

ABSTRACTS**1. STUDY OF EXTERNAL RELATIONSHIPS AND THE IMPACT OF THESE RELATIONSHIPS ON THE PROFITABILITY AND PERFORMANCE OF THE ORGANIZATION**

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ABSTRACT

This article refers to a survey based on the study conducted by French author Rodolphe Durand, undertaken in 1999, which, adopting the concepts of RBV (Resource-Based View), sought to explain the differences in the profitability, margin and market performance of companies. According to the author, these differences result from three factors, which he considers sources of profitability for the company: inimitability and transfer of internal productive resources, possibility of substituting customers and suppliers, and the level of internal coordination of the company (DURAND, 2001). The survey was applied in the Brazilian auto-parts sector, and the chief objective was therefore to reproduce the survey carried out by the French author, in order to collaborate to the analysis of factors that could contribute towards the differentiation of companies from this sector in the Brazilian market; differentiation that is accountable for the creation and allocation of economic income. This first research tried to analyze the impact of external relations of organizations with customers and suppliers on the profitability, margin and market performance of auto-parts companies in Brazil. Quantitative data was collected in face-to-face interviews with directors, CEOs and general managers using a questionnaire. The sample represents a random sample of medium sized firms and the data was analyzed by Structural Equation Modeling.

Keywords: resources, relationship chain, customers, suppliers, corporate governance, competitive advantage, profitability, margin and market performance.

2. DOES A STRONG DOLLAR INCREASE DEMAND FOR BOTH DOMESTIC AND IMPORTED GOODS?

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ABSTRACT

Rising exchange rates strengthen the dollar and lower prices on imported consumer goods. Lower import prices have two effects. (1) A substitution effect that shifts demand from domestically produced goods to imports. (2) An income effect that increases demand for imports even further. However, it also allows some income previously spent on imports, but no longer needed due to lower import prices, to be shifted to purchases of domestic goods. This paper finds that for the U.S., 1960 - 2000, the income effect overwhelmed the substitution effect. As a result, econometric results suggest declining import prices increased both import demand and demand for domestically produced consumer goods. The estimated increase in demand for domestically produced consumer goods and services was 3.4 times as large as the increase in demand for consumer imports. Also, because of the large increase in GDP resulting from growth in domestic demand, the trade deficit grew slower than domestic output of consumer goods. This finding suggests that while the trade deficit grows as a result of a strengthening dollar, the increase, as a percent of U.S. GDP, is small, about four tenths of a percent for a ten percent strengthening of the dollar.

Keywords: Macroeconomics, International Trade, Imports, Exports, Exchange Rate

3. MEASUREMENT OF NEED FOR HARMONIZATION BETWEEN NATIONAL ACCOUNTING STANDARDS AND INTERNATIONAL FINANCIAL REPORTING STANDARDS

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ABSTRACT

This study analyses the quantification methods of the harmonization degree between the national accounting settlements and the international accounting standards. Starting from the presentation of the main methods used for this purpose such as - Euclidian distances, Jaccard's coefficients, Spearman's coefficients and other nonparametric methods for rank correlation analysis – we suggest a method of quantification for the need of harmonization between the national accounting standards and the financial reporting international ones. Beyond the certainty of a quantification model for this need, we analyze in the present study the situation of 33 states selected through reporting at a global level. The main achievement of this study is represented by the concept of pre-formal harmonization and the method to quantify it, strongly connected with the general accepted concepts of formal and material harmonization of accounting.

Keywords: financial reporting standards, pre-formal harmonization, measurement of harmonization

4. MARKET ORIENTATION AND COMPETITIVENESS: AN EMPIRICAL INVESTIGATION OF THAI SMEs

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ABSTRACT

How SMEs have implemented and utilized the marketing concepts and capabilities to serve greater business value, achieve better performance, and gain outstanding competitiveness are very interesting. This study attempts to clearly understand and effectively assess the market orientation-competitiveness relationships. With this study, we use the samples of SMEs in Thailand. Three dimensions of market orientation introduced by Narver and Slater's (1990) are chosen as independent variables, including customer orientation, competitor orientation, and interfunctional coordination. The results show that customer orientation, competitor orientation, and interfunctional coordination have significant positive and direct effects on SMEs' competitiveness. SMEs are likely to acquire these strategies to serve superior customer value, promote better competitive advantages, encourage greater competitiveness, and achieve outstanding performance. Thus, contributions and suggestions are also provided for future research.

