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PROCEEDINGS

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The Institute for Business and Finance Research

*Trump Plaza Atlantic City
New Jersey, January 6-9, 2009*

Global bal

Welcome to Atlantic City

*Welcome
Bienvenidos*

On behalf of the Staff and the IBFR, I welcome you to Atlantic City, New Jersey and the 2009 Global Conference on Business and Finance. We hope you have a productive conference and enjoy your time in Atlantic City. If we can be of any assistance to you during your time in San Jose please do not hesitate to contact us.

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We all know that college professors must balance their teaching, research, and service obligations. Finding the right forum to share and obtain feedback on our research, new teaching techniques, and innovative administrative processes can be challenging at times. The Institute for Business and Finance Research was created to facilitate your work by providing an environment conducive to knowledge and experience sharing. We encourage the academic community to come and share their work at our conferences and in our Journals. We welcome articles which are of interest to scholars and practitioners in all fields of business, economics and related fields.

The 2009 GCBF represents a long term commitment to bring individuals from around the world together to share their ideas and promote research on business and finance. The response to the conference has been outstanding. We wish to thank you for selecting the GCBF as your research outlet. We also wish to thank the many people that have contributed to making the conference a success. We are delighted to report that the conference is truly a global conference. We have participants from all corners of the globe at this academic conference. These individuals come from a variety of high quality institutions and will present work on a broad mix of academic issues.

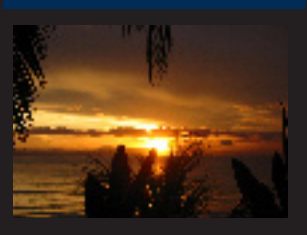
We are proud to announce two upcoming conferences. Our seventh conference will be held May 27-30, 2009 at the Ramada Plaza Herradura, San Jose, Costa Rica. Our 2010 winter conference will be held in the United States. We will be announcing the location and dates of this conference in the coming weeks. We hope that you are able to join us at these future conferences.

We hope you take the time to enjoy the hotel facilities as well as to take in Atlantic City and the surrounding cities. Atlantic City is a wonderful destination with much to offer. We recognize that in addition to presenting research and participating in the conference activities, it is also important to relax and rejuvenate yourself. Have some fun! You deserve it! We hope that you will go home refreshed and with a sense of accomplishment.

Warmest Regards,

Mercedes Jalbert

Conference Chair



Bienvenidos a Atlantic City

*Welcome
Bienvenidos*

El Instituto y su personal les da la bienvenida a Atlantic City y al 2009 Winter Global Conference on Business and Finance. Esperamos que su participación sea productiva y que disfruten New Jersey.

Todo profesor de educación superior debe encontrar un balance entre su rol como educador, investigador y como servidor a su comunidad y su universidad. Encontrar un foro donde podamos compartir y obtener retroalimentación sobre nuestra investigación, nuevas técnicas de educación, procesos administrativos innovadores es retador. El Institute for Business and Finance Research (IBFR) fue creado para facilitar el trabajo del profesional en educación superior, profesional del sector público y profesional del sector privado al crear una plataforma global conducente al enriquecimiento de nuestro conocimiento a través de:

1. La exposición de trabajos investigativos en todas las áreas académicas en las ciencias administrativas, económicas, financieras, contables etc.
2. La exploración de nuevos avances tecnológicos, teóricos y pedagógicos.
3. El intercambio de conocimiento en una plataforma verdaderamente global.

El Congreso GCBF representan un compromiso a largo plazo para unir a nuestros colegas de todos los continentes en nuestros congresos y compartir nuestras ideas, investigación y cultura en una plataforma bilingüe. Deseamos agradecer su participación, la cual hace realidad nuestro objetivo; el realizar un Congreso realmente Global con participación de educadores y profesionales de todas partes del mundo.

Con gran alegría anunciamos nuestros próximos Congresos en San José, Costa Rica del 27-30 de mayo de 2009 y en Los Estados Unidos en enero del 2010, fechas y lugar serán próximamente anunciadas. Será un placer el contar con su participación nuevamente.

Deseamos que disfruten su estancia en el Hotel Trump Plaza. Asimismo, deseamos que tenga la oportunidad de explorar New Jersey, Filadelfia y New York. Sabemos que además de exponer sus trabajos, es también importante tomar tiempo para relajarse, rejuvenecerse y conocer sobre otras culturas, tradiciones, etc. Esperamos que al regresar a sus hogares e instituciones se sientan rejuvenecidos y satisfechos con sus alcances y aprendizaje durante el Congreso. Estamos para asistir durante el congreso y el futuro.

Saludos Cordiales

Mercedes Jalbert

Conference Chair

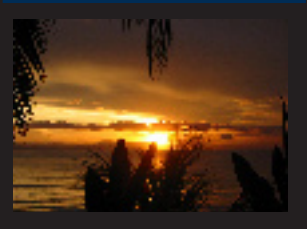


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ENGLISH PROCEEDINGS

INTRAMARKET SPREAD PROFITABILITY ANALYSIS IN ANHYDROUS FUEL ALCOHOL FUTURE CONTRACTS AT BM&F AND ETHANOL AT CBOT

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ABSTRACT

The aim of this article is to analyze the profitability of a standard position spread, based on data referring to the delivery months of Anhydrous Fuel Alcohol Future Contracts, traded at Brazilian Mercantile and Futures Exchange (BM&F) and Ethanol Futures (Denatured Fuel Ethanol), contract with the same purpose, at the Chicago Board of Trade (CBOT). The methodology is based on Barrett & Kolb (1995) and Alves & Marques (2002). The results show that there is no substantial difference between intramarket spread at BM&F's and CBOT's gains. The results should be considered carefully, as few months presented statistical significance, which is consistent with Efficient Market Hypothesis. The Law of One Price can also indicate if the arbitrage profit is applicable or not and it is possible to assure that the times it is likely to be noticed, it does not happen regularly.

INTRODUCTION

The world demand for ethanol fuel has been increasing rapidly in the last few years and this fact may be maintained in future periods. Among the factors of continued demand, it is possible to mention strategies that aim at the reduction of gas emissions that provoke the accumulation of materials emitted into the atmosphere (mainly those related to the burning of fossil fuels), and also the attempt of various countries to diminish dependency on oil derivatives in their energetic matrix. The agricultural and local industries incentives are another significant factor when dealing with the importance of ethanol and its increased demand, since it comes from renewable sources of raw material; it is a fuel that contributes favorably to all factors mentioned above.

According to Marcoccia (2007, p. 21), alcohol with carburant purposes was used in small percentages in the 60's. In 1973, the Organization of Petroleum Exporting Countries (OPEC) launched an embargo of oil supply to the U.S. and Europe, unleashing prices to soar at levels never before reached (First Oil Shock). In Brazil, the rise in prices and imports account, led the government to seek alternatives, among which was Proálcool (Pro-alcohol – National Alcohol Program, in 1975). Yet, as this author points out, on 14/11/1975, through decree number 76.593, the program was started, allowing the expansion of alcohol production for pure carburant aims or gasoline mixture and also in the chemical industry, showing high expansion and productivity in the following ten years.

Santos et al. (2007, p. 5) explain that in the 90's the producers needed to reorganize themselves because of the problems of the demand for alcohol in the country. On the other hand, the growth in the addition of anhydrous ethanol in gasoline presented new opportunities of business for rural and industrial producers. This fact was affected by sugar market conditions, which means, high production and price instability induced the sector's destabilization.

The improvement occurred in the middle of this same decade and, as Burnquist et al. (2004, p. 2) affirm, Brazil became the leading world sugar producer and exporter and also the biggest ethanol fuel and cane producer, obtaining expressive volumes for each of these commodities. In this context, the expansion of

the international sugar market and consolidation of ethanol became an essential feature for a balanced evolution of cane, sugar and ethanol in the Brazilian sectors.

Thus, the importance of this article lies in the assessment of the profitability gains in the Anhydrous Fuel Alcohol Future Contracts from BM&F (Brazilian Mercantile & Futures Exchange) and Ethanol Futures from CBOT (Chicago Board of Trade), verifying if it is significant in order to reach higher value in the Stock Exchange that has more liquidity. Arbitrage profit applicability in the considered period is also verified (from January 2006 to July 2007 for BM&F and January 2006 to September 2007 for the North American Stock Exchange).

Regarding the objectives, it is necessary to identify not only if liquidity and, consequently, the volume traded on the Stock Exchanges interfere in the profitability magnitude of the spread operations, but also try to consider the probable results of the adopted positions (long or short) with Efficient Market Hypothesis (EMH) or The Law of One Price (LOP). The methodology of this study is based on Barrett & Kolb (1995) and Alves & Marques (2002).

The existence of a high level economic risk in the agricultural activity (related not only to climate changes, but also to the possible difficulty in the commercialization and doubts toward prices that the commodity will receive) is a fact that brings fear and high financial risk to this activity if compared to investments in others sectors of the economy, such as the industrial one. In this way, Perlingeiro & Freitas (2006, p. 3) explain that the future market aims at reducing the risk inherent to the exploitation of this activity, since the hedger is capable of entering this market in order to lock the future price at a level that warrants, for example, the return on production costs and compatible profitability with the risk of this investment.

Furthermore, Sanders & Manfredo (2002, p. 511) affirm that variability is the feature that most contributes not only to the success but also to the failure of determined contracts, since a player realizes that the basis of futures is too variable, there will be little demand for hedge. Thus, it is necessary to analyze ethanol's futures markets volatility, just because it constitutes the cause in which players look for efficacious alternatives for the hedger to lock the price previously and minimize risks caused by fluctuations not expected in the quotation of the commodity. However, the indication of certain regularity in gains/losses of operations on the Stock Exchanges tends to reduce the gained spread. This occurs because one position for buying (long), in one delivery month, against a selling position (short) in another later period, at the same time, makes arbitrage practice possible.

Girma & Paulson (1999, p. 932) and Alves & Marques (2002, p. 4) corroborate what has been mentioned by pointing out that speculators can negotiate futures to profit in a relatively temporary price failure. They state that these risk arbitrage opportunities (if and when they occur) do not tend to remain available for long periods of time, because arbitrators will buy the commodity, which is cheaper and will sell those, which are expensive, until spreads are within the normal limit.

Perlingeiro & Freitas (2006, p. 4-5) summarize this discussion, explaining that in spite of the existence of this unsteadiness in the contract prices, the LOP is applicable, because no player will sell any commodity at a price different from the assumption that a higher price than the average would have no buyers and, a lower price would not be viable, this being a kind of concession of the traded commodity. Then, there is the answer that despite the existence of the EMH, it is necessary to consider the arbitrage practice and the LOP for ethanol futures markets in both studied Stock Exchanges. In this context, it is possible to summarize the problem with the following question: Is there any profitability difference between the Anhydrous Fuel Alcohol Future Contracts traded at BM&F and Ethanol Futures traded at CBOT, capable of allowing arbitrage profit?

GENERAL FEATURES ABOUT FUTURES MARKETS AND ETHANOL FUTURES

The commodities negotiations in futures markets had begun in the U.S. in 1848, through CBOT. They became more common, from the moment that players realized the need to operate in those markets, since world economic events (government's less insertion in the Brazilian price policy, for instance) led to larger prices volatility. In Brazil, the largest Futures Stock Exchange is BM&F and it trades in diversified assets, acting in financial futures markets (contracts of Gold, Indices, Exchange Rates, Interest Rates, Sovereign Debt Instruments) and agricultural (contracts of Crystal Sugar, Cotton, Arabica Coffee, Soya, Alcohol, Feeder Cattle, Robusta Conillon Coffee, Ethanol, Live Cattle, Corn).

In the case of ethanol and according to Bandyopadhyay (2006, p. 59-60), recently, a growing interest has been witnessed in the use of this commodity as an alternative fuel, because it not only offers a clean and cheap source, but also a way of investment, employment and economic development. This author also states that the growing activity in the ethanol market provoked bigger uncertainty with regard to prices, creating the need for futures markets and its contracts. This ended up increasing the liquidity and transparency of the prices, in the same way that it promoted risk management for players.

The two largest Futures Stock Exchanges in the U.S., Chicago Mercantile Exchange (CME) and CBOT, answered such a requirement by introducing ethanol future contracts in March 2005. In March 2000, BM&F, in Brazil, was the pioneer in launching the first contract of Anhydrous Fuel Alcohol. In respect to this Stock Exchange, Vian et al. (2007, p. 7) explain that there is predominance of Arabica Coffee and Live Cattle contracts in the total of those negotiated; Crystal Sugar, contributes 6% and alcohol 2% of the total transactions. Those percentages show the growth potential that exists in the markets of those commodities in Brazil, since most of the ethanol production, unlike the U.S., comes from sugar-cane.

Moreover, through the analysis of Xavier & Marques (2006, p. 1), it is possible to notice that the volume of BM&F's contracts decreased after the implantation of the same contract type at CBOT, indicating that it is possible that Brazilian players prefer to trade at CBOT for reasons such as: lower costs, higher system trust, convenience of centralizing operations in brokers overseas, among others. Such a fact does not devalue BM&F compared to CBOT, because there were some months in which trade volume at BM&F was expressively larger than CBOT's (June, July and August 2006, for example) and, in the other months, it seems there was a sharp dispute between them.

Characteristics of the commodity consider a list of attributes that commodities should include to be traded in futures: storage, homogeneity, price volatility, wide physical market, unrestricted supply, macro institutional environmental affects. Characteristics of the contract design include the analysis in the endogenous factors of the futures' industry, especially the design of the contract, because if the contractual specifications do not attract any sort of player, it will fail. In this way, Lazzarini et al. (1998, p. 9) explains that there are fundamental decisions related to aspects such as: design specificity, which means, how restricted is the contract to the physical, temporal and location attributes of the commodity, because a more specific contract tends to increase the hedging effectiveness. On the other hand, it tends to increase the transaction costs, mainly to make the market narrower and reduce its liquidity, causing a trade-off.

In addition, the systems of penalties, when products are delivered out of the specifications of the contract are another relevant factor. Likewise, as Kimle & Hayenga (1994, p. 349), point out liquidation, bankruptcy procedures (physical deliveries or financial agreements – cash settlement) and other aspects treated by Silber (1981, p. 125), such as the size of the contract, the price quotations, among others, are also important issues.

To exemplify the characteristics of the contract design, it is possible to mention the Brazilian Cotton Futures Contracts, which presents an inconvenience, since the contract negotiated at BM&F does not present enough liquidity and its structure is somewhat different: it is necessary to divide the cotton into spinning and trading. In general, the spinning does not need a contract, that is, it is not directly susceptible to the price risk, being relatively difficult to find a spinning company that has the need to operate in this Stock Exchange. That is one of the facts that can direct the Brazilian Stock Exchange to modify its contract again and to make another, focused on export, because, considering the current situation, for such a public, the cotton market is more attractive.

SPREAD: CONSIDERATIONS TOWARDS STRATEGY

According to CME, it is possible to verify the existence of four main types of spread: 1) Inter-delivery spread, which comprises the purchase of an expiry date of a future contract of a given commodity and simultaneous sale of another expiry date of the same contract in the same Stock. In a spread of this category, the price of the spread = price of the closest future – price of the more distant future; 2) Inter-exchange spread, which comprises the purchase of an expiry date of a future contract in one Stock and simultaneous sale of the same delivery month of the same commodity (or another related) in another Stock; 3) Inter-commodity spread, which consists of establishing positions in two or more commodities – involving the simultaneous purchase in the same month of different future contracts, but related economically and 4) Spread between a commodity and its sub products, which includes a long position in a commodity against short positions in a similar amount of derived products of that commodity, the opposite is also verified.

As hedgers unavoidably come across price uncertainty, they aim at managing their exposition to the adverse movements, by taking an opposite position in the future market so that the losses in a market are compensated for gains in the other. Likewise, the justification in adopting spreads as strategy is that they implicate that both bought and sold contracts are affected by the same economical conjuncture and, in this way, the expectation is that prices of both positions oscillate in synchronism, however, if that does not happen, it is possible to have a profit opportunity. As a result, if spreads are used in an appropriate way, they can be considered an important tool for risk administration and also guarantee certain profit.

METHODOLOGY

This work analyzes intramarket spreads, considering Anhydrous Fuel Alcohol Future Contracts traded at BM&F (negotiated from January 2006 to July 2007) and Ethanol Futures (Denatured Fuel Ethanol), negotiated, with the same purpose, at CBOT (from January 2006 to September 2007).

The adopted methodology is based on Barrett & Kolb (1995) and Alves & Marques (2002). The former examined the behavior of spread profits in calendar time on a monthly basis for a variety of spread positions by testing whether spread profits are consistently greater in any calendar month rather than another. They analyzed inter and intramarket spreads for different CBOT contracts, and the latter, analyzed the spread profitability, by using Sugar Futures Contracts traded at BM&F and New York Board of Trade (NYBOT).

S is considered the spread's daily dollar profit for a contract position during month m , on day t , which represents the sum of the profit/loss of a long position on the closest expiry date with the profit/loss of a short position on the most distant one, for a position in the future contract. The average profit, through all daily profits (t), for a certain month (m), includes T trading days of a month and is named M_m :

$$M_m = \frac{\sum_{t=1}^T S_{m,t}}{T} \quad (1)$$

This equation is applied to every month in which both or only one contract is being traded, which allows the verification of the revenue. The spread's monthly volatility is calculated through the standard deviation, as well as the position revenues test, supposing risk equal to zero, in which $M_m = 0$ for every month. This hypothesis is tested through the t student statistics.

As BM&F and CBOT's futures contracts expiry dates are monthly, it was decided to make crossings of the following months: March, June, September and December, exactly because those are the months that dictate Brazilian and U.S' crops, which reflects on this commodity's supply and demand, leading hedgers to seek an insurance against excessive elevation or fall of the prices. March, for instance, is the beginning of the planting period in the U.S. and in Brazil it is the crop.

In this sense, the contracts of both Stocks under analysis embrace the following delivery months: September 2007, June 2007, March 2007, December 2006, September 2006 and June 2006. For BM&F, the contract with expiry date in September/2007 began to be negotiated in May/2007; expiry in June/2007 began to be negotiated in January/2007; expiry in March/2007 began to be negotiated in May/2006; expiry in December/2006 began trading in March/2006; expiry in September/2006 began in March/2006 and, finally, June/2006 was first negotiated in January/2006.

For CBOT, the contract with expiry date in September/2007 began to be negotiated in April/2007; the expiry in June/2007 began to be negotiated in January/2007; the expiry in March/2007 began negotiations in October/2006; the expiry in December/2006 was first negotiated in July/2006; the expiry in September/2006 began in April/2006 and, finally, June/2006 was first negotiated in January/2006, just as BM&F. The daily data on the futures contract for BM&F comprises the period of January 05, 2006 to July 23, 2007 and for CBOT, January 06, 2006 to September 06, 2007.

RESULTS AND DISCUSSIONS

As previously pointed out, the presented data refer always to long position in the closest expiry date and short in the most distant one. The results of average earnings can be analyzed with changed signs, in the sense it is seeking the assessment of earnings that could be obtained by contrary positions of those presented in this article. It is important to highlight once again that the analysis consider all trading days of the contracts and are presented monthly, including those in which only one of both expiry dates was being traded.

In the following Tables, 1 and 2, the "s" represents the monthly standard deviation; "Σ" refers to the sum of all prices of the daily spread obtained through the subtraction between the long and short positions, it is the spread's daily dollar profit. "T" represents trading days under analysis; M_m is the average profit and its description is detailed in the previous item (4th, methodology). Remembering that the H_0 (null hypothesis) and H_1 (alternative hypothesis) are, respectively, $H_0: M_m = 0$ and $H_1: M_m \neq 0$, t is the one that was obtained through the calculation of the following quotient:

$$t = \frac{M_m - 0}{\frac{s}{\sqrt{T}}} \quad (2)$$

Table 1: Spread Operations Analysis for Anhydrous Fuel Alcohol Traded at BM&F

	A	LONG/Jun/07- SHORT/Sep/07	B	LONG/Mar/07- SHORT/Jun/07	C	LONG/Dez/06- SHORT/Mar/07	D	LONG/Sep/06- SHORT/Dec/06	E	LONG/Jun/06- SHORT/Sep/06
January	s	0.780	s	3.879	s	3.662	s	-	s	12.62
	Σ	-2.915	Σ	-45.090	Σ	-42.176	Σ	-	Σ	24.49
	T	2	T	21	T	21	T	-	T	18
	M _m	-1.457	M _m	-2.147	M _m	-2.008	M _m	-	M _m	1.36
	t	-2.642	t	-2.536	t	-2.513	t	-	t	0.46
February	s	4.493	s	8.828	s	6.081	s	-	s	6.62
	Σ	-2.923	Σ	14.136	Σ	18.389	Σ	-	Σ	33.61
	T	18	T	18	T	18	T	-	T	18
	M _m	-0.162	M _m	0.785	M _m	1.022	M _m	-	M _m	1.87
	t	-0.153	t	0.377	t	0.713	t	-	t	1.197
March	S	4.148	s	5.321	s	6.416	s	9.997	s	12.95
	Σ	18.984	Σ	-3.294	Σ	0.349	Σ	26.990	Σ	-60.57
	T	22	T	22	T	10	T	19	T	23
	M _m	0.863	M _m	-0.150	M _m	0.035	M _m	1.421	M _m	-2.63
	t	0.976	t	-0.132	t	0.017	t	0.619	t	-0.98
April	S	20.664	s	15.589	s	4.524	s	9.933	s	11.04
	Σ	-110.099	Σ	49.361	Σ	10.471	Σ	28.933	Σ	34.49
	T	19	T	19	T	18	T	18	T	18
	M _m	-5.795	M _m	2.598	M _m	0.582	M _m	1.607	M _m	1.92
	t	-1.222	t	0.726	t	0.545	t	0.687	t	0.74
May	s	4.464	s	3.756	s	9.718	s	16.154	s	13.64
	Σ	13.831	Σ	-1.140	Σ	-53.561	Σ	-48.552	Σ	19.22
	T	22	T	25	T	22	T	22	T	22
	M _m	0.629	M _m	-0.046	M _m	-2.435	M _m	-2.207	M _m	0.87
	t	0.661	t	-0.061	t	-1.175	t	-0.641	t	0.30
June	s	3.248	s	5.897	s	9.893	s	9.227	s	5.60
	Σ	-6.946	Σ	61.648	Σ	128.219	Σ	115.271	Σ	50.59
	T	20	T	27	T	21	T	21	T	21
	M _m	-0.347	M _m	2.283	M _m	6.106	M _m	5.489	M _m	2.41
	t	-0.478	t	2.012	t	2.828	t	2.726	t	1.97
July	s	1.136	s	3.660	s	7.481	s	6.168	s	3.30
	Σ	13.271	Σ	-17.795	Σ	-46.981	Σ	-70.643	Σ	-41.46
	T	15	T	21	T	21	T	21	T	21
	M _m	0.885	M _m	-0.847	M _m	-2.237	M _m	-3.364	M _m	-1.97
	t	3.016	t	-1.061	t	-1.370	t	-2.499	t	-2.74
August	s	-	s	13.419	s	22.480	s	13.611	s	4.65
	Σ	-	Σ	-33.658	Σ	-74.582	Σ	-77.562	Σ	-36.64
	T	-	T	23	T	23	T	23	T	23
	M _m	-	M _m	-1.463	M _m	-3.243	M _m	-3.372	M _m	-1.59
	t	-	t	-0.523	t	-0.692	t	-1.188	t	-1.64
September	s	-	s	9.306	s	16.227	s	7.558	s	1.52
	Σ	-	Σ	-4.414	Σ	-15.504	Σ	-15.227	Σ	-4.14
	T	-	T	20	T	20	T	20	T	4
	M _m	-	M _m	-0.221	M _m	-0.775	M _m	-0.761	M _m	-1.03
	t	-	t	-0.106	t	-0.214	t	-0.450	t	-1.36

	A	LONG/Jun/07- SHORT/Sep/07	B	LONG/Mar/07- SHORT/Jun/07	C	LONG/Dez/06- SHORT/Mar/07	D	LONG/Sep/06- SHORT/Dec/06	E	LONG/Jun/06- SHORT/Sep/06
October	s	-	s	4.886	s	8.868	s	4.558	s	-
	Σ	-	Σ	-5.944	Σ	-19.281	Σ	-13.337	Σ	-
	T	-	T	21	T	21	T	21	T	-
	M _m	-	M _m	-0.283	M _m	-0.918	M _m	-0.635	M _m	-
	t	-	t	-0.265	t	-0.474	t	-0.639	t	-
November	s	-	s	4.587	s	8.287	s	5.655	s	-
	Σ	-	Σ	-26.441	Σ	-52.464	Σ	-26.023	Σ	-
	T	-	T	19	T	19	T	19	T	-
	M _m	-	M _m	-1.392	M _m	-2.761	M _m	-1.370	M _m	-
	t	-	t	-1.322	t	-1.452	t	-1.056	t	-
December	s	-	s	5.154	s	5.717	s	4.321	s	-
	Σ	-	Σ	6.529	Σ	1.848	Σ	-4.681	Σ	-
	T	-	T	19	T	19	T	6	T	-
	M _m	-	M _m	0.344	M _m	0.097	M _m	-0.780	M _m	-
	t	-	t	0.291	t	0.074	t	-0.442	t	-
Total	s	9.231	s	7.863	s	10.917	s	10.029	s	9.49
	Σ	-76.798	Σ	-6.101	Σ	-145.274	Σ	-84.831	Σ	19.61
	T	118	T	255	T	233	T	190	T	168
	M _m	-0.651	M _m	-0.024	M _m	-0.623	M _m	-0.446	M _m	0.12
	t	-0.766	t	-0.049	t	-0.872	t	-0.614	t	0.159

This table shows all spread operations analysis for Anhydrous Fuel Alcohol traded at BM&F, involving expiry dates of September, June and March 2007 and June, September and December 2006.

In Table 1, the results of the spread operation are presented with delivery months of BM&F. In general, that is, considering all months of each operation (at the bottom of Table 1, denominated “total”), it can be seen that four out of five positions present negative daily average revenue, except for “E”. Among them, the operation “C” was the one that presented the greatest volatility (calculated by the standard deviation), followed by the operations “D”, “E”, “A” and “B”, respectively. Being long in March 2007 and short in June of the same year, the spread with the smallest loss and volatility was presented. However, none of these operations proved to be significant, supposing that the earnings with spread can be statistically equal to zero.

Operation “A”, which presents activity in seven of the twelve months, also shows low daily average revenues. The positive average revenues occurred in March, May and July. The largest variation happened in April and the only month in which the gains are statistically significant is July, in other words, in this month there is 95% probability of the average revenue being positive for that operation.

Operation “B”, in its turn, all of the twelve months presented, in general, show short daily average revenues and the positive ones occurred in February, April, June and December and as well as in “A”, the largest variation was also in April. January is the only month that presents statistically significant results, however, in contrast to “A” in this month there is 95% probability of the average revenue being negative.

The third operation, “C”, February, March, April, June and December were the months that showed positive revenues. The greatest volatilities of the daily average revenues happened in August and September, and the test t proved significant in January and June, with 95% probability of each one of the average revenues being negative and positive, respectively.

There were no negotiations for the next operation, “D”, in January and February, as there was no open interest in the adopted positions (long and short). That same position didn't present negative daily average

revenues in March, April and June; the largest volatility of the revenues was in May, June and July. The presence of statistical significance, with 95% probability of each one of the average revenues, to be positive and negative, respectively, was noticed.

Finally, “E” operation, there was no trade in October, November and December, for the same reasons as “A” and “D” (there was no open interest). For four of the nine months, the daily average revenues analyzed are negative. The highest volatilities, compared to each other, are in January, March, April and May. In July, there is 95% probability of the average revenue being negative for the operation.

In general terms, the operations present negative results in most of the months, however, the t test just proved to be statistically significant in 7 months of the 50 tested (14.0%). In this way, it is possible to assure that those results can be related to the EMH, which, in agreement with Fama (1970, p. 384), in essence, should be defined by the term “fully reflect”, that means to affirm that the information is quickly and efficiently incorporated in the price of the assets at any moment in time, proposing that no agent can be distinguished in the market.

Such an indication, presented by those results, can be corroborated by Vian et al. (2007, p. 18), by studying the evolution of the BM&F’s alcohol and sugar future contracts. Those authors verified that, in relation to the price in the physical market, those two commodities showed volatility in some years, however, with no direct relationship between such a fact and the number of traded contracts (since the Brazilian Stock is less liquid if compared to the North American), because in certain years the contrary occurred: short volatility of prices and greater number of contracts.

Moreover, it is possible to make a monthly comparison between contracts, in relation to the daily average revenue: operation “A” was the most lucrative in March, May and July. Operation “B” is more profitable in April, June and inverted (long where it was short and vice-versa), in January. “C” in June, and inverted in January, May, July, August and November. “D” is more profitable in June and, if inverted, May, July and August. Finally, operation “E” was more lucrative than the others in June and inverted in March.

In Table 2, below, the results of the spreads done with expiries of CBOT are shown. Above all, it is important to point out that, as well as in some BM&F operations (“A”, “D” and “E”), in certain months, in the adopted positions (long and short) there was no open interest and/or the contract was no longer being traded, they are: October, November and December for “F” and “J” operations; July, August and September for “G”; April, May and June for “H” and January, February and March for “I”, presenting, in this way, operations in only nine months of the twelve in a year of negotiation.

Considering all months of each operation, “F” and “I” present negative daily average revenues, while “G”, “H” e “J” operations present positive results. The greatest volatilities in relation to the loss and gains occurred, respectively in “I” e “J”. In the same way as in the BM&F operations, none in CBOT presented statistical significance, showing that, in spite of existing average positive and negative gains, they can be considered statistically equal to zero.

