production practices and periodic inspections. Typical production foods include a multitude of tests that validate the safety of the food products prior to leaving the premises. On occasion, serious problems (E.coli, listeria, foreign objects) are discovered after the food is in the distribution system. The food producer is faced with the challenge of identifying the extent of the problem and the location of the impacted products through a multi-level supply chain. Often the identity of the location of the product is not discovered through mechanized systems because data is tracked through unconnected systems which get increasingly vague as one traverse the multiple layers of distribution.

Genetically Modified Organisms are those whose genetic material (DNA) has been altered to introduce a trait in the plant which does not occur naturally. Example of traits include resistance to certain pests, diseases, or environment conditions. Food producers have widely adopted GMO technology for a competitive advantage. Most U.S. food does include GMOs. Many organizations
including the World Health Organization and the American Medical Association, through hundreds of studies, have concluded that there is no evidence that GMOs are unsafe. Yet, some regulatory bodies at the state level are considering the requirement that food manufactures specify GMOs on their labels. Vermont has implemented a regulation, starting July 2016, mandating the GMO labeling requirement. Sixteen other states have pending laws on the books waiting for the Vermont trigger event to engage. The FDA does not support GMO labeling but Congress has not taken appropriate action to stem the state action.

In addition, a manufacturer is fined $1000 for each product found in Vermont that contains GMO’, but does not specify GMOs on the label. Food producers face a choice and consumers will eventually foot the bill. Food producers may choose to complete the laborious and expensive process to modify their label or they may decide not to distribute product to Vermont. Unfortunately, eliminating Vermont distribution may be very difficult, if not impossible to manage, for any company with multistate distribution. The decision is further complicated by the multi-level distribution process. An organization may decide not to distribute product to Vermont but find their product on the shelf of a Vermont retailer because of a distributor’s action. The organization will still be fined in this case. A suggested approach for the GMO awareness process may be food regulatory agencies to provide labeling specifications for food producers of non-GMOs much the same as regulations governing “organic” products. This is the most economical and straight-forward solution letting those consumers who want to know about GMOs in products and providing a marketing edge for those companies who can produce GMO-free products.

Keywords
Genetically modified organisms (GMOs), food labeling, food distribution
UNCERTAINTY, PRICE DELAY, AND POST-EARNINGS ANNOUNCEMENT DRIFTS

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ABSTRACT
This paper tests the effects of uncertainty and learning model proposed by Pastor and Veronesi (2003) on post-earnings announcement drifts, and finds that good news is good for small firms with high book-to-market ratio and low forecast dispersion, and bad news is bad for small firms with high book-to-market ratio and high forecast dispersion. Further research shows that the drift can be due to the failure of information to flow completely into stock prices, which is corrected through learning of new information.

DATA AND METHODOLOGY
Analyst forecast data, including annually consensus earnings forecasts, was collected directly from Institutional Brokers Estimates System (IBES) database. The data includes all annual earnings announcement during 1994 and 2014 from publicly traded US firms. Stock prices are from CRSP. This paper follows a rolling seasonal random walk model from Livnat and Mendenhall (2006) to calculate the Standardized Unexpected Earnings (SUE), which is used to distinguish good news from bad news. A positive SUE represents a good news and a SUE represents a bad news. Firm size (ME), firm age (AGE), analyst coverage (NUM), dispersion in analyst earnings forecast (STD) are used as proxies for information uncertainty. All portfolios are formed in the month of t+1 after the earnings announcement events happen in month t.

MAIN RESULTS AND CONTRIBUTION
One innovation in this paper is to test the effects of learning on valuation proposed by Pastor and Veronesi (2003) in capital market, especially in post-earnings announcement drifts (PEAD), which has been well documented by Ball and Brown (1968), Bernard (1989), Livnat and Mendenhall (2006), Doyle (2007), and Chordia (2009). This paper shows that investors underreact to a higher degree when there is greater information uncertainty. As for good news, there is a higher price upward drift for firms with higher uncertainty; as for bad news, there is a lower price downward drift for firms with higher uncertainty. Further research shows that this might be due to price delay proposed by Zhang (2006), which implies that the initial market reaction to new public information of earning announcement is incomplete and investors need more new information to confirm their believes when there is more uncertainty regards to firm valuation.

Keywords
Uncertainty, post-earnings-announcement drifts, price delay
RESEARCH ON THE CONSUMPTION VALUE OF ADVERTISING MEDIA

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ABSTRACT
This paper is based on the theory of the consumption value of French sociologist Bo Delia and, in the horizon of mass media, does research on the shaping of the consumption value of advertising media. Through the comparative study of domestic and foreign advertising, critically it discusses the dissimilation of commodity value in Chinese language advertising and explores the value shaping path of the goods in line with the law of value.

This paper is divided into three parts. The first part focuses on the consumption value in Chinese language context and elaborates mainly on the phenomenon presentation of Baudrillard's theory of consumption value in the field of Chinese mass media; the second part is about the comparison of domestic and foreign advertising media form, which mainly through the comparison of some of the more typical advertising domestic and foreign in order to shape different forms of consumption value; through the summary of the above two parts, the third part explores the direction and path of consumption value creation.

Keywords
Consumption value, mass media, Chinese language context
RESEARCH ON MEASUREMENT AND APPLICATION OF INTERNATIONAL INVESTMENT COMPETITIVENESS INDICES

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ABSTRACT
With the development of multinational corporation business and the establishment of more closed relationship between partner countries, international direct investment (or FDI) tends to replace international trade to act the most significant role in the stage of world economy. The firm, as the basic cell of economy, its competitiveness is not only the capability of promoting product and getting profits in international trade, but the capability of building up and developing the foreign branches in international investment.

First, this study advocates to distinguish the international investment competitiveness (IIC), and define it as the firm’s capability of making external investment decisions, operating and managing international projects. The IIC places special emphasis on project investment and finance, technology level, entrepreneur management and brand competitiveness, compared with international trade competitiveness focus on the marketing mix.

Second, the study initiates the design and illustrations of three kinds of indices which can be used to measure IIC level of countries, sectors and firms respectively. The three indices are Investment Market Share (IMS), Investment Competitiveness (IC), Revealed Investment Competitive Advantage index (RIC). Three indices show international investment competitiveness from three separated aspects: market share, country advantage and industry or sector advantage.

Third, this study applies the measurement of ICC for top ranking investing countries with the updated data. The advantages and shortcomings will be shown clearly after the comparative calculation and analyses.

Finally, we will explore the applying areas of the aforementioned three indices. We see the future application of these ICC indices in Investment management, investment project assessment, investment risk control and precaution, and investment policy making.

Keywords
International investment competitiveness, indices, measurement
TOWARD A THEORY OF ADVANCED STATE CAPITALISM

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ABSTRACT
Some one hundred years ago a belatedly recognized philanthropist, Andrew Carnegie was a lonely voice calling for wealthy capitalists to give back portions of their accrued wealth. In recent years a growing number of self-made billionaires are heeding to Carnegie’s call and are beginning to redistribute their massive wealth albeit with a different twist that this paper would call advanced state capitalism. Advanced state capitalism is rooted in the fundamental principle of shareholders’ theory of value which facilitated the accumulation of massive wealth and that it is not the state which determines what is good for citizens globally or otherwise, but rather it is the rich who would decide. This study will show that the efficient market system facilitated by the appetite for risk that promoted the massive accumulation of private financial wealth is called into question resulting in the theory of advanced state capitalism. The theory rests on the assumption that for most advanced capitalist economies the primary goal of the form is to create wealth for the shareholders and therefore, amassing huge individual financial wealth is an accommodating corollary. This study will also show that the experimental creative venture capitalist business models are the fundamentals that are driving the new advanced state capitalism.

Keywords
Capitalism, efficient market system, wealth redistribution
BIOTECHNOLOGICAL DIFFICULTIES: DIFFERENCES IN BIOTECHNOLOGY HIGHER EDUCATION IN INDIA, BANGLADESH, AND THE UNITED STATES

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ABSTRACT
During my time in the M.S. Biotechnology Program at Kean University in Union, NJ, I have had countless discussions with my classmates about the differences in our educational and ethnic backgrounds. Aside from a handful of us who have completed our Bachelors degrees in the United States, most have completed their undergraduate education (and some also a Masters degree) in India and Bangladesh. Since biotechnology and related fields are global fields, I felt that it was necessary to further identify the dissimilarities in these education systems in order to spread awareness among educators.

A main point that has been observed is that both India and Bangladesh put a great emphasis on theory over practicality. Professors in these countries may pull information from multiple sources (which is also sometimes done in the U.S.) in order to teach course material. Exams are much tougher, typically require more memorization, and hold a much greater weight when determining a student’s performance. In fact, examinations are usually the only method of assessing a student’s abilities. Rarely are students asked to perform presentations for classes let alone participate in hands-on lab work.

Another major difference is that U.S. universities and laboratories provide much wider access to scientific journal articles and hi-tech tools than in India and Bangladesh. In-depth literature research articles that are typically standard in science courses in the U.S. are not common. Instead, students may be required to complete a shorter report that is solely textbook-based. Overall, laboratories are not usually as well equipped due to low funding for expensive equipment, but each institution is different in how they manage this paucity.

In addition to the specifics attributed to scientific research, other observations include class sizes, the diversity of students in their cohort, dress code differences, and the GPA format. These have been minor obstacles for them, however, since my classmates have mostly focused on the fact that they are appreciative of the ability to conduct research here in the United States alongside professors and mentors so they can focus on developing their own skills and learning the practicality of the scientific theories that they are studying.

Keywords
Biotechnology education, Bangladesh, United States, student panel

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OPEN FORUM ON GLOBAL ISSUES AND CHALLENGES IN THE 21ST CENTURY FROM THE US PERSPECTIVE

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ABSTRACT
Twelve US native students discuss issues of globalization and how they have prepared themselves for the 21st century interconnected global economy. Nine students from Kean University, NJ will join this discussion forum and reflect on what they would like to see in the academic and extra-curricular activities that help them prepare well for 21st century. The topics will cover:

1. General Education requirement at BU – international and global content
2. Foreign Language requirement at BU
3. Exposure to international programs at BU – movie, theatre, dance, cultural shows
4. International cuisine – opportunity to test different ethnic food

Presenters  
River Thomas (USA), Lillian Rosades (USA), Dylan Hobson (USA)  
Discussion: General Education requirement

Steve Bode (USA), Tatum Mark (USA), Lilian Rosades (USA)  
Discussion: Foreign Language requirement

Whitney Thivet (USA), Romana Dumyak (USA), Victoria McCory (USA)  
Discussion: Exposure to International Cultural Programs

Nazeer Curry (USA), Dylan Hobson (USA), River Thomas (USA)  
Discussion: International Cuisine
IDENTIFYING UNIQUE SEQUENCES IN COMMON PATHOGENS

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ABSTRACT

With rapidly developing high-throughput nucleotide sequencing technology, it is now possible to screen a clinical sample against all known pathogens [1-3]. However, direct sequencing of the sample sometimes only results in 1 to 3% of non-host data [4, 5]. How to enrich the pathogen nucleotides and deplete the host ones has become a research area with great interest and activity. Specific regions of the bacterial genomes can be amplified using conserved primers, such as the 16S rRNA region, and thus allowing genus to species level identification for bacterial species [6]. Since viruses have a much higher mutation rate, and the resulting increased diversity, there are no conserved regions shared among viral species to allow for targeted amplification. With viral particle enrichment methods such as ultracentrifugation, filtration, enzymatic digestion, the non-host data percentage can be decreased to well below 50% [7, 8]. Still, these methods are typically time consuming or require complex procedures, and therefore cannot fit in routine diagnostic applications.

Recently, two new virome capture sequencing technologies have been developed, and have both demonstrated increased efficiency in enriching viral pathogen signals from mixed samples [9, 10]. Despite the higher efficiency, either method requires around 2 million probes even when targeting only vertebrate viral genomes. Considering the inevitability of updating and expanding the probes as more and more viral genomes become available, a method to optimize the capture probes is needed, i.e., how to use the least amount of probes to capture the greatest amount of viral strains. In order to speed up the optimization process, computational methods are required. As a result, we have developed an algorithm, implemented in a software tool, Capror, to automate this probe optimization step.

Viral genome data were obtained from NCBI Viral Genomes database (www.ncbi.nlm.nih.gov/genome/viruses/) using Entrez Programming Utilities (E-utils). All computational implementation of Capror has been completed in Java. To rapidly identify nucleotide sequences that could be used as probes, the occurrence count for each possible \( k \)-mer is calculated across the genomes. A \( k \)-mer is a sequence of characters (in this case, nucleotides) of a specific length, \( k \). Further analysis of the resulting \( k \)-mer occurrence count data will lead to candidate sequences suitable for probes.

Upon the completion of the viral genome download, each genome is scanned individually. The \( k \)-mer occurrence count is maintained to keep track of the number of genomes in which a given \( k \)-mer is present. In order to identify \( k \)-mers that are common to many viruses, \( k \)-mers with occurrence counts greater than a certain threshold, e.g., 1,000 genomes, can be easily extracted. These common \( k \)-mers
can be used to design probes capable of capturing the majority of viral species with relatively few probes. On the other hand, \( k \)-mers with counts below a certain threshold, e.g., 10 genomes, can also be used to design strain-specific probes, providing maximal resolution with only a selective set of probes. Initial testing has identified over 10,000 \( k \)-mers \((k = 12)\) that are present in less than 3 viral genomes and over 20,000 \( kmers \((k = 12)\) that are present in greater than 4,000 viral genomes. Future work will analyze longer \( k \)-mers, consider host sequence data for exclusion, and also include screening against bacteria and fungi. The identification of these sequences through the use of Capror could promote the development of more efficient capture arrays either by enabling a probe to indicate the presence of one of multiple viruses, or targeting a specific strain of virus.

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A SOLUTION-FOCUSED APPROACH TO HEARTBREAK AND THE BROKEN-HEARTED

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Abstract
In the world of romantic relationships, heartbreak is a common happenstance. However, popular culture has trivialized the potentially traumatic experience of heartbreak. This workshop will present participants with a working definition of heartbreak, as defined by existing literature. In addition, the workshop will explore ways in which to identify common signs of heartbreak. Through a Solution-Focused Brief Therapy lens, the workshop will survey interventions and techniques that are applicable to conversations with the brokenhearted. This will also lead into dialogue about how to engage a person who is heartbroken and how to help them make the most use of their own metaphors and life experiences. Ethical implications will be shared with participants as well as future direction of research for this initiative.

Keywords
Solution-focused brief therapy, heartbreak, recovery
IMPACT OF NAZDAQ TECHNOLOGIES ON THE BANKING SECTOR: A SUCCESS CASE IN BANGLADESH

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ABSTRACT
This paper explains the role of Nazdaq Technologies Inc. Ltd. on the efficacy, efficiency and better relationship management between organization and customers in different business sectors especially, the banking sector in Bangladesh. Nazdaq Technologies is a dynamic technology consulting firm that builds advanced solutions for industries across various business entities including banking, hospitals and other IT sectors globally. Since inception, Nazdaq Technologies has built custom solutions and provided comprehensive IT solutions for a growing list of corporate and government entities. Initially, through a strategic partnership with a local solution provider that focuses on providing IT services to the government, it had built a hospital management solution (nMed) that is being used by a handful of large public medical institutions and colleges as well as built-out their entire IT infrastructure at home and abroad. Additionally, it has consistently provided access control, IP camera systems, server room setups and built custom software solutions for colleges, banks, hospitals, non-bank financial institutions, e-commerce operations, manufacturing companies and large conglomerates, both for local clients as well as completed outsourced IT projects from the U.S., Canada and Europe.