Keywords: Small and Medium-Sized Enterprises, Market Orientation, Customer Orientation, Competitor Orientation, Interfunctional Coordination, Competitiveness

5. EASTERN EUROPEAN ENTREPRENEURS IN THE UK: LEARNING PREFERENCES

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ABSTRACT

Recent research data shows that Eastern Europeans are more and more willing to stay in the UK permanently. This trend indicates that if not addressed appropriately this trend can become a major issue for the economy of the UK. Nevertheless, if the potential of this potentially entrepreneurial supply would be captured and addressed in the right manner Eastern Europeans could positively influence economical growth of this country. For this reason, it is necessary to understand what learning preferences and

preferred training methods are for the Eastern European and if ethnicity influences their choices. Purpose of this paper is to provide theoretical background for ethnic entrepreneurs' learning preferences and preferred training styles. Results from empirical research reveal several intriguing patterns of Eastern European Entrepreneurs' in the UK learning and teaching preferences. Value of this paper is emerges for the researchers, business advisors, trainers and marketers who want to understand Eastern European Entrepreneurs' learning preferences and alter their programmes accordingly. Paper type: research paper

Keywords: Entrepreneurship; Entrepreneurs, Culture, Ethnicity, Learning Styles, Teaching Styles, Eastern Europeans, Business Support.

6. ON THE RISE OF ISLAMIC BANKING AMONG GIANT COMMERCIAL BANKS: A PERFORMANCE AND EFFICIENCY ANALYSIS

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ABSTRACT

Islamic financial institutions operate under the constraint of complying with Shari'a, the Islamic legal code. They have to find means to improve performance and compete in a banking environment that is structured along Western lines. Using bank-level panel data for a sample of GCC countries, this paper conducts a traditional comparative performance analysis for both Islamic and conventional banking. It also estimates the efficiency of both segments of the industry and investigates its possible determinants. The analysis provides empirical evidence that the Islamic banking industry in the region is profitable, robust and efficient. The findings provide a justification for further mergers and consolidation in the industry. Better capitalized and more profitable banks are found to operate at higher efficiency levels in a politically stable environment that fosters financial openness.

Keywords: Banking, Competition, Costs, Efficiency.

7. ETHNIC DIFFERENCES AND THE MEDIATING EFFECT OF JOB-FOCUSED SELF-EFFICACY: THE IMPACT OF WORK-FAMILY CONFLICT ON JOB SATISFACTION

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ABSTRACT

The purpose of this research was to examine the ethnic differences that are likely to influence the relationship between work-family conflict (WFC) and the facets of job satisfaction (i.e., work, pay, promotion, coworker, and supervision) as mediated by job-focused self-efficacy (JFSE). Using a comparative sample and a path analysis model, our findings stress the importance of subgroup analysis. A discussion of the study's implications, limitations, and future research has been provided.

Keywords: Ethnic differences, Job-Focused Self-Efficacy; Work-family conflict; Job Satisfaction

8. NON-LINEAR RELATIONSHIPS IN BANKS OWNERSHIP STRUCTURE AND PERFORMANCE

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ABSTRACT

Using the sample of 485 mid-size US banks, we analyzed relationship between the degree of inside ownership and several performance parameters (risk of losses, profitability and stock price appreciation). Instead of expected simple correlation (a linear trend or absence of a trend), we found that an unusual U-shaped trend: banks with large inside ownership were over-represented in the best and the worst 10% of the peer group. This trend was observed for most of tested parameters, but was particularly profound in correlations involving efficiency ratio, profitability (net income margin) and risk-taking (non-performing loans). In our view, a large inside ownership removes or greatly diminishes the outside influence of other investors, and hence gives polarized results. On one hand, a complete operation control does allow a smart motivated management to achieve superior results, yet on the other hand, if a large inside owner happens to be inept in management, this could result in a consistently poor performance without much interference from other shareholders or employees. This result challenges the conventional wisdom of agency theory which regards "owner-operator" by definition as the best operational model.

Keywords: Agency problem, Corporate Governance, Ownership, Performance, Banks, Non-linear

9. EVALUATING IRANIAN INVESTMENT COMPANIES DURING THE YEARS 2001 TO 2005 USING SHARPE'S, TREYNOR'S AND JENSEN'S INDEXES

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ABSTRACT

This study examines the risk-adjusted returns using Sharpe's Index, Treynor's Index, and Jensen's Alpha to evaluate the performance of the investment companies active in Tehran Stock Exchange (TSE) during the years 2001 to 2005. The benchmark used for comparison is the Total Index of Tehran Stock Exchange. This paper lists the top ten investment companies according to each of the three traditional measures. The results show that there is no significant difference between the rankings of the three traditional ratios. Furthermore, there is a positive correlation between portfolio diversification and risk factor. The relation between risk and return is significantly positive as well. Meanwhile, the managers of the top five investment companies ranked by the Jensen's Alpha do not have superior performance relative to the market.

Keywords: Jensen's Alpha, Portfolio Measurement, Investment Companies, Portfolio Diversification, Systematic Risk, Reward-to-Variability Ratio (RVAR), Reward-to-Volatility Ratio (RVOL), Capital Market Line (CML), Security Market Line (SML).

10. INTERNATIONAL FINANCIAL INTEGRATION: AN EMPIRICAL STUDY OF LEADING COUNTRIES' FINANCIAL INSTITUTION RETURNS

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ABSTRACT

If the returns of leading financial institutions across the globe are found to be highly correlated, it might suggest a possibility of future systemic risk, if not, it might suggest that there is, at present, not a significant level of potential threat of active financial contagion. This is the first and only research paper to

address the issue of systemic risk, by studying the returns correlation of some of the largest financial institutions in major leading countries. This study is the first step in identifying the real linkages or integrations in the financial world, with an ultimate goal of comprehensively identifying what actually leads to financial contagion. It seems that there is considerable correlation in the returns of leading financial institutions in major countries, and these institutions seem to herd together to a significant extent, as indicated by the very high levels of returns correlations. Results might indicate considerable advantages to both the financial institutions and their countries in following well-established business models, thereby fairly easily maintaining and/or increasing their returns over an extended period of time.