Table 2: Spread Operations Analysis for Denatured Fuel Ethanol Traded at CBOT

	F	LONG/Jan/07- SHORT/Sep/07	G	LONG/Mar/07- SHORT/Jun/07	H	LONG/Dec/06- SHORT/Mar/07	I	LONG/Sep/06- SHORT/Dez/06	J	LONG/Jun/06- SHORT/Sep/06
January	s	15.319	s	23.431	s	11.843	s	-	s	9.26
	Σ	-13.209	Σ	-55.476	Σ	-42.268	Σ	-	Σ	93.78
	T	18	T	21	T	21	T	-	T	17
	M _m	-0.734	M _m	-2.642	M _m	-2.013	M _m	-	M _m	5.52
	t	-0.203	t	-0.517	t	-0.779	t	-	t	2.46
February	s	7.593	s	14.299	s	8.444	s	-	s	13.37
	Σ	52.834	Σ	120.198	Σ	67.364	Σ	-	Σ	-39.63
	T	19	T	19	T	19	T	-	T	19
	M _m	2.781	M _m	6.326	M _m	3.545	M _m	-	M _m	-2.09
	t	1.596	t	1.928	t	1.830	t	-	t	-0.68
March	s	6.705	s	6.958	s	1.525	s	-	s	7.69
	Σ	-15.850	Σ	-18.492	Σ	-2.642	Σ	-	Σ	66.04
	T	22	T	22	T	3	T	-	T	23
	M _m	-0.720	M _m	-0.841	M _m	-0.881	M _m	-	M _m	2.87
	t	-0.504	t	-0.567	t	-1.000	t	-	t	1.79
April	s	15.798	s	10.285	s	-	s	14.593	s	19.85
	Σ	0.000	Σ	13.209	Σ	-	Σ	-22.455	Σ	-14.53
	T	20	T	20	T	-	T	16	T	19
	M _m	0.000	M _m	0.660	M _m	-	M _m	-1.403	M _m	-0.76
	t	0.000	t	0.287	t	-	t	-0.385	t	-0.17
May	s	16.133	s	10.425	s	-	s	17.568	s	30.38
	Σ	-24.832	Σ	-12.944	Σ	-	Σ	97.744	Σ	306.44
	T	22	T	22	T	-	T	22	T	22
	M _m	-1.129	M _m	-0.588	M _m	-	M _m	4.443	M _m	13.93
	t	-0.328	t	-0.265	t	-	t	1.186	t	2.15
June	s	7.878	s	4.349	s	-	s	18.690	s	18.74
	Σ	-18.228	Σ	-7.925	Σ	-	Σ	-27.738	Σ	-22.45
	T	21	T	3	T	-	T	22	T	22
	M _m	-0.868	M _m	-2.642	M _m	-	M _m	-1.261	M _m	-1.02
	t	-0.505	t	-1.052	t	-	t	-0.316	t	-0.26
July	s	6.834	s	-	s	13.675	s	28.109	s	17.98
	Σ	-14.794	Σ	-	Σ	29.059	Σ	-2.642	Σ	-31.70
	T	21	T	-	T	17	T	20	T	20
	M _m	-0.704	M _m	-	M _m	1.709	M _m	-0.132	M _m	-1.59
	t	-0.472	t	-	t	0.515	t	-0.021	t	-0.39
August	s	8.438	s	-	s	9.993	s	18.276	s	10.00
	Σ	-55.740	Σ	-	Σ	-99.065	Σ	-171.712	Σ	-72.65
	T	23	T	-	T	23	T	23	T	23
	M _m	-2.423	M _m	-	M _m	-4.307	M _m	-7.466	M _m	-3.16
	t	-1.377	t	-	t	-2.067	t	-1.959	t	-1.51
September	s	5.156	s	-	s	12.821	s	12.841	s	9.97
	Σ	-15.850	Σ	-	Σ	-86.384	Σ	-114.122	Σ	-27.74
	T	3	T	-	T	20	T	20	T	3
	M _m	-5.283	M _m	-	M _m	-4.319	M _m	-5.706	M _m	-9.25
	t	-1.775	t	-	t	-1.507	t	-1.987	t	-1.61

	LONG/Jun/07- SHORT/Sep/07	LONG/Mar/07- SHORT/Jun/07	LONG/Dec/06- SHORT/Mar/07	LONG/Sep/06- SHORT/Dez/06	LONG/Jun/06- SHORT/Sep/06
October	s -	s 8.969	s 16.470	s 10.970	s -
	Σ -	Σ 29.059	Σ 89.026	Σ 59.967	Σ -
	T -	T 19	T 22	T 22	T -
	M _m -	M _m 1.529	M _m 4.047	M _m 2.726	M _m -
	t -	t 0.743	t 1.152	t 1.165	t -
November	s -	s 9.986	s 15.745	s 9.035	s -
	Σ -	Σ 60.760	Σ 121.519	Σ 60.760	Σ -
	T -	T 21	T 21	T 21	T -
	M _m -	M _m 2.893	M _m 5.787	M _m 2.893	M _m -
	t -	t 1.328	t 1.684	t 1.467	t -
December	s -	s 10.310	s 11.513	s 18.508	s -
	Σ -	Σ 3.963	Σ 1.321	Σ -2.642	Σ -
	T -	T 20	T 20	T 3	T -
	M _m -	M _m 0.198	M _m 0.066	M _m -0.881	M _m -
	t -	t 0.086	t 0.026	t -0.082	t -
T	s 11.006	s 12.646	s 12.976	s 17.258	s 17.90
O	Σ -105.669	Σ 132.350	Σ 77.931	Σ -122.840	Σ 257.57
T	T 169	T 167	T 166	T 169	T 168
A	M _m -0.625	M _m 0.793	M _m 0.469	M _m -0.727	M _m 1.53
L	t -0.739	t 0.810	t 0.466	t -0.548	t 1.11

This table shows all spread operations analysis for Denatured Fuel Ethanol traded at CBOT involving expiry dates of September, June and March 2007 and June, September and December 2006.

By doing operation analysis of “F”, it is clear that only positive results are presented in February and April (that presented average equal to zero). The largest volatility happened in May; however, none of the months presented statistical significance. “G” operation presented positive results in more than half of the whole months (out of five of the nine tested), with expressive volatility in January and, as well as in “F”, no statistical significance was diagnosed. Similar result occurred in the following operation, “H”, that is, five of the nine tested presented positive results, the highest volatility existed only in October, and there was no statistical significance in any of the presented months. In the “I” operation, daily average revenues were predominantly negative in most of the months: April, June, July, September and December, the greatest volatility was in July. There was no statistical significance in any of the analyzed months, which means gains or losses equal to zero in all of them.

Finally, in operation “J”, only January, March and May presented positive daily average revenues, in this last month, the volatility was the largest if compared to the other months. Contrary to all the other positions, January and May, that were profitable, through t test, were significant, which means, in both months there is a probability of 95% of earnings.

By doing the monthly analysis of the contracts, operation “F” was more profitable in September, when inverted. The “G” is more profitable in February in relation to the other months, as well as November; “H”, in turn, in November, August and September inverted; “I” in May, as well as the “J” operation. Those results presented by the spreads with the expiry dates of CBOT do not differ significantly from the BM&F’s, in other words, more than the spreads presented had negative results in the presented months and the t test was statistically significant in only 2 out of 45 tested months (4.4%).

Such a fact, related above, is reinforced by Bandyopadhyay (2006, p. 75), in her study on the dynamics of the energy future markets (through CBOT’s ethanol futures contracts and NYMEX’s common gasoline and oil futures contracts). This author concluded that in spite of the small volume of ethanol futures in the

former Stock, if compared to the latter, the contracts present lower transaction cost and they make a larger relative contribution for the price discovery. In this way, it shows that the ethanol future market is more appropriate for risks management to those agents at CBOT.

CONCLUSION

This article demonstrated that there is not a great difference among gains with intramarket spread at BM&F and CBOT, it was verified that the gained profitability in the Anhydrous Fuel Alcohol of BM&F and Ethanol Futures of CBOT are not significant to the point of reaching larger value in the Stock that has greater liquidity (CBOT), and most of the months for both Stocks presented losses, so the possibility of most of these losses are statistically equal to zero. In this sense, the traded volume in those Stocks was not the decisive factor in the magnitude of the profitability obtained by the player.

Furthermore, there were few months in which the volatility presented expressive values, exposing a certain pattern in the prices. The results, in a general way, should be considered carefully, since only in a few months there was the presence of statistical significance and, therefore; affective gains or losses, which is consistent with EMH.

As Alves & Marques (2002) affirm: “buying in the fall and selling in the high” (and vice-versa) is the ambition of any player in the market, especially speculators. However for that agent, the possibility of gains with spread in a certain market is related to his effectiveness in noticing the right moments of entering and quitting the market. It is for that reason that it is necessary to take into account (as those authors did in their study) that gains and/or losses with spread in this article can have other results if other market foundations are considered, such as: the law of supply and demand and the instruments of technical analysis (through the study of the behavior of prices in graphs), etc.

Another point to be considered, concerning the importance of the presentation of this study, lies in the verification of the applicability or not of the arbitrage profit in the considered period. The LOP deals with this subject and it is possible to state that the differential in the gains or losses acquired does not happen frequently (only 14.0 % for BM&F and 4.4% for CBOT), because both Stocks do not possess a significant difference in the profitability of the adopted positions in the contracts. Such a fact is confirmed by Vian et al. (2007, p. 18), who assure that the growing international participation of this commodity from Brazil in the last few years was not enough to stimulate arbitrage mechanisms between domestic and international prices in a more powerful way at BM&F.

Girma & Paulson (1999, p. 932) explain that Economics Theory suggests that the relative mismatch between purchase prices and sale revenues exists for a short period of time, but if that situation fails, it will force producers to cut production and, therefore, the supply until the sale revenue and purchase prices are in long term equilibrium. Hence, the Economics Theory leads to the belief that there is a long-term relationship between purchase prices and sales revenues where the spread will tend to converge for the long- term average.

Summarizing, the limitations of this work are recognized, which was elaborated aiming at intramarket spread operations analysis of Anhydrous Fuel Alcohol Futures Contracts traded at BM&F and Ethanol Futures traded at CBOT. In this way, it is suggested that other studies can be carried out, by identifying, for instance, factors that led to the resulting price variations in this study, or also implement a research using another spread type, making comparisons with the same commodity.

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PERCEIVED QUALITY, SATISFACTION AND CUSTOMER LOYALTY: AN EMPIRICAL STUDY IN THE SENIOR-CARE ORGANIZATIONS IN RURAL AREAS OF CENTRAL TAIWAN

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ABSTRACT

The senior-care market has been growing in rural areas of Taiwan. Competition among senior care market players also soared in the past decade and consumers have been demanding better quality performances. This has forced the Senior Care Organizations (SCOs) to fine-tune their employee training programs to meet specific customer needs. The authors examined the relationship between service quality and customer satisfaction of the SCOs residents in rural areas of central Taiwan based on the ten dimensions: access, communication, competence, courtesy, credibility, reliability, responsiveness, security, tangibles, and employee's understanding their customer. The sample data were collected from 130 customers in rural areas of central Taiwan. Multiple regression was used to test the relationship. The statistical results showed that courtesy and security were significantly and positively related to customer satisfaction. Customers seemed to care if the employees were courteous and friendly, and customers were also concerned about the safety and security in the facility environment. To pinpoint what the customers really need, the SCOs in central Taiwan should keep communicating with their customers, to identify the priority dimensions towards customer satisfaction. For example, facility policies and staff training that maximize resident participation in daily decision making should be encouraged.

Keywords: customer loyalty, customer satisfaction, service quality, Taiwan, senior care.

APPRECIATING INDIAN CURRENCY AGAINST US DOLLAR AND ITS IMPACT ON EXPORT PERFORMANCE

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ABSTRACT

In 2007, India experienced rapid appreciation of its currency against the US dollar. The reasons for the appreciation of the rupee were a generally weak dollar in international currency markets and sharp increase in dollar inflows into the country, partly due to India's increasing attractiveness to foreign investors. Although India had been seeing a steady rise in dollar inflows into the country for quite some time, on earlier occasions, the Reserve Bank of India (RBI) had intervened in the foreign currency market and purchased excess dollars so as to prevent any appreciation in the value of the rupee. Now, the RBI decided not to intervene, mainly to control inflation which was around 6 percent in early 2007. The paper converse the reasons for the appreciation of the rupee and its impact on the India's export performance. It also discusses the measures taken by the RBI and the government to control rupee appreciation and to try offset the negative impacts of a strong currency on the economy.

KEYWORDS: Indian rupee, US dollar, Rupee-Dollar exchange rate, Impact of a strengthening currency, Foreign Direct Investment, Inflation.

INTRODUCTION

In April 2007, on the back of a rising rupee, the Indian economy became a trillion dollar -economy, moving the country into an elite group of nations (Refer Figure 1 & 2 for the List of Trillion Dollar Economies). By August 31, 2007, the Indian currency was trading at 40.96 against the dollar, as compared to 46.55 on August 31, 2006, an appreciation of around 12 percent (Refer Exhibit III for Rupee-Dollar Exchange Rate Movement from August 2006 to August 2007). The rise in the value of the rupee was a result of the general weakening of the dollar in international markets, plus India's growing attractiveness to foreign investors.

In 2006-07, India attracted huge capital inflows in terms of foreign direct investment (FDI), and foreign institutional investment (FII). External commercial borrowings (ECB) and non-resident Indian (NRI) deposits and remittances also contributed to the dollar inflow. Although India had been witnessing strong dollar inflows for some time, the rupee had not appreciated as steeply as it did between September 2006 and July 2007 mainly because on earlier occasions, strong dollar inflows into India usually saw the Reserve Bank of India (RBI), India's central bank, intervene in the foreign exchange market and purchase excess dollars so as to minimize volatility in the value of the rupee. This time around, the RBI chose not to intervene, in order to keep domestic inflation, which had been hovering around 6 percent in early 2007, in check.

Figure 1: List of Trillion Dollar Economies in 2007 as per Nominal Exchange Rate

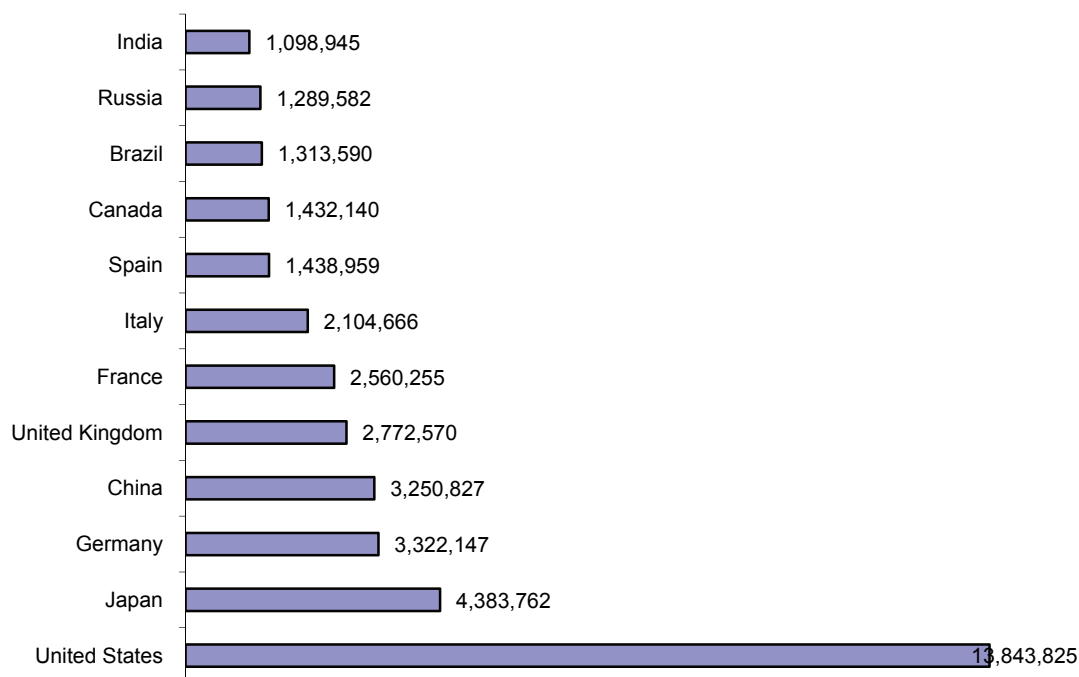
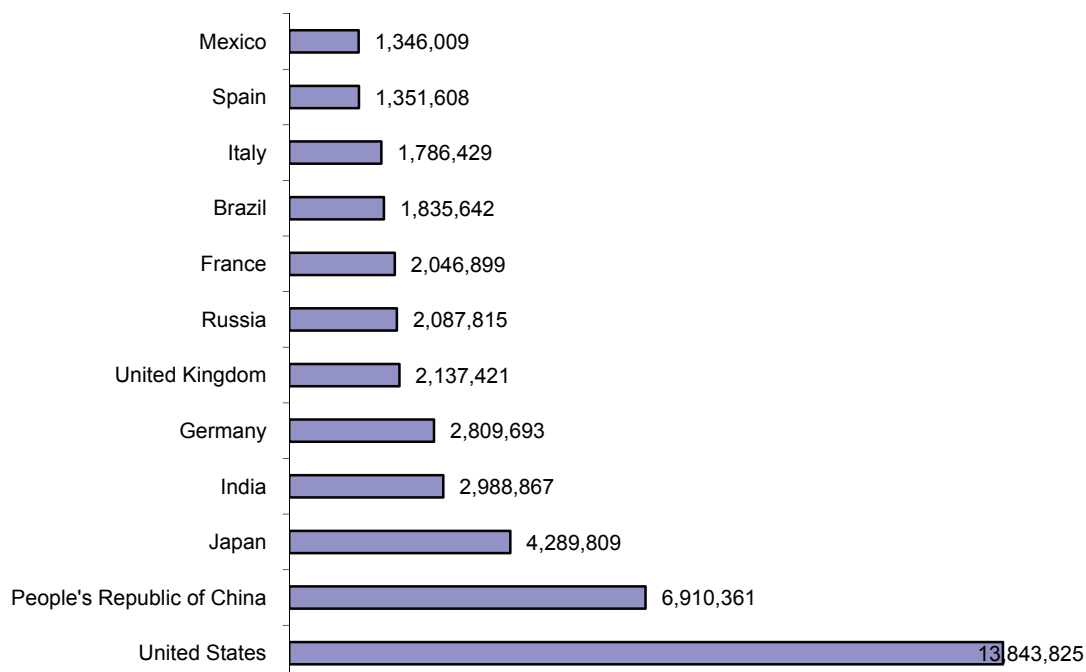


Figure 2: List of Trillion Dollar Economies in 2007 as per Purchasing Power Parity



SECTORAL ANALYSIS OF EXPORTS

Exports across sectors are feeling the heat of the strengthening rupee, which is now trading at just over Rs. 40 to the dollar, its strongest level since March 1998, having risen more than 12 percent against the

dollar this year. This has meant dwindling margins for exporters and in the face of increased competition from other low cost countries in Asia, has dealt a body blow to both services (mainly information technology) and merchandise exports. To underline the gravity of the situation, the Federation of Indian Exporters Organization (FEIO) announced that traditional exports have been severely affected and that almost four million people have lost their jobs in 2007-08.

The textiles and leather industries, in particular, which source their raw materials primarily, from the domestic market, have been severely hit. As per the FEIO estimates 600,000 people in the textiles industry alone will lose their jobs this year. Already, India's exports are showing signs of strain and growth rates are slowing down noticeably. The latest figures for August this year show that export growth at 19 percent, is significantly slower than the figure of 27 percent in August 2006. Crucially reflecting a sharp fall in exporters earnings, exports grew just 4.31 percent in rupee terms this August compared to a 35 percent increase in August 2006. The slowdown in exports, which account for nearly 13 percent of Indian economy, is taking a toll on manufacturing as a whole. Growth in industrial production, as reflected in the index of industrial production (IIP), slipped from 13.22 percent in July 2006 to 7.1 percent in July 2007.

For the first time, the government is looking anxious as well after reiterating consistently that the country will meet the export target of \$160 billion (Rs. 6.4 lakh crore). For 2007-08, the government has now conceded that this figure may not be achieved. The IT industry is the worst hit. From mere 5 percent share of India's 1996-97 exports of \$33 billion (Rs. 1.32 lakh crore), it has increased its share to 25 percent of the countries \$120 billion (Rs. 4.8 lakh crore) exports in 2006-07. This represents compounded annual growth of 35 percent over a ten year period, making it the fastest growing and the biggest exporter in its sector in the country.

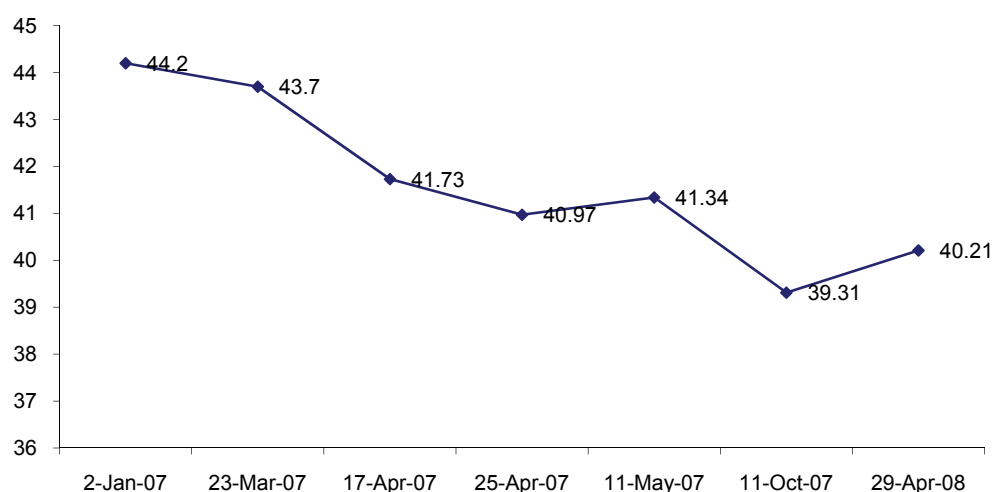
SERVICES: INFORMATION TECHNOLOGY

The weakening of the dollar has meant that the major IT companies have been forced to lower the revenue guidance for the future. For Wipro every 1 percent appreciation of the rupee impacts margins by about 40-45 basis points. From the beginning of this year the 11 percent plus appreciation of the rupee has resulted in a 4.5-5 percent hit on the margins. However the Infosys Technologies manages to buck the trend in its second quarter numbers this financial year. It has not only revised its guidance upwards but has actually expanded its Earning Before Interest Tax Depreciation and Appropriation (EBITDA) margins by focusing on cost cutting and negotiating higher billing rates with clients.

MERCHANDISE EXPORTS

In merchandise exports what is really squeezing the exporters is the fact that the currencies of competing Asian countries have done better against the dollars over the last year. For instance, the Chinese Yuan has appreciated 4.6 percent only and the Pakistani rupee and Bangladeshi Taka have actually depreciated by actually 1.4 and 0.43 percent against the dollar, respectively, making their export more competitive. The impact of this has been sharp, particularly in sectors like textiles, leather and handicrafts, which have a low percentage of imported raw materials and hence don't have a natural hedge against a rising rupee. It is not only the profitability of exporters that has been impacted; their order books have also taken a significant hit. Generally garment exporter have better order position for the Christmas season, from US and Europe, but this year it's down about 20 percent. To combat this trend the textile industry is now considering new strategies. Exporters like Crystalline are actually exploring the possibility of importing cheaper raw materials from countries like China to shore up their margins, which are now hovering around 2-3 percent mark. They are also trying to expand their product portfolio and shift to higher value added products that enjoy better margins.

Figure 3: Exchange Rate Movement between Indian Rupee and US Dollar



The leather industry is also trying to lower costs by importing cheaper inputs for South America and Australia but still it will take few months at least to make the transition. Other export intensive sectors like engineering and chemicals are also feeling the pinch. Light engineering companies, for instance have been affected by the rising costs of inputs like crude oil and steel. This combined with the stronger rupee (about half their invoicing is done in dollars) have already inevitably meant that their bottom lines have been hit hard. To hedge this position companies are trying to invoice in other currencies such as Euro in Europe and the Japanese yen in Asia. But the fact remains that the US is a major and growing market for these companies and they can't ignore it altogether.

The chemical industry faces similar problems (Tables 1, 2 and 3). On the one hand the cost of raw materials like Benzene and Sulphur have shot up globally; on the other side, it faces tough competition from cheaper Chinese exports in basic product categories like dye stuff intermediaries and agro chemical intermediaries. That is why companies are now focusing on increasing productivity. Some are also cutting down on production to deal with the situation.

Table 1: Top 10 Commodities of Export [Values in US\$ Millions: (P) Provisional]

Rank	Commodity	Apr-Dec 2006	Apr-Dec 2007(P)	%Growth	%Share
1	Petroleum (Crude & Products)	14,358.68	19,670.72	37.00	17.35
2	Gems & Jewellery	11,546.74	14,468.68	25.31	12.76
3	Machinery And Instruments	4,885.31	6,102.94	24.92	5.38
4	Cotton Accessories	4,920.77	5,185.01	5.37	4.57
5	Drugs, Pharmaceuticals & Chemicals	4,286.87	5,133.72	19.75	4.53
6	Manufactures of Metals	3,716.42	4,842.06	30.29	4.27
7	Transport Equipments	3,341.62	4,708.46	40.90	4.15
8	Other Commodities	2,292.62	4,331.53	88.93	3.82
9	Cotton Yarn, Fabrics Made ups etc	3,099.93	3,375.86	8.90	2.98
10	Iron Ore	2,575.37	3,259.04	26.55	2.87
	Total	91,584.34	113,364.70	23.78	100.00
	Exchange Rate: (1US\$ = Rs.)	45.4975	40.4073		

Table 2: Top 10 Commodities of Export (Values in US\$ Millions)

Rank	Commodity	Apr-Dec 2005	Apr-Dec 2006	%Growth	%Share
1	Petroleum (Crude & Products)	8,202.10	14,358.68	75.06	15.68
2	Gems & Jewellery	11,291.34	11,546.74	2.26	12.61
3	Cotton Accessories	4,480.68	4,920.77	9.82	5.37
4	Machinery And Instruments	3,575.12	4,885.31	36.65	5.33
5	Drugs, Pharmaceuticals & Fine Chemicals	3,536.47	4,286.87	21.22	4.68
6	Manufactures Of Metals	3,042.48	3,716.42	22.15	4.06
7	Transport Equipments	3,090.98	3,341.62	8.11	3.65
8	Primary & Semi-Finished Iron & Steel	2,137.43	3,303.41	54.55	3.61
9	Cotton Yarn, Fabrics, Made ups etc	2,844.58	3,099.93	8.98	3.38
10	Non-Ferrous Metals	868.06	2,606.45	200.26	2.85
	Total	73,110.95	91,584.34	25.27	100.00
	Exchange Rate: (1US\$ = Rs.)	44.2305	45.4975		

Table 3: Top 10 Commodities of Export (Values in US\$ Millions)

Rank	Commodity	Apr-Dec 2004	Apr-Dec 2005	%Growth	%Share
1	Gems & Jewellery	9,430.21	11,291.34	19.74	15.44
2	Petroleum (Crude & Products)	4,953.78	8,202.10	65.57	11.22
3	Cotton Accessories	3,281.53	4,480.68	36.54	6.13
4	Machinery And Instruments	2,437.69	3,575.12	46.66	4.89
5	Drugs, Pharmaceuticals & Fine Chemicals	2,717.34	3,536.47	30.14	4.84
6	Transport Equipments	1,983.04	3,090.98	55.87	4.23
7	Manufactures Of Metals	2,342.52	3,042.48	29.88	4.16
8	Cotton Yarn, Fabrics, Made ups etc	2,447.70	2,844.58	16.21	3.89
9	Iron Ore	1,697.62	2,591.47	52.65	3.54
10	Primary & Semi-Finished Iron & Steel	2,190.95	2,137.43	-2.44	2.92
	Total	56,473.96	73,110.95	29.46	100.00
	Exchange Rate: (1US\$ = Rs.)	45.3393	44.2305		

Auto parts manufacturers are also finding the going tough. They have started losing orders from OEMs as their products are more expensive than those offered by competitors in Brazil and China. Most of the exporters are now negotiating protective clauses (like the right to negotiate contracts in the eventuality of significant fluctuation in the rupee value) in their new contracts to overcome the crisis. For instance ShriRam Pistons has recently lost three contracts from Renault to companies in Turkey, China and Brazil. Had the rupee been at 45 levels it would have remained with the company.

Interestingly even the gems and Jewellery sector, which has a high level of imported raw material (almost 70 percent), is also feeling the adverse effects of the hardening rupee. Their problem is that they paid upfront for their raw material and the entire business cycle till the delivery of finished goods in the export market takes about six to eight months. Result; they paid for their inputs at much higher rupee rates and are now delivering to customers significantly lower rates-in effect ruling out any advantage of the currency appreciation. Much of the export growth in the industry today comes from trading in polished diamonds; this received a fillip after the government removed import duties. But at the manufacturing level, there is no growth.

Table 4: Exports Growth Rate (P) Provisional

Year	Average Exchange Rate	Growth Rate
2004	45.3393	-
2005	44.2305	30
2006	45.4975	27
2007(P)	40.4073	23

It is evident from Table 4 that rupee appreciation has severely affected annual growth rate in exports. For the same period in 2007 when average exchange rate was Rs. 40.40 against one US Dollar the growth rate was only 23 percent over the same period in 2006 when the average exchange rate was Rs. 45.49 against one US Dollar. Similarly for the same period in 2006 and 2005 the growth rate was 27 percent when the

average exchange rate in 2005 was 44.2305 and the growth rate was 30 percent over 2004 in 2005 when the average annual exchange rate was Rs.45.33. It could now be inferred that over a period of last one to two years when on an average rupee value has appreciated by 12 percent, growth rate in exports have declined by almost at the double rate i.e. 23 percent and in this direction the government's initiative is proving to be insufficient.

Table 5: Indo US Export Statistics (P) Provisional

Year	Average Exchange Rate	Growth rate
2004	45.3393	-
2005	44.2305	30
2006	45.4975	15
2007(P)	40.4073	12

The most severe impact of this appreciation is on India's export to America and it includes both North as well as Latin America. From Table 5 it is clear that from 2005 to 2007 the exchange rate has appreciated in leaps and bounds and simultaneously growth rate in exports have also decreased sharply from 30 percent in 2005 to 12 percent in 2007.

Table 6: Sectoral Impact of Appreciation of Indian Rupee

Industry	% of imported component	% of exports	Impact
Textile	Low	High	Adverse
Leather	Low	High	Adverse
Refineries	High	Low	Beneficial
Auto	Medium	Low	Beneficial
Engineering	Medium	Low	Beneficial
Gems and Jewellery	High	High	Neutral
IT	Low	High	Adverse
Handicrafts	Low	High	Adverse

Government Initiative

- DEPB and duty drawback rates increased
- Rate of interest on pre shipment and post shipment credit reduced
- Exchange earners' foreign currency accounts made interest bearing
- Service tax exemption/refunds in several services
- Export credit and guarantee corporation reduces its premia by up to 10 percent.

Exporters Demand

- Increase DEPB and Duty drawback rates by 5 percent
- Reduce CR or lower benchmark interest rates
- Exempt more services from the tax net
- Reintroduce section 80HHC tax benefits
- Extend tax benefits for export oriented units beyond 2009.

At the moment though, there is little respite around the corner for exporters. The impact is greater for small and medium enterprises that account for almost 70 percent of India's export. Unlike bigger companies most of them are unable to effectively hedge their current exposure. Bankers don't want the smaller players to hedge because of the risks involved. Also, many of them are not well informed about the mechanism of hedging itself. The only certitude in this all pervasive mood of gloom and uncertainty

is that the country's target of achieving a 30 percent export growth will not be met. In the present situation realistically an export growth of 20 percent could be expected.