Nazdaq envisions to become the leading IT company in Bangladesh in the banking and financial services sector within the next few years. To achieve this goal nazdaqTechnologies has been busy building sophisticated software tools that are in high demand by the local as well as international banks, most of which are now mandated by Bangladesh Bank. Its management system is the only one of its kind in Bangladesh and has been deployed at international financial institutions such as Dexia and DFPS. Prior to coming to Bangladesh, it had successfully delivered a multitude of IT products and services to leading financial giants such as Citibank N.A., HSBC, JP Morgan, Bank of America, UBS and TD Securities in the USA.

Keywords
IT solutions for banking sector, IT and hospital management system, IT and customer relations
THE BUREAUCRATIZATION OF PROFESSIONAL WORK: A CRITICAL EXAMINATION OF ENTERPRISE-WIDE QUALITY CONTROL PROGRAMS

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ABSTRACT
This paper considers the recent proliferation of enterprise-level quality control programs and its effect on the professional worker. Lean, Information Technology Infrastructure Library (ITIL), Six Sigma, and Capability Maturity Model Integration (CMMI) are representative of these programs and are discussed in order to highlight qualitative shifts in how work is performed and evaluated within professional bureaucracies. I argue that, especially from the professional’s point of view, this shift is significant enough to distinguish the earlier bureaucracies from those that have experienced this shift and has implications over process knowledge and quality control ownership.

Keywords
Bureaucracy, professionals, critical theory, labor studies, quality control, philosophy of technology

INTRODUCTION
In this paper I review research bearing on the professional worker in bureaucratic forms of organization throughout the twentieth century. I argue that by the 1990s scholars believed they had put conceptual matters to rest at roughly the same time a systemic shift in bureaucratization was taking hold. Lean, Information Technology Infrastructure Library (ITIL), Six Sigma, and Capability Maturity Model Integration (CMMI) are representative of this bureaucratization and are discussed in order to highlight qualitative shifts in how professional work is performed and evaluated within the organization. I argue that, especially from the professional’s point of view, this shift is significant enough to distinguish the earlier bureaucracies from those that have experienced this shift. Given the nature of this shift, I invite researchers to consider the effect that these new forms of bureaucracy have on professional workers from both critical and practical angles.

Background
Max Weber’s analysis of bureaucracy has provided scholars with a powerful theoretical framework with which to think about modern organizations, efficiency, and the human condition. The key points that he outlined included fixed jurisdictions for work governed by rules, a hierarchy of authority, written documentation, and extensive training of office-holders (Weber, 1973).

Many seized upon the new independent and dependent “variables” that the bureaucratic form offered to their research. These followed a predominantly “systems” approach to organizations that, consistent with Weber’s “iron cage” metaphor, treated the entire entity as a machine. Control lay at the heart of these approaches with some researchers focusing on the effects of behavioral rigidity (Merton, 1940), the role of delegation by management and internalization of goals by participants (Selznic, 1949), visibility of power relations and the replacement of personal rules with impersonal rules (Gouldner, 1954) and optimal spans of control (Hall, 1991). In general, however, the human
relations school used the bureaucratic framework to consider how to tweak these of variables to increase motivation and job satisfaction (e.g., McGregor 1957, McClelland, 1966).

Critical scholars were more interested in the negative effects of bureaucracy on the workers. Most of these studies were Marxist studies focusing on the manner in which the modern industrial bureaucracy led to various forms of alienation (esp. deskilling and loss of autonomy) for factory workers (e.g., Roy, 1954; Braverman, 1974; Burawoy, 1979).

In parallel with these studies, there were other researchers who asked how the professional was fairing in this new social structure. After all, professionals possess relatively higher degrees of control over their work, meaningfulness, expertise, education, and less management supervision. Some studies were able to identify correlations between the degree of bureaucratization and the degree of Marxist alienation experienced by the professionals (e.g., Smith, 1971; Bonjean & Grimes, 1970; Matheson, 2007; Raub, 2008; Tripathi, 1976). However formal bureaucratic control of the professionals was found to be minimal and control over their product was achieved through informal organizational and professional norms and alienation, if it was found at all, tended to result from ambiguity and political conflict (e.g., Bailyn, 1985; Becker et. al. 1961; Dalton, 1959; Gouldner, 1954; Jackall, 1988; Kanter, 1977; Kunda, 1992; Roethlisberger & Dixon, 1939; Rohlen, 1974; Rosen, 1984; Whyte, 1956). In these studies it is not loss of control over one’s material labor but rather the chronic tension between the impersonal demands of the bureaucracy for rationality and the actual social reality that organizational life is rife with conflicting expectations, personality, informal culture, and ambiguity. Furthermore, engineers have tended to align their interests with those of management and scientists are often afforded a high degree of latitude as long as they continue to deliver patents, inventions, and innovations (Perrow, 1986).

The consensus of these studies, then, is that compared to wage workers professionals in bureaucracies tended to fare much better and enjoy relatively higher autonomy, meaningfulness, and self-determination even if at times this is accompanied by ambiguity and conflict. However the research on professionals in bureaucracies reached its peak in the 1990s and quickly dissipated as their findings were converging on these points of consensus.

Professionals in Bureaucracies (1995 – present)

It is unfortunate that research on professionals in bureaucracies has been so silent since the mid-1990s because bureaucracies have changed in significant ways that are likely to have a significant impact on the professional and her experience of her work. Whether it is industry, healthcare, law, or education, all of these institutional spheres are being measured and controlled in significantly new ways. Under various names such as Lean, Six-Sigma, CMMI, etc. these programs were philosophically inspired by the Total Quality Management (TQM) and Quality Control (QC) movements of Edward Deming and Juran that were intended to bring tighter controls to the physical production of goods and services. However the newer enterprise-level quality control systems go “upstream” to processes and activities in the organization that are under the jurisdiction of the professional and hitherto were controlled by informal social means. While each of these programs differ in some ways from one another, they all encroach upon activities that were previously not the target of quantitative measurement and control. All of these programs have demonstrated enough success to be considered industry best practices and therefore have proliferated as organizations adopt them to achieve higher performance or to be seen as legitimate within their organizational fields (DiMaggio & Powell, 1983). Let us now turn our attention to some of the more pervasive and popular programs that have been adopted by professional bureaucracies – all gaining traction in the 1990s.
Lean. Prior to Lean, the Toyota corporation was grappling with a lack of educated and skilled workers. To overcome this, they strove to capture and document knowledge inherent in various production and development processes (Kimoto, 1991). This evolved into an enterprise level framework for reusing critical process knowledge, the cultivation of expertise at the team level, the use of process visualization techniques, and creating an entrepreneurial culture (Ward, 2007).

Therefore, to the extent that the professional enjoyed a certain level of control and power because of their knowledge prior to Lean, the widespread implementation of Lean shifted some of that control and power to the formal process.

Information Technology Infrastructure Library (ITIL). In the 1990s it became clear to the UK government that it was inefficient to have many large bureaucracies addressing the problem of how to implement Information Technology (IT) in response to business strategies and goals. Using W. Edward Deming’s Plan-Do-Check-Act (PDCA) cycle, they developed a series of formalized processes to capture the various service elements needed to align IT services with the business strategy and the design of goods and services (Clifford & van Bon, 2008).

Therefore, as with Lean, the ITIL framework rationalizes and standardizes processes to achieve consistency and efficiency. It is reasonable to assume also that this bureaucratization led to a shift in the tacit process knowledge possessed by IT professionals to the formal process itself.

Six Sigma. Originally formulated by an engineer from Motorola Corporation in 1986, Six Sigma was given great momentum by Jack Welch and its success at GE in the mid-1990s (Adams et al., 2003). Unlike Lean and ITIL which attempt to capture, codify, and reuse process knowledge, Six Sigma draws upon the TQM process control philosophies in which processes are assumed to have a certain level of “natural” variation and that deviations from those natural levels can be teased out statistically and implicate an unwanted influence or cause in the process that requires correction.

As with TQM, these methods are often applied to the physical/machine processes in manufacturing various products. Unlike TQM, however, Six Sigma is also applied to business processes that also include human performance and therefore non-physical (social and psychological) factors. Therefore as “inputs” to these processes, professionals now experience themselves as part of a system in which their knowledge, experience, and skills are monitored and expected to be within established limits.

Capability Maturity Model Integration (CMMI). CMMI was developed by Carnegie Mellon University and the National Defense Industrial Association (NDIA), and, like Six Sigma, strives to monitor existing processes through statistical means (Software Engineering Institute, 2006). However, unlike Six Sigma, CMMI focuses on how well organizations do this and assesses them along a continuum of maturity levels (Siemens, 2013). This approach quickly took hold in the defense contracting industry where contractors could increase their competitiveness if they could advertise to customers that they were assessed to be high in maturity and therefore more likely to demonstrate higher predictability in schedule, budget, and quality performance. Organizations that do not gather data on process performance and have an overreliance on “heroes” to achieve performance are considered to be at maturity level 1. As organizations demonstrate to the certifiers that they are formally defining their processes, gathering process performance data, and using this data to improve and optimize their processes, they migrate to higher levels with level 5 (optimizing) being the highest (Software Engineering Institute, 2006).

Therefore, as with Six Sigma, CMMI does attempt to redefine organizational processes, but not with the same intent as Lean and ITIL. Whereas Lean and ITIL strive to capture the tacit professional/occupational knowledge bearing on the processes, Six Sigma and CMMI define the process with the intent to measure its performance. Therefore rather than a shift in power/control from
the professional to the bureaucracy due to process knowledge, we instead witness a shift in quality assessment and control. Whereas prior to CMMI professional managers and engineers controlled quality through their informal or semi-formal review processes, CMMI draws upon TQM control chart philosophies to quantify performance into metrics that are used to statistically analyze whether processes are “in-control” or “out-of-control.” If a process is out-of-control special teams are formed to investigate the root causes. Ultimately this shifts the responsibility for quality control from individuals and informal group norms to the formal bureaucratic system. Failure, then, will is framed as a shortcoming in the system that requires tweaking and not the result of individual performance. Rather, failure is assumed to be due to the system mistaking the level of competence of team members or failing to train them to the required levels.

In summary, then, with both CMMI and Six Sigma, the professional loses some of the responsibility he or she had previously over the evaluation of quality.

ANALYSIS

Programs similar to Lean, ITIL, Six Sigma, and CMMI are also being proposed and implemented in other institutional spheres such as healthcare, legal practices, and higher education. This represents a systemic bureaucratization of organizations that is shifting the control and power over the work itself, and over the evaluation of quality, away from the professional and into formal processes and their “owners.” In addition, the responsibility and accountability quality (performance) shifts from the individual worker and/or group to management. The professional is now no longer to be credited or blamed for organizational performance as these outcomes are now under the orchestration of the formal system and the logic of resource development and allocation.

A Call for Critical Study

As mentioned earlier, at roughly the same time that these enterprise level programs were gaining traction scholarly interest in professionals and bureaucracies had run its course. While some studies have been performed highlighting some these issues in organizations that have implemented CMMI (e.g., Nugent & Collar, 2014), by and large this significant bureaucratic shift has gone unstudied from critical angles. Yet these general observations beg certain questions. What caused this shift and the widespread emergence of these bureaucratic programs? Did the strong culture paradigm that dominated organizational development in the late 1980s and early 1990s fail to achieve the required results? Were informal norms, rites, rituals, and symbols insufficient to motivate professionals or were the negative effects of strong cultures (Kunda, 1992) undermining performance?

Or was it inevitable that in establishing more executive control and power the quality control (TQM, QC) philosophy established by Deming and Juran would move to higher and higher levels of the organization and be applied to business/social processes?

What effects do these shifts have on alienation and deskilling? As we saw with Lean and ITIL, critical process knowledge that was previously within the minds and bodies of the professional were captured and codified into the formal process to the extent possible. While on the one hand this is a rational move by organizations, on the other hand it may reduce the meaningfulness of the work to the professional. Perhaps more interesting is the question of alienation. Determining quality levels and observing/evaluating/correcting process performance has shifted from internalized norms and informal activities to a group of “process owners” that implement and maintain the statistical monitoring systems. Therefore Marxist forms of alienation stemming from an estrangement of these activities from one’s own ownership/control can be expected to intensify.

Finally, unlike Marx, Weber believed that the greatest danger of bureaucracy the way in which it rationalizes all human activity. Therefore the alienation stemming from rationalization of work
spills far beyond the more narrow sphere of class conflict and capitalism occupying Marx’s attention into all bureaucratic spheres such as the military, non-profit organizations, higher education, etc. (Gerth & Mills, 1946). This compels us to wonder more about the overall psychological effects of bureaucratization/rationalization. For example, according to Robert Jackall’s study of corporate managers:

Bureaucratic work shapes people’s consciousness in decisive ways. Among other things, it regularizes people’s experiences of time and indeed routinizes their lives by engaging them into daily proximity with and subordination to authority, creating in the process upward-looking stances that have decisive social and psychological consequences; it places a premium on a functionally rational, pragmatic habit of mind that seeks specific goals; and it creates subtle measures of prestige and an elaborate status hierarchy that, in addition to fostering an intense competition for status, also makes the rules, procedures, social contexts, and protocol of an organization paramount psychological and behavioral guides. (Jackall, 1988, pp. 5, 6).

If bureaucracies have this way of conditioning man then our observations these new bureaucratic forms compel us to also entertain notions from the philosophy of technology. In his famous essay The Question Concerning Technology, for example, Martin Heidegger argues that technology strongly affects the way in which man frames being. Unlike the ancient Greeks who focused on the becoming facet of technology, he believes modern technology conditions us to conceive of all objects in our environment (including ourselves and other humans) as resources-at-hand (Heidegger, 1977). This conceals other facets of being such as the inherent value of being independent of utility. In the newer enterprise-level quality control programs we see an interesting intensification of this dynamic in which the professional now is treated as, and therefore becomes and sees herself, as a measurable source of variation within a formal system and even heroism, the capacity to rise above and respected for one’s knowledge and skills in times of crisis, is framed as a system failure.

Other philosophers of technology focus on particular technologies and how they influence our subjectivity. For example, a microscope or a telescope influence what we can see or not see and where our attention will be focused (Ihde, 2010). How, then, does bureaucratic structures in general, if we are to view them as technologies, shift our focus or bring certain objects toward the foreground and other objects to the background? Again, as the rationalized structure forces the professional to see himself as source of variation, how does this effect the way in which he will allow himself to be seen? How will he manipulate what can be seen? How will the bureaucracy adapt to overcome this by moving toward the panopticon model highlighted in Foucault’s (1977) analysis of penal systems?

SUMMARY

In summary, this paper is intended to sensitive organizational scholars to the shift that has been occurring in bureaucracies across most, if not all, institutional spheres over the last 25 years or so. Control and power once possessed by and enjoyed by the professional are being shifted into the bureaucracy itself and this may have negative consequences to the professional, and perhaps over time, to the productivity of the organization.
REFERENCES


MANAGING WORKFORCE DIVERSITY

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ABSTRACT
The much-proclaimed demographic shift and the rapid changes in the workplace because of the increasing work group diversity and the global economy have provided opportunities for greater interactions among diverse groups of people. These trends have exacerbated the need for managing diversity as a competitive advantage. Some researchers, such as Elmuti (2001), contends that diversity offers companies a competitive edge through the reflection of the diversity of the company’s customer base and workforce. Meanwhile others (Palich & Gomez-Mejia, 1999), argue that diversity increases conflict, creates a lack of cohesion, misunderstanding and decreasing organizational efficiencies. This research posits that managing diversity is an important strategy for competitive success.