Keywords: Financial contagion, financial institutions, systemic risks, returns correlation.

11. EMPIRICAL INVESTIGATION OF KNOWLEDGE-BUILDING CAPABILITY ON PERFORMANCE: ACCOUNTING FIRMS IN THAILAND

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ABSTRACT

This article is about the effect of knowledge-building capability on performance. The objective examines the relationships among knowledge-building capabilities, operational effectiveness of this study is mediator, environment as moderator, and business' performance. The results indicate that intelligences, best practice exchange, professional development, and learning organization have positive influences on operational effectiveness. In the same time, operational effectiveness has related with performance under environmental. We have immediately examined the relationships between knowledge-building capability and performance. This research shows the impact of knowledge-building capability have also directly related on performance. Thus, contributions and suggestions are also provided for further research.

Keywords: Intelligence; Best Practice Exchange; Professional Development; Learning Organization; Operational Effectiveness.

12. ANALYSIS OF POVERTY IN EKITI STATE NIGERIA

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ABSTRACT

This study examined the socioeconomic characteristics of household in Ekiti State Nigeria, it identified and measured the relative importance of factors affecting poverty in both the rural and urban area of the state. The study also looked at the poverty profile in the area. Data collected from 432 heads of households through a random sampling technique from Ekiti Central, Ekiti North and Ekiti South were analysed using Foster, Greer and Thorbecke (FGT) indices, Gini coefficient index (GI), and ordinary least square (OLS). Result shows that for the urban part of Ekiti State, the poverty headcount (Po) indicates that 48%, 71% and 62% share of the population are poor in Ekiti Central, Ekiti North and Ekiti South while for the rural area it was 61%, 55% and 67% in that order respectively. The Gini coefficient shows that there is high welfare inequality in both Ekiti Central and Ekiti North as the Gini coefficient was 0.57 and 0.63 respectively. However welfare inequality was low in Ekiti South as the Gini coefficient was 0.31. Result of the ordinary least square identified some of the factors affecting poverty in Ekiti State Nigeria. The value of R² for rural area are 0.75, 0.61 and 0.53 for Ekiti Central, Ekiti North and Ekiti South respectively, while for urban it is 0.68, 0.57 and 0.51 in that order. The value of the regression sum of square shows that the model accounts for most of variation in the welfare status in the Ekiti for the period. Other dagonistic tests show that some of the estimates are statistically significant. Out of poverty determinant factors fitted in the model education and household size stand as the most important determinant of poverty in Ekiti State Nigeria.

Keywords: Poverty Analysis, Household, Poverty Line, Welfare Inequality Poverty Determinant

**13. BUSINESS DIVERSIFICATION AND MANAGEMENT INCENTIVES:
MULTINATIONAL FIRMS VS. DOMESTIC FIRMS**

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ABSTRACT

This paper examines the characteristics and compensation of top executive and the firm's degree of diversification. It also examines whether the relationship varies with the firm's level of international involvement. Results show that diversified firms have high debt capacity and do not make superior investment decision. It appears that cash compensation increases only in domestic-oriented diversified firms. A chief executive officer (CEO) whose wealth tied to a firm's equity is not likely to participate in diversified acquisition, especially in multinational firms.

Keywords: Managerial Compensation, Business Diversification, CEO Characteristics

14. AN EXAMINATION OF THE FISHER HYPOTHESIS FOR NEW ZEALAND IN A DEREGULATED ENVIRONMENT: A COINTEGRATION APPROACH

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ABSTRACT

The objective of this study is to examine whether the Fisher Hypothesis holds for New Zealand using the Johansen (1991) cointegration approach. We also test for stationarity using the Ng-Perron unit root tests. We find, using quarterly data for the period 1985Q1- 2007Q1, support for the Fisher Hypothesis.

Keywords: Fisher Hypothesis, Interest Rates, Inflation, Cointegration.

15. U.S. CONSUMER PERCEPTIONS OF AUTOMOBILES FROM EMERGING MARKETS

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ABSTRACT

This paper investigates U.S. consumer's brand perception of automobiles imported from China and India. Three groups of consumers were asked to report their perceptions of an automobile, based upon photographs and a detailed description. Each group was exposed to identical stimulus with regard to the information provided, with one exception, the country of origin. Our results show that the brand personality dimensions are a very useful tool to assess the effect of the country of origin (COO). Our results suggest that Chinese, Indian, and U.S. automobiles are perceived as similar in terms of brand sincerity but are seen differently in terms of brand excitement, brand sophistication, brand competence and brand ruggedness.

Keywords: China, India, automobile, country-of-origin, brand personality, emerging markets