CONCLUSION

It has now become quite clear that appreciating rupee is truth of the day and it impacts in many ways. For international economic institution it is a sign of strengthening economy but for small and medium exporters it is a double edged sword which can go either way as far as their economic interests are concerned. The government is trying watchfully to reduce to some extent the losses suffered by exporters as it has to look over the increasing inflation prevailing in the economy. Severe measures may result in reversing the trend but may impact the all important import of crude oil, as due to this appreciation government is able to check up to some extent the domestic prices of petroleum products in light of historical increase in international oil prices. These are the certain reasons that led government to revise export targets but restrain to take drastic steps to stop appreciation in Indian Rupee against US Dollar.

Suggestions

In light of appreciation, that is inevitable as Indian economy is growing at an envious pace, as a matter of fact small and medium exporters can take certain steps to bridge their losses by adopting certain proactive measures as:

- Cut operational costs
- Roll back production
- Reduce manpower
- Shift to higher value added products
- Expand in non US markets (Europe, Asia and South America)
- Increase invoicing in other currencies
- Import raw materials
- Focus more on the domestic market
- Hedge currency
- Lobby with the government for tax benefits

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MEASURING MANAGERIAL EFFICIENCY: A BALANCED APPROACH

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ABSTRACT

In the paper the balanced approach to management efficiency measurement is suggested to be used. The idea of measuring the efficiency of all management functions as well as the results of company in order to figure out the efficiency of management system is presented. The paper draws to a conclusion that the shares of each of five recommended for measurement managerial functions is to be estimated in order to create a recommended balance between different management activity performance.

INTRODUCTION

One of the ideas which were guiding management during the end of previous and the beginning of the present century was the following: “If you can measure it you can manage it”. According to that principle there appeared quite a few systems on measuring different issues of enterprise’s activity including those of measuring managerial efficiency. In the suggested systems managerial efficiency is usually defined in terms of enterprise’s efficiency which is not necessarily true. The example of quite a few bankruptcies is pretty illustrative when the shareholders were getting the dividends and were satisfied with the way top management was running business till one day all the profit was shown fell into pieces and the corporations disappeared in just a few month. That proved that shareholder value and annual profit are not enough to measure corporation efficiency and created the balanced approach to enterprise’s activity measuring. The famous ones are balanced scorecard created by Norton and Kaplan and seven levels of consciousness offered by Richard Barrett. In terms of managerial efficiency measurement balanced scorecard approach considers that management is effective is the company is so. Seven levels approach offers an instrument to measure leadership consciousness.

MEASURING MANAGERIAL EFFICIENCY

We would like to emphasize that not only enterprise’s activity efficiency should be measured but the management efficiency as well. We are familiar with the cases a company was efficient not due to the fact it was managed in a proper way but because most of the staff was doing what they thought they needed to which sometimes were quite the opposite to managers’ directions. Let us first put it this way: the lack of profit, efficiency and shareholder value is most definitely due to the poor management. But if the mentioned things are present it is not necessary the result of the proper company management. We think that the balance approach should be used for management efficiency measuring. To do so we suggest to focus on six following issues, five of which are functions of management and the sixth is the results achieved by the company. The five functions are: planning, organization, motivation, control and coordination. The fifth one was added due to the fact that execution of all other four mentioned in the classical science is not enough to manage a company since they are brought together by coordination. All the mentioned functions are to be assessed in order to reveal which function is the poorest in performance. Besides the indicators measuring the fulfillment of each function the percentage of money spent on it relative to the company revenue should be also listed. That amount is to be estimated and ought to be not exceeded. In order to prevent mistakes the efficiency of each function within the balanced managerial measurement should be estimated by no less than 3 different indicators.

Than to have a balanced estimation of management efficiency we are to pay attention to the result of company’s activity which is also to be measured by more than one indicator. We suggest those indicators

to be chosen according to the specific features of company's core industry. For example those could be ones measuring the following aspects: profitability, financial stability, market share, liquidity and shareholder value or other (for instance if we are dealing with non-profit organization). Also the cost of the management should be esteemed as a reference figure.

In order to provide efficient estimation of managerial function performance some indicators are suggested to be used. Their values were divided into 5 group standing for the following:

- Group 1: business with a proper management system
- Group 2: business with a little unbalanced management system
- Group 3: working managerial system that needs to be balanced
- Group 4: disbalanced and sometimes non-working management system
- Group 5: non-working management system

Table 1: Suggested Managerial Efficiency Indicators

Figure	Group 1	Group 2	Group 3	Group 4	Group 5
Short-term planning accuracy	High	Average	Reasonable	Low	Intolerable low
Long-term planning accuracy	High	Average	Reasonable	Low	Intolerable low
Controllability standard	14 and higher	8-13	5-7	3-4	Less than 3
Management cell fulfilment	95-100%	85-94,9%	75-84,9%	60-74,9%	Menec 60%
Quality of motivation	High	Average	Reasonable	Low	Intolerable low
Motivation function performance (by position correspondence)	High	Average	Reasonable	Low	Intolerable low
Quality of control (by usage of formatted indicators)	Excellent	Good	Average	Satisfactory	Unsatisfactory
Quality of control (by shares of deviations found on different stages)	Excellent	Good	Average	Satisfactory	Unsatisfactory
Quality of control (by internal clarity)	Excellent	Good	Average	Satisfactory	Unsatisfactory
Quality of coordination (by synergetic effect)	Excellent	Good	Average	Satisfactory	Unsatisfactory
Quality of coordination (by reaction to changes)	Excellent	Good	Average	Satisfactory	Unsatisfactory
Share of management maintenance cost relative to total cost	10% and less	10-15%	15-20%	20-30%	More than 30%
Profitability	8% and more	6-8%	4-6%	2-4%	Less than 2%
Working capital to short-term debt	1.01-1.5	1.5-2.0	0.9-1.0	0.8-0.9	More than 2 or less than 0.8
EBIDTA/debt	4:1 – 2:1	2:1 – 1.3:1	1.3:1 – 1:1	1:2 – 1:4	More than 1:4

¹that indicator means that every manager has all subordinates he can possibly have according to controllability standard

²profitability and the other indicators below were chosen for travel agencies market

For getting rated as group 1 in each category a company gets 5 point, as group 2 – 4 points and so on to getting 1 point for group 5. If a company earns from 67 to 75 points it is group 1 company, from 54 to 66 – group 2 company, 43-53 – group 3, 33-43 – group 4 and less than 33 – group 5. According to the research carried we are to mention that even the company-leader in the viewed market could not score for group 1. That means that on the searched market the even the best company is having difficulty with management balance.

The research have also shown that the most poorly performed functions were motivation and coordination. Most of the time CEO of the searched organizations did not agree with that point assuming they just need more control. That proves that the importance of control was over-emphasized. Planning function was performed more or less properly in most of the searched companies and that especially applies to short-term planning. As to organizational function there were two categories of the companies. In first type of the companies (company-leaders) it was performed properly, in the other this function can be assumed to be missing within management system.

We also need to mention that balance does not mean that managers should spent the same amount of time and money on the performing of those functions. In the table below there are some figures showing how the efficiency of companies corresponds to distribution of time and money spent by travel agencies management. Table 2 below shows that company spending more time and money on performing motivation function is more successful in the market than the one where time and money are spent equally.

Table 2: A View of Balanced Management Efficiency Estimation of Travel Agencies*

Indicator	Company-leader	Average Company
Time spent by CEO on performing management functions, %	100	100
- planning	20	15
- organization	12	25
- motivation	42	30
- control	10	25
- coordination	16	10
Money spent on performing management functions	100	100
- planning	15	15
- organization	15	25
- motivation	45	25
- control	15	25
- coordination	10	10
Profitability, %	6.4	4.2
Market share, %	14	1,1
Financial stability (EBIDTA/debt)	1:1	1:4

* The research was carried out by the author on Kazan travel agency's market. Over 100 agencies were involved in the research.

Throughout the research the company-leader was defined as the one that has the hugest amount of customers, had the highest profitability and acceptable level of EBIDTA to debt of all the searched companies. We are to mention though that both listed companies chosen as the result of survey made are spending as their CEO believe too much time and money on performing control function. It is also interesting to mention that usually the share of time and money spent on motivation decreases when the share of those ones spent on control increases; also with high motivation less coordination is normally needed. Next let us see the example of applying the performed instrument to the business.

ESTIMATING MANAGERIAL EFFICIENCY: AN EXAMPLE

The detailed research was carried for a company that appeared in the bottom sector of the searched companies.

Table 3: An Example of Management System Efficiency Estimation (Mismanaged Company)

Figure	Figure's value	Point
Short-term planning accuracy	Reasonable	3
Long-term planning accuracy	Low	2
Controllability standard	5	3
Management cell fulfilment	61%	2
Quality of motivation	Low	2
Motivation function performance (by position correspondence)	Unsatisfactory	1
Quality of control (by usage of formatted indicators)	Excellent	5
Quality of control (by shares of deviations found on different stages)	Satisfactory	2
Quality of control (by internal clarity)	Unsatisfactory	1
Quality of coordination (by synergetic effect)	Unsatisfactory	1
Quality of coordination (by reaction to changes)	Satisfactory	2
Share of management maintenance cost relative to total cost	27%	2
Profitability	3.7%	2
Working capital to short-term debt	0.56	1
EBIDTA/debt	1:10	1
Total	--	30

According to the grade gained the company belongs to group 5. The company above was excluded for the survey which results were listed in table 2 though its profitability and market share can be assumed average. This company is exactly the case when profitability is due to the fact that staff is not waiting for the CEO decisions and are doing a lot by taking risks; otherwise the bureaucratic structure of the researched company (which is seen from the value of management cell fulfillment, the company is overloaded with managers performing control function) would have already paralyzed its market activity. So here we have a great example of mismanaging a company. It is also interesting to notice that 41% of management time and money in this company is spent on performing control function, 11% - on motivation, 13% – on planning, 25% on organization and 10% on coordination.

No let us look at the average company and company-leader in terms of suggested management efficiency estimation.

Table 4: An Example of Management System Efficiency Estimation (Company-Leader and Average Company)

Figure	Company-Leader's Value	Average Company's Value
Short-term planning accuracy	4	3
Long-term planning accuracy	3	2
Controllability standard	4	3
Management cell fulfillment	4	4
Quality of motivation	3	3
Motivation function performance (by position correspondence)	3	2
Quality of control (by usage of formatted indicators)	5	5
Quality of control (by shares of deviations found on different stages)	4	3
Quality of control (by internal clarity)	4	2
Quality of coordination (by synergetic effect)	4	3
Quality of coordination (by reaction to changes)	3	3
Share of management maintenance cost relative to total cost	5	3
Profitability	4	2
Working capital to short-term debt	3	3
EBIDTA/debt	3	3
Total	56	44

Average company is the group 3 one, the company-leader is a group 2 company. From the tables above we can make a few conclusions on the poorly performed functions:

- strategic planning is at best performed on average level though the researched market is not the one with a very high level of uncertainty;
- motivation is pretty poor in all cases. As the study had shown all the companies use only financial motivation and only three from all the searched ones deal with development of the staff. In some cases development was present but it was performed after the working hours which did not create motivation due to disrupting the work/home balance of the employees;
- coordinating function is not at good performance either due to CEO's belief that employees should deal with coordination by themselves. During the survey a great part of employees mentioned a need to deal with problems on their own while the results are shared with the management;
- all of the above leads to financial problems.

Also it is interesting to mention that though in the mismanaged company 41% of time and money was spent on control it led to the poorest financial situation. At the same time control function was performed poorly due to unsatisfactory internal clarity. If we look at average company and company-leader we can notice that the raise of internal clarity leads to better motivation function performance and to raise of profitability. At the same time internal clarity is one of uncommon things to perform by Russian management and its high score in a company-leader is the result of the type of this company – sort of

family business. In all the other companies there are problems with internal clarity. At last we are to notice that all the studied management systems are disbalanced both in terms of function performance and time and money spent on performing different functions.

CONCLUSION

The following conclusions can be made on estimating managerial efficiency. The balanced approach should be used which is indirectly proved by the idea that a single manager can not perform all the activity a manager should. In the article above we are talking about estimating system efficiency and the system can consist of a single person in a newborn organization and of hundred and thousands people in a big one. The managerial balance should be achieved in all cases. While creating a balanced measuring system we are to pay attention not only to the way management functions are performed but also to the specific features of the industry a company performs in. Those features help us to figure what company's activity indicators are to be included in the balanced management efficiency measuring system. The examples listed in the paper show that suggested approach clearly shows the blank spots of management when adapted to the business core industry.

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ON THE EFFECTIVE DEVELOPMENT OF CRM SYSTEM IN TAIWAN'S BANKING INDUSTRY

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ABSTRACT

After years of CRM (Customer Relationship Management) adoption in Taiwan's banking industry, there is still room for improvement with this business innovation. Most practitioners do not quite understand CRM. According to a CRM application survey conducted by ARC Consultants Ltd. , while 90% of the businesses in Taiwan (a majority of which were in the banking industry) knew about CRM, only 64% of them were informed of the intension of CRM, and only 10% had already established a CRM system. Clearly, the factors that would facilitate the adoption of CRM in Taiwan's banking industry are worth exploring at this juncture. The research done with the present study has uncovered a number of factors which can be used to guide companies for a successful CRM implementation. These factors include discovering customers' needs, offering channels that the customers prefer, keeping employee's longevity, maintaining employee's morale, conducting a decision support system, ensuring primacy of customer services over strategies, customizing CRM functions/modules, empowering employees with decision making, choosing reputed CRM vendors, and drawing on the expertise of CRM vendors. If the major goal of implementing a CRM system is to improve customer satisfaction, the management in Taiwan's banking industry should then emphasize three of these factors: conducting a decision support system, discovering customer's needs, and customizing CRM functions/modules.

CHAIN REACTION PRINCIPLE OR HOW ARE THE SELF-GOVERNMENT AND EDUCATIONAL REFORMS CONNECTED IN RUSSIA?

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ABSTRACT

When Russia turned to democracy way in early 90s, many problems and lacks of plan-administrative economy were showed brightly. The basic problem was the absence of the experts capable to carry out the activity in the conditions of market economy. It concerns not only to market institutes but also to a life of the society, including local communities which have been confirmed for the first time in the history by the Constitution of Russian Federation 1993 as independent territorial units of the state. All of these events demanded the plan working out on an education modernization. It is possible to name all attempts of last years rather cosmetic than fruitful and just now we can speak about radical transformations of the education in Russia. Today universities are going to pass to new system, to live in new conditions. It concerns also the local self-government which reform also passes at the moment. This article is devoted to basic changes in these two spheres of the society and also opens their interrelation.

INTRODUCTION

The state power mechanism's reorganization is one of the most important parts of the political system perfection process in Russia. The real new element here is the realization of the local self-government concept which is necessary structure of the democratic regime as the experience of the developed countries shows us. Self-government gives the opportunity to decentralize state power's functions and to transfer decision-making process on local issue impact to the communities. Russia is traditionally considered as a country with high centralization management degree.

It is obvious that power organizing issues in the country are connected with its territorial device. The territorial and financial bases' issues of self-government are differently solved on different stages of the local self-government forming and its development in Russia. After Socialist Revolution in October 1917 the bolsheviks' power concept won. Accordingly to their idea representative powers from up to down became the uniform state power system. V.I. Lenin connected democracy of the new authority with the point that "Local Soviets unite free on the basis of the democratic centralism to the uniform nation-wide Soviet power".

Thus the idea of self-government was replaced by the theory of the state centralized management. The Soviets accordingly to this theory belong to political system of the society and first of all they are the political basis of the state. These items were adopted by the Constitutions of 1918 and 1925. The Constitution of the USSR or J. Stalin's Constitution of 1936 clearly formulated the role of the Soviets: "Article 2. The political basis of the USSR consists of the Soviets of labor deputies who grown and strengthen in the result of the landowners' and capitalists' overthrows and due to proletariat dictatorship gains".

The serious changes happened in local powers organization as the conductor of the state authority. Instead of the territorial device existed in the previous years ("gubernia, volost"), the new administrative units appeared such as regions, cities, counties, villages which we have now in Russia. Later the Constitution of 1977 changed again the name of the powers: "All power in the USSR belongs to people. People carry out by the Soviets of the People's deputies. All another powers are under their control". Consequently

territorial organization of the local authority was built accordingly to administrative-territorial division of the state. It was uniform hierarchy centralized system of the state power.

For the same reason in the USSR the uniform budgetary system was organized. It was interrelated with administrative-territorial division and it had three steps structure: state-region-local budget. The interest to self-government aroused again at the beginning of the 80s. The Law of the USSR “On common beginnings of local self-government and local economy in the USSR” played the important role for this system development. It defined its main organizational principals. For the first time new definition appeared - the municipal property.

In July 6, 1991 the Law “On local self-governments in the USSR” was adopted. Since this period the reforming process of the local powers began and the executive authority got more power than ever. This Law clear delimited the competence of the executive and representative powers at the local level. The epoch-making event in the life of the self-governments is connected with the adoption of the Constitution of Russian Federation on December 12, 1993. The new Constitution defined self-government as a necessary element of the democratic state and confirmed its independent status as a form of the people’s power realization. The Constitution gave it warranties at the legislative level to defend its economic basis, municipal property and others property forms. In 1995 Russia adopted the first in its history Federal law on self-governments’ organizational principals. Later the country ratified European Charter of Local Self-Government. These both facts became de jure declaration of Russian opportunity to rise due to urban and rural communities’ development. It was much important for Russia going through democracy formation stage those years (Y. Filippov, V. Gassiy, 2005)

Self-government system reforming has an ambivalent character. On the one hand the reforms are directed to the new social-economic environment in principle, new vital functions of human being. On the other hand people generate a need to specialize to new conditions otherwise this high changing environment becomes aggressive to them. The faults of many reforms have done and carry out today are their “up-down” orientation. Thereby “play rules” were transmitted to and were taken by local governments as the instructions. Just so self-government system was developed in Russia. But despite lacks this Federal Law corresponded to the modern Russian society needs and the international right’s standards. It represented the transition from the soviet system to municipal system of self-government.

The main proclaiming goal of the reforms is to make power closer to people through clear delimitation of the powerful levels. It was demanded by Russian Constitution and European Charter ratified in 1998. The new 131-law authors suggest two-tiered self-government system: upper grade – urban district and municipal region; lower – urban and rural communities (settlement) appurtenant to municipal structure (upper grade). The boundaries of the communities (1000-3000 population) are determined accordingly to the opportunity to get to the administrative center and to come back during working day on foot. Due to this term their amount grew up to 25,000 (Boss, bossmag.ru).

Bringing to uniformity is the main characteristic feature of the new law. There are no any references to local identity. Henceforth every level will have well-defined authorities and financial sources. That approach will stimulate for long-term economic planning. All self-governments will live in new conditions since January 1, 2009. Thus we can define four stages of the self-government system forming of modern Russia:

1. 1990-1993;
2. 1993-1995;
3. 1995-2003;
4. 2003 – at present.

Federal law № 131 reshuffles not only the managers’ functions of different levels, but also makes us to

transform our own lives more actively. The time will show us the results of all these actions. Today there is a real problem for local officials to explain for the residents what self-government is and what it needs for. It is the closest power to us. Voting for future local authorities we choose those people, who will solve every family's or community's problems. There is no more the need to write to the Governor or to President about your problems. Local power will bear the responsibility for all that happens in its territory but also to find the opportunities to earn money for local life improvement.

It needs to realize that to inhale the life to absolutely new forms of self-governments it's not simply at all. The traditions and necessary experience are absent. Nevertheless this process takes place well enough. But there is another problem part in this situation: more than half of all amount self-governments are new organized. They are basically rural communities. In urban areas self-government was before law adoption as a rule but differed by development degree. In rural communities there was "up-down" administrative management. In Soviet Union years, local authorities were more likely decorative than had real power. These structures stopped their work in transitive period. That's why it had to organize local authorities in rural communities "from blank leaf". Now they are exist for all territory of the country. It is the most important achievement of the new Law. People perceived this form of democracy management with the great enthusiasm. They actively vote at the local level. But the paramount problem is the insufficiency of the incomes at the local levels. The question is where these means come from: own sources of income or inter budgetary transfers. By the way in Russia local communities have 3 types of own sources of income:

- Local taxes (land tax, personals' real estate tax);
- Non-taxes income (profit of the local community enterprises' commercial activity);
- Profit of local community's real estate operations (rent, sale or privatization).
-

Local communities have to earn money independently. The analysts consider that during first years local authorities will have lack of means. These problems will be solved due to special state transfers. Following the results of the Ministry of Regional Development analysis at the end of 2007 there are some positive results (Minregion.ru, 2007):

- Local self-governments and municipal service were organized all over the country;
- All self-governments' charters were adopted by Federal registration committee;
- The local powers on local impact issues (LII) are also realize.

LII mean questions of the local residents' life activity maintenance. They are: formation, realizing and the control of the local budget; the municipal property order; the maintenance and building of local highways; the social habitation maintenance of low-income citizens; municipal transport, telecommunication and consumer service; accomplishment and etc.

To November 2007 there were 24,154 self-governments in Russia among them: urban districts – 523; municipal regions – 1799; urban communities - 1732; rural communities – 19864; urban communities inside federal urban district status (Moscow and St. Petersburg) - 236. These numbers testify about new problem for Russia – local development experience absents and as a consequence - shortage of the high-qualified personnel. That's why nowadays the scientists search the ways of this problem-solving. But to the full understanding the problem scale it is necessary to open an essence of the modern reform of higher education in Russia.

What happens with Russian universities today? Since Russia became an independent state, its educational system has been outliving the transition period. In recent years our government took a decision to adopt it to "western standards". All of them will live in absolutely new terms since January 2009, because Russia united to Bologna process (Rome Agreement). Accordingly this agreement there must be 2-level system

of university's education. Students could attempt to get bachelor degree (4 year) and then if they want they will go to magistracy. The system of education existing today is almost the same it was in Soviet Union period. It means that all students studied 5 years and then they could attend to post-graduate school. The most progressive universities tried to use 2-level system several years ago. They have some outputs since that time but as they think they have faced with new problem. The society is not ready to receive new qualifications: bachelor or magister. The labor market is close to these new forms. It lives with Soviet stereotypes. It means that 5-years education is considered today as a "full" rather than 4-years' study isn't accepted by the employers.

Many of them ask during job-taking interview what bachelor means. The statistical researching shows that 8 of 10 students want to continue their education after bachelor degree. That's why today there is active discussion in nostalgic manner about previous system which was in USSR. There are some amenities of Soviet higher education. One of the main features is its free and accessible status. All who wanted to study in the university could do it. Today there are still many places in the universities which are sponsored by federal government but every year they are decreased. The researchers think that free education led to low quality of universities' resource basis. That's why most of them consider the Russian education more theoretical in spite of the fact it must be more practice. The effective educational process we cannot imagine without technical basis development in the terms of expanding Russia's collaboration with the other world. Consequently the Russian education attractiveness will decrease for Russian and foreign students in the future.

The second feature is high standardization degree and the absence of the opportunity to change educational programs. In the times of USSR its economy was "close" system there are no any business structures which would need in special educational professionals. Today the market economy needs managers, brokers, social workers, community developers etc. The educational standards didn't allow tutors and universities to be free in decision-making what and how to teach. Since 1991 the universities have got the part of this freedom. In our educational plan we have federal standard (the list of the disciplines) and the university can add some special subjects necessary to faculties' specialization.

The third specific feature of the universities of Soviet Union period is compulsory graduate distribution. There was low labor mobility characterizing Soviet system. This distribution allowed providing any economic branch by high qualification shots. After disintegration of the USSR this practice has ceased to exist. We cannot say Bologna process will solve all problems but it will help to reform old educational system accordingly to time requirements.

Summing up to the aforesaid it is possible to draw the general conclusion that Russian universities at the beginning 90^s were the carriers of the Soviet educational system. They were academic structures separated with science centers which were independent and didn't belong to them. They had difficulties with teaching new disciplines. The situation was enough comical as the yesterday's professor of communist's ideology started to teach political or cultural sciences. That's why the problem for the universities at the first stage of the reforms was getting new qualification by the tutors. Many educational centers were organized in Moscow and St. Petersburg and later all over the country. At the universities many absolutely new faculties appeared such as management, business and computers' system, social work, public administration etc.

When the first Federal Law on self-government was adopted in 1995 the necessity in local community developers appeared. The university started to open new specializations within public administration departments and today they are one of the most popular among school's graduates. The management faculty was opened in Kuban State University in 1993 and later in 1998 some of the famous its professors became the initiators of the Public administration department organizing. They actively began to collaborate with the local authorities explaining the importance of the additional education local officials.

The first mayor of Krasnodar supported them. The special programs for these purpose were designed and since that time Public administration department has the reputation of one of the most progressive and qualified center for local developers education. Annually the scientists and researchers of the PA win tenders for the right to teach local community leaders by Federal or Regional educational programs. Federal and state governments allocate grants for the additional education of the state and local level officials. The faculty is obliged by many achievements to the collaboration with foreign colleagues and particularly it needs to remember of the Kuban scientific school of local community development's history.

Kuban State University (Krasnodar region, Russia) was one of the first in Russian scientist society which suggested turning to the foreign experience in this field (Krasnov, 2007) . In KubSU, Kuban scientific school of local community development was built in 1995 firstly on the basis of management faculty. Today there are a lot of followers outside Krasnodar and Krasnodar region. In 1998 in Kuban State University the Local Community Development Center (LCDC) was organized and it has been working for 10 years (Merit 2 Project). During the work the specialists use the materials received due to international collaboration with Wisconsin/Extension (Madison), participation in TACIS EDRUS – 9409 project (“The government perfection on the South-west part of Russian Federation”), working trips to France, Holland, Denmark, Ireland; participation in MERIT-2 project (“Local community development on the South of Russian Federation”) (Merit 2 Project).

During this period 4 projects on urban strategic planning were realized by the Center researchers in the towns of Krasnodar region with the population about 150,000 - 200,000 each. The last was over in spring 2008. Also there were many small projects realized in the local communities all over the state. The university as a unique organization could and must help people to specialize to radical changes in their life. The system provides the access to educational, consulting and research services oriented to real community needs. The System using Wisconsin/Extension experience allows:

- To reveal local community needs in change;
- To transform these needs to educational opportunity;
- Client-oriented programs designing and realization;
- To use the interactive social technologies.

In 2000 Kuban State University became a co-founder of the Fund of Local community development support (FLCDS). It realizes the programs in the following directions:

- Strategic planning of local community development;
- Economic local community development;
- Self-government development.

The main role belongs to local community developer in the development process. His activity is considered in to two aspects. The first – work with people: communication organizing, assets development revealing and searching etc. The second – problem identification, analytical and technical project providing, assets combination etc.

Today at Kuban State University every year there are a lot of students preparing to be developers; the KSU was one of the first universities in Russia open the PhD Council with the narrow specialization “municipal economy and local community development management”(Kuban University) . The professors of the Public administration department (KSU) take active participation in Federal and State educational programs for local community leaders. Over 800 community leaders studied at the program “Realizing of the new federal law № 131 in Russian Federation” in KSU/LCDC. The LCDC realized some large-scale projects on local community development in Krasnodar region. That's why we can

conclude that all these achievement became real due to time challenge and the help of our foreign colleagues.

The principal achievement of all these years is the fact that scientists work with the people in their communities. They work at the place talking to the residents, “touching, tasting, and smelling”. We say that “theory met practice”. It is the most important idea adopted at the Extension. What disturbs to the further development of Russian Extension? Many scientists mark imperfection of legislative base as a major factor. As various amendments for example are constantly made to the budgetary code, the tax laws changes rates, and the federal law in practice only passes the first test. Local communities have no enough money for independence development so they are still depends by upper power level. That’s why it needs to continue education of state and local officials. It is obvious fact for many of them and it means a progress.

If to tell about plans for the future it’s necessary to mark that there are enough and they are rather ambitious. They are: the further support and development of the Annual Russian Municipal forum which is organized with the Public Administration department, KubSU; the further activization of cooperation with foreign partners and first of all with Wisconsin-Extension, Madison USA. The primary goal is the improvement of educational quality and own growth. It would be desirable to finish by the words of the founder of Kuban scientific school of local community development professor Yuri Filippov: “After long years of crisis and the attempts to problem-solving with “up-down reform policy” the understanding comes that local community development is the one way of Russia’s revival. Jobs, incomes, life conditions directly depend on local community development degree. In turn the future of Russia depends on the residents’ skill to incur the responsibility for their destiny”.

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BIOGRAPHY

Violetta Gassiy is an associate professor of Public administration department, Kuban State University Krasnodar, Russia. She is an author of tens of articles on local community development problems. Due to her book “Partnership and cooperation for local economic community development in social capital theory context” Dr. Gassiy became a laureate of VII Annual Russian Forum of local self-government specialists in 2007. She was a researcher of two international projects: program DAAD at Fachhochschule für Technik und Wirtschaft, Berlin (University of Applied Science) and researcher of MERIT-2 “Municipal

social-economic reform in the south of Russia”, TACIS, Ireland (National Irish University). In 2008 she became a finalist of Fulbright scholar program and now she is a visiting professor at the University of Wisconsin, Madison.

PREDICTABILITY OF RETURNS: A CASE STUDY OF KARACHI STOCK EXCHANGE PAKISTAN

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ABSTRACT

The study has been designed to investigate the presence or absence of random walk in the price generation process in a stock market. This is evaluated using stock market indices. The study is made comprehensive by including stock market indices from July 1997 – July 2007. Weekly stock indices are used for evaluation of KSE. The daily stock indices are not used because of several biases such as bid ask spread, non-trading etc. The Efficient Market Hypothesis (EMH) was tested using a GARCH model. It is concluded that Karachi Stock Exchange does not follow random walk and the predictability of returns and risk is possible. These tests indicate non-randomness in the behavior of Karachi Stock Exchange indices and hence cast a shadow on the efficiency at the KSE. These are the powerful test and hence their results can be relied upon. The study recommends that SECP step up its regularity measures in the general interest of the public.

INTRODUCTION

The theory of random walks implies that a series of stock price changes has no memory. In another words, the past history of the series can not be used to predict the future in any meaningful way. The future path of the price level of a security is no more predictable than the path of a series of cumulated random numbers. Hence the market is regarded as efficient.

Contrary to this concept, there are other methods which suggest that stock prices do not follow a random behavior and hence the future values of stocks are conventional. One of the theories that is the Chartist theories implicitly assume that the successive price changes are dependent. That is, the history of the series can be used to make meaningful predictions concerning the future. Correspondingly, the Fundamental Value Analysis also believes in foretelling the future values of stocks. Thus the two schools-of-thoughts differ in their assertions. In Pakistan so far some degree of work has been done on stock market. Still very commonly used econometrics models have not been tested in our markets. This study applies a classical framework of testing market efficiency.