Keywords
Workforce diversity, workforce management, demographic shift
CAPTURING THE ESSENCE OF eLEADERSHIP: THE BARACK OBAMA APPROACH

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ABSTRACT
A few years back, the author prepared a study on eLeadership for the 21st Century and made a presentation to CASA Conference thereon showing the specificity of eLeadership with clear examples as case studies. This new study starts by paying a tribute to CASA and its leaders for their vision of the importance of eLeadership in the 21st century and promoting a better understanding of such leadership. The study goes on to take a close look at how U.S. President Barack Obama exercises eLeadership: taking, so to speak, the ‘bull by the horns’. The study is aimed at providing concrete illustration to world leaders and a case study to scholars teaching leadership courses so that they have an up to date vision thereof. Barack Obama is a political leader; he is also the leader of the Federal Public Administration, a vast system which provides public services round the clock in the US and around the world. Under the leadership of the OMB and the General Services Administration, huge efforts are being made constantly to either improve existing systems or to create new ones. The eGov initiatives are impressive (this was the subject of another study by the author, also presented to CASA Conference). When President Obama found that the Department of Veterans’ Affairs was not as responsive as should be he started new thinking. When the initial launch of the ObamaCare System proved to be a failure, there was a need not just for quick thinking but also for prompt action above all. President Obama looked at how Google responds to millions of requests without crashing; the same could be said of Apple, Facebook and so on. The President decided to look for the electronic ‘magicians’ at these companies and brought them on board creating new units but also fostering close collaboration between the IT experts in the Federal Administration and the ‘geeks’ and the initiative paid off and the results clear.

Keywords
Information technology, eLeadership, public administration
THE METUS PRINCIPLE: RECOGNIZING, UNDERSTANDING, AND MANAGING FEAR

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ABSTRACT
METUS (Latin, meaning fear). The METUS Principle is a conceptual framework explaining motivation based on a lowest common denominator – fear. The METUS principle asserts that fear is neither negative nor positive, but simply a catalyst for behavior. It is a person’s perception of fear that sets in motion action, or in some cases inaction, that in effect produces positive or negative outcomes. METUS is a binary force affording a person only two possibilities; he or she can be managed by fear or he or they can manage fear. To allow fear to manage oneself is a passive behavior, while managing fear is active. A passive behavior is a choice made to let (something) happen and to allow an “outside” force to dictate choice; that being inaction. Active behavior is a choice to manipulate or alter forces in one’s environment in an effort to produce a desired outcome. As a catalyst for behavior fear has universal application which include, but are not limited to business and economics, education, political science, social sciences, and in this case, youth development. Whether big or small, we all have goals. It takes no more work to dream big than it does to dream small; however, the amount of work required to achieve a particular or desired goal does vary. This is where the METUS Principle comes in. The only thing that stands between our self and our dream is our self. It is up to each individual to determine how much, and how hard, they are willing to work to achieve a particular goal. Each individual must also determine what sacrifices they are willing to make along the way. When it comes to goals we must learn to recognize, understand, and manage our fears toward productive means – in an effort to achieve our goals. Learning to recognize, understand, and manage fear at an early age will help young adolescents with personal development toward productive outcomes.

REFERENCES
ONLINE EDUCATION ISSUES FOR WORK-LIFE BALANCE

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ABSTRACT
Currently, many public K-12 schools in Pennsylvania are experiencing financial difficulties due to various state budget issues. As a result, many public school districts have to make difficult financial decisions regarding their faculty and staff. Often times these difficult financial decisions effect employee morale and workload. In an effort to increase or maintain the current state of employee morale and workload, research into work-life policies at the K-12 level are examined.

Research in the corporate sector has shown that providing employees with good work-life balance policies are cost effective solutions which increase overall employee morale. This research presentation explores the current status of work-life balance policies at the K-12 public school level. A content analysis on work-life policies and language in board policies, which are free and publically available online, are examined. Results are presented and areas of concern are discussed.

Keywords
Work-life balance, human resource policy, K-12 education
INTERNET OF THINGS: ENTREPRENEURIAL CONCEPTS

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ABSTRACT
Currently, the one hottest technology trends occurring is the Internet of Things (IoT). Specifically, the IoT can be defined as a connection of sensors and machines. As such, the real value that the IoT creates is at the crossroads of collecting data and leveraging the data to make valuable information. The data collected by sensors isn’t of value until it can be analyzed to produce valuable information. For example, icy roads are very hazardous and often times can cause injury and possible death to drivers. Providing wireless sensors in the road to detect the freezing ice and wirelessly communicate to an automobile’s sensor to slow the car down to a safe speed.

The Internet of things provides a world of opportunity and innovation to occur. This presentation will define the IoT and explore underlying opportunities for innovation that can occur at the crossroads of collecting data and leveraging the data to make valuable information. Hence, establishing new entrepreneurial concepts and creating new products and services.

Keywords
Internet of Things, entrepreneurship, information technology
RESEARCH ON THE APPLICATION OF PROJECT MANAGEMENT IN THE FIELD OF HUMAN RESOURCES IN CHINA

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ABSTRACT
This paper discusses the ontology and methodology of the project management knowledge system in the United States and tries to expand the scope of human resources from project management to other fields and realizes the extension even the rebuilding of the methodology.

Through studying the application of academic theory of the US project management in the field of human resources, this paper aims to put forward the directional logic of theory on how to enhance the integration efficiency and optimize the configuration of the six modules in the field of human resources. In the Chinese language context it conducts application attempts in the human resources management and related services, etc. And it forms corresponding investigation and analysis.

Keywords
Project management, human resources, China
STRATEGIES FOR DEVELOPING INFORMATION COMPETENCIES AMONG BUSINESS PROFESSIONALS

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ABSTRACT
Success of any business depends on the competence of professionals who are conducting different functions in any enterprise. Business policies, strategies, decision making and problem solving, in turn, depend on the competence of these professionals for finding and applying the right information at the right time with accuracy and efficiency. Efficacy of business then requires that the professional are equipped with the skills of conceiving the need, articulating the need into an appropriate search strategy, searching and retrieving from the pertinent sources, locating, identifying and accessing the need information, applying leveraging from this information appropriately, and thus recreating value-added information that is the crucial domain of knowledge assets of a business organization. This cycle is termed as information behavior of these professionals. In this process, in-house information resource has its own vitality and peculiarity, as these are a valuable source of information. Data mining and mapping of enterprise information, using technological means and instruments, may be handled using an organization-specific treatment.

Whereas information behavior is a vast discipline, we focused on the competence of business professionals in managing their personal information in the way they find it, organize it, and then, as and when needed, they re-find and reuse it. These specific aspects are termed as personal knowledge management (PKM) of business professionals. This has become more challenging in the context of unprecedented information available on web and expansive repositories available on social networking sites. It is widely understood that in the absence of adequate organization of information, re-finding may become formidable. It is a waste of time, energy and resources if information is available somewhere, yet we cannot locate it.

In this study we have collected data from corporate organizations, which might help in improving and enhancing skills to manage personal information by individual knowledge workers (professionals and managers). This study provides pointers and clues to improve tools designed for retrieval of information these professionals have readily used. Essentially we have addressed the following dimension of information behavior: sources used for information gathering; methods used for saving and archiving information; categorizing information in the process of organizing; practices used for managing personal information; and, strategies deployed to re-find information already found?

Keywords
Information literacy, information retrieval, information storage
ACCESSIBILITY OF INFORMATION SOURCES IN BUSINESS ORGANIZATIONS IN KUWAIT

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EXTENDED ABSTRACT

Information is of tremendous value to business organizations in problem solving, planning, evaluating the marketplace, developing new products, and improving organizational performance. Knowledge workers in these organizations search and use information from a variety of external information sources. Businesses need to set up support systems for accessibility to external information sources for empowering their employees.

King (2011) highlights the value of information services for the corporate sector and asserts that it is important to ensure that the information service is offering what the business needs. Information service should respond to the constantly changing demands of businesses. Information services ought to be seen as a necessary resource rather than one that is nice to have.

A variety of external sources of information may be helpful to knowledge workers in business organizations. Juricek (2009) suggests that all external sources must be critically analyzed to ensure proper use. Close attention must be paid to the reliability of the author or publisher, date of publication, type of content, validity of methodology, coverage, and objectivity.

Companies need to make appropriate arrangements to ensuring access to external information. These arrangements may include establishing in-house information centers, initiating collaborative arrangements with other organizations, and outsourcing information support functions to providers. Clegg (2013) proposed a model that concentrated on strategic and value-adding activities of information services. Hartshorne (2015) provided an overview of the current trends, benefits, and reasonable expectations from providers. Sullivan and Porter (2016) suggested that information professionals in companies should be proactive to find collaborators and focus on cultivating partnerships.

Abram (2013) asserted that in the digital environment information support services are under growing pressure to prove their value and integrate their activities directly into business processes. Experience with the consumer web are arising people’s expectation of information services in their workplace. Rising end-user expectations combined with abundant digital data services and resources are prompting business organizations to re-think their information support models and changes their strategic directions.

This paper examines the approaches adopted by top-ranking Kuwaiti business organizations to facilitate access to external information to empower their knowledge workers for a competitive environment. The paper will focus on the following research questions:

1. What information sources are considered important by business organizations?
2. How access to external information is arranged?
3. How responsibilities for information services are assigned?
4. How information support functions are structured?
The survey method of research has been used to carry out research reported in this paper. Data were collected through an online questionnaire. Targeted population is the top business organizations in Kuwait identified using sources from Kuwait Stock Exchange and Kuwait Chamber of Commerce and Industry. Using a criteria of number of employees and total capital of the company, top 10 companies were selected for this study. Currently work is in progress to analyze the data and compile results. It is expected to be finalized before the conference.

No study about information support services in Kuwaiti businesses could be found from relevant professional literature. This study will help gather best practices for arranging access to external information sources by leading companies. The compilation of best practices will be a useful source for decision makers for formulating guidelines for information support in local and regional companies.

REFERENCES


WHAT DO TAX-EXEMPT ORGANIZATIONS NEED TO DO TO MAINTAIN THEIR EXEMPT STATUS?

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ABSTRACT
This paper discusses the process an entity must undergo to be recognized by the Internal Revenue Service (IRS) as tax-exempt, including the steps that must be followed to qualify for tax-exempt status and what must be done to maintain that status. It explains the benefits of obtaining tax-exempt status, the activities that can jeopardize an entity’s exempt status and the effect of losing said status, with specific focus on the rules dictating automatic revocation of tax-exempt status. The article concludes with some recommendations for protecting an entity’s exempt status.

Keywords
Not-for-profit, tax-exempt, exempt, automatic revocation, reinstatement

INTRODUCTION
Holding tax-exempt status does not mean that an organization has no intention of making a profit. Rather, it means the organization has no owners and no profits earned will be used to benefit private interests. Private tax-exempt organizations are a significant component of the US economy. Tax-exempt organizations that receive contributions (Section 501(c)(3) organizations) from donors generally are not expected to provide goods or services in return. Unlike for-profit companies, tax-exempt organizations cannot be operated primarily for the purpose of providing goods and services for a profit.

Tax-exempt organizations can be maintained either by the government or private parties and can take various forms, including: charities, business leagues, political parties, social welfare organizations, health organizations, religious organizations, social clubs, and educational organizations. To maintain tax-exempt status, the entity must continue to follow IRS guidelines and file certain information returns and tax forms each year. In addition to being exempt from federal taxation, these entities are generally exempt from state income taxation.

How entities qualify for tax-exempt status
A number of sections of the Internal Revenue Code describe the different varieties of tax-exempt organizations, the most common of which are Sections 501(c)(3), 501(c)(4), and 501(c)(6). Section 501(c)(3) applies to charitable, educational, religious, and scientific organizations. Donors generally may claim deductions from their own taxable income for contributions made to

2 References hereafter to “Section” or “Sections” refer to sections of the Internal Revenue Code, and “Code” refers to the Internal Revenue Code, unless otherwise noted.
organizations described in Section 501(c)(3). Section 501(c)(4) applies to advocacy groups and other social welfare organizations. Section 501(c)(6) applies to business leagues and boards of trade.

To be recognized as tax-exempt under section 501(c)(3), an organization must:

- Be organized and operated exclusively for exempt purposes described in Section 501(c)(3)
- Not allow any of its earnings to inure to any private shareholder or individual
- Not attempt to influence legislation as a substantial part of its activities, and
- Not participate in any political activity

To obtain IRS recognition as an entity described in Section 501(c)(3), most organizations must file IRS Form 1023, Application for Recognition of Exemption.\(^3\) (Churches, associations of churches, and integrated auxiliaries of churches are examples of organizations that do not need to file Form 1023.) It is important for an organization seeking Section 501(c)(3) tax exempt status to apply for tax-exempt status within the first 27 months of its inception, as doing so generally means the organization's tax-exempt status will be considered effective as of the date the organization was formed, if the IRS recognizes it as tax-exempt. However, an organization that applies for tax-exempt status more than 27 months after its inception must show reasonable cause for its delay or the IRS generally will recognize its Section 501(c)(3) tax-exempt status as of the date of the Form 1023 is submitted to the IRS.

Section 501(c)(4) generally applies to organizations, such as civic leagues or other corporations operated exclusively for the promotion of social welfare, that are “primarily engaged in promoting in some way the common good and general welfare of the people of the community... primarily for the purpose of bringing about civic betterments and social improvements.”\(^4\) Unlike organizations described under Section 501(c)(3), Section 501(c)(4) organizations may take part in political campaigns as long as their primary activity is promoting social welfare rather than participation in political campaign activity\(^5\). Additionally, Section 501(c)(4) organizations may engage in an unlimited amount of lobbying to influence legislation, provided this lobbying is related to the organization’s exempt purpose. Further, as long as the organization is primarily engaged in promoting in some way the common good and general welfare of the people in the community or bringing about civic betterments and social improvements, it may engage in a substantial amount of lobbying on other matters without affecting its tax-exempt status.

Organizations formed after December 18, 2015 that wish to claim Section 501(c)(4) status, must, within 60 days of forming, provide the IRS with notice of their formation and their intent to operate as a Section 501(c)(4) organization. Section 501(c)(4) organizations formed on or before December 18, 2015 that have never filed a Form 1024 or at least one Form 990-series return or notice are also subject to a notice requirement. Filing the notice is not equivalent to the IRS’s granting the organization tax-exempt status, however. The organization may “self-declare” tax-exempt status by filing IRS Form 990 and claiming that status; but if it wishes to obtain formal IRS recognition of tax-exempt status under Section 501(c)(4), it needs to file Form 1024 with the IRS.

Section 501(c)(6) organizations generally include business leagues, defined as associations of persons promoting some common business interest but not actually engaging in that business for

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\(^3\) Entities applying for exempt status under §501(c)(4) and (c)(6) use Form 1024, Application for Recognition of Exemption Under Section 501(a).

\(^4\) Treas. Reg. §1.501(c)(4)-1(a)(2) - Civic Leagues and Social Welfare Organizations

How tax-exempt organizations maintain their exempt status

The IRS requires tax-exempt organizations to meet certain reporting and public disclosure obligations to maintain their exempt status. An organization that fails to follow these rules and regulations may end up losing its tax-exempt status. These rules and regulations fall into several categories, including:

Private inurement – The Internal Revenue Code and IRS regulations prohibit exempt organizations from being organized or operated for the benefit of insiders of the exempt organization, such as the creator, officers, directors, and key employees of the exempt organization, their family members, and entities controlled by those persons. Unreasonable or excessive compensation is one of the most common ways insiders in these organizations receive private benefits.

Case: Anclote Psychiatric Center Inc. v. Commissioner, T.C. Memo. 1998-273
In this case, a nonprofit hospital organization sold its assets to a corporation formed and owned by its directors for less than fair market value. The Tax Court evaluated the appraisal of the hospital. Making certain adjustments to the appraisal of the assets and based on revised figures, the court concluded that the sale of the hospital assets was for less than fair market value, which benefitted the individual shareholders of the purchasing organization who were insiders of the selling nonprofit hospital. This constituted prohibited private inurement and the IRS revoked the tax-exempt status of the nonprofit organization.

Private benefit – Private benefit is a similar concept to private inurement, but differs in two respects. The disqualification of private benefit extends beyond members of the exempt organization to independent outsiders that benefit and private benefit must be substantial in nature. It must be considered to be “operating exclusively” for exempt purposes and does not have even a single noncharitable purpose that is substantial in nature. Rev. Rul. 81-94, 181-1 C.B. 330 describes the case of a nurse who established a nonprofit organization as a church whose only function purpose was to handle the nurse’s personal finances. Since the purpose of the exempt organization was only for her private benefit it was disallowed.

The determination of whether or not a private benefit is incidental can be of a qualitative or quantitative nature. Rev. Rul. 70-186, 1970-1 C.B. 128 ruled that a lake front property that was open to the public could retain its exempt status because, although the property owners benefitted greatly, their benefit did not infringe on the public’s benefit. From

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6 Treas. Reg. §1.501(c)(6) - Business Leagues, etc.
10 Rev. Rul. 70-126, 1970-1 C.B. 128
a qualitative standpoint, the lakefront property remained a public service. From a quantitative standpoint, an exempt organization can lose its status if its members benefit in a significant way, such as artists that take home a significant percentage on their artwork that is sold through a gallery established as an exempt organization.

**Lobbying**—Lobbying is permissible for Section 501(c)(4) and Section 501(c)(6) organizations, subject to the limits described earlier in this paper. The tax law permits 501(c)(3) organizations to engage in some level of lobbying as long as the lobbying activities do not constitute a substantial portion of the organization’s activities. Lobbying means attempting to influence legislation. However, engaging in educational activities, such as conducting educational meetings and preparing and distributing educational materials, does not constitute lobbying for Section 501(c)(3) purposes.

Lobbying activities by Section 501(c)(3) private foundations are subject to an excise tax. One of two tests is used to measure the extent to which a Section 501(c)(3) entity is involved in lobbying activities:

**Substantial part test**—This test prohibits a Section 501(c)(3) organization from devoting a substantial portion of its activities to lobbying. It takes into consideration both the amount of time spent on lobbying activities and the expenditures the organization devotes to lobbying activity. Neither the regulations nor any IRS guidance articulates a precise definition of what constitutes “substantial.” It is based on a facts and circumstances determination.

**Expenditure limitation test**—By filing Form 5768, Election/Revocation of Election by an Eligible Section 501(c)(3) Organization To Make Expenditures To Influence Legislation, exempt organizations (other than churches and private foundations) may elect that their lobbying activities be measured by the expenditure test under Section 501(h), rather than the substantial part test. Section 4911(c)(2) specifies the amounts a Section 501(c)(3) organization that has made a 501(h) election may spend on lobbying activities without jeopardizing its tax-exempt status.
Table 1.

<table>
<thead>
<tr>
<th>If the exempt purposes expenditures are:</th>
<th>The lobbying nontaxable amount is:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not more than $500,000</td>
<td>20% of the organization’s exempt purpose expenditures</td>
</tr>
<tr>
<td>More than $500,000 but not more than $1m</td>
<td>$100,000 plus 15% of the excess of the organization’s exempt expenditures exceeding $500,000</td>
</tr>
<tr>
<td>More than $1m but not more than $1.5m</td>
<td>$175,000 plus 10% of the excess of the organization’s exempt expenditures exceeding $1m</td>
</tr>
<tr>
<td>More than $1.5m</td>
<td>$225,000 plus 5% of the excess of the organization’s exempt expenditures exceeding $1.5m</td>
</tr>
</tbody>
</table>

(IRS, 2015)\(^{11}\)

**Political campaign activity** – Section 501(c)(3) organizations and their representatives (in their official capacities) are prohibited from engaging in any political campaign activities for or against candidates for elected office. Section 501(c)(4) and Section 501(c)(6) organizations cannot engage in political campaign activities as their primary activity.


In this case, the tax-exempt status of a church was revoked on the ground that it sponsored a newspaper advertisement urging people not to vote for a presidential candidate\(^{12}\). In 1992, a couple of days before the presidential election, Branch Ministries placed advertisements in newspapers urging readers not to vote for the presidential candidate Bill Clinton. The IRS concluded that this was a political campaign activity that violated Section 501(c)(3). For the first time in its history\(^{13}\), the IRS revoked the tax-exempt status of a church because of its engaging in political campaign activity.

**Unrelated business income (UBI)** – A Section 501(c)(3) organization is required to engage primarily in activities that accomplish one or more of the exempt purposes for which it was formed.\(^{14}\) If an organization does not primarily engage in these activities, it could lose its tax-exempt status and be required to pay tax on income from the activities. Even if it primarily engages in activities that accomplish its exempt purposes, it may be liable for tax on income derived from activities that do not substantially further its exempt purpose. This income is

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\(^{14}\) Treas. Reg. §1.501(c)(3)-1(c)(1)
referred to as “unrelated business taxable income” (UBTI), and the related tax is referred to as “unrelated business income tax” (UBIT).

If an organization generates too much income from activities that are unrelated to its exempt purpose, it may be considered to not have a tax-exempt purpose as its primary purpose and therefore may lose its tax-exempt status. There is no precise percentage or amount of unrelated business activity that could result in loss of tax-exempt status. Instead, the determination is based on all the facts and circumstances of the situation.

Case: Ocean Pines Association, Inc. v. Commissioner, 672 F.3d 284 (4th Cir. 2012)
Ocean Pines Association, Inc. (Association), comprised of the owners of residential property within a community, maintained a number of large facilities, including swimming pools, an 18-hole golf course, sports fields, and other parks and trails. All of the facilities and programs were open to both members and nonmembers, although not all services were available for free. “The Association is exempt from federal income taxation as an organization ‘not organized for profit but operated exclusively for the promotion of social welfare’ pursuant to 26 U.S.C. Section 501(c)(4)(A).”15

The Association also maintained two parking lots and an ocean-front beach club that were accessible to members only. The revenue from these activities was deemed to be UBTI because the operation of these facilities was not considered to be substantially related to the Association’s tax-exempt social welfare purposes. The Fourth Circuit cited Flat Top Lake Ass’n v. United States16 as authority for its decision that the operation of these facilities was an unrelated trade or business. In Flat Top, the defendant lost its tax-exempt status because it had limited use of its facilities to its members and thus did not promote social welfare by serving a “community.”17

Not operating in accordance with the stated exempt purpose – When filing an application for tax-exemption, the organization must detail the tax-exempt purpose or purposes for which it is formed. The organization is expected to operate in accordance with its stated exempt purpose(s). If the organization makes any substantial changes to its operating purpose, it must notify the IRS, generally on Form 990.

Annual reporting obligation – Most tax-exempt organizations (generally, except churches, associations of churches, and integrated auxiliaries of churches, as stated above) are required to file annually a Form 990 Return of Organization Exempt From Income Tax-series return or notice with the IRS. Until passage of the Pension Protection Act in 2006, smaller organizations with gross receipts of less than $25,000 were exempt from this annual reporting requirement. But Section 6033(i) now requires exempt organizations that have a Form 990-series filing requirement and normally have $50,000 or less in annual gross receipts to file the Form 990-N (Electronic Notice or e-Postcard) annually if they do no file a longer Form 990-series return that year. If an organization fails to file the requisite version of Form 990 for three consecutive years, it will automatically forfeit its tax-exempt status and must go through administrative procedures to reinstate such status.

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15 Ocean Pines Association, Inc. v. Commissioner, 672 F.3d 284, at 286 (4th Cir. 2012)
16 Flat Top Lake Ass’n v. United States, 868 F.2d 108 (4th Cir. 1989)
17 Ocean Pines v. Commissioner court citing Flat Top Lake Ass’n v. United States, 868 F.2d at 113
Additional requirements exist for an exempt organization that is classified as a private foundation under Section 509. \(^{18}\) Private foundations described in Section 501(c)(3) must receive one-third of their support from gifts, grants, and the like and from sales receipts that are not attributable to an unrelated business activity, not including receipts derived from any one person whose contribution is the greater of $5,000 or 1% of the foundation’s support. This support cannot come from disqualified persons, governmental organizations, or from the organizations enumerated in Section 170(b)(1)(A) (other than in clauses (vii) and (viii)).

A foundation that receives more than one-third of its support from public funds is considered to be a public foundation. This percentage is derived by looking at the support the foundation received over the prior five-year period. Schedule A of Form 990, Public Charity Status and Public Support, is used to determine the 501(c)(3)’s public or private status.\(^ {19}\)

When a Section 501(c)(3) entity dissolves, all of its assets must be distributed in furtherance of Section 501(c)(3) tax-exempt purposes, and not to for-profit entities.

Exempt organizations must take steps to actively maintain their tax-exempt status by maintaining an effective organizational structure and complying with federal tax-exempt law. An exempt organization must have a board of directors to govern the organization and should keep accurate, sufficiently detailed records, including minutes of directors meetings and important corporate decisions, to substantiate the information reported on Form 990-series returns and related tax positions. A corporate records book must be maintained and should include a copy of the articles of incorporation, bylaws, and determination letters from the IRS.

### Advantages of receiving acknowledgement of tax-exempt status from the IRS

*Exemption from federal income tax* – According to Bolder Advocacy’s *The Benefits of Obtaining 501(c)(3) Tax Exemption*,\(^ {20}\) an organization can avoid paying income tax on 15% to 35% of its otherwise taxable income by attaining IRS recognition of tax-exempt status.

*Eligibility to receive tax-deductible charitable contributions under Section 170* – Charitable contributions made to Section 501(c)(3) tax-exempt organizations may qualify for deduction from donors’ taxable income for both federal and state income tax purposes.\(^ {21}\) For most categories of contributions,\(^ {22}\) up to 50% of one’s adjusted annual gross income generally may be deducted as a result of donating to Section 501(c)(3) organizations. The following donations are generally subject to a limitation of 30% of adjusted annual gross income: donations to private foundations, veterans’ organizations, fraternal societies, not-for-profit cemeteries, and gifts of capital gain property such as corporate stock.

Funding Change (Carnes, 2015), a training-and-consulting organization, reports\(^ {23}\) that 75% of charitable contributions are from individuals. As an additional incentive to donate to tax-exempt organizations, the IRS allows for excess contributions to be carried over for up to a maximum of five years. Businesses may deduct up to 10% for charitable contributions, and

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\(^{18}\) §509, Private Foundation Defined

\(^{19}\) Form 990 Schedule A, Public Charity Status and Public Support


\(^{21}\) §170(a)(1)-(2), Charitable, etc., contributions and gifts

\(^{22}\) §170(b)(1), Charitable, etc., contributions and gifts

excess contributions may be carried forward for 15 years and are deductible only if the current-year contributions are less than the current year’s 10% limitation.  

Possible exemptions from state and local taxes – Depending on the laws of the state, Section 501(c)(3) organizations and certain other types of not-for-profit organizations may be exempt from state taxes, like state income tax, state franchise tax, or ad valorem tax.

Postal rate privileges – A Section 501(c)(3) organization may qualify for a nonprofit postal rate and a bulk mail rate.

Board member protection from personal liabilities – Under the laws of most states, a tax-exempt organization's board members and other personnel are generally protected from personal liability for unpaid debts imposed on and lawsuits filed against the organization.

Public trustworthiness – An organization that is recognized by the IRS as exempt under Section 501(c)(3) is generally more likely to appear as credible and trustworthy in the eyes of the public than a for-profit organization.

Automatic revocation

The Pension Protection Act of 2006 and Section 6033(j) of the Code require the IRS to publish and maintain a list of the organizations that have lost their tax-exempt status due to automatic revocation. The IRS published its first auto-revocation list on June 8, 2011. The IRS website now includes the Automatic Revocation of Exemption List on Exempt Organizations (EO) Select Check, which lists all organizations that have been automatically revoked for failure to timely file a required Form 990-series return for three consecutive tax years.

Current situation

According to a GuideStar article, the top 100 organizations for which tax-exempt status was automatically revoked had $4m-$400m in annual revenue. In December 2010, the IRS identified 321,091 exempt organizations at risk of losing their exempt status for failure to file annual Form 990-series returns.

24 §170(b)(2), Charitable, Etc., Contributions and Gifts
29 §6033(j), Returns by Exempt Organizations
The vast majority of these organizations – 82% – were not required to file an annual return before passage of the Pension Protection Act, which indicates that their annual incomes had been $25,000 or less prior to passage of the Act. According to Christopher Bird, the IRS announced that approximately 275,000 exempt organizations had lost their tax-exempt status for failure to file required Form 990-series returns for three consecutive tax years. More than half (57%) of the auto-revoked organizations were 501(c)(3) public charities. According to the aforementioned GuideStar article, the revocation of these 275,000 organizations’ tax-exempt status reduced the size of the tax-exempt sector by 17%.

Reinstatement

The penalty of automatic revocation can be rectified by applying for and obtaining IRS reinstatement of tax exemption. First, the organization would need to file an application for recognition of exemption (Form 1023 or Form 1024), even if the organization was not required to apply for exempt status when it first organized, and pay the appropriate user fee, ranging from $400 to $850. The IRS will review the application and, if the organization has demonstrated that it qualifies for exemption, recognize the organization’s tax-exempt status by issuing a new determination letter. Subsequently, the reinstated organization will be included in the next update of the EO Select Check (Pub. 78 database), which confirms that the organization is eligible to receive tax-deductible charitable contributions. Private foundations and other donors can rely on the new IRS determination letter as of its stated effective date and/or the updated EO Select Check listing, as of the online posting date, to make deductible donations to the organization.

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34 Guidestar, see footnote 31
Generally, the effective date of reinstated exemption is the date the organization submits its application for reinstatement of exemption to the IRS. The organization may request that reinstatement be retroactive to the effective date of revocation. Because the organization must pay federal income tax and any other applicable taxes for the time between the revocation and reinstatement of its exemption, such a request, if granted, could help the organization avoid significant tax liability. The IRS grants retroactive reinstatement of exemption under certain limited circumstances – in particular, when the organization establishes reasonable cause for failure to file a required Form 990-series return for three consecutive tax years.\(^{35}\)

Additionally, the IRS advises an organization applying for reinstatement of exemption to write “Automatically Revoked” at the top of its reinstatement application, as well as on its submittal envelope, so the application will be routed to a specialist who is trained to handle these applications. It behooves the entity to ensure that any application it plans to submit to the IRS for review has been reviewed by an experienced tax professional, such as a certified public accountant (CPA) or lawyer with knowledge of tax-exempt law. The expertise of the tax professional will help ensure accuracy of the reinstatement application and supporting documentation.

**Implications of losing tax-exempt status**

The repercussions of losing tax-exempt status may include:

**Liability for federal taxes** – Once tax-exempt status is lost, the organization is no longer exempt from federal income tax. It may be required to file Form 1120 (U.S. Corporation Income Tax Return) or Form 1041 (U.S. Estate and Trust Income Tax Return) and to pay corporate income tax on its annual revenue.

**Revocation of state exemptions** – Exemptions recognized by states including exemptions from property tax, income tax, sales tax, etc. that are dependent on federal tax-exempt status may also be revoked.

**Removal of name from official list of exempt organizations** – For Section 501(c)(3) organizations, loss of exempt status significantly diminishes an organization’s ability to raise contributions. Upon auto-revocation of its tax exemption, an organization is removed from the list of exempt organizations eligible to receive tax-deductible contributions from the donors. The IRS updates its EO Select Check database (Pub. 78 Data) monthly, listing all organizations eligible to receive tax-deductible charitable contributions. An organization that has lost its federal tax-exempt status will not be on the list, making it less likely that donors will donate to that organization. The IRS would likely disallow a deduction for a contribution to that organization make after the date the auto-revocation is posted on EO Select Check.

If an eligible Section 403(b)\(^{36}\) plan sponsor loses its tax-exempt status, employer and employee contributions to the Section 403(b) plan must be stopped. If the contributions have not been discontinued, the organization may have to withhold payroll taxes from the contributions, and the plan

\(^{35}\) §6033(j)(3)

\(^{36}\) A §403(b) plan is a tax-advantaged retirement savings plan available for employees of public education organizations, Section 501(c)(3) organizations, and cooperative hospital service organizations, as well as self-employed ministers. §403(b), §501(a)
participants may be liable for additional income taxes because the contributions are not tax-deferred. However, the organization can correct its eligibility failure through the IRS Voluntary Correction Program (VCP) if plan participants have allowed contributions to be made to the Section 403(b) plan after the organization lost its tax-exempt status.