THEORETICAL FRAMEWORK

The Random Walk Hypothesis (RWH) affirms that stock market prices cannot be predicted. Researchers have traditionally accepted the random walk hypothesis. However there are others who think that the market is conventional to some degree. These people believe that there are trends in the prices and one can find out whether the stock is on the rise or fall. So now there are two schools of thoughts: one in favor of Random Walk Hypothesis and the other against it.

Louis Bachelier (1900) observed that changes of prices of French government papers are unpredictable. So he concluded that "*the mathematical expectation of the speculator is zero*". However his research remained largely anonymous until 1930s. Holbrook (1934) found that successive stock price changes are autonomous and uncorrelated which caused him to assert that they are generated randomly. The conclusions of Holbrook were supported later by Kendall (1953), and Fama (1965), and others. Their

researches mostly concentrated on the statistical approach to testing stock price independence. However later researches of Lo & MacKinlay (1988) showed that stock prices do not follow the random walk in the long run. The concept of efficient market was introduced by EUGENE F. FAMA (1970). According to them “*efficient*” market is defined as a market where there are large numbers of rational profit-maximizers actively competing with each other, trying to predict future market values of individual securities, and where important current information is almost freely available to all participants. In other words, all information (news) about a given stock is reflected in its price. The faster a market adjusts to new information the more it is considered efficient. This is known as Random Walk Hypothesis (RWH).

Random walk hypothesis has been tested in many stock exchanges of the world. Several researches have been done on this topic on various stock markets of different countries or regions. Some studies have found that selected stock market follow random walk Fama (1970). While some studies have found selected stock market don't follow random walk such as Pant & Bishnoi (2001) and Lo & MacKinlay (1988).

Koh & Goh (1994) tested the random walk hypothesis on Malaysian stock indices. The results revealed that the Malaysian stock market followed random walk in the long run. Lo & MacKinlay (1988) rejected the random walk hypothesis. Similarly, Kim, Nelson & Startz (1991) examined the random walk process of stock prices by using weekly and monthly returns in five Pacific-Basin stock markets. They rejected the hypotheses of randomness for both daily and weekly market returns for Korea and Singapore and accepted the null hypothesis in case of Japan. The hypotheses for Hong Kong daily returns index and the Taiwan weekly returns index were also rejected. Their results showed that all the returns based on the five market indices were positively auto correlated except for Japan.

Barman & Madhusoodanan (1993) study based on industry wise indices concluded that in general Indian market is mean reverting. In his further study Madhusoodanan (1998) concluded that RWH can-not be accepted for BSE sensitive index and BSE national index and observed that Heteroskedasticity does not seem to be playing an important role in the Indian stock market. Ming, Nor & Guru (2000) demonstrated that Kuala-Lumpur stock exchange did not follow random walk. Darrat & Zhong (2000) examined random walk hypothesis for the two newly created stock exchanges in China. They rejected the random walk in newly created Chinese stock exchanges using both the methodologies. Grieb & Reyes (1999) re-examine the Brazilian and Mexican stock markets. The findings indicated non-random behavior in the Mexican market while the Brazilian market indicated evidence in favor of the random walk.

Karachi Stock Exchange

The KSE is the biggest stock exchange in Pakistan and in 2002 it was declared as the “Best Performing Stock Market of the World” by “Business Week”. As of December 20, 2007, 671 companies were listed with the market capitalization of Rs. 4364.312 billion (US \$ 73 Billion) having listed capital of Rs. 717.3 billion (US \$ 12 billion). On December 26, 2007, the KSE 100 Index reached its ever highest value and closed at 14,814.85 points. KSE has been well into the 4th year of being one of the best performing markets of the world as declared by “Business Week”. Similarly USA Today termed Karachi Stock Exchange as one of the best performing stock exchanges in the world. Foreign buying interest had been very active on the KSE in 2006 and has continued in 2007 so far. According to estimates from the State Bank of Pakistan, foreign investment in capital markets total about \$523 Million US. According to a research analyst in Pakistan, around 20pc of the total free float in KSE-30 Index is held by foreign participants. The KSE-100 is a capital weighted index and consists of 100 companies representing about 86 percent of market capitalization of the Exchange. In 1995 the need was felt for an all share index to reconfirm the KSE-100 and also to provide the basis of index trading in future. On August 29, 1995 the KSE all share index was constructed and introduced on September 18, 1995.

KSE has also introduced KSE-30 Index which is calculated using "Free Float Market Capitalization Methodology". The primary objective of the KSE 30 Index is to have a bench mark by which the stock price performance can be compared to over a period of time. In particular, the KSE-30 Index is designed to provide investors with a sense of how large company's scrip's of the Pakistan's equity market are performing.

DATA AND HYPOTHESES

The data of this study consists of the monthly and weekly returns of all shares included in KSE- 100 index. Ten years data has been used for present study. (the maximum online available data on KSE-100 index), starting from July 1997 to July 2007. The daily closing prices of KSE-100 index were used as a source document which was used to arrive on weekly and monthly basis and from that data weekly and monthly returns were calculated. Because of the various biases in the daily data, it was not considered. It is hypothesized that the Karachi stock market does not follow the random walk

Sources of Data

Weekly and monthly closing values of kse-100 index from July 1997 to July 2007 were taken from www.finance.yahoo.com. The data is spread over 121 months and 519 weeks. After getting the data, returns were calculated as the logarithmic difference between the two consecutive prices in a series yielding continuously compounded returns. Its equation is

$$R_t = \ln\left(\frac{P_t}{P_{t-1}}\right) \quad (1)$$

or

$$R_t = \ln(P_t) - \ln(P_{t-1})$$

Whereas;

P_t = current closing index price

P_{t-1} = opening or pervious period closing price

\ln = Natural log

Monthly returns were calculated by taking log difference between two consecutive month's prices and weekly returns were calculated by taking log difference of two consecutive weeks' prices.

Analytical Technique for Market Efficiency

The weekly data of the KSE-100 index was analyzed by employing a GARCH test. Bollerslev (1986) have introduced a generalized model which essentially generalizes the ARCH by modeling the conditional variance as an ARMA process. The general specification of the model is as under:

$$Y_t = \beta_0 + \beta_1 Y_{t-1} + u_t \quad (2)$$

Where,

$$u_t \sim N(0, \delta^2)$$

$$\delta^2 = \pi_0 + \pi_1^2 e_{t-1} + \pi_2 \delta^2_{t-1} + v_t$$

In this specification of the model Y_t is submitted as the mean equation and the δ^2 represents the variance equation. The mean equation is specified as an autoregressive process ARMA (p,q), which assumes that

the time series depends upon its lag value. The choice of selecting was done using standard econometric technique.

RESULTS AND DISCUSSION

The following table reports the result of an ARMA (1, 0) model and the GARCH (1, 1) model. The significant value of Alpha (1) and Beta (1) are indicative of the fact that conditional volatility changes over time due to volatility clustering. Moreover, the sum of these coefficients is very high which entails that the shock tends to last for longer periods. The sum of these coefficients is less than one and is pinpointing the stability of the model.

Table 1: ARMA (1, 0) and GARCH (1,1) Estimates

Variable	Co-efficient	P-Value
const	0.00284517	0.05982
Idv_1	0.159088	0.00087
Alpha (0)	0.000102677	0.01270
Alpha (1)	0.173243	0.00005
Beta (1)	0.772830	0.00001

AIC = -1922, Loglikelihood ratio = 973.131

CONCLUSION

The randomness or the nonrandom ness of the stocks and other financial assets is an issue which has been widely explored by a number of researchers in the wake of market efficiency debate and keeping in view the growing activities of the speculators and other investors across the globe. Our primary concern was to investigate the efficiency at the Karachi Stock market following the recent crash and call for investigation regarding the manipulation by the stock brokers. Based on the result of the robust tests applied on KSE-100 Index, it is finally concluded that Karachi Stock Exchange doesn't follow the random walk hypothesis. The findings of this study are also consistent with the past researches that reject Random Walk Hypothesis for KSE.

The results of the study shall aid the investors and other stakeholders in their practice at the stock market. It will also help the policy maker in devising policy to overcome the inefficiency in the market. The study recommends that the Security and Exchange Commission of Pakistan (SECP) should review its existing regularity procedure and should step up measure to ensure the transparency in transaction to achieve the information efficiency at the market.

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RELAXATIONS AND EQUIVALENCE OF TWO FORMULATIONS OF THE CAPACITATED LOT SIZING PROBLEM WITH BACK-ORDERS AND SETUP-TIMES

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ABSTRACT

Realistic variants of the capacitated lot sizing problem (CLSP) have received much less attention in the literature than what it deserves. This work takes into consideration two very prominent practical variables of the CLSP called 'back-orders' and 'setup-times'. We give the classical formulation of our problem based on the standard mathematical model of CLSP; and later it is modified, using the similar sets of variables and constants, to formulate it as a transportation problem. We prove theoretically that the classical and the transportation models of problem will produce the same objectives. Various Lagrangian relaxations and linear relaxations to these two formulations are given in this work, along with their relative theoretical and mathematical comparisons. All the theoretical statements and their proofs provided in this work are to be verified empirically. We keep this in our future research agenda. Literature reveals that linear relaxations of the transportation model give 60% better objective values as compared to the linear relaxation to the classical model of CLSP. However for a CLSP with considerations of back-orders and setup-times included, we have found contrary results, theoretically as well as empirically, that linear relaxations to both the models produce the same objective values.

INTRODUCTION

To decide upon the size of a lot, has been one of the favorite ideas to explore for researchers in the last five decades. Closer the problem moves towards reality, the harder it becomes to solve. Even one of the most basic versions of the problem called single item capacitated lot-sizing problem (CLSP), which neglects back-orders and setup-times, is shown to be NP hard by Florian et al. (1980) and Bitran et al. (1982). This is the reason which motivates researchers to look into the problem by relaxing assumptions and move closer to solve the real life problems of this genre.

This work considers a multi-item CLSP with back-orders and setup-time considerations. We call the problem as CLSP_BS, where 'B' and 'S' signify back-orders and setup-times respectively. There are assumptions, which make the problem still away from the reality, but some of the critical issues like capacity, back-orders and setup-times are addressed for a multi-item lot-sizing problem, which has received less attention in the past, as shown by Karimi et al. (2003).

We formulate the problem in two different styles and show that both are equivalent to each other. For each of these formulations we have proposed different relaxations; and a theoretical framework has been devised to show the relative strength of these relaxations.

LITERATURE SURVEY

The economic order quantity (EOQ) model given by Harris (1913) is known to predate the lot sizing problem. Although it was the most basic model paving the way to large research in this area, the model with its assumptions is too relaxed to be applicable in practice. Another landmark was the dynamic programming algorithm given by Wagner and Whitin (1958) for the single-item uncapacitated lot sizing problem. It is a computationally efficient and optimal producing algorithm, and various researcher like

Wagelmans et al (1992), Aggarwal & Park (1993) Federgruen and Tzur (1991) have modified the algorithm appropriately to reduce the computational complexity of the Wagner-Whitin algorithm.

We focus here on the capacitated version of the lot sizing problems and hence refer the readers to Karimi et. al. (2003), which reviews various research done on CLSP. They concludes that the realistic and practical variants of the CLSP, specially which considers back-orders, setup times and setup carry-overs have received less attention than what it deserves.

Zangwill (1966) and Zangwill (1969) are one of the earliest works done on backlogging models, however they applied it to the uncapacitated lot sizing problems. Pochet and Wolsey (1988) have given a mathematical approach to deal with a variety of lot sizing problems, including that with back-orders; however they did not take into account any time consideration in their models. Millar and Yang (1994) gave two algorithms for solving a network-based formulation of the capacitated multi-item lot-sizing problem with backordering. The algorithms are computationally shown to be effective with high backorder costs. The impact of permitting backorders under various problem characteristics are also evaluated. Hung and Chien (2000) experimented on the solution techniques of multi class, multi level CLSP with three meta-heuristics – tabu search, simulated annealing and genetic algorithm. They conclude that the tabu search and simulated annealing perform best on the respective particular classes of problems selected. Karimi et. al. (2006) gave an algorithm which is very effective, and is capable of producing solutions of very high quality in very short computation times.

The work done in this paper is motivated from the theoretical and mathematical comparisons of the Lagrangian and linear relaxations done by Chen and Thizy (1990) for the classical version of the multi-item CLSP. They however did not consider the variables of back-orders and setup times in their model. We have extended their theorems and the proofs to be applicable for the classical as well as transportation versions of a CLSP with back-order and setup time considerations.

FORMULATIONS

Classical Formulation of the CLSP_BS

The standard formulation of the CLSP which is available in the literature is extended to include the variables and the situations which we propose to study, to the model. The assumed model is a single level, multi-item, multi-period case of a capacitated lot sizing problem, with back-orders and setup times considerations included.

Definition of Variables

XP_{it}	: Number of items 'i' to be produced during the period 't'
$XINV_{it}$: Number of items 'i' carried as inventory at the end of period 't'
XBO_{it}	: Number of items 'i' that will be back-ordered from period 't'
YS_{it}	: Binary variable for setup of the resource for item 'i' during the period 't' = 0 (if there is no setup required), 1 otherwise

Definition of Constants

CP_CL_{it}	: Unit cost of producing item 'i' in period 't'
CS_CL_{it}	: Unit cost of setup, for item 'i' in period 't'
$CINV_CL_{it}$: Unit cost of holding inventory of item 'i' for 1 period.
CBO_CL_{it}	: Unit cost of Back-ordering item 'i', which was demanded during the period 't'
CAP_{it}	: Capacity available to produce item 'i' during the period 't'
$CAPT_t$: Capacity available in time units, in a period 't'

D_{it} : Demand of item 'i' during the period 't'
 PT_i : Time required to process the item 'i'
 ST_i : Time required to setup the production for item 'i'

Index used in the model:

i = product type, $i = 1, \dots, I$.

t = planning period, $t = 1, \dots, T$.

The classical CLSP_BS (referred as problem 'P' here) can be modeled as follows.

$$\text{Minimize } Z = \sum_{i=1}^I \sum_{t=1}^T [CP_CL_{it}XP_{it} + CS_CL_{it}YS_{it} + CINV_CL_{it}XINV_{it} + CBO_CL_{it}XBO_{it}] \quad (1)$$

subject to:

$$XP_{it} + XINV_{i,t-1} + XBO_{it} = D_{it} + XINV_{it} + XBO_{i,t-1} \quad \forall i, t \quad (2)$$

$$\sum_{i=1}^I (PT_i XP_{it} + ST_i YS_{it}) \leq CAPT_t \quad \forall t \quad (3)$$

$$XP_{it} \leq CAP_{it} YS_{it} \quad \forall i, t \quad (4)$$

$$XINV_{it}, XP_{it}, XBO_{it} \geq 0 \quad \forall i, t \quad (5)$$

$$XINV_{i0}, XINV_{iT} = 0 \quad \forall i \quad (6)$$

$$XBO_{i0}, XBO_{iT} = 0 \quad \forall i \quad (7)$$

$$YS_{it} \in \{0, 1\} \quad \forall i, t \quad (8)$$

CLSP_BS as a Transportation Problem

The single level, multi-item, multi-period capacitated lot sizing problem with back-orders and setup times considerations can be modeled effectively in the form of a transportation problem as given in this subsection.

Definition of Variables

X_{itr} : Number of items 'i' produced in period 't' to satisfy the demand of period 'r'
 YS_{it} : Binary variable for setup of the resource for item 'i' during the period 't'
 = 0 (if there is no setup required), 1 otherwise

Definition of Constants

CP_TP_{it} : Unit cost of producing item 'i' in period 't'
 CS_TP_{it} : Unit cost of setup, for item 'i' in period 't'
 $CINV_TP_{itr}$: Unit cost of holding inventory of item 'i' 1 period; ($r \geq t$).
 CBO_TP_{itr} : Unit cost of Back-ordering item 'i', which is produced in period 't', but was required at period 'r'; ($r \leq t$).
 CAP_{it} : Capacity available to produce item 'i' during the period 't'
 $CAPT_t$: Capacity available in time units, in a period 't'
 D_{ir} : Demand of item 'i' during the period 'r'
 PT_i : Time required to process the item 'i'
 ST_i : Time required to setup the production for item 'i'

Index used in the model

i = product type, i = 1, . . . , I.

t = planning period, t = 1, . . . , T.

r = planning period, r = 1, . . . , T.

Note that the costs defined in this work are amongst the most generalized versions available in the literature of CLSP. Even when we are making an equivalence of the transportation model and classical model of CLSP_BS, the cost structure is appropriately modified so that we consider the most general costs for both the models, while maintaining equivalence between the two. For the unit setup cost and unit production cost, index 'it' maintains the generalization, so that the setup and production cost can be different for each item in each period.

In classical model of CLSP_BS, the index 'it' makes the unit inventory carrying cost and the backorders costs universal, so that these can be different for different items carried and/or backordered at the end of any period. But these costs when are considered for the transportation model, we modify them by adopting an index of 'itr' by which costs are differentiated for each item which is carried and/or backordered from time period 't' to the time period 'r'. While populating the values of unit inventory carrying costs and unit back-orders cost in transportation formulation of CLSP_BS from the corresponding values in classical model, following relation is used:

$$CINV_TP_{itr} = \sum_{p=t}^{r-1} CINV_CL_{ip} \text{ for } r > t; \text{ and } CINV_TP_{itr} = 0 \text{ for } r \leq t \quad (A)$$

$$CBO_TP_{itr} = \sum_{p=r}^{t-1} CBO_CL_{ip} \text{ for } r < t; \text{ and } CBO_TP_{itr} = 0 \text{ for } r \geq t \quad (B)$$

CLSP_BS as a transportation problem (referred as problem 'P' here) can be modeled as follows.

$$\begin{aligned} \text{Minimize } Z' = & \sum_{i=1}^I \sum_{r=1}^T \sum_{t=1}^T CP_TP_{it} X_{itr} + \sum_{i=1}^I \sum_{t=1}^T CS_TP_{it} YS_{it} + \\ & \sum_{i=1}^I \sum_{r=1}^T \sum_{t=1}^T CINV_TP_{itr} X_{itr} + \sum_{i=1}^I \sum_{r=1}^T \sum_{t=1}^T CBO_TP_{itr} X_{itr} \end{aligned} \quad (1')$$

subject to:

$$\sum_{t=1}^T X_{itr} = D_{ir} \quad \forall i, r \quad (2')$$

$$\sum_{i=1}^I \left[PT_i \left(\sum_{r=1}^T X_{itr} \right) + ST_i YS_{it} \right] \leq CAPT_t \quad \forall t \quad (3')$$

$$\sum_{r=1}^T X_{itr} \leq CAP_{it} YS_{it} \quad \forall i, t \quad (4')$$

$$X_{itr} \geq 0 \quad \forall i, t, r \quad (5')$$

$$YS_{it} \in \{0,1\} \quad \forall i, t \quad (6')$$

RELAXATIONS

Relaxing Problem 'P'

Let us assume the following notations before proceeding ahead to give some theorems and their respective proofs:

$v(.)$: Optimal value of the problem (.); P_8 : Lagrangian relaxation of the constraint;

Also the Lagrangian relaxation of (8) is equal to the linear relaxation of the problem P.

In the classical formulation to the CLSP_BS, when we relax the binary constraint YS_{it} to vary continuously between zero and one, it is referred to as a linear programming (LP) relaxation. Mathematically it can be denoted as:

$$0 \leq YS_{it} \leq 1 \quad \forall i, t \quad (9)$$

The LP relaxation of the problem 'P' may be referred to as P_8 and is formulated as:

Minimize (1); subject to: (2) - (6), (7), (9)

Now we propose the following theorems for the various relaxations of the classical formulation of CLSP_BS.

Theorem 1: For the problem P_8 , there exists an optimal solution for which

$$YS_{it} = XP_{it} / CAP_{it} \quad \forall i, t \quad (10)$$

Proof: Suppose there does not exist an optimal solution with $YS_{it} = XP_{it} / CAP_{it}$. Let this to be called supposition S_1 .

If S_1 is true, then there exists an optimal solution for P_8 such that:

$$XP_{it} < YS_{it} CAP_{it}$$

Then the value of YS_{it} can be reduced (as $CS_{it} > 0$), to reduce the objective function value of the problem P_8 , without violation of the constraints (as $TS_i > 0$).

But then this violates the supposition S_1 , that it is the optimal solution. This proves the theorem.

Theorem 2: For the problem P,

$$v(P_8) \leq v(P_2) \quad (11)$$

$$v(P_8) \leq v(P_3) \quad (12)$$

Proof: P_8 is a linear relaxation. P_2 & P_3 are lagrangian relaxations formed by including constraints 2 & 3 in the objective function.

Value of the Linear relaxation of a minimization problem is always less than the value of any Lagrangian relaxation, is a well proven hypothesis following from Geoffrion (1974). This proves the two claims stated in Theorem 2.

Now, a common observation is that $v(P_8)$ is generally well below the optimum value $v(P)$ of the original classical problem. Here we want to give a measure to the quality of the linear relaxation, and specifically display a worst case for the error bound.

$$\text{Theorem 3:} \quad v(P_8) \geq \sum_{i=1}^I \min_{\forall t} CS_{it} - CL_{it} \quad (13)$$

$$v(P) - v(P_8) \leq \sum_{i=1}^I \sum_{t=1}^T CS_{it} - CL_{it} - \sum_{i=1}^I \min_{\forall t} CS_{it} - CL_{it} \quad (14)$$

Proof: CS_{it} is the cost of a setup, hence assumed to be always positive. Now from (4), we get $YS_{it} \geq XP_{it} / CAP_{it}$. So the minimum value (optimal) of the problem P_8 can be obtained for $YS_{it} = XP_{it} / CAP_{it}$. Also, we assume in our problem that $CAP_{it} \leq D_{i1T}$; where D_{i1T} is the demand of item 'i' from first period to the T^{th} (last) period.

In general, we follow the notation, $D_{iab} = \sum_{t=a}^b D_{it}, \forall i$.

$$\text{As for all items 'i', we can say that } \sum_{t=1}^T \frac{XP_{it}}{CAP_{it}} \geq \frac{1}{D_{i1T}} \sum_{t=1}^T XP_{it} = 1 \quad (15)$$

Therefore, the total setup costs of this solution are greater than $\sum_{i=1}^I \min_{\forall t} CS_{it} - CL_{it}$. This proves the claim stated in (13).

Now for claim in (14), let us assume (x, y, z) to be an optimal solution to the problem P_8 . Also, let $(x, \lceil y \rceil, z)$ be a feasible solution of the problem 'P' obtained by fixing the fractional components of 'y' at 1. Then we have the following relationship:

$$\begin{aligned} v(P) - v(P_8) &\leq \sum_{i=1}^I \sum_{t=1}^T \left[CS_{it} - CL_{it} \lceil YS_{it} \rceil - CS_{it} - CL_{it} \frac{XP_{it}}{CAP_{it}} \right] \\ &\leq \sum_{i=1}^I \sum_{t=1}^T CS_{it} - CL_{it} - \sum_{i=1}^I \min_{\forall t} CS_{it} - CL_{it} \sum_{t=1}^T \frac{XP_{it}}{CAP_{it}} \\ &\leq \sum_{i=1}^I \sum_{t=1}^T CS_{it} - CL_{it} - \sum_{i=1}^I \min_{\forall t} CS_{it} - CL_{it} \quad [\text{because of (13)}] \end{aligned}$$

This proves the claim stated in (14).

Now before proceeding ahead to the next theorem, we define $P_{3,4}$ to be the Lagrangian relaxation of the problem 'P', in which constraints (3) and (4) are added to the objective (i.e. relaxed) with the help of an appropriate Lagrangian multiplier for each of the two constraints. Similarly $P_{3,4,8}$ is a Lagrangian relaxation of the problem 'P' where constraints (3), (4) and (8) added to the objective (i.e. relaxed) with the help of a Lagrangian multiplier for each of the constraints.

$$\text{Theorem 4: } v(P_{3,4}) = v(P_8) \quad (16)$$

Proof: Consider the linear relaxation P_8 . The Lagrangian relaxation of time capacity constraint (3) and the production capacity constraint (4), may be denoted by $P_{3,4,8}$.

Let $q3 = (q3_t)_{\forall t}$ be a vector of non-negative Lagrangian multipliers for constraint (3).

Also let $q4 = (q4_{it})_{\forall i, t}$ be a vector of non-negative Lagrangian multipliers for constraint (4).

$$v(P_{3,4,8}) = \max_{q3, q4 \geq 0} v(P_{3,4,8}(q3)(q4)) \quad (17)$$

$$\begin{aligned} v(P_{3,4,8}(q3)(q4)) &= \min \sum_{i=1}^I \sum_{t=1}^T [(CP_{it} - CL_{it} + PT_i q3_t + q4_{it}) XP_{it} + CINV_{it} - CL_{it} XINV_{it} \\ &\quad + (CS_{it} - CL_{it} + q3_t ST_i - q4_{it} CAP_{it}) YS_{it} + CBO_{it} - CL_{it} XBO_{it} - q3_t CAPT_i] \end{aligned}$$

subject to (2), (5)-(7), (9).

Now as the continuous variable y_{it} are restricted only by (9), they will assume an optimal value of '0' or '1' according to whether $(CS_{it} - CL_{it} + q3_t ST_i - q4_{it} CAP_{it})$ is positive or negative. Hence $P_{3, 4}$ possesses the integrality property. This proves the claim stated in (17).

Relaxing Problem 'P'

Again the Lagrangian relaxation of (6') is equal to the linear relaxation of the problem P'.

In the transportation formulation to the CLSP_BS, when we relax the binary constraint YS_{it} to vary continuously between zero and one, it is referred to as a linear programming (LP) relaxation. Mathematically it can be denoted as:

$$0 \leq YS_{it} \leq 1 \quad \forall i, t \quad (7')$$

The LP relaxation $P_{6'}$ may be referred to as:

Minimize (1); subject to: (2') - (5'), (7')

Theorem 5: For the problem $P_{6'}$, there exists an optimal solution for which

$$YS_{it} = \sum_{r=1}^T X_{itr} / CAP_{it} \quad \forall i, t \quad (8')$$

Proof: Suppose there does not exist an optimal solution for $YS_{it} = \sum_{r=1}^T X_{itr} / CAP_{it}$. Let this to be called supposition $S_{1'}$.

If $S_{1'}$ is true, then there exists an optimal solution for $P_{6'}$ such that:

$$\sum_{r=1}^T X_{itr} < YS_{it} CAP_{it}$$

Then the value of YS_{it} can be reduced (as $CS_{it} > 0$), to reduce the objective function value of the problem $P_{6'}$, without violation of the constraints (as $TS_i > 0$).

But then this violates the supposition $S_{1'}$, that it is the optimal solution. This proves the theorem.

Theorem 6: For the problem P,

$$v(P_{6'}) \leq v(P_{2'}) \quad (9')$$

$$v(P_{6'}) \leq v(P_{3'}) \quad (10')$$

Proof: $P_{6'}$ is a linear relaxation. $P_{2'}$ & $P_{3'}$ are Lagrangian relaxations formed by including constraints 2' & 3' in the objective function with an appropriate Lagrangian multiplier.

Value of the Linear relaxation of a minimization problem is always less than the value of any Lagrangian relaxation, is a well proven hypothesis following from Geoffrion (1974).

This proves the two claims stated in Theorem 2.

Now, a common observation is that $v(P_{6'})$ is generally well below the optimum value $v(P')$ of the original transportation problem. So, here we want to give a measure to the quality of the linear relaxation, and specifically display a worst case for the error bound.

$$\text{Theorem 7: } v(P_{6'}) \geq \sum_{i=1}^I \min_{\forall t} CS_{-}TP_{it} \quad (11')$$

$$v(P) - v(P_{6'}) \leq \sum_{i=1}^I \sum_{t=1}^T CS_{-}TP_{it} - \sum_{i=1}^I \min_{\forall t} CS_{-}TP_{it} \quad (12')$$

Proof: $CS_{-}TP_{it}$ is the cost of a setup, hence assumed to be always positive. Now from (4'), we get

$$YS_{it} \geq \sum_{r=1}^T X_{itr} / CAP_{it}. \text{ So the minimum value (optimal) of the problem } P_{6'} \text{ can be obtained for}$$

$$YS_{it} = \sum_{r=1}^T X_{itr} / CAP_{it}. \text{ Also, we assume in our problem that } CAP_{it} \leq \sum_{r=1}^T D_{ir}$$

As for all items 'i', we can say that

$$\sum_{t=1}^T \left[\frac{\sum_{r=1}^T X_{itr}}{CAP_{it}} \right] \geq \frac{1}{\sum_{r=1}^T D_{ir}} \sum_{t=1}^T \sum_{r=1}^T X_{itr} = 1 \quad (13')$$

Therefore, the total setup costs of this solution are greater than $\sum_{i=1}^I \min_{\forall t} CS_{-}TP_{it}$. This proves the claim stated in (11').

Now for claim in (12'), let us assume (x, y, z) to be an optimal solution to the problem $P_{6'}$. Also, let $(x, \lceil y \rceil, z)$ be a feasible solution of the problem 'P' obtained by fixing the fractional components of 'y' at 1. Then we have the following relationship:

$$\begin{aligned} v(P) - v(P_{6'}) &\leq \sum_{i=1}^I \sum_{t=1}^T \left[CS_{-}TP_{it} \lceil YS_{it} \rceil - CS_{-}TP_{it} \frac{\sum_{r=1}^T X_{itr}}{CAP_{it}} \right] \\ &\leq \sum_{i=1}^I \sum_{t=1}^T CS_{-}TP_{it} - \sum_{i=1}^I \min_{\forall t} CS_{-}TP_{it} \sum_{t=1}^T \frac{\sum_{r=1}^T X_{itr}}{CAP_{it}} \\ &\leq \sum_{i=1}^I \sum_{t=1}^T CS_{-}TP_{it} - \sum_{i=1}^I \min_{\forall t} CS_{-}TP_{it} \quad [\text{because of (13')}] \end{aligned}$$

This proves the claim stated in (12').

Now before proceeding ahead to the next theorem, we define $P_{3', 4'}$ to be the Lagrangian relaxation of the problem 'P', in which constraints (3') and (4') are added to the objective (i.e. relaxed) with the help of an appropriate Lagrangian multiplier for each of the two constraints. Similarly $P_{3', 4', 6'}$ is a Lagrangian relaxation of the problem 'P' where constraints (3'), (4') and (6') added to the objective (i.e. relaxed) with the help of a Lagrangian multiplier for each of the constraints.

Theorem 8: $v(P_{3',4'}) = v(P_6)$ (14')

Proof: Consider the linear relaxation P_6 . The Lagrangian relaxation of time capacity constraint (3') and the production capacity constraint (4'), may be denoted by $P_{3',4',6'}$.

Let $q3' = (q3'_t)_{t=1}^T$ be a vector of non-negative Lagrangian multipliers for constraint (3').