**Protecting tax-exempt status**

Exempt organizations should take the following steps to protect their tax-exempt status:

*Keep accurate financial records* – Detailed and accurate financial recordkeeping will demonstrate that no profits were unreasonably distributed to directors or other private parties. If a Section 501(c)(3) tax-exempt entity is dissolved, its assets must be distributed exclusively for Section 501(c)(3) tax-exempt purposes, and its records should accurately reflect how its distributions furthered these purposes.

*Comply with corporate formalities* – The exempt organization should monitor its activities to ensure they are consistent with its exempt purposes and mission statement. The board of directors should elect or appoint members who will ensure the organization’s operations continue to further its tax-exempt purposes and the organization meets all of its federal and state annual reporting obligations.

*File annual returns* – The exempt organization must file annual information returns using: Form 990, *Return of Organization Exempt From Income Tax*; Form 990-EZ, *Short Form Return of Organization Exempt From Income Tax*; or Form 990-N, *Electronic Notice (e-Postcard) for Tax-Exempt Organizations Not Required To File Form 990 or 990-EZ*. It is important to file the appropriate form within five-and-a-half months after the end of the entity’s fiscal year because failure to timely file information returns for three consecutive years will result in automatic revocation of the entity’s tax-exempt status. By timely filing IRS Form 8868, *Application for Extension of Time To File an Exempt Organization Return*, with the IRS, the organization can receive an automatic three-month extension of time to file. If it needs additional time beyond this initial three-month automatic extension, it can file Form 8868 again with the IRS to seek its approval for an additional three-month extension of time to file.

*Pay any appropriate taxes* – The exempt organization must pay taxes on any net unrelated business income over $1,000. If the organization has employees, all appropriate employment tax returns must be filed with the IRS, and all appropriate employment taxes must be paid to the IRS.

*Refrain from engaging in activities that would jeopardize its tax exempt status* – A Section 501(c)(3) organization should refrain from engaging in political campaigns and more than insubstantial lobbying activities. It should not engage in activities for the primary purpose of providing personal gain to its insiders, and its business activities that do not substantially further its tax-exempt purposes should comprise no more than an insubstantial portion of its activities. If its unrelated business activities could be substantial, the board of directors, with the aid of a tax professional who specializes in tax-exempt law, should consider establishing a separate entity to conduct these activities.
CONCLUSION
Not-for-profit organizations must follow many steps and guidelines to obtain tax-exempt status from the IRS and must follow many rules to avoid losing tax-exempt status. In addition to following these rules, exempt organizations should ensure that they file the correct tax forms annually, such as Form 990, because failure to file a required Form 990-series information return for three consecutive years will result in automatic revocation of tax-exempt status.

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STUDENT PANEL: CROSS CULTURAL ANALYSIS

Dr. Madhav P. Sharma
Bloomsburg University of Pennsylvania

ABSTRACT
In this panel six international students from six different cultural background present on their experiences on how they have learned the cultural norms at Bloomsburg University and the community and what adjustment they had to make in a foreign culture to achieve academic success while mitigating cultural differences. Such a discussion helps those in attendance (faculty, administrator, staff members and other international professionals) to understand cultural diversity and how international students cope with cultural conflicts on campus.

Presenters
Shyer Amin, Bangladesh          Adjustment and Dating
Ann Kristel Piere-piere, Haiti  Cultural taboos and Religion
Gabriel Fraulo, Brazil          Cultural Festivals and Legal compliance
Edison Pedro Castillo , Spain   Psychological issues and counseling
Justin Gonzales, Mexico         Social norms and Interpersonal Interaction
Ivanna Pysarenko, Ukraine       Cultural Understanding and Drinking
STUDENT PANEL: DIVERSITY OF STUDENTS’ ACADEMIC ISSUES ACROSS COUNTRIES

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Bloomsburg University of Pennsylvania

ABSTRACT
In this panel, six international students from Ecuador, China, India, Haiti Ukraine and Mexico respectively discuss their personal experiences dealing with academic climate and expectations of them at BU. Each panelist make presentation on how they have learned the best ways to study and made adjustments in their study habits to be successful in their academic endeavors at Bloomsburg University.

Presenters:
Javier E. Navas, Ecuador * Time Management
Bohdana Pysarenko, Ukraine * Study Habits
Chen Shi, China * Language Difficulty and Interaction with Faculty
Dhir Gala, India * Academic Integrity (Plagiarism/Cheating) and Exams
Andrew Figaro, Haiti * Advising and Scheduling
Jesse Gomez, Mexico * Climatic Adjustment
STUDENT PANEL: STUDENT SERVICES:
RECOMMENDATION FOR BEST PRACTICES

Dr. Madhav P. Sharma
Bloomsburg University of Pennsylvania

ABSTRACT
This panel discusses student services issues from both US and international perspectives. Six students will discuss orientation, health services, advisement, peer mentoring, faculty mentoring, prayer services and the like. Discussion that follows would reflect guidance for best practices in each of six student services areas. The audience would benefit a great deal from the panel discussion on problems and issues the student have faced on campus and how they successfully dealt with them. The discussion following presentation will be focused on developing best practices for campus student services.

Presenters
Sadman Mondalib, Bangladesh Orientation
Ramona-Joelle Adrian, Haiti Health Service
Marthe Beauvais, Haiti Advisement
Lawrence Sidari, USA Peer mentoring
Kyle Brash, USA Faculty mentoring
Lindsey Thomas, USA Prayer Service
SEQUENTIAL AUCTIONS WITH A LOTTERY MECHANISM

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ABSTRACT
In this research we propose a transaction model based on the sequential auction of multiple units of an identical object to be sold in a sequence of two auctions using the Vickrey-Clark-Grove mechanism; the objects are assigned to winners in the earlier sequence using a lottery process. We show that using this novel device the auctioneer can increase its expected profits over its conventional sequential auction using the same mechanism. We identify the conditions when this result will hold. A key result of this paper is to show that, contrary to existing results on temporal prices of sequential auctions, the prices in the proposed auction are increasing in time. The increasing price behavior is commonly observed in case of products sold via the revenue management process. Thus the proposed auction model can be construed as one that offers a potential explanation of the economics of the revenue management process and identifies conditions for its usefulness.

Keywords
Vickrey auction, lottery process, revenue management
CLASSROOM MANAGEMENT AND SOCIAL MEDIA: FOMO VS. JOMO

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ABSTRACT

Beeping, vibrations, whistles, tones, caterwauling, students leaving class to go to the “bathroom”, dropping pens, reaching for a “notebook” in the backpack – how can faculty compete for the attention of the net generation? A recent survey found that a typical student shifts his or her attention between their smartphone, laptop and other tech devices 21 times in 60 minutes (Burrell, 2015). Why are students allowing their learning to suffer but not their phones? It’s called FOMO, the Fear of Missing Out (Oxford Dictionary, 2013). Cell phones demand attention, they demand to be touched - immediately. Classroom polices, student embarrassment, point deduction, and similar punishments work some but not completely (Roberts, 2016). In a few desperate situations faculty have purchased cell jammers to block the signals in their classroom only to be arrested (Mogg, 2015). It’s a violation of federal law to interfere with authorized radio communications such as cell phones.

Since 2011, researchers and the popular press have begun to address “FOMO – the Fear of Missing Out” to describe those social media users who constantly check their media because they worry they are missing out on what someone else is doing or that something else is occurring without them. FOMO has reached epidemic proportions. Smartphones enable hyperconnectivity – the use of multiple means of communication like email, messaging, facetime, etc. – an hour or even minutes away from status updates, tweets, and emails can leave FOMO sufferers feeling anxious, out of touch and alone (Dash, 2014).

As a result of these anxieties, people with FOMO display “the desire to stay continually connected with what others are doing” (Przybylski, Murayama, DeHaan, & Gladwell, 2013). FOMO is linked to intense emotions around social media (Pappas, 2014). The classroom result, aside from any mediating effects, is a disrupted class with reduced learning.

Preliminary research shows that when given an “opportunity to learn,” students experience JOMO, the Joy of Missing Out (Crook, 2013). The awareness that the pings, rings, and dings are an unnecessary distraction that remove us from the present and rob us of productivity and meaningful interaction. Unplugging and tuning it all out, gives us freedom and space to think. Making room to dedicate time and attention to opportunities that truly matter (Dash, 2014).

A literature review of FOMO from 2011 – 2016 illustrates that future research needs to be conducted to address this issue and to develop adoptable and sustaining solution(s). Extending this research we propose to investigate our hypothesis; that after administrating the FOMO survey (Stamp & Peters 2016) at the beginning of the semester, students who consciously make a commitment, by
signing a contract and taking a pledge, to leave their social media world during class time, will experience JOMO by the end of the semester as evidenced by a lower score on a post FOMO survey. The signed contract and pledge, provides the student with “socially acceptable permission” to shut off their phone and engage in the classroom. This group will be contrasted by a control group without a contract and pledge. This research will also be used to design a JOMO scale. The final result: students once aware of the addictive nature of their phones will freely embrace JOMO. The self-awareness gained through the contract and pledge process will ensure sustainability and a future free without phone addiction and FOMO.

**Keywords**
Student engagement, social media, Fear of Missing Out (FOMO)

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ABOUT CHINA’S SMALL AND MEDIUM-SIZED ENTERPRISES: THE ECONOMIC DOWNTURN IN THE COUNTRY UNDER THE PRESSURE OF SUSTAINABLE DEVELOPMENT RESEARCH

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Keywords
Small and medium-sized enterprises (SMEs), GDP, National economic downturn, sustainable development

ABSTRACT
Since China’s reform and opening up 30 years, small and medium-sized enterprises as China’s economic system reform and carefree. Small and medium-sized enterprises has become China's important carrier of a variety of ownership economy common development. Its public undertaking, peoples innovation, increasing employment, promoting economic growth, science and technology innovation and social harmony and stability has an irreplaceable role, to the national economy and social development has important strategic significance.

Since 2000, after China's entry into the world trade organization, the small and medium-sized enterprise rapid, healthy and sustainable development, the contribution to economic growth is more and more big. Relevant data show that at present our country small and medium-sized enterprises has reached 42 million (including individual industrial and commercial households), accounts for about 99.8% of the total number of national enterprises. During the tenth Five-Year Plan, the national economy grew by an average of 9.5% a year, and the added value of small and medium-sized industrial enterprises above designated size grew by an average of about 28%. By 2006, our country small and medium-sized enterprises to create the value of the final product and service accounts for 58% of domestic value-added, retail sales accounted for 59%, pays taxes accounted for 50.2%, provide jobs accounted for 75%, exports accounted for 68% of the national export. In 30000 domestic enterprises engaged in international investment and management of small and medium-sized enterprises (SMEs) account for more than 80%, at the same time, many large companies are composed of small and medium-sized enterprise development, such as Lenovo, Haier, Hisense, Huawei, etc.

Keywords
Small- and medium-sized enterprises (SMEs), sustainable development, Five-Year Plan

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Available upon request from the author
DOES ECONOMIC FREEDOM PROMOTE WOMEN’S POLITICAL RIGHTS?

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ABSTRACT

A large and growing empirical literature explores the importance of economic freedom, both for economic growth and for related freedoms such as political rights and civil liberties. (Hall and Lawson 2014 summarizes the extensive work that has used the Economic Freedom of the World dataset.) But relatively little attention has been given to the question of how broadly the benefits of economic freedom are shared. In particular, not only might economic freedom not increase equally for people of all genders, as Bologna and Hall (2014) observe, it is at least plausible that existing gender inequality could be exacerbated if increased economic freedom is characterized by reduced government intervention in the economy.

Previous empirical work suggests, however, that women do benefit from increased levels of general economic freedom. For example, Stroup (2011) finds that increased economic freedom is associated with better reproductive health, a reduction in births to women aged 15–19, higher levels of secondary education for women, and more women holding seats in the national legislature. Further, Stroup (2008) finds that the level of economic freedom is more important than the level of democracy for explaining women’s well-being. Cohen (2006) similarly concludes that economic freedom and women’s development are compatible.

In this paper, I examine the relationship between economic freedom, as measured by the Economic Freedom of the World dataset (Gwartney et al. 2015), and women’s political rights, as measured by the WOPOL variable of the CIRI Human Rights Dataset (Cingranelli et al. 2014) over 2000–2011. WOPOL is an ordered categorical variable (scored 0, 1, 2, or 3) that attempts to capture both formal legal protection of women’s political rights and government practices that guarantee these rights. These rights include voting; running for political office; holding elected and appointed government positions; joining political parties; and petitioning government officials.

However, CIRI appears to measure effectiveness of government protection of women’s political rights by examining election outcomes: the scoring criteria for WOPOL scores of 1, 2, and 3 includes the proportion of women holding seats in the national legislature and other high-ranking government positions (where, e.g., a rating of 3 implies that women hold more than 30% of such positions). While the association between economic freedom and women’s representation in national legislatures suggests that economic freedom affects political freedom, it’s possible that this relationship either overstates or understates the relationship between liberal conceptions of economic and political freedom. On one hand, it is conceivable that some women are selected by elites to wield political power even in a society that is largely undemocratic or where most women are shut out of the political process. On the other hand, women who are politically free may choose to exercise their freedom differently than similarly-free men; further, since increased economic freedom expands options in the private sector, while simultaneously implying reduced importance of the public sector,
it would not be surprising to see women choosing to exercise their increased freedom disproportionately in the private sector. Thus, the magnitude and significance of the marginal effect of increased economic freedom when WOPOL is 0 (that is, when women have no political rights under the law) is of special interest, since it captures whether political equality is more likely to be guaranteed by law regardless of the effect on women’s presence in government.

**Keywords**
Women’s rights, economic freedom, political equality
PLACEMENT OF GRADUATE PROGRAMS: AN EXAMINATION OF THE EMPLOYMENT OUTCOMES OF RECENT PH.D. GRADUATES IN CANADA

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ABSTRACT

Increased rates of participation in doctoral programs and an uncertain academic job market have raised serious questions regarding the underemployment of recent graduates with PhD’s. While the majority of doctoral students still aspire to become a full-time professor, more and more graduates may be ending up trapped in part-time (sessional) positions or non-academic positions. Recent media accounts suggest that the education system may be producing too many PhD graduates, yet little, if any, empirical research has assessed the oversupply of PhD graduates. Drawing on Statistics Canada’s 2013 National Graduates Survey, we employ multinomial logistic regression to predict whether PhD graduates are employed in permanent full-time academic, temporary or part-time (sessional) academic, or in non-academic positions, three years after graduation. We also assess the impact of school related characteristics such as field of study, program funding (i.e., teaching assistantships, research assistantships, scholarships), student loans, and time to completion on the employment status of recent PhD graduates. Our findings have important implications for current and future PhD students, and will be valuable to policy makers and institutional officials responsible for overseeing the supply and demand of PhD graduates of various fields of study.

Keywords
Graduate programs, placement rates, multinomial logistic regression, education policy
This paper presents a new data driven prediction model building technique. It uses the Evidential Reasoning (ER) rule to establish the relationships between the probability of a type of natural disaster in a period and the geographic and climate characteristics of a region. The prediction is important for disaster risk analysis and management.

Evidential Reasoning (ER) rule is a probabilistic or likelihood reasoning rule which extends Bayesian inference rule and can inference with imprecise data that may not be fully reliable. Imprecise data often result from limited knowledge, limited data availability or data having missing elements. A dataset may not be fully reliable due to the quality of data sources or the accuracy of data collection instruments. The feature of this approach is that it is data driven and can use different data that may not be perfect, while its reasoning process is rigorously probabilistic without making assumptions on the prior distributions of any variables.