Also let $q4' = (q4'_{it})_{i=1}^I, t=1}^T$ be a vector of non-negative Lagrangian multipliers for constraint (4').

$$v(P_{3',4',6'}) = \max_{q3', q4' \geq 0} v(P_{3',4',6'}(q3')(q4')) \quad (15')$$

$$v(P_{3',4',6'}(q3')(q4')) = \min \sum_{i=1}^I \sum_{t=1}^T [(CP_{it} - TP_{it} + PT_i q3'_t + q4'_{it}) XP_{it} + CINV_{it} - TP_{it} XINV_{it} \\ + (CS_{it} + q3'_t ST_i - q4'_{it} CAP_{it}) YS_{it} + CBO_{it} - TP_{it} XBO_{it} - q3'_t CAP_{it}] \quad \text{subject to (2'), (5),} \\ (7).$$

Now as the continuous variable y_{it} are restricted only by (7), they will assume an optimal value of '0' or '1' according to whether $(CS_{it} - TP_{it} + q3'_t ST_i - q4'_{it} CAP_{it})$ is positive or negative. Hence $P_{3',4'}$ possesses the integrality property. This proves the claim stated in (14').

Equivalence of 'P' and 'P'

The following theorems show some important equivalence relationships existing in the models discussed above.

Theorem 9: For every feasible solution corresponding to the classical formulation of CLSP_BS, called 'P', we have a feasible solution of the transportation formulation, called 'P'', with the same objective values.

Proof: The problem 'P' is reformulated using the variable redefinition technique to problem 'P''. Variables of the classical model $(XP_{it}, XINV_{it}, XBO_{it})$ are redefined in the form of X_{itr} to be applicable to the transportation model. The variable X_{itr} incorporates $XP_{it}, XINV_{it}$ as well as XBO_{it} by appropriately defining the limits of 'r' in X_{itr} .

It can be observed easily that $XINV_{it} = \sum_{r=t+1}^T X_{itr}$, $XBO_{it} = \sum_{r=1}^{t-1} X_{itr}$ and $XP_{it} = \sum_{r=1}^T X_{itr}$. Also the same non-negativity restrictions are applied to $XP_{it}, XINV_{it}, XBO_{it}$ as well as X_{itr} . The other variable which is used in the formulations is YS_{it} , which remains the same in both the types of modeling schemes of the CLSP_BS.

All the constants in both the variants of CLSP_BS are the same except for $CINV_{it}$ and CBO_{it} in the classical model which differ from the $CINV_{itr}$ and CBO_{itr} respectively in the transportation model. However, they are also related as per equations (A) and (B) defined previously, so that actually these costs in transportation model are derived from the ones in classical model. CP_{it} and CS_{it} are essentially equal to CP_{itr} and CS_{itr} respectively; just the notations are different so as to differentiate between the overall cost structure of models.

Now in light of the relations given above, one can notice that the objective functions (1) and (1') become equivalent. The balancing constraint (2) corresponds directly to the demand constraint (2'). The time

capacity limiting constraint (3) and (3') are exactly equivalent if XP_{it} is appropriately modified with X_{itr} .

So observing the above relations and equivalence, it is straight to note that the claim stated in theorem 9 is true.

Theorem 10: Optimal values of P and P' are exactly equal.

Proof: As one can see from the proof given for the theorem (9), that actually we are seeking to minimize the same total cost, subjected to the same constraints. So intuitively it follows from theorem 9 that the optimal values of P and P' are equal.

Theorem 11: LP relaxation of P (called P_8) and LP value of P' (called $P_{6'}$) have the same objective value.

Proof: Again emphasizing from theorem 9 that the classical and transportation models have same sets of variables and constants (appropriately modified); and also the objective function as well as constraints are all seeking to optimize the same total cost in both the models.

Now to linearize the classical or the transportation variants of mixed integer linear programming model of CLSP_BS, we make the only binary variable YS_{it} to continuously vary between 0 and 1, in both the models. Again it is intuitively clear that P_8 and $P_{6'}$ will correspond to the same objective values.

NUMERICAL EXPERIENCES

For each of the problems P, P', P_8 and $P_{6'}$, we solved 10 problems, using the randomly generated common data sets on Lingo 10.0. It was observed that $v(P) = v(P')$ so that as was speculated, the classical and transportation models of the problem CLSP_BS are equivalent to each other.

It was also attempted to solve linear programming relaxation of classical model (called P_8) and the linear programming relaxation of transportation model of CLSP_BS (called $P_{6'}$). Denizel et. al. (2008) noted the findings of Alfieri et. al. (2002) that linear relaxations of transportation model leads to objective function values that are about 60% higher than those obtained through the LP relaxation of the classical formulation. The model tested by Alfieri et. al. (2002) was however of CLSP, without any considerations of back-orders or setup-times, but as CLSP_BS is an extension to the model of CLSP, it was expected to get similar results for the models of CLSP_BS as well. However the result we obtained for the models we tested for CLSP_BS was $v(P_{6'}) = v(P_8)$, which clearly is contrary to given in the literature (Alfieri (2002)).

In light of the theoretical explanations given in theorem 11, as well as the empirical study done by the authors, we emphasize and conclude that for the model of CLSP_BS, linear relaxations of classical and transportation formulations would hold the equivalence relation of $v(P_{6'}) = v(P_8)$.

CONCLUSION

This work has attempted to cater to a variant of multi-item, multi-period CLSP, which considers back-orders and setup-times in the formulation. This problem is referred to as CLSP_BS in the work. A classical formulation and a formulation similar to transportation problem are given for CLSP_BS. Apart from considering one of the important variations of CLSP, we have given the most general cost structure

to the problem in both the kinds of models. This increases the applicability of this problem in a variety of real life situations.

Some important relationships between various Lagrangian relaxations and linear relaxation of the problem are given; and a theoretical and/or mathematical proof is provided in support of the stated theorems. An important work which we plan to carry out in future is to computationally verify these theorems using appropriate randomized data sets.

It is shown in the later part of this work that both classical and transportation type of formulations produce the same feasible solution as well as the objective value. It is also proved theoretically that linear relaxation of these formulations give the same objective value as well. Computationally verification of these theorems is also done by the authors on a randomized data set.

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BIOGRAPHY

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CAN STOCK PRICE MOMENTUM BE EXPLAINED BY ANCHORING?

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ABSTRACT

Using German stock data from 1980 to 2008, this study tests whether stock price momentum can be explained by anchoring – a specific form of non-rational behavior. Three different empirical tests indicate that anchoring is the driver of the 52week High strategy which is long in stocks at or close to their one year High price and short in stocks with a price far from their 52week High. With sorting and regression approaches, it is further shown that the 52week High strategy itself largely dominates the momentum strategy and that the distance of a stock's price to its 52week High price is a better predictor of future returns than the momentum criterion.

INTRODUCTION

It is widely documented in the literature that stocks with good 3-12 month performance continue to outperform stocks with a poor past performance over the next three to twelve months. The existence of this phenomenon called stock price momentum is documented over a long history (Conrad and Kaul, 1997, Dimson et al., 2008), within size-partitions of the market (Fama and French, 2008) and within trading volume portfolios (Lee and Swaminathan, 2000). Moreover, momentum appears to be present for different samples, time periods and methods to measure its profitability.

While most researchers agree on the existence of the momentum effect¹, no consensus has been reached why momentum portfolios are profitable. Supporters of the risk-based explanation view the excess returns of momentum strategies as rational compensation for risk. Researchers of the behavioral finance field, however, explain its profits with a deviation of prices from their fundamental values due to a non-rational behavior of at least some investors.² Based on the behavioral approach, the momentum effect represents a serious challenge to the Efficient Market Hypothesis (EMH) which is not the case according to the risk-based explanations. The potential consequences of the momentum phenomenon on the EMH make the search for its driver an important field of research.

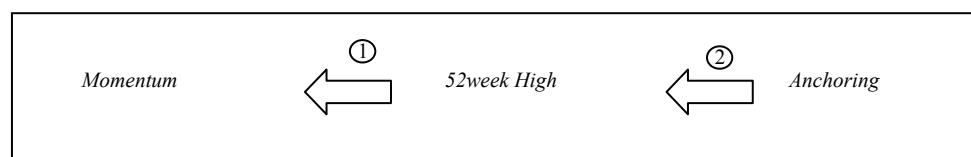
HYPOTHESIS

This work can be assigned to the behavioral field and tests whether anchoring, a specific form of non-rational behavior, can explain the momentum effect. It builds on the work of George and Hwang (2004). They hypothesize that momentum can be explained by a strategy that uses the nearness of a stock's price to its 52week High price as a ranking criterion. Stocks that are close to or near their 52week High price are included in the winner portfolio while stocks with a price far from the highest price within the last one year are assigned to the loser portfolio. George and Hwang assume that the profitability of the 52week High strategy is caused by "anchoring", as specific form of irrational behavior that describes the way how people make estimations. Tversky and Kahneman (1982, pp.1128) argue that people form estimates by starting from an initial value and then adjusting to the final guess. Anchoring states that this adjustment is not sufficient and that subjects focus too much on the initial value (or reference point). Hence, anchoring can be defined as the insufficient adjustment of people's estimate from the starting value to the final guess. Applying the anchoring phenomenon to the 52week High strategy, investors estimate the impact of news on the stock price and therefore use the 52week High price of a stock as reference point – an easily "accessible piece of information" (George and Hwang, 2004, p.2146) as it is published in nearly all newspapers reporting on stocks. If a stock is at or close to its 52week High and good news arrives,

investors are not prepared to acquire the stock for a price as high as it should according to the news. Since the information is not completely incorporated in the stock price at once, in the subsequent time, the price slowly increases which results in continuation. Referring to stocks that are traded far from their 52week High and for which bad news arrive, investors are in the same way not prepared to sell the stock for a price as low as it should be based on the bad news. By time, the news is slowly incorporated and the stock price slowly goes down. Hence, investors are unwilling to immediately revise their beliefs. This unwillingness is largest for stocks close to or far from the 52week High. For stocks that are traded neither close nor far from their 52week High, news are incorporated into the stock price more quickly which does not result in any observable predictability.

This work examines the assumption of George and Hong (2004) that anchoring is the driver of momentum profits. Therefore, it needs to be tested whether first, the 52week High strategy dominates the momentum strategy and secondly whether anchoring qualifies as explanation for the 52week High profits. This is illustrated in the very simply graphic of Figure 1. In short, this paper tests whether anchoring can explain (indirectly through the 52week High strategy) the momentum effect. Hence, the null hypothesis states that momentum cannot be explained by anchoring.

Figure 1: Illustration of the Core Research Question



This figure shows the core hypothesis of this work and the connections that are examined. For all tests, monthly German stock data are used between 1980 and 2008.

THE CONNECTION BETWEEN THE 52WEEK HIGH STRATEGY AND ANCHORING

The main focus of this paper lies in the exploration of the second connection - whether anchoring explains the 52week High profits. Therefore, three different types of tests are proposed. To my knowledge, this study is the first that tests the link between this behavioral pattern and the 52week High.

The first test examines the 52week High strategy on the industry level. According to the anchoring hypothesis, the Industry 52week High strategy should not dominate the 52week High since the one year high price of an industry is not publicly available and hence does not qualify as potential reference point. I further test whether a strategy is more profitable than the 52week High that uses the highest price of a stock over a period longer or shorter than one year for its ranking criterion. This measure is not easily accessible to investors for most intervals and therefore cannot be used as reference point by them. Third, the profitability of the 52week High strategy is measured during the Dot-com Bubble. A couple of papers document irrational behavior such as overreaction or herding as the cause for its emergence. When subjects herd or overreact, they do not anchor at the same time. This implies that people should not anchor during the Dot-com Bubble and hence, the 52week High strategy is expected to be unprofitable during this period if it is caused by anchoring. My main finding is that anchoring cannot be rejected as driver of the 52week High. The examination of this second link in Figure 1 is that important as it indicates whether evidence against the EMH is found. Without clear indication for investors' non-rationality driving the 52week High, the connection between momentum and the 52week High (first arrow) only states that one strategy is explained by another although the drivers of both are unknown and could also be one or more risk factors.

THE CONNECTION BETWEEN MOMENTUM AND THE 52WEEK HIGH

I also go further than George and Hwang (2004) do in testing the relationship between momentum and the 52week High. On the one hand, the connection between the two strategies is explored more broadly. First, the profitability of both strategies is compared for different ranking and holding periods. This is important as it is not sufficient to compare the 52week High to only one or two momentum strategies (e.g. the (6/1/6) strategy) in order to document the dominance of the 52week High. Secondly, I look at the profitability of both strategies on the industry level and find that they generate returns of similar magnitude. The similar profitability on industry level further indicates a close connection between momentum and the 52week High. On the other hand, the link between the two strategies is tested with two sorting and one regression approaches as all methods have strengths but also face substantial drawbacks.

Another important contribution of this paper is to present some insights into the momentum effect for non-U.S. data. As most studies examine U.S. stocks, it is important to use a different sample in order to exclude data mining as explanation for the momentum effect. This work shows that the momentum effect still exists after 2001 which is doubted by Henker et al (2006) and Hwang and Rubesam (2007). I therefore present support for the view of Dimson et al. (2008) that this finding is only limited to the U.S. sample. My data sample also allows a closer look on the momentum effect in Germany. Stock price momentum is profitable for the German market. This is shown by using the common methodology given by Jegadeesh and Titman (1993). To my knowledge, this has not yet been verified. With August et al. (2000) and Nelles et al. (2007), two studies of the recent past examine momentum profits for the German market but do not exactly employ the Jegadeesh and Titman (1993) method.³ This study further documents that the momentum strategy is profitable on the industry level, but that its returns are in opposite to the U.S. not as large as those of momentum strategies on an individual stock level. Finally, this paper presents evidence that the 52week High strategy of George and Hwang (2004) is also profitable outside the U.S. However, the strategy does not work during the Dot-com Bubble between October 1998 and February 2000.

SUMMARY

In order to test whether momentum can be explained by anchoring, I examine whether momentum is dominated by George and Hwang (2004)'s 52week High strategy and whether anchoring explains the 52week High profits. Especially the second relationship is important as it might represent a serious challenge to the Efficiency Market Hypothesis (EMH). If the impact of non rational behavioral on stock prices can be credibly documented, the assumption of full rationality is violated – a key assumption of the EMH. With three different tests, I find support for the 52week High price of a stock being used as a reference point by investors against which they evaluate the impact of news on the stock price. Moreover, this work examines the link between momentum and the 52week High and cannot reject the hypothesis that momentum is not dominated by the 52week High. To show this, I use two sorting methods and one regression approach. Further evidence for a close relationship between the 52week High and momentum is found as the two strategies yield similar returns on both individual stock level and in industry portfolios.

END NOTES

1. To be more precise, in the very short past, with Henker et al (2006) and Hwang and Rubesam (2007), some researchers argue that the momentum effect has disappeared. Yet, Dimson et al. (2008) reports momentum profits in the years after 2000 for non-US data and argues that it is premature to pronounce the disappearance of momentum.

2. Conrad and Kaul (1998), Berk et al. (1999), Grundy and Martin (2001), Johnson (2002), Chordia and Shivakumar (2002) or Avramov et al. (2007) among others offer theoretical and empirical explanation attempts in line with the rational-based field. For the behavioral group, see the theoretical work of e.g. Barberis et al. (1998), Daniel et al (1998), Hong and Stein (1999) or Grinblatt and Han (2002) and Barberis and Thaler (2002) for an overview about the behavioral finance theory.
3. Nelles et al. (2007) do not control for potential microstructure distortions by skipping a month between the ranking and holding period. Furthermore, with CDAX stocks, their work only uses a quite small data sample. August et al. (2000) do not measure momentum returns with overlapping holding periods, but wait to the end of the investment period before they form another one.

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COMPETING IN A NEW AGE WITH VISUAL LANGUAGE

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ABSTRACT

Visual images exert tremendous impact and influence on us. They greatly influence the success of marketing and communication. They create consumers' needs and can satisfy these needs. Yet the competency to fully exploit the visual language remains the domain for artists and designers. Business students who are the future leaders driving our economy do not traditionally have this competency developed in them. This paper presents the cognitive benefits of learning the visual language. It studies the pedagogical approaches to the nurturing of visual language through an example of an elective course at Nanyang Technological University. Highlighted are the various approaches taken and the outcomes in terms of the Business students' performances which were very promising. It concludes with a reflection on the urgency for the training in visual language for our future workforce to compete in the new age.

INTRODUCTION

We live in a visual economy. Visual images influence the way we conduct our business and our lifestyle. They are the driving forces behind marketing and communication. Yet competency in the visual language has received scant attention, except for artists and designers. This paper highlights the cognitive benefits of learning the visual language using as example an elective course conducted at Nanyang Technological University (NTU) for undergraduates. Discussed are the abilities needed for competency in the visual language, the pedagogical approaches taken, and the outcomes achieved. It concludes with a reflection on the benefits that can be gained by giving more attention to developing visual language skills in undergraduates in the new age.

WHY THE LEARNING OF THE VISUAL LANGUAGE

Visual images have the power not only to inform consumers, but also to influence choices. They create the consumers' needs and have the power to satisfy these needs. There is no doubt that competency in the visual language can have a great impact not only on how people communicate, but also on how competitive an economy can be. This is particularly so for an economy which has developed to a stage where it has to compete with the best in the world. In this year's Global Financial Centers Index, Singapore was ranked third in the world behind New York and London ("S'pore rises to No.3", 2008). The further development of the economy will depend upon ever increasing consumption, including imagery consumption (Harvey, 1989) and the need to have the added competitive advantage of competency in the visual language.

Up until recently, scant attention has been paid to developing visual skills in undergraduates, except for those aiming to be artists and designers. The majority of graduates have no exposure to, or training in, the visual language. As tremendous competitive advantage can be gained when business and communication strategies make full use of the power of the visual language, courses aimed at developing such competencies have recently been introduced, particular for business undergraduates.

WHAT IS THIS VISUAL LANGUAGE

According to Wikipedia, "a visual language is a set of practices by which images can be used to communicate concepts." Art educationist Mary Stankiewicz described "visual art as language and

literature, as a means of expression and communication as well as a body of knowledge, more furniture for the mind” (Stankiewicz, 2000).

APPROACHES TO THE TRAINING OF VISUAL LANGUAGE AT NTU

This paper studies the training of visual language conducted in an elective course entitled “Creative Use of the 2D Media”. It was introduced six years ago at NTU. It is available to all NTU undergraduates with the objectives to inculcate visual literacy in the students; to lay a foundation for their visual perception – how they make sense of images, how they recognize, interpret and analyze visual messages, how they develop their aesthetic sense, how they become more visually aware and more sensitive to their surroundings, and to enable students to become more effective visual communicators. Demand for the course from students has been very high and the course has been offered and fully subscribed every semester. The majority of the students who elected for this course are Business, Accountancy and Engineering students. Students attend a 3-hour lecture-cum-tutorial session every week for 12 weeks. Classes regularly have the full capacity of 50 students.

Learning to see in a new way

In the course, students are first introduced, through carefully selected examples, to the persuasive power of visual images which cause us to think and feel and create an impact on us. They learn the art of seeing purposefully and in a new way. As Aldous Huxley, author of the *Brave New World* summed up his method for achieving clear vision with the formula: “sensing + selecting + perceiving = seeing” (Lester, 2001). To him, to sense is to let the eyes and the nervous system do the sensing. Then comes selecting which is to isolate a specific part of a scene to focus on. It is a conscious, intellectual act. Finally, to perceive is to make sense of what one selects and to find meaning. This calls for sharper mental activity. This combination of sensing and mental activity is the art of seeing, an approach also espoused by well-known theorist Rudolph Arnheim, who argued that perception itself is cognitive. It involves “active exploration, selection, grasping of essentials, simplification, abstraction, analysis and synthesis, completion, correction, comparison, problem solving...” (Arnheim, 1969).

In the second part of the course, students learn the underlying elements and principles of design which are the language of images. They learn to understand how these can help them to perceive the visual messages and subsequently to interpret. As Ann Barry, in her book *Visual Intelligence*, so aptly put, “The language of images, grounded in the stuff of perceptual experience, affects us directly and involves instinct and emotion, before the linear logic derived from language can be imposed on it” (Barry, 1997). Students thus learn that design elements such as line can create a mood and can be used as an organizer and add texture; that shape can sustain interest, organizes and be a conceptual tool; that type can convey mood, implies meaning and can be used to create shapes; and that texture, being the visual and tactile surface appearance, is often used to strengthen a design idea.

They learn that color and value can create mood, draw attention, create movement and direction, and also has cultural connotations and emotional appeal. Students also learned that the proper structure of the design elements leads to the use of design principles, for example, elements that are placed to achieve balance creates a more stable mood as opposed to tension created by unbalanced elements. Different elements in sizes, shapes, textures, values and colors can be used to create contrast to strengthen an idea. Unity is the skillful coordination of design elements so that each works well with the others to achieve “the whole is greater than the sum of its parts”. The composition of elements in the foreground, middle ground and background, lightness and darkness can create depth and illusion of perspective. Students are also introduced to the concept that visual hierarchy creates eye movement for the viewers and allows visual messages from a single image to be prioritized. Manipulation of positive and negative space makes all space active, interactive and interdependent, and can be used to imply meaning (Peterson, 1996;

Landa, 1998). In addition, Gestalt theories remind us that vision is a creative experience, not simply an act of seeing. Our eyes group information by similarity, proximity, continuity and common fate. A page must be looked upon as a unified whole, the sum of all the parts (Lester, 2001).

Through examples, students also learn how advertisers make use of visual images to persuade (Messaris, 1997); how products are packaged to communicate their value to their targets and to serve as silent salesmen (Judd, Aalders & Melis, 1989); and how visual truths and visual lies can occur in photojournalism (Evans, 1997). They are also exposed to a brief history of the design movements (Heller & Chwast, 1988).

Visual images and commercials are used heavily as examples. They are projected onto the screen in the classroom to act as illustrations, to draw attention and interests and to create a memorable experience for the learners. Classroom sessions are designed to be highly interactive. Students are given thought provoking questions to draw out their comments and responses before being introduced to the subject knowledge. Questions are also used to guide and help students to perceive visual images. Special efforts are made to use a lot of witty remarks to create a fun and interesting learning environment.

Perceiving with the intent of finding meaning

In the third part of the course, students are encouraged to find meaning in a visual image and to interpret the visual message intended. This requires a higher level of cognition with regards to understanding the content, context and connotation. Terry Barrett, art critic-in- education argued that to interpret is to respond in thoughts and feelings and actions to what we see and experience, and to make further sense of our responses by putting them into words. Students are thus given the opportunity to discover for themselves the truth of the principles for interpretation put forward by Barrett, which are: "Interpretations are arguments. Interpretations are persuasive. No single interpretation is exhaustive of the meaning of artwork and there can be different, competing, and contradictory interpretations of the same artwork. Interpretations are not so much absolutely right, but more or less reasonable, convincing, enlightening, and informative. Good interpretations have coherence, correspondence, and inclusiveness. Feelings are guides to interpretations. Interpretation is ultimately a communal endeavor and the community is eventually self-corrective" (Barrett, 2000). So the act of interpretation is to build meaning to what we see and to use words to convey our thoughts and to share with others (Cromer, 1990). Michael Parsons went further to say that artworks must be interpreted and that artworks are constituted as meaningful objects by both visual and linguistic materials of thought in interaction (Parsons, 1998).

Training to move fluidly between verbal and visual modes of thought

After five weeks into a semester, each student is given the opportunity to practice his/her perception and interpretation of a visual image selected by him/her. Each student then takes turn to verbally present to the class his/her analysis of the graphic image. Some of the questions students have to answer in their analyses are: What is the message? Does it communicate a clear message? Does the visual form have any impact? Whether it makes effective use of design elements and design principles in its layout? Is it a creative solution? Why? Comments from their peers are encouraged so that different approaches to interpretations are shared and learnt. Comments from the lecturer are also given in class and later by emails. Students also have to submit their analyses in writing. The objective is to sharpen their visual, verbal and written analysis skills enabling their verbal and visual modes of thought to move fluidly from one to another.

The students' analysis skills in visual image are again assessed during the examination at the end of the semester. One of the questions which counted for 40% of the final grade is to perceive and interpret the visual message of a given graphic image based on content, context and connotation using the design

elements and principles. Students have two hours to write their analyses and at the same time answer two other short essay questions on their understanding and comprehension of the subjects learnt in the course.

Engaging in problem solving

During the semester, students are also formed into groups of four each and assigned projects involving hands-on creation of the promotional materials for an event, a company or a new product. They have to brainstorm in a group to conceptualize the creative solution for their design problem using at least a poster and an invitation. They then present their solutions in class in addition to a written report. This provides them the opportunity to further familiarize themselves with the visual language they have learnt and apply it to their solutions in both visual and verbal form. This act of creating encourages students to explore their ideas, feelings, and experiences and synthesize them into meaningful visual expressions. Comments from their peers and lecturer are employed to challenge and strengthen their arguments. The goal is to nurture effective visual communicators who can produce powerful images that others can understand and remember (Lester, 2001).

STUDENTS' PERFORMANCE

Analyses in graphic images

Based on the results in the last three years, it is found that for the coursework which involves verbal and written analysis of a graphic image of the student's choice, there is no significant difference in the performance of students from the different disciplines. Business and Accountancy students scored an average of 77%; Communication Studies students scored 78% while Engineering students scored 75%. For the examination which involved only written analysis of a given graphic image, Business and Accountancy students scored an average of 75.7%; Communication Studies students scored 73% and Engineering students scored 70.8%.

On closer examination, it is found that on an average, 45% of the students did an excellent job in identifying the message of the visual image while 6% did poorly. When identifying the design elements and principles, 47% did an excellent job while 8% did poorly. In assessing their ability to interpret, 35% put forth arguments that were persuasive, reasonable, convincing, enlightening, and informative while 22% lacked these qualities and were inclined to describe what they saw rather than attempting to put forth an argument. The rest fell in the acceptable range.

From their performance, it can be concluded that the majority of the students, although without any prior visual language background, had no difficulty in identifying the message, and the design elements and principles used in the visual form. For visual interpretation, which calls for a higher level of cognition to understand the content, context and connotation, and to express the argument in a convincing manner, fewer students were able to do as well. Students also fared better in the coursework than in their final examination. This could be due to the pressure and the limited time given in the examination. Furthermore, in the coursework both the students' verbal presentations and their written analyses count whereas in the final examination only the written analysis can be assessed. Business and Communication Studies students generally scored slightly better than Engineering students. This could be due to the nature of the former's subjects which require more reading and writing while Engineering subjects require more numerical understanding.

Creation of design works

When it came to hands-on group projects, 54% of the teams showed good understanding of what constituted creative design using appropriate visual language to express the message. The designs and

layouts were unique, artistic, surprising and full of impact. Their reports were well-written with indications of thorough brainstorming for concept and how the design evolved in the process. These projects can be said to be on par with that of professional designers. 34% of the teams turned out works and reports which indicate that these students had the potential to be trained as designers while showing proficiency in the visual language. The remaining 12% performed not so well, showing that they still lacked understanding of what constituted an effective message and a visual form that had impact.

CONCLUSION AND IMPLICATION

The experience based on a course on creative use of 2D media shows that undergraduates, even though they may not have prior art or design experience, can learn the visual language well and apply this for effective visual communication. Their performance based on both analyses of graphic images and in the creation of design works, showed very promising results. Basic skills in the visual language will give an extra competitive edge to Business graduates as they are essential not only in marketing services and products, but in effective communication. It is also clear that almost all undergraduates have the innate ability to acquire basic concepts of the visual language and to apply these effectively, as with the basic verbal and written skills. In the new age when economic competition relies more and more on the ability to provide visual and aesthetic experiences, a graduate who is competent in both the verbal and written, and visual language will be a more effective communicator. The effective use of images in hands-on projects and analyses using the visual language can nurture the growth of cognitive skills in the students allowing them to see, find meaning in what they see and express their thoughts in both verbal and visual ways. Business graduates will have much to gain when equipped with this visual language skill.

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ARE BETAS BEST? THE CORRELATION STRUCTURE ON BRAZILIAN EQUITY MARKET

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ABSTRACT

Since Markowitz (1952) seminal work on portfolio selection, academics and practitioners have been trying to find sound predictors for its two main inputs: the estimated covariance matrix and the vector of returns. From these, maybe, the most difficult to obtain is the vector of returns, as it is most unclear which factors govern its behavior. The covariance matrix, however, is said to be more stable over time although it can be estimated by different ways. This work tests different techniques of correlation structure prediction applied to stock price time series. I investigate the Brazilian market in the period between 2003 and 2007. I use close prices on daily basis of stocks publicly traded at Sao Paulo Stock Exchange which composed the Ibovespa market index in 2003. The stocks that ceased negotiation during the period were excluded from the sample. I first compare the historical model, the single index model, Blume and Vasicek adjustments to the single index model, the mean model and a naive model. Then, I test some shrinkage models, combining the historical covariance matrix with estimates from the Fama & French three factor model. The results indicate that the shrinkage procedure produces better estimates of covariance matrices.

KEYWORDS: beta, correlation structure, optimization.

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CELEBRITY EFFECT ON BRAND POSITIONING - A STUDY WITH REFERENCE TO FEMALE PERSONAL CARE PRODUCTS

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ABSTRACT

India, being a developing country is flooded with different brands. With too many products flooding the market, companies find it difficult to differentiate their products based on their inherent product features. In fact, advertising is an effective marketing tool available with marketers to promote and create awareness for their product. To make the advertisement more attractive and avoid the media clutter, companies are using celebrities. The demand for instant recall, brand awareness and emotional bonding with customers has made celebrity endorsement the latest buzzword. Celebrities add new dimensions to a brand. Due to more number of celebrity advertisements in various media, India is becoming a celebrity-obsessed society. The majority of celebrity endorsement research has focused on the effectiveness of celebrity endorser and choice of selecting the celebrity. This research paper attempts to study the effect of celebrity endorsement on brand positioning of select female personal care products through Television advertisement. The Indian scenario offers a very good ground for studying the effect of celebrity endorsement on the brand and the ultimate decision of a consumer to buy a brand.

BIOGRAPHY

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STRATEGIZING COMMUNICATION PROFILE OF ORGANIZATION

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INTRODUCTION

Organizational communication is a multi-disciplinary subject area incorporating business communication, organizational behavior, psychology, and human resource management. If organizational communication strategy is carefully planned with cerebral diligence it can change the attitudes and thereby the overall behavior of the employees, making them more responsible and committed to the work. In organizations where human collaboration forms the basis of productivity, organizational communication planning should be undertaken seriously because effective collaboration primarily hinges on communication as a vehicle of binding the employees together for a common objective. If an organization experiments with a new style of communication it can constitute a communication network that can cut down unproductive communication cases and make transmission of crucial information accurate and easy to understand. Organization communication training is particularly of prime importance in large heterogeneous organizations. It is important to note that till date scant work has been done on the in-depth impact of communication in enhancing organizational productivity.