Worldwide wildfire forecasting is used as an example to demonstrate the application of the model. Forest coverage, average yearly precipitation, annual temperature and average altitude are considered as the main factors that may affect the probabilities of wildfire occurrence. In the EM-DAT International Natural Disaster Database (http://www.emdat.be/database) (accessed in July 2015), there are 67 countries which had wildfire in the past 20 years. The number of occurrences during the period in each country is also recorded and the total occurrences are 279. Corresponding forest coverage (%) and average yearly precipitation (mm) average from World Bank (http://data.worldbank.org/country/), altitude above sea level (m) from Portland State University (https://www.pdx.edu/sites/www.pdx.edu.econ/files/phys_geo.zip), and annual mean temperature (°C) from Weatherbase (http://www.weatherbase.com/) for each country are collected.

These 67 data entries, one for each country, are partitioned into two parts. 59 of them are used as training dataset to build a prediction model and the other 8 are used as testing dataset to validate the model. The model predicts the probability of the various number of wildfire occurrences in a country. The initial results, the predicted probabilities and the expected numbers of wildfire occurrences of each of the 8 countries are obtained and the latter is compared with the actual numbers of wildfire occurrences. The results show that the model can predict reasonably well but further work is still needed.
The study shows how data of different quality and from various sources can be used in probabilistic reasoning and prediction. It also shows the validity of the proposed model. The accuracy of the model can be further improved by fine tuning the reliability and weights of each data source. The discretisation of each variable should also be refined. It should be noted that the modelling approach can be applied to a wide range of applications in the big data era.

**Keywords**
Predictive modelling, evidential reasoning, natural disasters
RISK PREFERENCE, DECISION MOOD AND CEO FINANCIAL STATEMENT FRAUD

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ABSTRACT
This article aims to explore the mechanism of risk preference for the CEO financial statement fraud, and the influence of the decision mood on the mechanism of risk preference for financial report fraud. The results show that risk preference could produce the utility evaluation constraint for the CEO financial statement fraud. In the condition of high-risk, the fraud tendency of high degree risk preference CEO is higher than the low degree risk preference CEO. The CEO under the anger and pleasant emotion has the higher fraud tendency than the CEO under the fear emotion. The CEO under the anger and pleasant emotion has no significant difference. Furthermore, this paper takes the robustness test by an econometric model. The regression results show that the relationship between risk preference and financial statement fraud is always significant in the large samples.

Keywords
Risk preference; decision mood; financial statement fraud

INTRODUCTION
Information asymmetry is the basic hypothesis of agent theory, which claims that agents have information advantage than clients (Kreps, 1990). Under the situation that client cannot effectively observe and supervise agent behavior, then the agents may take ex post opportunism (Grossman, 1992; Garen, 1994). Hence, in order to alleviate the moral hazard of agents and reduce the transaction cost, the clients need to design an applicable compensation contracts based on the premise of motivating the agents effectively, such as to achieve the maximization of enterprise's benefits. However, only the accounting information can be used for clients as an identification to measure the labor cost and the management ability of agents (Aier, 2008). Furthermore, accounting information is not only the basis of shareholders' profits distributing, but the index for stakeholders inspecting the agents’ performance, hence, the agents would have the motivation of financial statement fraud (Wu, 2003).

In term of the managerial power theory, due to the imperfect corporate governance structure, managements essentially become the controller of the compensation contract, and the salary-incentive mechanism which aims to reduce the agency cost is converted to the tool for rent-seeking (Wang, 2012). Hence, in order to conceal the rent-seeking fact, managements usually manipulate the accounting information or earnings management. Moreover, CEOs stand at the top of the hierarchical structure within a company, which is convenient to manipulate the accounting information such as to
seek personal returns (Quan, 2010).
In addition, Chava (2009) claims that risk preference is one of the psychological factors affecting decision-making, which significantly influence the investment efficiency and earnings management (Gong 2013; Liu, 2014). There are still many researchers who take into account the impact of risk preference on financial statement fraud (Yao, 2006; Shangguan, 2013; Chen, 2014). However, most of existing literatures adopted indirect approaches to investigate the relationship between risk preference and CEO financial statement fraud, such as exploring the negative impact of risk preference on manager’s business decisions, which consider that negative economic results eventually induce the management accounting fraud. Such an indirect method is sometimes difficult to reveal the mechanism of risk preference for the CEO financial report fraud thoroughly.
Moreover, a lot of related studies indicate that risk preference is not immutable, which is considerably influenced by the decision mood (Elster, 1998; Slovic, 1999; Loewenstein, 2000; Heilman, 2010). Nevertheless, due to the constraint of research methods, there are few literatures searching the effect of decision mood on financial reporting fraud found on the perspective of risk preference. Hence, this paper tentatively employs the experimental method to directly to explore the mechanism of risk preference for the CEO financial report fraud on the basis of designing the scenario-simulated experiment. Besides, various characteristics of CEO financial statement fraud behavior under different decision mood are examined, in the cause of providing empirical evidence for reducing financial reporting fraud behavior and improving corporate governance structure.

LITERATURE REVIEW
ACFE (1993) defined the financial statement fraud as: purposefully omission important facts, or misstatement accounting data, or misleading readers judging the accounting data. SAS99 states that the essential aim of financial reporting fraud is to deceive the users of financial statements, through intentional misstating or omitting the accounting information, which causes the financial statement that is against the accounting standard in certain crucial aspects. But, the existing studies mainly focus on the company system and the background characteristics of administrators.
In terms of the company system, related existing studies investigate the relationship between company supervision system and financial statement fraud based on perspectives of corporate governance and internal control. The researches based on the perspective of corporate governance indicate that the board size (Jensen, 1993), the proportion of independent directors (Beasley, 1996; Persons, 2005), the audit committee independence (Agrawal, 2005), ownership concentration (Quan, 2010; li, 2012) and managerial ownership (Jensen, 1993) are important factors influence on the management financial statement fraud. Correspondingly, studies on the perspective of internal control mainly discuss the relationship between the quality of the internal control and management financial reporting fraud (Sun, 2012), which shows that the internal control has significant inhibiting effect on management financial statement fraud, and the internal control quality negatively related with financial reporting fraud (Chen, 2008; Mei, 2011).
According to the principal-agent contract, managers shall be provided accurate business information to the owner, and disclosed the operating performance and profits by financial reports (Xie, 2014). However, under the condition of asymmetric information, managers who hold the information superiority may take the opportunistic behavior of financial reporting fraud for the sake of personal returns. Studies of financial statement fraud based on the perspective of the background characteristics of administrators indicate that managers' demographic characteristics (Chen, 2006; Zahra, 2007; Troy, 2011), the political relationship among managers (Liang, 2004; Chen, 2007), the managerial ownership (Carter, 1991; Jensen, 1993; Latham, 2000; Bruner, 2008), whether the CEO concurrently
hold the position of chairman of the board (Jensen, 1993; Farber, 2005; Chen, 2007; Wei, 2011) and the level of stock option incentive (Johnson2003 Johnson2009) will significantly impact on management financial statement fraud.

Further, risk preference of management has a significant impact on investment efficiency and earnings management. To be precise, managers who hold the high degree of risk preference tend to choose the high-risk investment project that is easy to cause over-investment, as the result of the high-risk tolerance. (Billett, 2005; Puri, 2007; Aktas, 2007). In contrast, because of the weak risk tolerance, risk adverse managers tend to invest low-risk project that is easy to cause under-capitalization (Bhojraj, 2005; Edmans, 2009; Goel, 2009; CBP, 2014). Besides, it is evidenced that managers who hold the high degree of risk preference have the higher tendency to smooth the profits fluctuation through earnings management, in order to seek the maximization of individual sake, because the risk utility and risk premium would be high under the high-risk status (Grant, 2009, Zhang, 2010; li, 2012).

In addition, a part of researchers adopt the econometric method to further investigate the relationship between risk preference and financial statement fraud. Bertrand (2003) found that managerial risk preference is positively correlated with financial reporting fraud, in the condition of high risk, the management with high risk preference has the high-risk tolerance of accounting fraud, and the total utility of decision-making for fraud will be greater. Moreover, if the firm is state-own, then the positive relationship between risk preference and financial statement fraud will be more significant. Most of existing researches adopt substitution variables to measure the degree of risk preference, or use the financial statement fraud of listed companies to substitute management financial statement fraud. It is restrained by the research method to directly analyzing the mechanism of risk preference for the management financial reporting fraud. In order to cover this kind of problem, Chen (2014) adopts the questionnaire and mental scale to measure the degree of risk preference and financial reporting fraud tendency, such as to analyze the relationship between risk preference and management financial statement fraud.

As mentioned above, existing researches of management financial statement fraud mainly adopt the econometric method to explore the relationship between risk preference and financial statement fraud. However, due to the restriction of econometric model and data, the reliability of previous researches may not be robust, and econometric method emphasizes the relationship between the factors which unable to indicate the causality. In contrast, the experimental method has the significant advantages in explaining the causal relationship. Specifically, the experimental method is able to analyze the causal relationship between specific variables and economic behavior based on effectively controlling other irrelevant variables, and research data is easy to obtain. Hence, in order to rationally analyze the relationship between risk preference and management financial statement fraud, this study based on the premise of controlling irrelevant variables adopting the experimental method to explore the mechanism of risk preference on management financial statement fraud.

THEORETICAL FRAMEWORK AND RESEARCH HYPOTHESES
Risk preference refers to the mental attitude of the decision maker (Li, 1993). Risk is caused by uncertain events, according to the different degree of risk preference, the actors can be classified into three types: risk preference, risk neutral and risk aversion. This research employs Weber (2012)’s DOSPERT scale to measure the risk preferences of respondents. Weber (2012) through 5 aspects, namely ethics, financial environment, health, social environment and entertainment environment, to design the DOSPERT risk scale which tries to cover all dimensions of risk measure in the past. Survey questions of the scale are designed by 101 questions: ethics (19), financial environment (21), health (20), social environment (24) and entertainment environment (17), the test adopts five-point scale, 1
on behalf of the extremely impossible, 5 represent extremely possible.
In order to explain the decision-making differences between various risk preference degree subject, Weber (1988) puts forward the risk and return model, which considers the risk decision is influenced by both expected return and perceived risk, and decompose the influence of expected return and perceived risk respectively. The risk and return model as showing below:

\[ \text{Preference } (X) = a \left( \text{Expected Benefit}(X) \right) + b \left( \text{Perceived Risk}(X) \right) \]  

(1)

Under the same risk decision, risk preference, risk neutral and risk aversion can be referred to as separate risk preference degree of the actors. In the model framework, Weber consider that expected returns bring exactly the same utility to different risk preference degree subject, the final effect of a decision depends on the risk of the expected return. In the condition of low risk, risk preference pursues risk and risk aversion evades risk, hence, with the increase of the degree of risk preference, the utility of risk aversion is declining which leads to a decrease in the decision utility. On the contrary, in the condition of high-risk, the result is the opposite, due to the different risk attitude, risk preference will produce positive risk utility, while risk aversion produces negative risk utility, thus with the increase of the degree of risk preference, the risk utility of risk preference is declining which cause the final decision utility decreasing by the increase of the risk degree. When it comes to risk neutral who maintain a neutral attitude, neither risk aversion or preference, therefore, the decision is not affected by the perceived risk, only considered the size of the expected return.

Risk premium is a financial concept, which refers to actors investing under the state of risk, and requires the extraneous income compared with that of risk free, namely the difference between a certain outcome and risk return. Non-fraud incomes can be treated as the certain income under risk free, while fraudulent returns are likely to be the uncertain benefits under risk. Because of various risk attitudes, CEOs require difference risk premium while facing same fraud decision, hence, the possibility of the earnings balance between fraud and non-fraud meeting the risk premium is different, only the difference meets the requirements of risk premium, financial reporting fraud occurs.

Assuming the non-fraud net income of CEO is L, financial reporting fraud can bring additional net income (R), then the net income of fraud is L + R, we further assume that the probability of financial reporting fraud was found for P. According to Weber's risk and return model, we draw the evaluation results of CEO decision-making information for fraud, namely the total utility of non-fraud of aL, and the total utility of financial statement fraud is \( a(L + R) + b\Pi(p) \), the difference between them is represented as \( aR + b\Pi(p) \), whether the CEO take financial report fraud depends on whether the difference meets the requirements of risk premium. Because of the different degree of CEO risk preference, the utility produced by risk is various under different conditions of risks. Financial reporting fraud is essentially a high-risk decision, so that the risk utility is growing with the increase of the risk preference degree, namely \( b\Pi(p) \) is rising with the growth of the risk preference degree. When the risk premium of fraud is certainty, with the increase of risk preference degree, the probability of earnings balance \( (aR + b\Pi(p)) \) between fraud and non-fraud meeting risk premium that is high, in other word, the possibility of CEO financial statement fraud is high. On the contrary, in the condition of high-risk, as the decline of the degree of CEO risk preference, the possibility of CEO financial statement fraud is low. Hypothesis 1 is presented following that based on the above analysis.

**H1:** Risk preference produces utility evaluation constraints for CEO financial report fraud, under the high-risk state, the financial statement fraud tendency of CEOs who have the high degree of risk preference is significantly greater than that of risk aversion.
Kahneman (2011) states that the decision-making process is influenced by the individual emotion. In order to explain the mechanism of decision-making mood for risk preference, Isen (1983) proposes mood maintain hypothesis which considers that actors will have an incentive to maintain the positive state under the state of positive emotions, rather than taking risk behavior, such as to avoid the negative effect of huge losses. In contrast, if actors are within a state of negative emotion, then the high-risk behavior will be taken in order to acquire higher uncertain return, such as to remedy the negative state. In other words, the actor under a negative emotional state will have a higher degree of risk preference than that of a person who is within in a positive emotion. However, recent studies found that various negative emotion because different level of risk attitude, such as sadness and fear make the person has a pessimistic attitude on the uncertainty judgment, thereby performing the risk aversion behavior. But the negative emotion as anger and hostility may cause a disgust for certainty result, they may prefer to the higher-yielding but riskier project to compensate for the existing negative state, which produces a high degree of risk preference. (Lerner, 2001; Druckman, 2008; Baumann, 2012). Based on the above analysis putting forward the following hypothesis 2 and hypothesis 3.

**H2:** CEOs under the negative emotional state (anger) have the high financial report fraud tendency than CEOs who keep positive emotions (pleasure).

**H3:** Different negative emotions exist differences in the influence of the financial report fraud tendency, the financial statement fraud tendency of angry CEOs is significantly greater than that of fear CEOs.

**RESEARCH DESIGN**

**Experiment task and object**
To be exact, the between-subject design was used in this experiment. Risk preference and decision mood are the independent variables. Specifically, risk preference includes the high degree risk preference and the low degree risk preference. Additionally, decision mood is distinguished as positive emotions and negative emotions. The dependent variable is CEO financial statement fraud. This experiment contains two subordinate experiments, experiment 1 tests the difference of financial report fraud tendency between high degree risk preference’s CEOs and low degree risk preference’s CEOs; experiment 2 investigates the difference of CEO financial statement fraud tendency under various decision mood.

Because of the differences between working and living environment, such as enterprise culture, working atmosphere and life experience all will have a leavening influence on person's behavior characteristic, which lead to the significant difference between personnel that is difficult to control for the experiment. But the living environment of students is comparable uncomplicated, which is easy to control. Furthermore, the research object of this study is the manager of the state owned enterprise, in order to ensure the research conclusion has no systematic deviation, the executives’ attribute of participants is required. Based on the above consideration, 120 full-time undergraduate students from the class cadre and student union cadre that are selected as study subjects. The experiment is completed in the economics laboratory of Dongbei university of finance and economics, the experimental time for one hour, before the test part time for 20 minutes, the main part of the set time 40 minutes, the average returns for participants is ¥24.43.