The reason being that it is very difficult to calibrate the changes that can be attributed to experimentation with communication profile of an organization. Even if communication training is imparted, the cost component of the training is very obvious, but the pay offs, which challenge conventional tools of performance measurement, can't be computed and as an upshot it seems that communication aspect has been overaccentuated in the rating of organizational output. Though there are many cases which clearly demonstrate that blockages in communication, faulty structure of interorganizational communication have led even to disasters, many times results are intangible and challenge the conventional yardsticks of measurement. Therefore this paper aims at presenting communication as a crucial variable in sizing up the dynamics of organizational functioning. One should take a communication audit of the organization and treat it as an organizational asset – a capital. Internal communication is the core process by which business can create value. Poor internal communication results in work inefficiency. Communication enhances teamwork also. The corporate objective should be communicated in a fashion that excites the employees, builds their trust in organization and they feel accountable for the upshot of company business operations. Since employees have themselves posited through multivariate surveys that improvement in communication can mobilize the ambient functioning of an organization, this area should come under the scanner of a human resource (HR) manager. Thus one has to carefully design communication apparatus, internal communication matrix as an HR tool.

The Tacit Knowledge of Communicative Rules

It is interesting to see how this network of communication works across the various echelons of hierarchy. This communicative flow is governed by subtle subconscious absorption of certain rules that the communication climate embeds in the employee psyche. Many of these rules are not explicitly administered but implicitly comprehended and followed. There are many case studies that show how these latent rules operate impacting the communication behaviors of the employees. Most importantly it decides the fate of superior-subordinate relationships, the level of job satisfaction, the leadership models followed, the decision-making process – the factors that have a profound effect on the organization behavior and thereby the productivity at the workplace. Apparently this may seem to be in disjoint with the rational management thinking, but deep down if the employee behavior is dissected and laid

threadbare, it is found that the way interpersonal relationships are shaped, they have direct correlation with the communication behavior of the subjects involved. It has been found that many times crucial information is not effectively channeled owing to the communication constrictions that the author of the information assumes depending on his past empirical learning about what, when and how he is supposed to encode his message.

THE CONCEPT OF COMMUNICATION SATISFACTION

Try different constructs of this organizational communication for the smooth functioning of a workplace so as to give optimum level of communication satisfaction to the employees which, in turn, can boost their morale. Many psychological testing tools are in essence questionnaires on the dialogues an employee is allowed to exchange with his supervisory manager, which then is put to scoring mechanisms to deduce the inference regarding the level of satisfaction he enjoys in his work regimen. It has been observed that more the scope of having dialogue with the supervisor, better are the results. Hence majority of the researches and surveys give the upshot that there is a need to maximize communication in the organization, since it has a directly proportional reciprocal relationship with the employee's chances of sticking to the organization with continued commitment.

A simple "From – To" notice board displays can be used to exhibit the direction in which the company is steering its progressive moves. Managers should take cascading workshops of employees in batches of 20-25 and communicate to them organizational strategies. Such workshops should be taken in periodic rounds till all participate to give them communication satisfaction. Surveys should be conducted via intranet to assess employee satisfaction with internal communication mechanisms. Employees feel satisfied when their managers give them explanations and justifications along with information with genuine interest. Also managers should communicate 'benefit statements' to employees to elucidate to them what perquisites they enjoy. New HR policies can be explicated through audio, videotapes and teleconferences. A literature should be introduced as an organ for employees to put anonymous queries to management and the replies by the management should be published and circulated internally so that others are also encouraged to feel free and to pose their questions. This act will definitely foster trust in fair and transparent governance.

Install suggestion programs for employees to submit their suggestions for curbing costs and minimizing wastage of company resources and reward best suggestions. Such communication initiatives are sure to enhance employee motivation and loyalty.

THE ROLE COMMUNICATION PLAYS IN AN ORGANIZATION – PLANNING COMMUNICATION PROFILE

Communication plays a vital role in mitigating conflicts, sharing information with accuracy, impacting attitudes, developing understanding, and as a tool of persuasion to guide employees in a subtle manner to act in the desirable ways. The lines of communication should make upward and downward mobility very free and should not have rigidity. It is better to rely less on formal networks of communication channels. The more formal and the more rigid the system is communication performance will be poorer. The attributes such as trust, openness that are culture determinants in an organization can be directly ascribed to communication. Tall hierarchies with multiple lines of reporting lead to distortion and loss of message quality. "In his study of the organizational culture of the U.S. State Department, Warwick (1975) found that its size and multiple levels had a distorting and slowing effect on internal and external communication." (Pandy, Garnett, 2006). The quality of feedback individuals receive in carrying out their job responsibilities is a crucial factor. If employees feel that they receive feedback only when they do something wrong then it should serve as a warning signal for administering improvement. Lateral

communication is also important as employees look for psychological support from the peers. The organization's goals should be clear to each and every employee who works and should be easily communicative. There should not be many procedural complexities in communication medium. Clear and effective channels of communication beget productive work ambience. Improving communication performance of an organization is a slow, painstaking effort which demands sustained investment of efforts. Organizational communication comprises personal feedback, supervisory communication, subordinate communication, co-worker communication, organizational integration, corporate information, communication climate and media quality. There should be participation and involvement in decision making, cooperative and receptive information sharing, person-oriented message exchanges. Communication satisfaction is vital to job satisfaction, task performance, productivity, commitment, and morale. The case study of General Motors demonstrates how transforming organizational communication through an initiative called "internal communications improvement process" helped translating business strategy into action (Grates, 2004). For revolutionizing communication profile of an organization the following steps can be taken:

- Produce a newsletter that provides a medley of local, functional and corporate information
- Organize quizzes on the organization's objectives, vision, mission, line of functioning etc.
- Conduct diagnostic meetings with management and employees to have a real-time understanding of opinions, perceptions and conditions.
- Conduct regular department meetings to maintain role clarity
- Provide pulse check to capture what's being heard and received by employees and to get grapevine assessment.
- Have a hotline number for secure complaint calls to the management
- Answer employees' anonymous queries through 'employee speak' publication – for internal circulation.

Thus engage the employee audiences emotionally, intellectually and behaviorally in the company's success. A communication junction can be created for monthly meeting of communication leaders from internal, media, brand, financial, corporate disciplines. Prepare a template for this junction meeting to get updates of the communication status on all the fronts. Through constant messages i.e. electronic messages go for employee mentoring. Send to them messages of latest management thinking, leadership and other aspects of business that will aid their working style.

The Columbia accident investigation board (2003) noted that NASA's organizational culture discouraged subordinates' dissent and hindered the open exchange of information. (Jabs, 2005). Communicative rules are not articulated explicitly, but are embedded in speech and implied in every interactional utterance. Hence managers should be cautious while communicating because inadvertently they might end up conveying a rule which can hamper communication.

The way communication is handled decides the attitude of the staff and their commitment to the organization in today's era of erosion of corporate loyalty. Listening skills are valuable as these skills are not judgmental and carry out function of perusing messages. Interpersonal communication in organizational context should be genuinely warm, natural, user-friendly conversations to which employees can relate in lieu of being loaded with cold, lifeless jargon and managerial bombast. Leadership culture of collaboration, consultation and participation rather than that of intimidation promotes congenial culture. Clarity and consistency in sending messages across all levels of hierarchy, one-on-one communication and the leadership style operating in the organization have been found to be the vital communication determinants of organizational commitment. By communicating the full picture regarding the direction of organizational goals and by clearly elucidating the individual role in the entire circuit of organizational operations, by giving regular feedback so that the employee can assess his daily

output, by consulting employees in decision-making process the management can make the employees feel valued.

In lieu of investing in technology for communication networking use human medium of transmission because what the people want is dialogue. In stead of just following conventional media organs – articles in the company paper, improved bulletin board displays and a monthly letter from president, closed-circuit television monitors for announcements from the president, try new, unconventional means to gel with the junior and middle-level managers. The president can go in semi-formal suit and mingle with employees, discuss with them company issues in coffee-breaks thus surmounting official barriers. Organizational communication is not just impersonal media. Leaders must get the pulse of their followers. Usually executives perceive communication as an extra-curricular activity and fail to realize that management is communication. Use communication systems that signal one organizational voice. Installing tool-bars of CEO-chat, introducing CEO blogs are efficient organs of communication. A complaint secure hotline to report business lapses directly to CEO can lead to formulating better policies to curb malpractices. The CEO connection with middle-level and junior managers is restricted, hence sharing a meal or a game with them can make wonders. Veena Padmanabhan, General Manager Talent Engagement and Development tells about Channel W Chat, CEO blogs and live webcast of management meetings as technology interventions facilitating smooth communication flow in Wipro, a multinational company based in India. Initiate “talk and listen to the employees” campaign. Misgivings and assumptions kill open culture. Randomly picking people and taking informal discussions with them, has been tried by Mahindra & Mahindra with its communication campaign of “aligning thoughts, inspiring actions” (Mueller, Lee, 2002). In the age old job scenario a one-way communication could work for jobs were few and aspirants many, but now to retain talented people open-door policy in communication is the need of the hour.

EMBEDDING POSITIVITY IN WORKPLACE FORMAT OF DICTION

The in-house dialogue transaction with a special emphasis on the diction employed in the interpersonal message exchanges that characterizes the communication style of an organization should be studied. Certain words like ‘memo’ have negative connotations. Whenever it is said that an employee has received memo, it is perceived as a harbinger of negative news. Hence new nomenclature for the carrier formats of messages should be coined which will conjure positive image in the minds of the recipients. For this during induction programs, when new batches of employees join the organization, should be given a file carrying the formats and specimen copies of all the message types that are used in the organization as a guidebook tutorial to follow. It will be found that such exercises will visibly improve the in-house culture of the work place and will also reflect in message links with the external publics.

Try diverse models of team communication which can foster an open communication climate in the organization. The use of standard templates, formatting meetings, a televised address of CEO for his employees at periodic intervals, sharing company information through SMS or intranet updates can redefine the company image for the employees. Sharing of messages give the employee a psychological feeling of being a part of a close-knit corporate clan where they are perceived as important stakeholders. Such positive self-perception will foster loyalty and commitment which can give rejoinder to the brain-teasing problems of attrition that human resource managers are required to address. The visibility of CEO is important so that for employees he does not remain just a figurehead impersonated in his signature, but as a ‘live’ mentor, who is like a captain of a ship manning their professional maneuvers. If geographic barriers pose insurmountable problems, at least televised addresses will give employees a positive mental image of their management, which in turn is bound to have a profound impression on their working style. If possible, teleconferencing and videoconferencing technologies can be used to bridge the gap between the diverse lines of organizational functioning – the staff and the management and many problems that crop up owing to incommensurate expectations from both the sides can be dealt with adroitly. This can be

viewed as a Communication-HR practice and many more such practices can be introduced in the organization to form a congenial working environment.

USE OF STANDARD TEMPLATES FOR COMMUNICATION ALIGNMENT

For smooth and consistent organizational communication, formatting should be followed wherever possible. If standard templates are prepared for almost all kinds of internal and external communications it will streamline the communication process. Also possibility of miscommunication will drop since intelligibility of the messages transmitted will be enhanced as all communicators would be following more or less the same guidelines defined by the framework of these templates. Though subjectivity in the communication act cannot be completely ruled out, yet the template can govern the placement style of important information and structuring of the information. For this to happen, templates should be frozen after a lot of thought investment and careful planning. Also for different sorts of communication, different color codes for paper, different size codes for files can be decided in case paper communication has to be maintained. Even on intranet different backgrounds can be standardized for different types of in-house messages. This will not only give professional look to the texts but also make communication easy to follow, by curbing subjectivity discrepancies to a great extent and will facilitate separate and systematic filing. If meetings can be formatted by taking a formal tutorial on how to conduct meetings, then deciding the formats of agenda and minutes of the meeting, it will further cut down the unproductive employment of team communication practiced in caucus.

Use Grapevine as a Communication-HR Tool

A manager can intelligently use grapevine to bring out into open the resentment, the frustration and other negative communication behaviors to the fore and purge the organizational climate of these interpersonal conflicts that hamper the productive output of the work place. Use informal birthday parties, games, awarding appreciation publicly as communication episodes to give a boost to the employee morale.

Effective use of company intranet, arranging periodic meetings for facilitating catharsis of the suppressed sentiments in a controlled manner are some of the tools to bring constructive changes in the organizational fabric. A meeting can be arranged by the supervisor where he can discuss just the topics of informal talk, so that he can sense which rumors are brewing in organization grapevine. He can ask the participants to note down anonymously the rumors on a piece of paper. Then he should collect these notes and take the notes one by one giving the factual status on each rumor. In this way he will be able to exercise control over grapevine, know what is going on in Chinese whispers and reinforce the trust of the employees in the sanctity of formal network of communication. A company portal should be exclusively devoted to informal talk so that informal intranet messages do not mince with formal important messages in information overload.

Communication Sensitivity Programs

The communication style of the employees from diverse disciplines at times lead to miscommunication or communication breakdown which can be prevented if they are tutored to develop sensitivity towards the communication needs of professionals from different backgrounds. For this industry can join hands with academia to get its team coached by academic stalwarts who have done research in the domain of communication and who know how to wield this soft tool for company's profit.

THE ROLE OF COMMUNICATION IN HANDLING CHANGES

When a company undergoes major change breakthroughs the HR managers have to shoulder the responsibility of enacting the role of change agents using tactful strategies to take employees in the stride.

Davidson (2002) claimed that “today, everyone with the title of manager, in form or another, has to be a change manager” (p.6). (Lewis, Schmisser, Stephens, Weir, 2006). For implementing effective changes the organization should do promotional marketing of changes so that employees will buy in these changes, dispel apprehensions regarding changes because usually changes do engender feelings of insecurity and create a positive inspiring vision of change by creating a pictorial image with a catchy slogan as herald for a new beginning, thereby delineating change as sunshine revolution. One can create a data bank of frequently asked questions pertaining to changes with answers and provide them to the employees so that rumors do not mushroom. “During times of change, when people are hungry for news, alarmists have a field day; rumors and misinformation proliferate. Leaders who learn how to use informal networks well can gain a huge advantage” (p.186) (Lewis, Schmisser, Stephens, Weir, 2006). Especially have extensive dialogues with the talk leaders who are instrumental in spreading news and molding opinions. Organize presentations and include key stakeholders to discuss change. Use multifarious channels to communicate more and more information about change as early as possible. Explain the entire change program not only in terms of the big picture but also in terms of specific changes that will affect each department’s functioning style. Use stories and metaphors to accentuate the positive outcomes of the change underpinning the negative repercussions. Display posters for picturesque rendering of the positive in the change revolution.

Since managers have to function as change agents many times, for example, when the company is heading towards a merger or an acquisition status, employment of the strategies of organization communication can help them handle the employee reactions in a more effective manner at such a crucial juncture in the corporate history. The manager can use a visual and a written image of the future to build credibility in its team to view the changes occurring in the organizational set up through positive lenses. The manager should use face-to-face communication, questionnaires to sense the employee perceptions about life in the organization, particularly at the time of crisis to quiet the rumor mills on the work, thereby overriding erroneous notions by using clear and consistent communication processes.

A manager can become a creative leader if he has the ability to empower the people working under him by following the principles of mentoring by listening and using questions to get the pulse of what is bothering their minds. Instead of acting as a “talk leader”, he can play the role of a listening leader leading his employees from problems to solutions not by explicit guidance but by tacit suggestions. Thus participative form of communication can revitalize the communication style of the organization.

If a manager charts out a communication plan, carefully contemplating the kind of message channels used, the kind of motivation he can give to his employees using communication as a motivational tool, how he can control and direct their minds for positive results by creating a vision that inspires all, how he can identify talk leaders at the helm of informal networks to spread the right kind of information, he can handle any change or crisis situation in the organization adroitly. The verbal specialists who are the movers and shakers in the organization should be made part of the presentations and discussions about the change and fed with positive inputs so that negativity cannot rule the roost when it comes to the rumors destroying the company goodwill in face of major organizational changes.

CONCLUSION

Thus by integrating the applications of human resource management, communication psychology and organization behavior, portray a holistic model of communication that can redefine the communication profile of an organization. An adept employment of organization communication strategies can address those complex issues at the workplace which intrigue human resource managers.

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STRATEGIC GOALS AND NEEDS FOR MANAGING AND MARKETING AN AGING AMERICAN WORKFORCE

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ABSTRACT

One of the most exciting administrative tasks of our day is to establish means by which able older persons can be deployed in paid or unpaid jobs to address the needs and opportunities of the Nation and beyond. It is important that organizations engage in this task, through their employees or members and through the pool of retired and underemployed managerial talent that now exists. The return on this effort, as this study concluded, will be, not only the satisfying utilization of the talents of older Americans, but also the benefits these people can provide other Americans of all ages. In addition, the utilization of this human capital can have a positive impact not only on the United States economy but the international economy as a whole.

AN EXPLORATORY ANALYSIS IN INCORPORATING CUSTOMER EXPERIENCE FRAMEWORKS WITHIN THE MARKETING AND MANAGEMENT OF EMBA PROGRAMS

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ABSTRACT

The purpose of this research is to determine how to effectively incorporate customer experience management frameworks within the marketing and management of Executive MBA Programs. To determine this information, two customer experience management frameworks were discussed in detail and then components of each framework were hypothetically applied so as to illustrate its ease of application and its potential effectiveness. The main findings of this study indicate that as a result of this “experience economy”, incorporating a targeted, consistent and branded customer experience within any product or service, with EMBA Programs being no exception, is of critical importance. The results of this exploratory study can have significant implications on the future marketing and execution of Executive MBA Programs.

SUCCESSION PLANNING: CURRENT AND FUTURE

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ABSTRACT

Succession planning can aid companies in preparing for future critical vacancies of management positions. Forecasting the talent necessary for these roles can provide the groundwork and understanding of the characteristics needed to maintain and grow a company's strategic plan. Both short and long term strategies must take into account the many forces at work both internally and externally, domestic and globally to be considered during planning since there are forces that are within the company's control, others are not. Succession planning focuses on growth through natural forces, but in times of uncertainty a reduction in the workforce is a common occurrence.

INTRODUCTION

Succession planning involves the identification and development of potential successors in a company. This planning prepares for future critical vacancies of management positions by forecasting the talents necessary for these roles to provide the groundwork and understanding of the characteristics needed to maintain a company's strategic plan. Historically, succession planning concentrated on upper level management; today, companies are utilizing this planning for all levels of their organization. According to James Holincheck (Robb, 2006, p. 89), a research vice president at Gartner, Inc, "Today, instead of focusing on the top 25 or 50 employees, companies are pushing it further down in the organization and using it more as a development tool as opposed to a disaster recovery tool." It is important to continually evaluate and update the tools that are being used to track, mentor, and train future leaders for an organization. Companies have both short and long term strategies which must take into account the many forces at work; internally and externally, as well as domestically and globally that need to be considered during planning since there are forces within the company's control; others are not.

Employees retire, find jobs elsewhere, get promoted from within, are fired, leave the workforce or take a permanent vacation. Organizations can't plan for everything, but some changes can be predicted. Regulatory changes and, to a degree, competition can be monitored; with strategic planning at the forefront. This strategy must be forward thinking, anticipating the advances in technology that are possible and the changes in society that are probable. Decisions must be made about the qualifications and skills that are needed, not only for the present, but those that will be necessary to lead the company into the future.

These decisions should be based on an assessment of the company, its business plan, the economy, and the industry itself. Succession planning considers these areas, in conjunction with the company's mission, vision, values, goals and desired outcomes. Succession planning is not only useful in large global corporations, all companies can benefit from the process.

ORGANIZATIONAL STRUCTURE

From the small company to the international conglomerate, leadership development is important in business. In large organizations the typical personnel planning process begins with job analysis, from which a job description is developed along with job specifications. During this analysis, data is produced which determines the duties of the job and the characteristics of the people who should be hired for each position (Dessler, 2006). This is where the leadership succession planning process begins.

Effective succession planning requires organizations to do more than just identify positions that will need to be filled and potential employees who might fill them. A comprehensive corporate succession plan will identify both a company's current talent needs along with its future needs and the organizational direction.

This is a change from most companies' past practice. Traditionally, when a vacancy occurred, human resources would seek to fill the position as fast as possible completing this task either internally, staffing and personnel agencies, or recruiters. With the implementation of succession planning, many employers now have well conceived training and development programs to be certain to have qualified employees ready to fill key positions. Organizational success depends on having the right employees ready to take over with the right competencies at the right time. This planning allows managers to anticipate changes and act, rather than react to events. (Eskenazi & Henson, 2005).

Through internal programs, employers can identify employees who may be potential candidates to move up in the system and mentor. Some employees may not have all the qualities needed for these key positions, and that is what makes the leadership development program all the more important to prepare these employees to step in and take charge (Shaefer, 2007).

Successful workforce planning may include sweeping changes to old processes and procedures; demanding the commitment and cooperation of all levels of management. The approach is systematic and a multi-step process which includes gaining a thorough understanding of the current workforce, envisioning the operating environment that will most likely exist in the future, identifying the competencies needed that will move the company forward to seize those future opportunities and thrive, and developing strategies for building that future workforce (Morfeld, 2005).

This planning results in management making informed staffing decisions that benefit the company in both the short and long-term. It also provides a framework for other programs such as training, compensation, and diversity management. An organization can then recognize and optimize its human capital by creating a workforce that is and will continue to be flexible and responsive (Morfeld, 2005).

POSITION EVALUATION

There are different ways of classifying and ranking the importance of positions within an organization. Conlon suggests that the first step is to evaluate and decide which positions are critical roles in a company (Conlon, 2008). Once the positions are recognized as key, each role must be identified for its required talents.

Conlon (2008) goes on to segment these roles into one of the four following categories and suggests that specific actions be taken by the organization in regard to each role type:

Strategic: These functions are critical to driving the organization's long-term competitive advantage. Employees in these roles have specialized skills or knowledge. *Action:* Build capability in these roles by hiring new staff or implementing targeted development.

Core: The so-called "engine of the enterprise", these roles are unique to the company and core to delivering its products or services. *Action:* Protect these roles by ensuring the company will always have adequate capabilities through rigorous in-house development.

Requisite: Although the organization cannot do without these roles, their value could be delivered through alternative staffing strategies. *Action:* Streamline or outsource these roles.

Non-core: People in these roles have skill sets that no longer align with the company's strategic direction. *Action:* Shed these roles (p. 39)

Forecasting the talent needed is much more difficult. This may explain why 60% of large companies in the United States (U.S.) don't even have a plan in place to replace their most important position of CEO (Bower, 2007). Talent forecasting includes accounting for not only the current, but the anticipated workforce while factoring in the supply and demand dynamics of the industry. It is also imperative to consider the internal and external forces that may influence the availability of qualified individuals to not just fill, but have the potential to exceed the expectations of the position. In the current economic environment, forecasting can be a significant challenge.

Once the key roles and the talent needed for these roles are identified, an organization must establish, in numbers, how many positions will be needed in the future. The difference between current and future needs is the talent gap. To fill this talent gap, companies must decide which positions they should concentrate on initially.

This can be achieved by ranking positions by priority. The highest priority role is critical to the company's initial strategy and must be filled before other positions. It could take a long time to fill. The next priority role is important to the business' strategy and could also take a long time to fill. The third group is important to the business' strategy but has a short lead-time to fill. Finally, the lowest priority role can be brought on board late in the course of the strategy and has a short lead-time to fill (Ruse & Jansen, CUPA 2008).

Some companies look not only at an executive's business attributes, but also assess his or her behavior and personal traits. Lockheed Martin's leadership assessment program determines whether an individual acts ethically, displays integrity, and fosters teamwork (Babcock, 2006). Their program also appraises an employees' potential in assuming roles with increased complexity and accountability, their capacity to make future contributions and their capability for continuous learning.

THE BASICS

As Orellano & Miller (1997) state:

The three basic goals of succession planning include:

- Identification of critical management positions within the organization.
- Identification of future vacancies in those positions.
- Identification of managers who would potentially fit into these vacancies (p.2).

In the smaller business, only the CEO or the position of president may be included in the strategic plan for succession planning purposes. As the business becomes larger, middle and senior level positions could also be included. Today with global businesses, comprehensive employee data is gathered to recruit not only top level positions, but several levels below the top.

For any strategic plan to be successful, the entire organization needs to be aware of the plan and be familiar with the parts of the plan that they are responsible in order to achieve results. Accordingly in order for the succession plan, as part of the strategic plan, to achieve its goals certain elements must be included.

Orellano & Miller (1997) outline the following as key elements:

- CEO and top management support

- Integration with strategic business planning and projected changes in the organization
- Identification of critical management position requirements and operational criteria
- Determination of future managerial position requirements and operational criteria
- Incorporation of other corporate policies such as the promotion of women and minorities
- Incorporation of job profiles that identify critical competencies for effective performance in specific jobs
- A review of human resource forecasting
- A system for communication of the succession planning process to managers
- A system for identification, nomination and selection of successors
- A review of data on all potential candidates, including appraisals of performance and potential, experience and skills, education, salary history and personal career goals
- A system for performance evaluation and appraisal that incorporates objective ratings by each candidate's supervisor, subordinates and colleagues to assess readiness, performance and potential
- Determination of training, development and experience needs of candidates
- A system for monitoring candidate's development plan progress by senior management
- A system for feedback, plan modification or change, and encouragement
- A review of recruitment and replacement needs at the point in time when those individuals are ready to advance
- Identification of gaps in management succession and
- Time lines for succession, both for organizational need and for individual readiness (p. 3)

INFORMATION GATHERING

Once the key elements are agreed upon and the plan is developed, the information gathering stage begins. With the widespread use and availability of computers, companies can obtain data using their own information systems by having their managers completing forms on their own network or over the Internet. This will enable an entire database to be created without a lot of effort by one individual.

A small-sized company may only be concerned with its top executive positions, being able to manage the process internally by using a basic spreadsheet or database. A large organization requires an all encompassing approach to create a succession ladder throughout the whole company, not just for the top level positions. There are entire software systems dedicated to gathering and managing information for the purpose of succession planning (Robb, 2006). The data can then be used as a development tool within a large company to identify the gaps in their succession pool.

Internal information should include current employees' performance documentation and outline which employees possess the attributes that would be considered essential for future leadership positions.

During the information gathering/planning stage, Eskenazi & Henson (2005) offer the following questions as examples to consider asking managers in order to better analyze their needs:

- What are the key business goals and objectives for the next year? Two years?
- What is your competitive environment like and how will it impact your ability to meet these goals and objectives?
- What are the critical processes that are needed to meet those goals?
- What are the key success factors for achieving future outcomes?
- What are the key work activities associated with these success factors?
- What are the barriers to optimally perform these work activities?
- What talent pools can affect those barriers?
- What does your current talent pool look like today and how will it impact your ability to achieve success in the future?
- What people capabilities are needed to deliver on those critical processes?
- What are the most critical people issues you currently face?
- What do you think the most critical people issues will be in one or two years?
- Which positions and capabilities are most critical to your department (p. 2-3)

Huxtable & Cheddie (2001) stress the importance of the level of the human resource function as positioned in the organization. They maintain that human resource management play a strategic role and must have the staffing to produce the data and the ability to analyze it to produce results. Depending on the expertise and/or size of the company's own staff and budgetary constraints, a succession management specialist may need to be obtained to initiate or manage the entire process.

Information about the organization must be gathered both internally and externally. One of the company's goals should be to meet the customer's needs and desires, while still maintaining a competitive edge and maximizing profits. An assessment may be necessary to determine how the organization is viewed in the marketplace and whether that is how it wants to be viewed (Huxtable & Cheddie, 2001). This assessment could guide the direction that succession planning should take.

INFLUENCES AND CHALLENGES

Competition, technology, regulatory changes, company priorities, market trends, the economy, turnover, retirements, promotions, and retention efforts are just some of the challenges that influence succession planning. The factors that affect the pool of available talent don't just come from within the company's corporate headquarters, but in this modern marketplace, are global (Conlon, 2008).

There are large numbers of skilled workers nearing retirement and the competition for skilled employees is growing. Diversity in the workforce is increasing. This change is both ethnic and age related. Expectations among Generation-X and Generation-Y workers regarding early responsibility and work/life balance are dramatically different than in the past (Cotton, 2007). Employees entering the workforce are more likely to say "no" to the 60 hour work week and the "fast track" of previous generations. Rapid advances in technology have enabled many services to be delivered quicker and at a higher level than ever before. The public now expects this type of service along with accountability and transparency. The old methods of recruiting, retaining, training, and promoting employees are inadequate to meet the challenges of today and the future.

Another area that organizations need to observe is deregulation and its effects. Deregulation may seem to be a positive influence for an industry. However, the competition from new companies entering the marketplace, with state of the art technology, may end up putting established companies out of business. The companies that remain could view this as a positive for their succession planning to fill their key roles.

Mergers and acquisitions, while eliminating duplication of top level positions, also create opportunities to put the best of the best in the surviving company's key executive roles. These events also result in more talent in the pool for other top level positions. Company priorities, such as a focus on diversity or the promotion of women into top level positions will further influence a company's succession plan.

Market trends and the economy influence decisions made by CEO's on a daily basis. When the economy is growing, business grows. CEO's, and everyone else's jobs seem secure. However, when the economy is experiencing a downturn, a corporation's board may believe that their CEO is underperforming and may look for a replacement.

According to the Bureau of Labor Statistics, the workforce population between 25 and 44 years old – the prime executive development ages – is suffering a steady decline (Watkins, 2007). Birthrates are also declining. This workforce transformation and these trends must be considered. People may be living and working longer but that doesn't mean they will still have the ability to be productive workers into their old age.

Watkins (2007) suggests these potential solutions to become an employer of choice:

- Make the company an attractive place for aspiring managers by creating opportunities for growth of responsibilities earlier.
- Accelerate leadership development by implementing processes that speed up the development of heads of departments to general managers.
- Find ways to retain the best talent through incentives such as a CEO to mentor or coach younger managers (Watkins, 2007, p 2).

In 2004, AXA Equitable, performed a workforce needs analysis to determine its leadership gap (Fox, 2008). The analysis revealed that over the next eight years, AXA would need to prepare close to 300 successors for executive positions. This analysis revealed a gap. There were not enough qualified individuals to fill the positions that would become available due to turnovers, promotions and retirements.

The global conglomerate had more than 11,000 employees in the U.S. alone. AXA knew it needed to increase its retention efforts immediately. AXA's strategic plan then incorporated human resources to begin meeting with the senior vice presidents and vice presidents to review employees' performances and identify emerging talents. Human resources then created a leadership plan to foster internal mobility and develop these individuals into future executives.

SUPPLY AND DEMAND

The law of supply and demand suggests that where talent is scarce, the demand and thus the wages will increase to obtain that talent. Demand for various goods and services determines the employment level in the industries providing them (U.S. DOL, 2008). The Bureau of Labor Statistics (BLS) forecasts the industries that will experience growth (table 1). Population ultimately determines the size of the labor force. Future competition for top level executives in these industries will effect their current succession plan.

Human resource professionals are constantly evaluating their company's wage rate to others. Businesses consider national, local and industry specific data for comparison. All this data misses a crucial factor, the quality of the applicant pool. To remain competitive, a company must have a solution that identifies the supply of talent within the company's current workforce and compare it against the demand of what it will need for the future. If a company can address their needs through internal growth, they have overcome a huge hurdle by knowing what they are getting.

Watkins (2007) explains how Johnson & Johnson addressed its leadership gap. Like many companies, it suffered from the war for talent during the Internet boom. The company leadership recognized that it had systemic problems with how it managed its high-potential employees and far earlier than most companies, senior leadership at Johnson & Johnson understood that "sink-or-swim" Darwinian leadership development was no longer viable, and that the ability to accelerate leaders into new roles was a sustainable source of competitive advantage in increasingly dynamic global markets. The result was a commitment on the part of senior leadership, as well as the board, to institutionalize transition acceleration.

In today's business environment, Johnson & Johnson rarely hires outsiders for positions at the Vice President level and above. Instead the company focuses on hiring great people from the outside at the manager level and then it pays extraordinary attention to the development and acculturation for them to become leaders (Watkins, 2007).

INTERNAL VS. EXTERNAL

Companies that manage succession well understand that the process starts years before the event. They know how to think outside the box. These companies may look internally for potential candidates to fill their key positions from within to develop them to the level needed, as demonstrated by Johnson & Johnson, but they may realize their needs can't be met internally and know they must look for an external candidate.

As Bower (2007) points out, both insiders and outsiders have strengths and weaknesses when they begin. Employees know the company and its inner workings but may not recognize the need for change. New ideas can come from the outside, but often times these newcomers don't know the company well enough to foster the changes needed.

There is price to develop talent from within. Resources must be dedicated early on in an employee's tenure and there is no guarantee they will stay on after you have invested time and money on them. Buying talent from outside can be very costly. A company has to figure out how to calculate the return on its investment. It may have to compare the net present value of buying talent against the cost of growing that future talent.

Organizations realize how crucial succession planning is to their bottom line and have expanded their strategy to take into account not only top level positions, but have broadened their plans to include mid-level managers too (Davis, 2008).

SUCCESSFUL SUCCESSION

It may seem unimaginable, but more and more companies are having their executive leaders pick their own successor from within the company. Instead of hiring someone from the outside that would take a full year to understand the inner workings of the company, they breed their own. Companies realize that

to be effective, you have to know the business and you have to know the players. In a fast changing, competitive world, you can't sacrifice a year (Flander, 2008).

As an example, Flander (2008) reports that General Mills' chief human resource officer (CHRO) recognized the ability of an emerging talent within the organization. Years before the CHRO was ready to retire, he began to challenge his potential successor by taking him out of his comfort zone and by adding responsibilities that he would eventually take over in the CHRO position. CHRO's don't grow on trees and the competition for talented individuals makes it a winner take all atmosphere.

An essential element of this mentoring process is anticipating situations and giving your successor the tools he or she will need to be successful in their position. Something as simple as taking the opportunity to introduce the individual to board of director members can make the person comfortable when they later have to present to the board. Acknowledging gaps in the person's career and exposing them to situations they have not experienced prior, will make their success all the more likely. The replacement will need to manage contradictory tasks along with the ability to judge, identify, understand and know all the possible solutions to a problem. This makes for a well-rounded replacement that has all the tools necessary to make his tenure a success.

Companies have created innovative plans to provide the tools to grow and keep their talent. Verizon Wireless provides college education onsite, offering classes toward associate, bachelors' and M.B.A. degrees (Yovovich, 2008). This is an expensive venture, but one that Verizon Wireless has determined to provide the strategic direction the company is looking to obtain.

Companies that view education as an investment and a logical step in their succession plan are seeing this investment pay off. Their employees recognize that they can become strategic planners, managers, and future leaders of their company (Yovovich, 2008). It is imperative to remember that succession planning is a continual process, with organizations creating a continuing cycle.

Although technology is not required to complete the tasks associated with succession success, many companies are moving their succession planning toward automation utilizing technology. Technology has created efficiencies and consistence to assist in succession planning.

CONCLUSION

The human resource professional has come a long way from just monitoring policies and procedures to being a strategic partner in the plan of an organization. A partner that develops and fosters a systematic plan to forecast potential talent shortages in a company's critical roles, a partner that plays a key part in the successful replacement for that role. The board of directors and shareholders breathe a collective sigh of relief when they know a successor is ready to step in when a CEO retires.

Succession planning focuses on growth through natural forces, but in times of uncertainty a reduction in the workforce is a common occurrence. When an organization is cutting back, it must ask some of the same questions when eliminating positions: Is management well equipped to carry out the procedure? How will the company justify its actions? What is the goal, short-term benefits or long-term advantages?

Whether the economy is experiencing a peak or a valley, every organization needs a successful strategy for acquiring, developing and retaining talent. As the talent pool shrinks business leaders will continue to recognize that employees are their most important assets.

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BIOGRAPHY

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CAPM AND APT VALIDATION TEST BEFORE, DURING, AND AFTER FINANCIAL CRISIS IN EMERGING MARKET: EVIDENCE FROM INDONESIA

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ABSTRACT

Due to dynamic challenge in stock market risk and return measurement, financial practitioners and academics are quite concerned with the development of asset pricing studies. Moreover, validity of the existing theories in the recent Asian financial difficult years stimulates another challenge to the discipline. This paper attempts to investigate the ability of CAPM and APT in explaining excess returns of portfolio of stocks traded in Jakarta Stock Exchange (JKSE). The study assesses validation of the theories using data from 3 different periods of the associated economic circumstances, i.e. pre-crisis period (1992-1997), crisis period (1997-2001), and post-crisis period (2001-2007). Our finding shows that Beta is not the single factor that can explain the portfolio excess returns. At the same time, APT is proven to be able to vindicate the portfolio excess returns in the observation periods, in which the excess return averages are found to be consistently negative. We also find that spread is constantly significant variable, while risk-premiums vary over the observation periods.

KEYWORDS: CAPM, APT, Financial Crisis

BIOGRAPHY

The authors are research staffs at the Center for Management Studies, Faculty of Economics, University of Padjadjaran, Indonesia and at the International Islamic University Malaysia, Kuala Lumpur.

THE DEVELOPMENT OF IT TOURISM IN EAST BALI

Rudyanto Bambang, Wako University
Gde Ketut Warmika, Udayana University

ABSTRACT

Bali Island is one of the most famous tourist destination in the world. The most developed area for coastal tourism industries are Kuta, Nusa Dua and Sanur, which are located in South Bali. Previously, East Bali such as Padangbai, Candidasa and Tulamben were also attractive for marine tourism, but due to the coastal erosion and the terrorist attack, the tourism sector is getting worse. The coming tourist declining year by year, and the tourism industries which focused only on marine tourism are collapsed. On the other hand, nearly half population of the East Bali, known as Karangasem Regency are still living below the poverty line. By concerning these situations, we are proposing a tourism development project which based on Information Technology (IT). The objective is to develop the area as a center of IT, not only for Indonesia, but also for the world. The network infrastructure will be equipped with the high speed internet, so that the IT specialist from abroad will be welcomed as a tourist, to bring order of computer programming. While the specialist take a vacation, Indonesian group of programmer will continue to complete the order, so that when the specialist finish the vacation the program will be completed. The methodology is re-develop the current tourism industries to be IT friendly and environmental friendly area. The development of IT Tourism will bring the area in better economical standard and keep the good environment in East Bali.

ORGANIZED RETAILING IN INDIA- AN EMPIRICAL STUDY OF APPROPRIATE FORMATS AND EXPECTED TRENDS

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ABSTRACT

The retail sector and its environment have experienced radical changes in the last decade. Most of the challenges are due to changing demographic, social, politic, business climate, and absolutely the rapid growing of world-class retailer such as Wall Mart, Carrefour, K-Mart, etc. This paper examines the relative importance of the various products purchased at organized retail outlets and the choice of format, the consumer has, when he or she decides to buy a particular product. The paper also discusses the expected development of organized retail in the future, focusing on aspects with potential effect on purchasing behavior among the consumers. It has been found that all items are not equally important to be sold at organized retail outlets and that various products need specific retail formats.

JEL: M 31

INTRODUCTION

Retailing in India is currently estimated to be USD 200 billion, of which organized retailing (i.e. modern trade) makes up approximately 3 percent or USD 6.4 billion. Organised retail is expected to grow at 25-30 percent p.a., and is projected to attain USD 23 billion by 2010. At these levels, organised retail would constitute up to 9 percent of overall retail sales.

In modern retailing, a key strategic choice is the format. Innovations in formats can provide an edge to retailers. Post-World War II, the key demographic trend was migration away from the city-centre towards the suburbs. This led to the emergence of the 'shopping centre', a cluster of outlets in a location offering a range of merchandise catering to most needs of the immediate suburb, offering a range of services from saloons to cafes, newsstands and grocery stores. The 50s saw the emergence of the 'enclosed' shopping mall, providing an end-to-end shopping and entertainment experience from food courts, theatres to shopping outlets.

It may be difficult to transplant a successful international format directly and expect a similar performance. Local conditions and insights into the local buying behaviour have to shape the format choice. A good point to note in the retailing industry today is the level of experimentation happening locally in terms of formats. Players like Subhiksha is providing convenience with discount on goods, while internationally convenience formats typically charge a premium over the market prices. Similarly, ITC is experimenting with a model which brings together a two way flow of goods in the retail outlet - farmers sell their produce and purchase goods to fulfill their consumption needs. While the experience of these retailers as they scale up beyond their current geographies may provide new insights and lead to modification or fundamental re-engineering of their formats in future, such experimentation and identification of an appropriate format for the local conditions would differentiate winners from losers in Indian retail market of the future.

REVIEW OF LITERATURE

In retail perspective, the flow of good and service is related with classical economics theory, which always tried to find an equivalent point between maximizing producer's profit and consumer's utilization. Some of journals tried to find a relationship between retail activities and society, such as Howard (1933), Nystrom (1948) and Severa (1943). In his writing, "The whole Truth in Retail Advertising", Howard (1933) explained how retail advertising activities affected to society behavior changing, so he thought that "manipulative advertising" can destroy social's society structure. Nystrom (1948) said about the minimum wage in retailing and Severa (1943) has shown the US Retail Credit in Wartime. The discussion about retail and its effect to society in this era (1925-1945) is telling about retail planning after World War II, price policy strategies and fulfills the needs of society after war.

Copeland (1942) in his commodity theory suggested the need to classify goods and services, based on consumer needs in order to make distribution to be easy. Zanna and Fazio (1982) and Ajzen (1989) point out that an evaluative dimension is a common feature of all the definitions of attitude. Shim et al. (2001) indicate that an attitude toward a behavior can be recognized by an individual's positive or negative evaluation of a relevant behavior, which comprises a person's beliefs regarding the perceived outcomes of performing the behavior. From this perspective, knowledge of consumers' attitudes can help explain the reasons behind their favorable and unfavorable evaluations of an object or a behavior; for example, why consumers do or do not buy products of particular brand names or shop at certain types of store formats.

To know about the most appropriate formats for shopping of various products, Urbany, Dickson, and Kalapurakal(1996) and Ailawadi, Neslin, and Gedenk(2001) have specifically developed a scale for measuring attitude toward grocery shopping. Childers et. al. (2001) developed a scale to measure attitude towards shopping that utilizes a technological device. Donthu and Gilliland (1996); Donthu and Garcia (1999); Beatty and Ferrell (1998); Reynolds and Beatty (1999) and Ellis (1995) have observed that shopping enjoyment actually pertains to the "affective" aspect of the shopping attitude which leads to know about the fit match about the types of product and the appropriate retail format.

Specialized retailers, are developing rapidly in segment s such as consumer durables and white goods, books, music, lifestyle goods, household furnishings, healthcare and beauty. In the late 80's there were approximately 300 different types of cars, 400 brands of beer, and 21000 products in the average super market in the United States (McKenna, 1988). Literature in marketing and related behavioral sciences suggests a breadth of consumer motives for shopping. The idea that consumers are motivated by more than simply the utilitarian motive to obtain desired items has been acknowledged at least as far back as the 1960s by Howard and Sheth (1969).

Through the present study, and attempt has been made to highlight the most important products being sought to be shopped at the modern retail outlets and the appropriate formats for their sales. The study may prove useful for the organized retailer to understand the consumers' preferences for various products and the appropriate retail formats.

Objectives of the Study

1. To know the relative importance of the various consumer products being purchased at organized retail outlets.
2. To know the appropriate retail formats for each of the selected items.
3. To have an insight about the future trends of organized retail in India.

Hypothesis

1. All the items being purchased at organized retail outlets are equally important.

2. All types of retail formats are equally appropriate for all items being sold at organized retail outlets.
3. Organized retail has great potential in India.

METHODOLOGY

The scope of this study was confined to the organized retail sector and the respondents were selected from the National Capital Region (NCR) Delhi. The study is based on primary as well as secondary data. The data was collected from two hundred and thirty shoppers through the convenient sampling. These shoppers were either inside the mall or walk in customers. For obtaining the responses, a five point Likert scale has been used. Factor analysis and ANOVA has been applied to analyze the data and inferences have been drawn on the basis of the results so obtained. By using SPSS 11.5 version software, the results are obtained.

RESULTS

In order to find out the relative importance of the various products important for selling through organized retail, various studies conducted in the past were gone through and according to India Retail Report 2007, 13 items have been suggested to be important for sales through organized retail outlets. For the present study all these 13 items were included to know whether all these items were equally important for selling through organized retail.

The responses obtained were put to factor analysis and the results so obtained were subjected to Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and Bartlett's test of sphericity tests. The null hypothesis is rejected by the Bartlett's test of Sphericity. The approximate chi-square value in this case is 545.056 with 78 degrees of freedom, which is significant at the 0.00 level. The value of the KMO statistics (0.533) is also large (>0.5). Hence, all products are not equally important to be sold out at organized retail outlets.

From table 1, it is evident that the first five variables represent 61.183 % of variance. Therefore, only these five factors with the variance greater than one are retained and the other factors are not included in the model. Thus, we extract only five factors from the thirteen initially selected variables.

Table 1: Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.379	18.303	18.303	2.379	18.303	18.303
2	1.825	14.041	32.344	1.825	14.041	32.344
3	1.464	11.260	43.603	1.464	11.260	43.603
4	1.186	9.120	52.723	1.186	9.120	52.723
5	1.100	8.459	61.183	1.100	8.459	61.183
6	.995	7.655	68.838			
7	.924	7.107	75.945			
8	.735	5.651	81.595			
9	.655	5.041	86.636			
10	.604	4.650	91.285			
11	.536	4.121	95.406			
12	.423	3.252	98.658			
13	.174	1.342	100.000			

The results obtained are depicted in table 2 below.

Table 2: Rotated Component Matrix

Retail Segments	Component				
	1	2	3	4	5
Food and grocery	-.025	-.756	.009	-.228	.041
Health& Beauty Care Services	.914	-.013	.009	.030	.151
Clothing, Apparels and accessories	.153	.780	-.003	-.160	.003
Books, Music and gifts	.444	.044	-.074	.007	.659
Furnishing and Home Furnishing	.329	.319	.457	.090	-.296
Jewellery	-.124	.190	-.018	.172	-.533
Footwares	.030	.276	.124	.706	-.072
Catering services	.841	.154	.083	-.098	.095
Entertainment	-.210	.443	.132	.230	.622
Watches	.143	-.034	-.452	.557	-.161
Pharmaceuticals	.202	-.129	.652	.117	.102
Consumer Durables, Home appliances	.317	.219	-.183	-.547	-.114
Mobile, accessories & Services	-.142	.067	.807	-.004	-.048

The following five components (table 2) may be extracted:

Component 1: Health and beauty care services; Catering Services.

Component 2: Clothing, apparels and accessories; Food and grocery.

Component 3: Mobile accessories and services; Pharmaceuticals.

Component 4: Footwares; Watches.

Component 5: Books, music and gifts; Entertainment

Relative Importance of Retail Segments

The following Table 3 depicts the various retail segments in their descending order of importance for purchase through organized retail. The order of importance for various items for organized retailing are food and grocery; Clothing, apparels and accessories; Catering services; Health and beauty care services; Pharmaceuticals, Watches; Mobile, accessories and services; Books, music and gifts; Footwares; Entertainment.

APPROPRIATE RETAIL FORMATS FOR EACH OF THE SELECTED ITEMS

In order to know whether all types of retail formats are suitable for all the retail segments are not, the responses obtained were put to ANOVA (Analysis Of Variance test). The results obtained depicted that only the variables Health and Beauty Care Services and Catering Services have level of significance is greater than .05. Hence, the null hypothesis is accepted only for these two items and it implies that any type of retail format is suitable for the above mentioned two services. For the remaining variables, significance level is calculated to be less than .05.

Further, in order to know the most appropriate retail format for the selected items, mean and standard deviation of the obtained data was calculated. On the basis of this data, the most appropriate retail format in case of the various retail segments are given below. Food and grocery-Supermarket; Health and beauty care services-Supermarket; Clothing and Apparels'-Mall; Books; Music and Gifts-Convenience store and

Mall; Catering services-Mall; Entertainment-Mall; Watches-Hypermarket; Pharmaceuticals-Hypermarket; Mobile, accessories & Services-Hypermarket; Footwares-Departmental store.

Table 3: Relative Importance of Retail Segments

Retail Segments	N	Mean	Std. Deviation	Variance
Food and grocery	230	3.3522	1.15686	1.338
Clothing, Apparels and accessories	230	3.2478	1.08759	1.183
Catering services	230	3.1261	.96068	.923
Health& Beauty Care Services	230	3.0217	.93194	.869
Pharmaceuticals	230	2.8522	.94609	.895
Watches	230	2.7957	1.10851	1.229
Mobile, accessories & Services	230	2.7913	1.05727	1.118
Books, Music and gifts	230	2.6174	.89718	.805
Footwares	230	2.5739	1.22607	1.503
Entertainment	230	2.2391	1.21822	1.484

Emerging Trends in Retailing

In order to know the expected future trends, opinions of various experts were obtained and an analysis of the same was made. The following observations, after generalization, were made. It was pointed out by many experts that there are, now, revolutionary changes in the marketing of twenty-first century. Today's market place is characterized as "the age of diversity", in which consumers demand and get tremendous variety in the products and services. Customers can provide large number of new ideas, which companies may not think on their own. The retail market in India offers tremendous potential and is growing fast. The retail boom in India brings tremendous opportunities for foreign as well as domestic players

It was observed that some of the experts had hesitantly opined that the position of retail sector in India may be somewhat affected due to economic crisis in the developed nations. However, it was opined that the world, till recently, looked at India as the nation of the future, more significantly in Retail Sector. With the changing face of retail, the Indian consumer went in for a rapid transformation. It was also transpired during discussions that the global financial meltdown has started having its impact on the Indian economy. With the industrial production hitting a low of 1.3 percent, almost all sectors have now started severe cost-cutting, including laying-off employees. Across all-sectors-manufacturing, retail, realty, IT and BPO, banking and financial services, the focus is now on trimming down the employee strength. The region is no different, with the number of employees losing their jobs getting higher day-by-day.

Many respondents have opined that in spite of all these difficulties the Indian retail sector remains one the most attractive emerging retail markets of the world. An 8-9 per cent GDP growth rate, a booming consumer market led by a 300 million strong English speaking middle-class, an immense untapped economic potential and a conducive investment climate are just some of the reasons that the Indian shopper is very much sought after.

CONCLUSION

In India, a consuming class is emerging owing to the emergence of the increasing income levels and dual career families with high disposable incomes. With the retailers eyeing their presence in the market, it is pertinent for them to identify the target shoppers as well as to identify the prime factors of enjoyment in shopping. The results reveal that a majority of the consumers are pro shoppers which mean that they feel

enjoyment while shopping. Their key interests include getting product ideas or meeting friends. They also view shopping as a means of diversion to alleviate depression or break the monotony of daily routine. In addition to this, they also go shopping to have fun or just browse through the outlets.

There are revolutionary changes in the marketing of twenty-first century. Today's market place is characterized as "the age of diversity", in which consumers demand and get tremendous variety in the products and services. Understanding customers' perceptions, attitudes, desires, aspirations and expectations has become very important for the marketers to survive. Customers can provide large number of new ideas, which companies may not think on their own. The retail market in India offers tremendous potential and is growing fast. The retail boom in India brings tremendous opportunities for foreign as well as domestic players.

The recent starting of global meltdown is not expected to have any severe effect on Indian economy in general and hence organized retail in particular because it has good fiscal as well as revenue policies and a well developed banking system and network. It is expected that India may have to face the heat but it may not lead to its melting down.

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USING ARTIFICIAL NEURAL NETWORKS FOR INCOME CONVERGENCE

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ABSTRACT

Economic convergence is one of discussing problems of new Macroeconomics. It refers to tendency of per capita income of countries (regions) to their steady-state value. Hypothesis declares two kinds of convergence: Conditional and Absolute Convergence. This paper studies income convergence between 177 world countries during the period of 1980-2006 by using the neoclassical growth model of Barro-Salla-i-Martin for both kind of convergence. Non-linearity of the underlying relationships, the restrictiveness of assumptions of functional forms and econometric problems in the estimation and application of theoretical models, advocate for the use of Artificial Neural Networks (ANN) algorithms. We show that by changing the quantitative tools of analysis and using Artificial Neural Networks (ANN) how the results become more precise. Results show that absolute convergence does not exist and conditional convergence is insignificant.

INTRODUCTION

Movement of the world toward integration, polarization and formation of united countries is one of discussing problems. Economically, debates about integrations such as European, Islamic, G7 or ASEAN countries integration can be studied in different fields such as international economics, growth economics, etc. However, one of the concepts, which seemed essential for all of these fields to be studied is income (output) convergence. It refers to tendency of per capita income of countries (regions) to their steady-state value. For studying β -convergence, two kinds of convergence should be studied: conditional and absolute convergence.

We try to solve the critics about non-linearity of the underlying relationships and ambiguity of functional form by using non-parametric approach of Artificial Neural Networks (ANN). We show that by changing the quantitative tools of analysis from traditional econometric tools to new approach of Artificial Neural Networks (ANN) how the results will become more precise and the non-linearity problem will be solved and appropriate functional form of movements of per capita income of countries toward their steady-state value will be gained. This paper is organized as follow: in section 2 we discuss some main studies on convergence hypothesis, section 3 declares the methodology and ANN modeling. In section 4, we describe our findings and compare them with OLS method. Finally, section 5 is conclusions.

LITERATURE REVIEW

Barro and Sala-i-Martin (1992) defined β and σ -convergence for US states according to Solow model. They elicited following cross-country regression:

$$\log\left(\frac{y_{it}}{y_{i,t-1}}\right) = a_{it} - (1 - e^{-\beta}).\log(y_{i,t-1}) + u_{it} \quad (1)$$

Where, the subscript t denotes the year, and the subscript i denotes the country or region, y is per capita income, and u is the error term. If the intercept a_{it} is the same for all places and $\beta > 0$, equation (1) implies that poor economies tend to grow faster than rich ones. This type of convergence is called “absolute” or “unconditional” convergence.

If someone uses the term $(1 - e^{-\beta}) \cdot \log(\hat{y}_i^*)$ as an explanatory variable it means that the growth rate of economy i depends on its initial level of income and also, depends on the steady state value of income, \hat{y}_i^* . This is why we use the concept of “conditional” rather than absolute convergence: the growth rate of an economy depends negatively on its initial level of income, after we condition on steady state as follow:

$$\log\left(\frac{y_{it}}{y_{i,t-1}}\right) = a_{it} - (1 - e^{-\beta}) \cdot \log(y_{i,t-1}) + (1 - e^{-\beta}) \cdot \log(\hat{y}_i^*) + u_{it} \quad (2)$$

METHODOLOGY

Artificial neural networks are the members of a family of statistical techniques, which try to simulate and model human brain. They have recently received a great deal of attention in many fields of study. A neural network relates a set of input variables (input layers) to a set of one or more output variables (output layers). The component of each layer is called neuron or node. The difference between a neural network and other approximation methods is that the neural network makes use of one or more hidden layers, in which the input variables are transformed by a special function in parallel processing. Each neuron has one ascendant activation function, which can be linear or nonlinear according to their application. This activation function determine threshold of the neuron. The neuron receives a weighted sum of inputs from connected unit, and reply according to this threshold and weighted sum of inputs. This section declares two different neural networks: feed-forward networks with Back-Propagation (BPN) learning algorithm, mostly used by economists for prediction and Elman Recurrent networks.

ANALYSIS OF RESULTS

Table 1 shows the estimation results of equation (1) for 177 countries from 1980-2006. The estimated negative value of β , derived from the positive coefficient of $\log(y_{i,t_0})$, which is statistically significant, demonstrates lack of absolute β convergence. The relatively low value of R^2 is not unusual in such cross-sectional equation estimates.

Table 1: Results of Absolute Convergence Regression

β	Estimated coefficient of $\log(y_{i,t_0})$	R^2
-0.0013	0.0013 (2.55)	0.0015

This table presents the results of linear regression model for absolute convergence, the negative sign of β support absence of absolute convergence.

Table 2 presents the results of conditional convergence. Variables added linearly to the original model include openness in constant price (OPEN), total labor force (LAB), investment share of real GDP (INV), and percentage of government expenditure from GDP (GOV).

As the results show additional variables improve the explanatory power of the model very slight, and in all presented models of table 2 coefficient of $\log(y_{i,t_0})$ is statistically insignificant. Except coefficient of openness that is statistically significant and its value is very small, all other additional variables are statistically insignificant and add nothing to the model.

Table 2: Results of Conditional Convergence Regression

β	$\log(y_{it0})$	OPEN	LAB	INV	GOV	R^2
-0.00067	0.00067 (1.23)	0.000046 (3.47)	----	----	----	0.0047
-0.00065	0.00065 (1.19)	0.000051 (3.76)	0.0000013 (1.23)	----	----	0.0055
-0.0011	0.0011 (1.76)	0.000048 (3.59)	----	-0.00014 (-1.44)	----	0.0052
-0.00088	0.00088 (1.54)	0.000045 (3.40)	----	----	-0.00020 (-2.05)	0.0053
-0.0015	0.0015 (2.27)	0.000055 (3.93)	0.0000017 (1.55)	-0.0002 (-1.97)	-0.00021 (-1.92)	0.0069

This table presents the results of linear regression model for conditional convergence, the negative sign of β support absence of absolute convergence. T-statistics show that only openness is significant and the results do not support significance of conditional convergence.

Now we are going to use nonparametric ANN approach to make the estimation more accurate. A neural network uses three samples of data: training, validation and testing sample. The most important challenge of neural network performance is related to its architecture. Usual way for designing a suitable network is trial and error. We examined more than 50 different neural networks to find the best network's architecture empirically and used training, validation and testing subsamples with 70%, 15%, 15%. Therefore, 1980-98 is training sample, 1998-2002 is validation sample and 2002-2006 is testing sample. Two-layer networks with *tansigmoid* activation function in hidden layer and *purelin* activation function in output layer for both kinds of network have been used. The networks have been trained with Levenberg-Marquardt back propagation algorithm (*trainlm*) for 1000 epochs and evaluate their performance using mean squared error (MSE). Table 3 summarizes some of these networks.

Table 3: Results of Different Artificial Neural Networks

Number of Network	Network Type	Number of Hidden Neurons	MSE-TRAIN	MSE-TEST
1	BPN	2	0.00071	0.00067
2	Feed-Forward	3	0.00046	0.00077
3	BPN	4	0.00067	0.00058
4	Feed-Forward	5	0.001	0.0011
5	BPN	6	0.0012	0.0014
6	Feed-Forward	7	0.0013	0.0020
7	BPN	10	0.0013	0.0032
8	Feed-Forward	15	0.00092	0.0018
9	BPN	20	0.00090	0.0020
10	Feed-Forward	25	0.001	0.0025
11	BPN	30	0.00055	0.0022
12	ELMAN	2	0.00061	0.0011
13	Recurrent Network	3	0.00067	0.0015
14	ELMAN	4	0.00078	0.00096
15	Recurrent Network	5	0.00062	0.00092

This table illustrates different Elman and BPN feed-forward networks with different performance and different errors. MSE measurement for testing sample shows that the best capable network is the third one with 4 hidden neurons.

As the table shows, different kinds of networks with different numbers of hidden neurons produce different performance. The best network with high performance will be chosen according to MSE of testing sample. Table 4 presents the performance of this network in total sample in comparison with linear regression model more specifically.

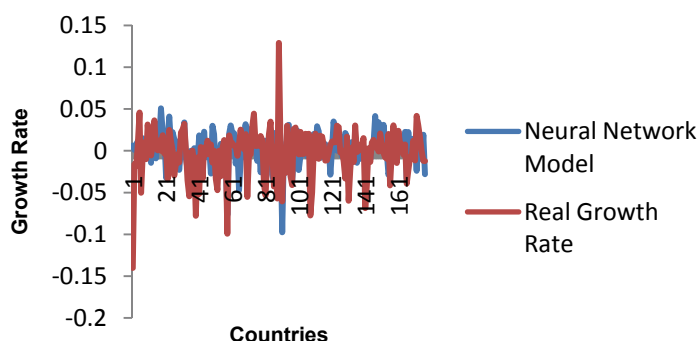
Table 4: Comparison of ANN and Linear Model Performance

Model	MSE	MAE	MSEREG	SSE
BPN	0.00072	0.0192	0.00065	3.076
Feed-Forward				
Linear Regression	0.0017	0.0357	0.0015	7.202

This table shows the performance of artificial neural network and linear regression model with different measurement of their errors. It supports that ANN is more accurate.

As the results, show different measurements of error for BPN feed-forward neural network are less than linear regression model. Hence, neural network is more capable and more accurate model than linear regression model. For the best vision about the ANN performance, figure 1 shows in-sample evaluation of it. As we can see, the network performs so well in estimation of growth rates.

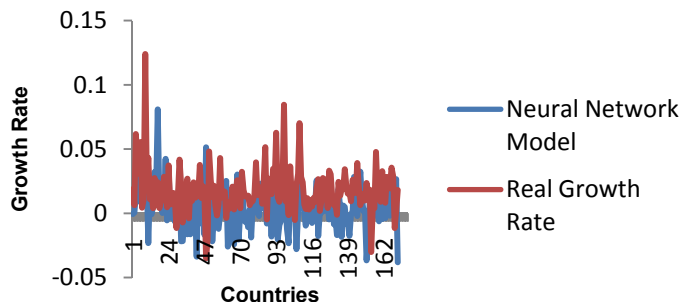
Figure 1: In-Sample Performance of ANN for 1991



This figure shows In-Sample performance of artificial neural networks for 1991, randomly selected, for 177 world countries.