**Experimental process**

**Pre-test experiment**
The risk preference of the study subjects has been investigated before experiment, which references
to Weber’s DOSPERT scale (2002). In order to ensure the accuracy of variables, the reliability validity analysis is conducted for the overconfidence questionnaire. The result of Cronbach’s alpha and KMO-Bartlett’s Test are 0.857 and 0.773, respectively, which indicate the questionnaire is reliable and valid. The scale includes 15 questions, ethics (2), financial (3), health (3), entertainment (3), social (4), and the test adopts five-point scale, 1 on behalf of the extremely unlikely, 5 represent extremely likely. The higher score indicates the higher degree of risk preference, and the lower the score shows the lower risk preference level of participants.

**Group of Experiments**
Because the experiment 1 and 2 both are independent, so this article recruits the responders of experiment 1 and experiment 2 respectively. 120 full-time undergraduate students are selected as study subjects, specifically, experiment 1 includes 48 students and 72 students are contained in experiment 2. In the experiment 1, according to the results of the risk preference test questionnaire, under the premise of ensuring the risk preference degree of the two groups are significant differences, and then the 48 subjects are divided into high risk preference group and risk aversion group. With reference to the experiment 2, as a result of the experiment 2 is investigated the difference tendency of financial report fraud under different emotional stimulation based on the essential principle of the same initial risk preference, this study divide the 72 participants into 3 groups on account of the results of the risk preference test questionnaire, such as to ensure there is no systemic deviation.

**Financial statement fraud tendency experiment -- 1:**
There are four stages in experiment 1. First stage, 48 applicants are divided into 2 groups in light of the different degree of risk preference, namely high-risk preference (group 1) low-risk preference (group 2). And then the respondents were given shareholding (50%) and 200 game geniuses that represent the CEO’s biggest labor contribution. At this stage, the participants need to assign individual talents into work and leisure, 0-200 labor contribution options (L) were given in the experiment, and the interval option is 8. Real company performance and the labor contribution that are paid by the participants were positively correlated. The experimental rule corresponds with the reality: the rewards participants received associated with the time they distributed in leisure, which can be treated as the spiritual enjoyment 200-L. Labor contribution selection table is indicated following:

<table>
<thead>
<tr>
<th>Second stage, assuming the</th>
<th>NO.</th>
<th>Labor contribution</th>
<th>The real corporate performance</th>
<th>The first phase profits</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>200</td>
</tr>
<tr>
<td>2</td>
<td>8</td>
<td>152</td>
<td>192</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>16</td>
<td>174</td>
<td>184</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>24</td>
<td>197</td>
<td>176</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>32</td>
<td>221</td>
<td>168</td>
<td></td>
</tr>
</tbody>
</table>

disclosure probability of financial report fraud is 15%, and the inflate amount is between 0-500 on the basis of the actual performance, option interval of 20. Besides, the corresponding punishment amount is given. If respondents do not choose fraud, the inflate amount could be 0. The rewards that subjects acquired this phase is related to the corporate performance they provided, namely corporate performance × shareholding ratio. This experiment uses the false return to measure financial reporting
fraud. The corresponding penalty amount is provided to participants, before make the choice, the participants need to comprehensive consider earnings for fraud, fraud cost and the probability of fraud was found. False reporting line selection table as shown in table 2 (experimental options without completely listing).

Table 2: Inflate amount selection table

<table>
<thead>
<tr>
<th>NO.</th>
<th>Inflate amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>2</td>
<td>20</td>
</tr>
<tr>
<td>3</td>
<td>40</td>
</tr>
<tr>
<td>4</td>
<td>60</td>
</tr>
<tr>
<td>5</td>
<td>80</td>
</tr>
</tbody>
</table>

inspecting based on the probability of fraud was found in the last stage. The calculation formula is $(200 - L + \text{financial results} \times \text{shareholding ratio} - \text{the amount of punishment})$.

Forth stage, calculating the time used for playing this game and the amount of information, and then finally clearing the game revenues that are converted at 1:200.

**Financial statement fraud tendency experiment -- 2:**
The experimental method adopted for this test is based on that of experiment 1. Testing the fraud tendency by simulating the approach of CEOs reporting business performance to the board. But before the testing, this paper tries to induce the emotion of participants, in order to accurately explore the impact of decision mood on financial statement fraud under the same initial risk attitude.

Firstly of all, collecting three kinds of emotions induced materials, namely pictures, audios and videos. We found that video is the most effective emotions induced material. Moreover, we select 45 videos associated with pleasure, anger, and fear (15 for each). There are 60 applicants divided into 3 groups (20 for each). These three different types of videos are played to the 3 groups, respectively, which was conducted before the test of financial reporting fraud tendency. The applicants are required to fill in the table of emotional state assessment. In order to extend the effectiveness of emotional state, the emotion inducing material is played throughout during the test process.

**EXPERIMENTAL RESULTS AND ANALYSIS**
Due to the fact that the test result of each subordinate experiments is different, this study has no descriptive statistics, but the relevant data are passed a normal distribution inspection, to ensure the analyzing method match with the data characteristic.

**Experiment 1: The degree of risk preference and fraud tendency**
The rank-sum test is applied for analyzing the difference of fraud tendency within two groups. In term of the financial report fraud tendency, the findings indicate that there is 10% difference between high-risk preference group (group 1) and low-risk preference group (group 2). As the following table, $Z=-1.856$, $P=0.063$, it verifies the hypothesis 1, in other words, Risk preference produces utility evaluation constraints for financial statement fraud.
Table 3: The result of rank-sum test for experiment 1

<table>
<thead>
<tr>
<th>Test item</th>
<th>Sample classification</th>
<th>NO. of samples</th>
<th>Mean</th>
<th>Mann-Whitney U</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fraud tendency</td>
<td>Group 1</td>
<td>24</td>
<td>195.83</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Group 2</td>
<td>24</td>
<td>148.33</td>
<td>$Z= -1.856$</td>
<td>0.063</td>
</tr>
</tbody>
</table>

Experiment 2: Decision mood and fraud tendency

The relationship of decision mood and financial statement fraud tendency has been searched in the experiment 2, which includes three types of mood of pleasure, anger, and fear. In the beginning of the experiment, responders within 3 groups have been emotion induced, and the feeling of participants for the inducing material has also been tested, out of 7 points. Among them, the anger of an average of 5.65 points, cheerful average score of 5.32 points, and the average of fear is 5.39 points, which indicate that the effect of inducing material is well, and then the rank-sum test is also applied for experiment 2.

Table 4: The result of rank-sum test for experiment 2

<table>
<thead>
<tr>
<th>Test item</th>
<th>Sample classification</th>
<th>NO. of samples</th>
<th>Mean</th>
<th>Mann-Whitney U</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fraud tendency</td>
<td>Anger</td>
<td>24</td>
<td>191.67</td>
<td>$Z= -0.466$</td>
<td>0.641</td>
</tr>
<tr>
<td></td>
<td>Pleasure</td>
<td>24</td>
<td>197.50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fraud tendency</td>
<td>Anger</td>
<td>24</td>
<td>191.67</td>
<td>$Z= -1.681$</td>
<td>0.093</td>
</tr>
<tr>
<td></td>
<td>Fear</td>
<td>24</td>
<td>155.83</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fraud tendency</td>
<td>Pleasure</td>
<td>24</td>
<td>197.50</td>
<td>$Z= -1.884$</td>
<td>0.060</td>
</tr>
<tr>
<td></td>
<td>Fear</td>
<td>24</td>
<td>155.83</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

It can be seen there is no significantly difference between anger group and pleasure group, namely $Z= -0.466$ and $P=0.641$. In other words, in the condition of anger, in order to eliminate this negative experience, the actor will perform at a higher degree of risk preference, the corresponding financial reporting fraud tends to be high. But in the condition of pleasure, the actor does not show a lower degree of risk preference in order to maintain this positive experience. On the contrary, such a relaxed state of mind reduces the perception of the fraud risk, which strengthens the tendency of financial reporting fraud. Hence, the hypothesis 2 is not verified.

Furthermore, we examine the impact of various negative emotions on the tendency of financial reporting fraud. Compared with the fear group, the financial report fraud tendency of anger group is observably high. In other words, within the anger and fear comparison group, $Z= -1.681$ and $P=0.093$. To be precise, under the condition of fear, the subjects show a lower risk appetite, and fear emotion further sparked anticipated regret emotion. The tendency of financial statement fraud is further declined due to the individual regret aversion characteristics. In addition, compared with the fear group, the financial report fraud tendency of pleasure group is observably high, and the financial statement fraud tendency between them is significant difference, namely $Z= -1.884$, $P=0.060$. It verifies the hypothesis 3.

Stability test

Because of the characteristics of the experimental study, the sample size is relatively rare which may affect the accuracy of the conclusion. Therefore, the econometric method is likewise employed in this
paper for stability inspection. Further, in order to explore whether the group properties systematically affect the experiment conclusion, this study examines the risk preference in the student groups and the influence of that whether there is a difference between the groups of executives, such as to evidence the effectiveness of the experimental subjects and experiment conclusion.

Variable design

Explained variable
This paper adopts accounting fraud tendency as the explained variable. The tendency of financial reporting fraud measure has been the focus of the relevant research. The research based on the experimental method, measuring the financial reporting fraud tendency of executives and students, and the final result reflects the intensity level of financial reporting fraud tendency in term of respondents. In order to overcome the influence of different experimental scenario and framing effect on the survey results, four simple scene experiments are designed to acquire an accurate result. Finally, the financial reports fraud tendency is the summation of each scene result.

Explaining variable
The explaining variable is risk preference. This research applies Weber (2012)'s DOSPERT scale to measure the risk attitude of respondents. Theoretically, the risk attitude is classified as risk preference, risk neutral and risk aversion, but it is not enough for the requirement of the empirical testing data. Thereby, this study directly investigated the risk preference degree of participants, rather than judging the type of their risk attitude. The decision result reflects the risk tendency of actor, the higher the score refers to the higher degree of risk preference, respondents are close to the purse risk, on the contrary, the lower the score shows the lower level of risk preference, respondents tend to avoid risk.

Control variables
Lots of sociology research show that demographic characteristics (age, gender, experience, education, etc.) have a significant effect on predicting the tendency of accounting fraud. Zahra's (2011) found that CEOs’ population characteristics, such as the charisma of the perpetrator, age, level of experience, education will significantly impact on the rationalization process of fraud. Price (2009) shows that the young management is more fragile to social and organizational pressure, which inhibits their criminal tendencies. The factor of education level is also proved that is positively related to the behavior’s moral level, which affects on the rationalization process of management. Based on the above analysis, this article surveyed the education level, age and gender as the control variables of financial reporting fraud.

Model design
In order to avoid the multi-collinearity and improve the goodness of fit, a multiple linear regression model related with financial report fraud is designed as following:

\[ FT = \alpha + \beta_1 RP + \beta_2 RP \times DH + \beta_3 AGE + \beta_4 QF + \beta_5 Gender + \varepsilon_i \]  

(2)

where \( i \) represents the different subject, \( \varepsilon \) is the error term. The selections of variables are shown in table 5.
Table 5: Variables selection and definition

<table>
<thead>
<tr>
<th>Variables</th>
<th>Symbol</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dependent variables</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial statement fraud tendency</td>
<td>FT</td>
<td>Summation of fraud situation decision results</td>
</tr>
<tr>
<td>Independent variables</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Risk preference</td>
<td>RP</td>
<td>Summation of risk decision results</td>
</tr>
<tr>
<td>Different humans</td>
<td>DH</td>
<td>Student (1), Executives (0)</td>
</tr>
<tr>
<td>Control variables</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>AGE</td>
<td>--</td>
</tr>
<tr>
<td>Qualification</td>
<td>QF</td>
<td>Undergraduate (1), postgraduate (0)</td>
</tr>
<tr>
<td>Gender</td>
<td>Gender</td>
<td>Male (1), Female (0)</td>
</tr>
</tbody>
</table>

**Data source**

The data used in this study are mainly obtained from two questionnaires, namely risk preference scale and financial statement fraud tendency scale. In order to ensure the reliability of the result, the reliability and validity tests are conducted for the scale. As the table 6 shows, the values of Cronbach’s alpha with risk preference scale and financial report fraud tendency scale are 0.857 and 0.606, respectively, the value between 0.6 and 0.9 that indicate the scale is reliable. Besides, values of KMO-Bartlett’s Test are 0.773 and 0.620 which both beyond to 5% that state the scale is validity.

Table 6: The results of reliability and validity test

<table>
<thead>
<tr>
<th>Statistic items</th>
<th>Risk preference</th>
<th>Fraud tendency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cronbach’s alpha (Reliability)</td>
<td>0.857</td>
<td>0.606</td>
</tr>
<tr>
<td>KMO-Bartlett’s Test (Validity)</td>
<td>0.773***</td>
<td>0.620***</td>
</tr>
</tbody>
</table>

In addition, the data comes from executives of 32 manufacturing enterprises and undergraduates of 3 universities. The questionnaires are provided by two ways, namely network and face to face, in order to gain accurate psychological cognition of respondents and ensure the validity of the data, the questionnaire is answered anonymously. The total recycling questionnaire is 646, 224 from corporate executives (180 valid), 422 from undergraduates (390 valid). And then, the data is analyzed by SPSS 17.0 and Eviews 6.0.

**Empirical results and analysis**

**Descriptive summary**

As shown in table 7, the average age of respondents is 28.66 years old, with a maximum age of 57, the minimum of 19. The average value of financial reporting fraud tendency is 12.46, because the standard deviation is small, the fraud tendency of most participants distributes in the middle area. The result section of risk attitude is (15, 75), the higher score represents the higher degree of risk preference, and on the contrary, the lower degree of risk preference is indicated by the lower marks. The average value of sampling risk preference is 39.68 that demonstrates sample overall performance for the risk neutral, tend to be risk aversion.
Table 7: Descriptive summary

<table>
<thead>
<tr>
<th>Items</th>
<th>Sample size</th>
<th>Average</th>
<th>Maximum</th>
<th>Minimum</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>FT</td>
<td>360</td>
<td>12.46</td>
<td>28</td>
<td>4</td>
<td>4.76</td>
</tr>
<tr>
<td>RP</td>
<td>360</td>
<td>39.68</td>
<td>68</td>
<td>21</td>
<td>11.83</td>
</tr>
<tr>
<td>AGE</td>
<td>360</td>
<td>28.66</td>
<td>57</td>
<td>19</td>
<td>5.70</td>
</tr>
<tr>
<td>QF</td>
<td>360</td>
<td>0.60</td>
<td>1</td>
<td>0</td>
<td>0.49</td>
</tr>
<tr>
<td>Gender</td>
<td>360</td>
<td>0.39</td>
<td>1</td>
<td>0</td>
<td>0.49</td>
</tr>
</tbody>
</table>

Moreover, this article applies the multicollinearity and heteroscedasticity inspection to the independent variables involved in model 1 and model 2. The results show that the variance inflation factor of each variable is between 1-2, far less than 10, tolerance of each variable is between 0.5-1, far greater than 0.1. Therefore, there are no serious multicollinearity problems in model 1. Besides, the White Test is adopted in this experiment in order to test whether there is a remarkable heteroscedasticity within samples. It indicates that P=0.0297, namely the sample has a heteroscedasticity at 5% significance level. Consequently, this article uses weighted least squares (WLS) to measurement analysis.

Table 8: Multicollinearity analysis results of Model 1

<table>
<thead>
<tr>
<th>Items</th>
<th>Tolerance</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>RP</td>
<td>0.697</td>
<td>1.434</td>
</tr>
<tr>
<td>RP*DH</td>
<td>0.945</td>
<td>1.058</td>
</tr>
<tr>
<td>AGE</td>
<td>0.793</td>
<td>1.262</td>
</tr>
<tr>
<td>AF</td>
<td>0.869</td>
<td>1.151</td>
</tr>
<tr>
<td>Gender</td>
<td>0.954</td>
<td>1.048</td>
</tr>
</tbody>
</table>

Multiple regression results and analysis

According to the result of multiple regression with reference to table 9, the risk preference coefficient is 0.070, so at 1% level, the relationship between risk preference and financial statement fraud tendency still significantly under large sample data, which indicates that the experimental conclusions is highly stable, in other words, risk preference has significant explanatory ability for fraud tendency. Further, this paper analyzes the difference between students and executives in terms of risk preference and financial statement fraud tendency.
Table 9: The WLS regression results

<table>
<thead>
<tr>
<th>Model</th>
<th>Coefficient</th>
<th>Standard deviation</th>
<th>T value</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant term</td>
<td>3.1754</td>
<td>0.9190</td>
<td>3.4551</td>
<td>0.0006***</td>
</tr>
<tr>
<td>RP</td>
<td>0.070</td>
<td>0.0133</td>
<td>5.2647</td>
<td>0.0000***</td>
</tr>
<tr>
<td>RP*DH</td>
<td>0.1123</td>
<td>0.0067</td>
<td>0.4571</td>
<td>0.6529</td>
</tr>
<tr>
<td>AGE</td>
<td>0.1582</td>
<td>0.0313</td>
<td>5.0453</td>
<td>0.0000***</td>
</tr>
<tr>
<td>QF</td>
<td>0.5087</td>
<td>0.2867</td>
<td>1.4604</td>
<td>0.1503</td>
</tr>
<tr>
<td>Gender</td>
<td>0.1590</td>
<td>0.2758</td>
<td>0.5766</td>
<td>0.5645</td>
</tr>
<tr>
<td>Adj. R²</td>
<td></td>
<td>0.7017</td>
<td></td>
<td></td>
</tr>
<tr>
<td>F value</td>
<td></td>
<td>131.7377***</td>
<td></td>
<td></td>
</tr>
<tr>
<td>D-W value</td>
<td></td>
<td>2.432</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The regression results show that the risk preference and the dummy variable delivery by item represents different groups failed to pass the test of significance, P=0.6529. Hence, the relationship between risk and financial statement fraud tendency has no remarkable difference within variable groups. In other words, there is no systemic deviation of conclusion caused by different experimental subjects. Besides, we find that the fraud tendency will increase with the growth of CEO’s age.

CONCLUSION
This article explores the mechanism of risk preference for the CEO financial statement fraud, and the influence of the decision mood on the mechanism of risk preference for financial report fraud, which is based on the internal perspective of actors. The experimental results show that risk preference could produce the utility evaluation constraint for the CEO financial statement fraud. In the condition of high risk, the fraud tendency of high degree risk preference CEO is higher than the low degree risk preference CEO. The CEO under the anger and pleasant emotion, have the higher fraud tendency than the CEO under the fear emotion. CEOs under the anger and pleasant emotion have no significant difference. Furthermore, this paper takes the robustness test by the econometric model. The regression results demonstrate that the relationship between risk preference and financial statement fraud is always significant in the large samples.

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DATA-DRIVEN INFERENCE AND DECISION MAKING UNDER UNCERTAINTY

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ABSTRACT

With the rapid advancement of technology, vast amounts of data are being accumulated from human activities. It has become increasingly important yet remained challenging to use data for robust decision making. One challenging issue is how to turn various datasets generated from different sources into evidence that is valid for cross comparison and legitimate for combination in inference and decision making. The issue of validity is paramount when a dataset is generated as a result of routine activities, rather than from a specially designed sampling process for a designated population. This is because it is unrealistic to require such a dataset to be representative of the prior distribution of system states, such as true or false in drug use detection, yes or no in fault diagnosis, and low or high in demand forecast. Nevertheless, it is often the case that one dataset can present a prior distribution different from what is presented in another dataset. In inference with multiple pieces of evidence acquired from different datasets, it then still remains as a critical question which prior distribution should be used. It is therefore fundamental for evidence-based decision making that evidence be acquired from a dataset in a way that is separated from or independent of whatever prior distribution may be presented in the dataset. Another challenging issue is how to deal with uncertainty in data so that the credibility of evidence acquired from uncertain data is not undermined. This is crucial for rational decision making because distorted data result in invalid evidence, whilst decisions made on the basis of invalid evidence can be distrusted. Two types of uncertainty need to be addressed: data inaccuracy and data ambiguity. The former can be related to errors incurred in the process of gathering data from sensors and human judgments, while the latter can be incurred due to missing data and incomplete knowledge.

This paper is aimed to investigate the above challenging issues and develop a maximum likelihood inference approach for data-driven decision making under uncertainty. Likelihood inference is regarded as rigorous because it follows not only common sense rules in human reasoning but scientific principles governing inference under uncertainty. This paper will first investigate a prior-free likelihood inference process based on Bayesian inference and the evidential reasoning (ER) rule that provides a framework for conjunctive combination of independent evidence. In this process, the evidence of an observation from an experiment is represented as a probability distribution that is independent of the prior distribution of the sample of the experiment, while the combination of these distributions using the ER rule ought to result in a posterior probability distribution. A fundamental condition is established that requires the evidence of an observation to be the normalised likelihood distribution for the observation from the experiment. Under this condition, ER becomes equivalent to
Bayesian inference when the evidence of an observation is combined with the experimental prior distribution as an independent piece of evidence. Given this fundamental condition, it is revealed that ER is a prior-free likelihood inference process that can be used to combine multiple pieces of evidence acquired from independent data sources. ER is then further explored for generalised likelihood inference in order to deal with ambiguity and inaccuracy in data. Two examples in business decision analysis and a case study about fault diagnosis for rail track maintenance management are discussed to demonstrate the implementation process and potential applications of the proposed approach for data-driven inference and decision making under uncertainty.

**Keywords**

Data-driven inference, decision making under uncertainty, maximum likelihood, evidential reasoning
OPINIONS ON ENGLISH TEACHING METHODS IN MIDDLE VOCATIONAL SCHOOLS

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ABSTRACT
Student participation in English teaching activity is the key to improve the quality of English teaching, particularly during the period of basic education. How to enhance student participation in teaching activity and how to train the students’ ability to listen, to read, to write and to speak English is a focus to raise the effectiveness of English teaching of the teachers. Such a problem has become the subject of research for teachers in the middle vocational schools.

Keywords
English teaching, active participation, student engagement

INTRODUCTION
With China’s economic development and scientific and technological progress, the demand for higher quality of occupational skills is growing. In order to meet such requirements and survive in the competition and development, our middle vocational schools should train students to try to meet the ever-changing job market. with the advances in technology, the world and our country gradually exchange with each other more and more. So the ability to grasp the knowledge of English is the essential for our students. As a vocational school teacher, I think that in English teaching the roles between students and teachers should be changed. Students should change from the passive accepters of knowledge into the initiative acquirer. They rise to be the center and the main factor; On the contrary, teachers is no longer pure disseminators of knowledge or masters of teaching but the organizers and participants in the learning and the instructor of the learning methods. Meanwhile with the changes in educational philosophy, modern computer and internet technology rush into the field of education. This is bound to urge a revolution in the education, to speed up the role of teachers and students as well as the change of teaching and learning.

The main premise of students’ participation
1) To establish a correct view of the students. Teachers are the role models in the eyes of students. They are also the initiatives of building a harmonious relationship between teachers and students. On the one hand, teachers have to establish their position as educators; on the other hand, they should be clear about what kind of attitude they should have towards the students. That is what kind of View of the students. As a result, teachers have to know clearly about the basic characteristics and individual differences of the students, so as to respect and understand them. Because of students’ individuality, teachers need to use different levels of teaching and individual guidance. For the outgoing personality, they favor challenges and difficulties, but often carelessly; For the introverted personality, they are slow to react, but work very hard after school. For those bad tempered, they do
not like learning, but they are not developmentally disabled, but for some non-intellectual factors. Therefore, in the education processing teachers must respect the individual differences of students, pay more attention to the emotional factors, especially those who have difficulties in English, it is necessary to provide them with more opportunity to express their views. Thus it can avoid the expansion of the differences between students. Only for all the students, we can facilitate the participation of the students.

2) Teachers play the leading role and combine the students’ participation in the main body. In the English teaching, English teachers should compare English as typing skill. To master the skills requires repeatedly practice. So it is with English. Teaching is a process of interaction between teachers and students, as well as a learning process under the guidance of teachers. In the process, teachers mainly guide and help students to learn English knowledge and grammatical skills. Teachers should play the roles such as “demonstrators”, “organizers of the teaching,” and “persons to strengthen the knowledge and memory” and so on.

In class, according to the actual situation, teachers should pay close attention to the students’ eyes, facial expression and feedback so as to regulate teaching. In practice, they should have to change teaching methods at any time according to different target, in order to mobilize the students’ enthusiasm in English learning. if students’ talking has nothing to do with the content of the exercises, teachers should be cool-headed. They can tell clearly whether the uneven difficulty of contents lead to this. so they can adjust immediately. British linguists Eckersley said: “The shortcomings of language are speak much, they have an attempt to teach more, depriving the practicing time of students. That is like to invite students out of the main position of English study. “In the teaching process, students are not only the object of education but also the main body of study. Students are not passive receivers of knowledge, only when students play initiatively, English teaching can make good results through students own independent thinking and continuously practice.

3) To teach students’ learning methods. Teachers teach knowledge in the book, at the same time, it is necessary to open the mental power of students to help them be able to own more knowledge. In today’s world, with the rapid development of science and technology, knowledge is constantly updated. Thus the ability to acquire new knowledge is more important than knowledge itself. Moreover, the language is to learn. Teachers’ “teaching” cannot substitute for the students’ “study”.

For example: vocabulary is the basis of language learning. Many students lose interest in it. If teachers do not pay attention to their teaching methods, they will have little effect, even if they teach a great many of words. When remembering new words, we have to be looking, reading, listening, thinking and writing. “a multi-pronged” and also with the help of pronunciation, together with the rules of word-building. All above can help our memory. To teach the students the proper method of memory, learning English has become easier and smoother.

2. Important ways of students’ playing the main part in study

1) Harmonious teacher-student relationship is the premise to stimulate students’ interest in learning. Harmonious relations between teachers and students can help students love their teachers. This can stimulate the enthusiasm of the students. It is the law of educational psychology; teachers need to grasp it. First of all, the image and temperament of teachers, is permanent charm to attract students. Teachers should be amiable and respectable, which can help to the eliminate the students’ fear and inferiority, stimulate the students’ longing; win the students’ love for the subject; Secondly, if the teachers are responsible, unselfish, they can still win the respect and trust from the students. Teachers try to be close friends with students. Make them realize that all the efforts of their teachers will allow them to grasp the English language better. If the teachers and students have sincere feelings
with each other, students will have more acceptance of teachers. They can more easily accept the teachers’ teaching. A consensus of thinking is bound to strengthen the mutual trust between the teachers and students, so as to make it easier to form a two-way relation with the teaching, this is an important prerequisite for success for the middle vocational school English teaching.

2) Lively class teaching, relaxed and happy atmosphere in the classroom is the key to mobilize students’ interest in learning and stimulate students’ participation. English teaching is a fun social activity; the current compilation of teaching materials is also trying to embody the characteristics of this. The main body is the structure of language, the main line is communication abilities. We not only teach students the structure of grammar, but also teach students how to use the language. So that the foreign language teaching has become the language of the communication process. Teachers must focus on the characteristics of the materials, to take full account to design all aspects of teaching, to combine knowledge and fun for one. Thus students’ interest in learning will be enduring.

Current observed that “the pressure of a small language learning environment, students have a sense of security, and they will understand better. To create such an environment of language, teachers should understand the students, not be overbearing. Teachers can influence the class atmosphere, the atmosphere in the class also affects the mood of the students, which are related to efficiency of teaching, American educator Bloom said: “students with a relaxed than those who lack interest or learning materials.”

In class if teachers are too serious, students will feel nervous. Teachers in class should be amiable and provide students with more opportunities for the use of language, for the creation of a free, happy environment for communication. They should use rich facial expressions and more humorous words to regulate the atmosphere, and stimulate students to participate in awareness, to mobilize the enthusiastic participation of students. For example: In the study “Travel” unit, the teacher hung the map of China on the blackboard, involving students to talk about their own travel experiences. Some students described their experiences to Dalian, Suzhou. All is about how to get to the destination; how much to spend; how long to stay; Some students also talked about the interesting matter in the journey with the inspiration and induction of teachers, the students have learned from each other and expressed themselves in English. In this way, we both train and develop the students’ ability in English expressing. At the same time, the students look the study as a happy thing under the guidance of teachers, even if they meet with difficulties in English learning, they are willing to use minds, try to find ways to deal with.

(3) Only in certain situations will language be a vivid image, and will be conducive to understand and master. Language teaching must combine with real life, then it will reflect the vitality and its functions. English teachers should make use of all available conditions for the students, introduce Boring class teaching into the real situation of communication as much as possible so as to increase the participation of the students.

3. Create a good language environment

To create a good language environment is an effective way to train and develop student interests in teaching. In addition to explain the new knowledge, teachers should practice English in class as a stage, make all efforts to create a happy and full of fun language situations for students to help them actively participate in activities which are designed by teachers for English conversation show, which plays the main role in training positive thinking and creativity. After each students’ performances, teachers have to take the lead with warm applause to show encouragement as enthusiastically as possible to identify the shortcomings, in laughter the students not only correct the
errors, but also from the performance they improve the practical application of English-speaking ability. They put the knowledge together and consolidate it as well as improve it. Students tasted the sweet of "learning can be useful". It enhances the enthusiasm and deepens interests.

4. A variety of teaching means and teaching methods is the effective way which will help students enhance participation

1) To create scenes through models, pictures, simple pictures, and other visual aids. It is proved that the use of visual aids can help to remember things better. Visual aids is the most common. When teaching food, fruits, and other words, we can carry some real things into the classroom, watching and learning. To ask students to guess what’s in the package after the learning, they are awarded on a right guess; To show the performance of the actions much as possible, so that students can understand at a glance; when teaching graphics triangle, circle, square(rectangular), after the students having mastered the tone, the spelling and meaning, make them write these words and paint the graphics while listening. In teaching we often use some of the easy-to-prepare, easy to carry, as well as the classroom materials. When to show the things which is inconvenient to carry or abstract concepts, the image and pen is the best helper. During the whole learning process, students observe positively, speak actively, use their heads frequently, increase the awareness of participation initiatively.

2) Use the language to describe the scene, use the action to demonstrate the use of scenarios: when practice the structure “there be”, A student practices saying “There be sentence “:There is a river in the picture, here are a few boats on the river. Let the other students listen to him and draw the corresponding pictures on the blackboard or on the exercise books. When teaching the tense” the present continuous”, by way of the action words such as “swimming, reading, thinking, etc.”, the teachers can lead to the basic drills sentence, the boring sentences combined with the real science the students can also understand easier. The students take part in the activities actively to consolidate the learning of new knowledge.

3) To use multimedia in class teaching: multi-media computers play the initiative part in providing a wide range of opportunities for students who can be able to really participation the main role language study. This lively teaching environment conducive to attract the attention of students. Allow students to take the initiative to combine the study of computer science, draw pictures in advance according to the contents of the text, and then instore the data into the U disk, at the same time explain.

With his own words in English, teachers can make use of power-point, flash, photo shop software in order that make the text attract students more to help solve focus and difficulties and also help the teaching be in the interactive state.

During the study “Color Association,” we will learn the words and phrases of color which are expanded by the words of color, consisting of: feel blue(depressed),red letter day(holiday),black and blue bruise),and so on. Another example: in typing class, we can allow students to play a few useful courses related to multi-media computer. The teachers may ask students to type English game such as the game “the police catch thieves”, “the frogs cross the river”. All that can promote students to type with interests and surely help them type faster just because they will think they are playing games while typing. It also makes students rapidly respond, trains them thinking quickly and creatively. Comparing with the traditional teaching of textbooks, tape recorder multi-media computer provide students a more real situation. Media can effectively stimulate student interest in learning so that students have a strong desire to learn to form the motivation to learn.

So to teach the students the proper method of memory, learning English has become easier and smoother.
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