Figure 2 plots out-of-sample performance of ANN. It is natural estimation is less accurate than in-sample estimations but still it is appropriate.

Figure 2: Out-of-Sample Performance of ANN for 2006



This figure illustrates Out-of-Sample performance of ANN. It compares the neural network estimations with real data of growth rate of world countries in 2006.

Artificial neural networks also, can be used for analyzing unconditional income convergence but because the results of regression model show that any additional variables don't help and model still remains insignificant, we surrender this part.

CONCLUSIONS AND SUGGESTIONS

As our results show, absolute convergence for 177 countries across the world in studied period of 1980-2006 does not exist. In addition, after conditioning some different variables like openness, total labor force, investment and government expenditure we conclude that conditional β convergence is statistically insignificant in all of estimated models. We examine more than 50 neural networks. We found despite the dynamic of Elman recurrent networks, the BPN, feed-forward neural network model with four hidden neurons is the one, which can produce estimations that are more accurate.

The most important point of this study is that although, we compare neural network's accuracy with regression model and conclude neural network is more capable, we used artificial neural networks as the complement algorithm of OLS method, not as the alternative or substitute approach. Accordingly, when we considered conditional convergence is statistically insignificant, did not continue our analysis of ANN complement approach.

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CASH MANAGEMENT INVOLVING SET-DEPENDENT COST STRUCTURES

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ABSTRACT

This paper investigates the effect of set-dependent cost structures in cash management. The study combines mixed-integer inventory and routing models to derive the optimal cash deployment strategy. Effects are illustrated by a network of Automated Teller Machines (ATMs). A series of 81 experiments are designed to contrast a sequential approach with an integrated approach. Performance is compared based on total costs in a deterministic time-discrete environment using empirical data of an international commercial bank. Cost savings of up to 27 percent are demonstrated for the integrated approach, whereas a superior performance of the sequential approach, with additional cost savings of six to ten percent as suggested by the literature, could only be replicated for extreme factor levels.

INTRODUCTION

Efficient deployment of cash has a vital role in overall organizational performance. Advances in computing power and corresponding optimization techniques have led to a number of success stories in related large-scale optimization models (for review see Geunes and Pardalos, 2003). Historically, cash management has received widespread attention from academics and practitioners alike (for reviews see Gentry, 1988; Gregory, 1976; Srinivasan and Kim, 1986). A good deal of research effort has been devoted to developing inventory cash management models that match various cash balance requirements and hypothesized cash flow patterns (for example see Baumol, 1952; Beranek, 1963; Constantinides, 1976; Daellenbach, 1971; Eppen and Fama, 1971; Miller and Orr, 1966; Stone, 1972). With the theoretical background of the demand for cash being the transaction motive (see Keynes, 1936), the common objective of inventory cash management models is to derive the optimal cash deployment strategy that minimizes total costs.

However, the proposed models assume additivity in transaction costs, which, viewed through the lens of efficiency-based production theory, provides limited insight to the overall economies of cash management. Typically, the costs of short-term management of cash involves multiple cash balances and subadditive transaction costs exhibiting economies of scope not captured by simple fixed, linear or affine cost structures. For example, transaction costs in cash supply chains are partly attributable to set-dependent cost components. Consequently, total costs of providing cash management as a sharable service are less than total costs of managing cash balance independently. The duality of the respective set-dependent cost structure with economies of scope originates from combining multiple replenishments for optimal cash management. This can be illustrated by the routing of cash for a network of branches or ATMs.

At the same time, advances in modeling set-dependent cost structures have been made in related fields such as inventory management and logistics. Particularly, vendor managed inventories (VMI), inventory routing problem (IRP), and vehicle routing problems (VRP) are all sharing this property. In essence, such planning models are attempts to gain additional cost efficiency over simplified cost structures and sequential planning models by exploiting the subadditive nature of cost components. Although cash management and inventory management have historically taken a similar path, recent developments in cash management have focused on modeling stochastic cash balance requirements rather than set-dependent cost structures and economies of scope.

Inventory routing problems integrate routing and inventory allocation. Hence, the IRP objective is to minimize overall costs based on three joint replenishment decisions: (1) time, (2) amount, and (3) routing. Consequently, IRP and cash management share similar properties, particularly the resulting set-dependent cost structure.

The reader is referred to Kleywegt, Nori and Savelbergh (2002) and Campbell and Savelsbergh (2004) for topic overview and developments in solving the IRP. Implementations of inventory routing models have resulted in cost reductions of six to ten percent, suggesting that all three replenishment decisions should be considered jointly (Bell, Dalberto, Fisher, Greenfield, Jaikumar, Kedia, Mack and Prutzman, 1983; Federgruen and Zipkin, 1984; Golden, Aassad and Dahl, 1984). Differences arise from the considered planning horizon. Single-period models are governed by a tendency to defer replenishments to the next period, which typically trigger cost increases in later periods. On the contrary, multi-period models overcome the shortcomings of single-period models utilizing potentially larger optimization benefits, but at the cost of increased complexity.

Following the rational of the developments in inventory management and logistics, the general purpose of this paper is to analyze set-dependent cost structures in cash management and evaluate potential efficiency gains from optimization, particularly comparing a sequential approach and an integrated approach where cash replenishments and cash routing are considered jointly. Mixed-integer inventory and routing models are combined to derive the optimal cash deployment strategy. Effects are illustrated by a network of ATMs, where cash has properties of both, currency and product. Cash management is evaluated in a time discrete, deterministic framework based on total replenishment costs using empirical data of an international commercial bank. Detailed analysis of efficiency gains provides insight to set-dependent cost structures and economies of scope in cash management. However, no attempt is made to cover the topic of forecasting, a subject that obviously interacts with cash management, but is clearly a topic on its own and beyond the scope of this study.

Section II presents the research design including the basic framework, data and design of experiments. Furthermore, the set-dependent cost function is derived and the cash management problem is stated as a mixed-integer inventory routing problem, both as an integrated and a sequential approach. Section III presents the results, followed by the discussion and summary in section IV.

RESEARCH DESIGN AND DATA

The study is based on normative empirical quantitative research and discrete event simulation to determine the effects of set-dependent cost structures. Borrowing from the logical positivist approach, the phenomenon of set-dependent cost structures is isolated from the context for logical analysis, so to assess the impact of differing factor levels in cost parameters on economies of scope. The formulated mixed-integer model is based on prior axiomatic quantitative research in the area of supply chain management and inventory management outlined earlier. However, the inventory routing model considered in this study focuses on the properties of set-dependent cost structures. Consequently, complicating capacity and working constraints in inventory routing are not considered in this study (for example see Chandra, 1993).

The impact of set-dependent cost structures is determined by comparing total costs of an integrated approach with total costs a sequential approach. Relative cost savings are measure using empirical data from an international commercial bank. Nominal range sensitivity analysis is conducted to determine the impact of changes in factor levels on cost savings. Furthermore, statistical comparison of cost savings is enabled by discrete event simulation employing the empirical distribution of cash demand. Repeated measure analysis of variance (i.e. One-Way RM ANOVA, Two-Way RM ANOVA) are conducted to test for differences in the impact of factor levels.

Basic Framework

This study illustrates cash management involving set-dependent cost structures by a multi-period, finite horizon, cash management system. The illustration contains a single cash center supplying cash in form of a single currency to several cash dispensers (ATMs). Moreover, demand for cash is ATM specific, deterministic, and discrete in time. No cash shortages and backlogs are permitted. Cash is routed from the cash center to ATMs via a single uncapacitated vehicle at the beginning of each period.

Routing costs are captured by an undirected graph, where each arc is associated with a known weight capturing the distance between two ATMs. Hence, the duality of the respective set-dependent cost structure with economies of scope originates from combining multiple replenishments for optimal cash routing. The following notation is used in formulating the cash management model and cost function.

Sets

N	$= \{atm_i i = 0, 1, \dots, N\}$	Set of N cash dispensers with atm_0 being the depot
T	$= \{day_t t = 1, \dots, T\}$	Set of T days

Parameters

C_f	: fixed replenishment cost coefficient
C_r	: routing cost coefficient
D_{ij}	: arc weight (atm_i, atm_j)
I	: holding cost coefficient
L	: large number
N	: number of ATMs
T	: number of periods
$W_{i,t}$: cash amount dispensed by ATM i in period t

Decision Variables

d_t	: set-dependent routing in period t
$s_{i,t}$: cash amount held by cash ATM i in period t
$u_{i,t}; u_{j,t}$: arbitrary real numbers
$x_{i,t}$: amount of cash supplied to ATM i in period t
$\omega_{ij,t}$: binary indicator of traversing from ATM i to ATM j in period t
$\omega_{i,t}$: binary indicator for replenishing ATM i in period t

The cost function is comprised of three cost components: linear holding costs, fixed replenishment costs and set-dependent routing costs (see Eq. 1). Holding costs are a linear function of the aggregated amount of undispensed cash, whereas replenishment costs represent a fixed amount incurred every time cash is supplied. Routing costs are dependent on the set of replenishment decisions in a given time period and are determined by the aggregated length of the respective optimal routes, scaled by a routing cost coefficient.

$$Total\ Costs = I \cdot \sum_{i \in N} \sum_{t \in T} s_{i,t} + C_f \cdot \sum_{i \in N} \sum_{t \in T} \omega_{i,t} + C_r \cdot \sum_{t \in T} d_t \quad (1)$$

Integrated Approach

The here presented mathematical formulation of the integrated approach captures the effect of set-dependent cost structures by considering inventory and routing decisions jointly.

$$\text{Minimize} \quad I \cdot \sum_{i \in N} \sum_{t \in T} s_{i,t} + C_f \cdot \sum_{i \in N} \sum_{t \in T} \omega_{i,t} + C_r \cdot \sum_{i \in N} \sum_{j \in N} \sum_{t \in T} D_{i,j} \cdot \omega_{i,j,t} \quad (2)$$

$$\text{Subject to} \quad s_{i,t-1} + x_{i,t} - W_{i,t} = s_{i,t}, \quad \forall i \in N; \forall t \in T \quad (3)$$

$$s_{i,0} = 0, \quad \forall i \in N \quad (4)$$

$$s_{i,t} \geq 0, \quad \forall i \in N \quad (5)$$

$$\omega_{i,t} - \frac{x_{i,t}}{L} \geq 0, \quad \forall i \in N; \forall t \in T \quad (6)$$

$$\sum_{j \in N} \omega_{i,j,t} - \omega_{i,t} = 0 \quad \forall t \in T \quad (7)$$

$$\sum_{i \in N} \omega_{i,p,t} - \sum_{j \in N} \omega_{p,j,t} = 0 \quad \forall p \in N; \forall t \in T \quad (8)$$

$$\sum_{i \in N} \omega_{i,a,t} - \sum_{j \in N} \omega_{a,j,t} = 0 \quad \forall a \in N; \forall t \in T \quad (9)$$

$$u_{i,t} - u_{j,t} + N \cdot \omega_{i,j,t} - N + 1 \leq 0 \quad \forall i, j \in N - \{0\}, i \neq j; \forall t \in T \quad (10)$$

Constraint (3) is required to balance inventory for each ATM. Constraints (4) and (5) set starting cash balances to zero and ensure the non-negativity of cash balance for each ATM for the entire planning period. Replenishment indicator constraint (6) ensures that no cash is supplied without incurring fixed replenishment costs. Constraint (7) ensures that every route passes through the cash center. Constraints (8) and (9) ensure that an optimal route that minimizes the objective (2) includes each ATM being replenished in a particular period. Constraint (10) is similar to the well known sub-tour elimination constraint for the travelling salesman problem.

Sequential Approach

In order to isolate the effect of set-dependent cost structures a sequential approach is proposed, where replenishment decisions are determined independently (Subproblem 1) and to be accounted for in the subsequent routing problem (Subproblem 2).

Subproblem 1 (Inventory):

$$\text{Minimize} \quad I \cdot \sum_{i \in N} \sum_{t \in T} s_{i,t} + C_f \cdot \sum_{i \in N} \sum_{t \in T} \omega_{i,t} \quad (11)$$

Subject to Constraints (3), (4), (5) and (6).

Subproblem 2 (Routing):

$$\text{Minimize} \quad C_r \cdot \sum_{i \in N} \sum_{j \in N} \sum_{t \in T} D_{i,j} \cdot \omega_{i,j,t} \quad (12)$$

Subject to Constraints (7), (8), (9), and (10).

The integrated approach as well as the sequential approach is computationally non-trivial with both subproblems being NP-hard. In fact, the routing subproblem turns out to comprise T distinct traveling salesman problems, each being NP-hard.

Data

Empirical analysis is based on data obtained from an international commercial bank covering a period of 200 days. The financial institution agreed to provide detailed cash dispense records for eight off-premises ATMs in a particular region, comprising locations such as shopping malls, hotels, hospitals and airports. The exact locations of all eight ATMs and the cash center were provided, which allowed the distance matrix to be derived. Summary statistics of daily-dispensed cash and the distance matrix are presented in Table 1 and Table 2.

Table 1: Summary Statistics for Daily-Dispensed Cash

ATM	M	Mdn	Max	Min	SD	Skewness	Kurtosis
1	16015.40	13920.00	54340.00	5370.00	7600.88	1.56	6.52
2	17734.10	14645.00	68920.00	5980.00	10082.44	2.32	9.95
3	3888.60	3840.00	13350.00	930.00	1970.98	1.67	7.13
4	4707.80	4810.00	15320.00	1320.00	1776.97	1.73	10.28
5	13068.80	11995.00	35490.00	1090.00	6542.32	0.78	3.40
6	16948.05	14350.00	47780.00	5240.00	7411.27	1.47	5.59
7	8292.90	7450.00	35590.00	2210.00	4260.71	2.55	13.72
8	2777.90	2370.00	8500.00	950.00	1419.16	2.05	6.82

This table shows descriptive statistics for daily-dispensed cash for eight ATMs covering a period of 200 days.

Table 2 : Distance Matrix

ATM	Cash Center	ATM-1	ATM-2	ATM-3	ATM-4	ATM-5	ATM-6	ATM-7	ATM-8
Cash Center	0	4	1	12	8	13	13	11	7
ATM-1	4	0	1	11	8	12	12	10	7
ATM-2	1	1	0	11	6	11	12	10	6
ATM-3	12	11	11	0	6	7	6	4	4
ATM-4	8	8	6	6	0	7	7	4	2
ATM-5	13	12	11	7	7	0	3	7	9
ATM-6	13	12	12	6	7	3	0	4	7
ATM-7	11	10	10	4	4	7	4	0	4
ATM-8	7	7	6	4	2	9	7	4	0

This table shows the distances between all ATMs and the Cash Center measured in kilometer and rounded to the nearest integer.

Design of Experiments

For measuring the impact of set-dependent cost structures, four important design factors were identified: demand, fixed replenishment costs, holding costs, and routing costs. The factor demand is modeled as a multiplier that scales demand linearly and has quadratic impact on demand variance. The remaining three factors are cost coefficients. The factorial design and respective levels are depicted in Table 3.

Table 3: Factorial Design

Factor	Level I	Level II	Level III
Demand Multiplier	0.5	1	2
Fixed Replenishment Cost Coefficient	10	30	90
Holding Cost Coefficient	0.00008	0.00016	0.00032
Routing Cost Coefficient	0.25	1	4

The factorial design assumes each factor to take one of three possible values, where the full design matrix is $3^4=81$ trials. Each trial contains 100 replications of simulated 200 days; each based on the empirical distribution of cash withdrawals per ATM. Hence, the computational complexity is 81×100 runs requiring $200 \times 8 \times 100$ daily cash withdrawals.

TESTS AND RESULTS

This section presents the results of the nominal range sensitivity analysis and hypotheses tests regarding the impact of individual design factors as well as interactions among multiple factors. The response variable is relative cost saving of the integrated approach in comparison with the sequential approach.

Nominal Range Sensitivity Analysis

The results presented in this subsection are based on empirical data provided by the international commercial bank. The integrated approach, assuming Level II for all factors, resulted in cost saving of 3.02 percent compared to the sequential approach or in a 30.02 percent cost reduction compared to the original cash deployment (see Table 4). Hence, cost reductions of 27.00 percent were attributable to the sequential approach. Cost savings with respect to fixed replenishment costs were fully attributable to the sequential approach, whereas cost savings in routing costs were fully attributable to the integrated approach. Conversely, the integrated approach increased holding costs by 2.26 percent compared to the sequential approach, representing the trade-off for optimal cash routing. As a result, cost savings with respect to the holding costs are fully attributable to the sequential approach.

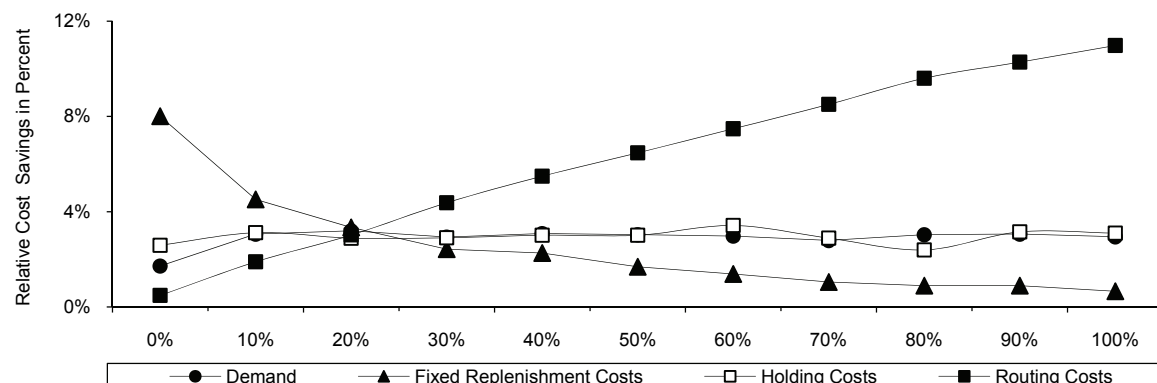
Table 4: Relative Cost Savings

Component	Original	Integrated Approach
Fixed Replenishment Costs	-15.83%	0.00%
Routing Costs	6.88%	22.05%
Holding Costs	-55.92%	-2.26%
Total Costs	-27.00%	3.02%

This table shows relative cost savings of the original cash deployment strategy and the integrated approach compared to the sequential approach for eight ATMs covering a period of 200 days. A base line scenario is assumed with all factors being set to Level II.

However, analyzing the nominal range of each factor revealed differences in the impact of individual factor levels on cost savings (see Figure 1). The factor demand and the factor holding costs did not include trends or higher order powers contrasting the factor routing costs and the factor fixed replenishment costs. The importance measure, defined as the difference of cost savings in the variability range, indicated that the factor routing costs (10.98% - 0.48% = 10.50%) has the largest impact on cost savings, followed by the factor fixed replenishment costs (8.01% - 0.65% = 7.36%). Conversely, the importance measure suggested only limited impact on cost savings for the factor demand (3.19% - 1.72% = 1.47%) as well as for the factor holding costs (3.42% - 2.39% = 1.03%).

Figure 1: Nominal Range Sensitivity Analysis



This figure shows relative cost savings of each factor covering the variability range from Level I (0%) to Level III (100%). Relative cost savings are computed by varying one factor at a time with the remaining three factors being set to Level II.

Main Effects

One-way repeated measure ANOVA was performed to test the significance of factor levels for each of the four main factors: fixed replenishment costs, routing costs, holding costs, and demand. Normality of sampling distributions, relative cost savings, was met given the large sample size for each factor level ($n=100$), no outlying score ($|z|>3.3$) was detected. The assumption of homogeneity of variance was met, with the number of observations for each level being equal. The Huynh-Feldt adjustment corrected for the lack of sphericity in all four main factors detected by Mauchly's test of sphericity ($p<0.05$).

Cost saving means for each factor level are tabulated together with standard errors, 95 percent confidence levels in Table 5. Results for one-way repeated measure ANOVA are presented in Table 6. Statistically significant effects included all four main factors. Interpretation, therefore, is focused on the differences in factor levels. Increase in cost savings as a function of an increasing routing cost coefficient was statistically significant, $F(1, 1.12) = 13781.28$, $p<0.01$, $\eta_p^2 = 0.99$, suggesting a strong impact on cost savings. Similarly, an increase in the fixed replenishment cost coefficient was statistically significant, $F(1, 1.12) = 8629.86$, $p<0.5$, $\eta_p^2 = 0.99$, suggesting a strong impact on cost savings. Although an increase in the holding cost coefficient $F(1, 1.12) = 8629.86$, $p<0.01$, $\eta_p^2 = 0.99$, and an increase in the demand multiplier $F(1, 1.12) = 8629.86$, $p<0.01$, $\eta_p^2 = 0.99$, were statistically significant, the effect sizes of the two factors were substantially smaller. Additionally, the Tukey HSD test for pairwise post-hoc comparison of level means were statistically significant ($p<0.01$) for all factors levels except the factor demand, where the pairwise comparison of Level I and Level II was not statistically significant.

Table 5: Descriptive Statistics of Cost Savings

Factor	Level	M	SE	95% LCL	95% UCL
Fixed Replenishment Costs	Level I	0.08339	0.00065	0.08211	0.08468
	Level II	0.03145	0.00034	0.03078	0.03212
	Level III	0.00796	0.00016	0.00765	0.00826
Routing Costs	Level I	0.00391	0.00009	0.00374	0.00408
	Level II	0.03145	0.00034	0.03078	0.03212
	Level III	0.11281	0.00094	0.11095	0.11467
Holding Costs	Level I	0.03355	0.00071	0.03213	0.03497
	Level II	0.03145	0.00034	0.03078	0.03212
	Level III	0.02600	0.00029	0.02543	0.02657
Demand	Level I	0.03282	0.00044	0.03194	0.03370
	Level II	0.03145	0.00034	0.03078	0.03212
	Level III	0.04446	0.00054	0.04338	0.04554

This table shows descriptive statistics for each of the four main factors and the respective three factor levels.

Table 6: One-Way Repeated Measure ANOVA

Factor	SS	DF	MS	F	η_p^2
Between-Subject Effects					
Fixed Replenishment Costs	0.50261	1.00000	0.50261	23658.52546**	0.99584
Routing Costs	0.73177	1.00000	0.73177	13661.34053**	0.99281
Holding Costs	0.27601	1.00000	0.27601	11341.64507**	0.99134
Demand	0.39407	1.00000	0.39407	14288.43231**	0.99312
Within-Subject Effects					
Fixed Replenishment Costs	0.29802	1.50576	0.19792	8629.85847**	0.98865
Routing Costs	0.64126	1.12224	0.57141	13781.28117**	0.99286
Holding Costs	0.00303	1.57041	0.00193	65.19542**	0.39660
Demand	0.01023	1.88613	0.00542	309.74793**	0.75778

*This table shows F-test and effect size for all four main factors: fixed replenishment costs, routing costs, holding costs and demand. Degrees of freedom are Huynh-Feldt adjusted for the averaged tests of significance. ** $p<0.01$.*

Interaction Effects

Two-way repeated measure ANOVA was performed to test the significance of the levels of interaction between the four factors: fixed replenishment costs, routing costs, holding costs, and demand. The assumptions of normality of sampling distributions and the assumption of homogeneity of variance were met, as with one-way repeated measure ANOVA. Likewise, degrees of freedom for the averaged tests of significance were Huynh-Feldt adjusted to account for the lack of sphericity indicated by Mauchly's test of sphericity ($p < 0.05$).

Results for two-way repeated measure ANOVA are presented in Table 7. Factor interactions, including two, three and four factor interactions, were statistically significant ($p < 0.01$). Interpretation, therefore, is focused on the differences in effect sizes. The interaction of the factor routing costs and the factor fixed replenishment costs was statistically significant, $F(1, 2.32) = 23020.64$, $p < 0.01$, $\eta_p^2 = 0.99$, confirming a strong impact of routing costs and fixed replenishment costs on cost savings. Other two factor interactions are statistically significant, yet effect sizes are smaller. Three and four factor interactions were statistically significant, but the effect sizes were substantially smaller.

Table 7: Two-Way Repeated Measure ANOVA

Factor	SS	DF	MS	F	η_p^2
Demand × Fixed	0.13732	2.69344	0.05098	945.04972**	0.90518
Demand × Routing	0.02902	1.76442	0.01645	518.17219**	0.83959
Demand × Routing × Fixed	0.02276	3.48458	0.00653	199.91124**	0.66880
Holding × Demand	0.12021	2.52555	0.04760	340.36967**	0.77468
Holding × Demand × Fixed	0.07047	4.35787	0.01617	100.91872**	0.50480
Holding × Demand × Routing	0.09215	3.07914	0.02993	349.96010**	0.77949
Holding × Fixed	0.14889	2.76272	0.05389	998.66307**	0.90981
Holding × Routing	0.03470	1.86480	0.01861	638.75881**	0.86581
Routing × Fixed	4.35216	2.31585	1.87930	23020.64386**	0.99572
Routing × Fixed × Holding	0.01921	3.24482	0.00592	173.04563**	0.63609
Routing × Fixed × Holding × Demand	0.05496	5.46237	0.01006	98.40961**	0.49850

*This table shows F-test and effect size for the factor interactions: fixed replenishment costs, routing costs, holding costs and demand. The degrees of freedom are Huynh-Feldt adjusted for the averaged tests of significance. ** $p < 0.01$.*

SUMMARY AND DISCUSSION

In this paper, a methodology for investigating set-dependent cost structures in cash management is presented. The duality of the set-dependent cost structure with economies of scope originated from combining multiple replenishments for optimal cash management and was illustrated by routing of cash through a network of ATMs. The impact of set-dependent cost structures was demonstrated using an inventory routing framework. Total costs of the integrated approach were compared to total costs of the sequential approach. In both, the nominal range sensitivity analysis and the simulation experiments, the integrated approach resulted in lower total costs compared to the sequential approach.

Four statistically significant main factors were identified: fixed replenishment costs, routing costs, holding costs and demand. Effect sizes were largest for fixed replenishment costs and routing costs. However, both factors had a contrary impact on mean cost savings. Increased fixed replenishment cost coefficients reduced mean cost savings, while increased routing cost coefficients increased mean cost savings. Somewhat surprising is that the effect size of holding cost coefficients and demand multiplier was substantially smaller with no clear trend or higher order powers, despite differences in mean cost savings being statistically significant.

Practical implications of this study concerned the feasibility of cash management models. Results showed that set-dependent cost structures yield cost savings from combining multiple replenishments for optimal cash management. However, the study demonstrated that the cost saving are likely fall between

two and four percent. Hence, economies of scope with cost savings between six to ten percent, as suggested by the literature, were only replicated for extreme factor levels in cash management.

Limitations of this study are due to the single-case design. Nevertheless, using detailed empirical data distinguishes the study from exclusively normative quantitative research. The employed normative quantitative models allows for an assumptive generalizability, which a descriptive qualitative methodology does not provide (Eldabi, Irani, Paul and Love, 2002). Moreover, simulation based results of inventory studies tend to duplicate well in reality and thus reassure a certain generalizability which most single case settings otherwise would lack (Meredith, 1998; Voss, Tsikriktsis and Frohlich, 2002).

Further research will have to address the design of set-dependent cost structures to reduce computational complexity for large-scale optimization problems in cash management. Time series analysis of cash requirements may allow the specification of scenarios and provide the link between a deterministic and stochastic setting. More advanced models may additionally take the likelihood of scenarios into account and establish the link to risk models.

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AN ECONOMICALLY AND ENVIRONMENTALLY SUSTAINABLE BUSINESS MODEL INITIATIVE FOR SMALL GUATEMALAN BUSINESSES

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ABSTRACT

Five research teams representing the HEB International Peace Program at the University of the Incarnate Word in San Antonio, TX completed field work in the coffee industry and micro enterprise in Guatemala during October 2008. Of special interest to one team was the As Green as it Gets (AGG) organization, an incubator for micro enterprise. AGG began in 2005 when founder, and now director, Franklin Voorhes identified the opportunity to improve the lives of disadvantaged families in Guatemala with a non-governmental organization (NGO) model of incubation. Voorhes partnered with coffee farmer Felix Poron to pilot a small business development program. AGG now includes non-coffee micro enterprise owners such as jewelry and textile producers, and assists the owners to operate as both economically and environmentally sustainable enterprises.

The authors' focus in this paper is upon the AGG business model, its process to provide financial support, and how it identifies viable micro enterprises to incubate. In addition, the authors describe how AGG has made a difference in the success patterns of its client micro enterprises, and how those patterns may be exported to other economies.

INTRODUCTION

There are over a billion people who are living on less than one dollar a day. In response to this situation, the United Nations has proposed a variety of instruments to aid in the reduction of this stifling poverty; among them is the increasing reliance on micro-enterprises. "Micro-enterprises have been viewed as a way to offer financial assistance to help the poor and vulnerable groups increase their income and ultimately break the cycle of poverty" (Vargas, 2000). Enterprise Development International, a non-governmental organization (NGO) that oversees micro-enterprise programs defines micro-enterprises as providing small loans and business training to help the poor start income generating enterprises (Vargas, 2000).

The University of the Incarnate Word H.E.B. International Peace Program sent five research teams to Guatemala to conduct field research on the coffee industry and other micro enterprises. The As Green as it Gets (AGG) organization, an incubator for micro enterprise, is the focus of this research team's paper. The team traveled to Antigua, Guatemala where they met with Franklin Voorhes, the founder and now director of AGG. In 2005, Voorhes partnered with Felix Poron, a coffee farmer, to pilot a small business development program that includes coffee production, forestry, textile production, and jewelry.

There are just over 13 million people currently living in Guatemala. Of those 13 million people, about 56% live below the poverty line. The legal minimum wage is equivalent to \$7.00 per day, which represents an increase of just over 50% over the last year. Voorhes stated that wages in Guatemala are not applied equally among all people. For example, Women make less than men for performing the same job, and an 18 year-old makes less than a 30 year-old. While the reported average family income is \$3400.00 per year, that figure is grossly overstated given the income distribution discrepancy.

According to the Bertelsmann Transformation Index (2003), a global ranking system that evaluates and analyzes the development and transformation processes in 116 countries, Guatemala's illiteracy rate is 32%, with the average school attendance just 4.5 years. Social development indicators, which include such things as infant mortality and illiteracy, are among the worst in the hemisphere (U.S. Department of State, 2008). Furthermore, about 32% of the population lives on less than \$2.00 per day, and 13.5% of the population lives on less than \$1.00 per day (U.S. Department of State, 2008).

Guatemala's agricultural sector, with coffee as its main export, accounts for one-tenth of the country's GDP and half of its labor force (CIA, 2008). However, over the last several years, tourism and exports of textiles, apparel, and nontraditional agricultural products have exploded (U.S. Department of State, 2008). There are organizations in Guatemala involved in all of these areas of business, and the NGOs in particular are attempting to assist the marginalized people of the country so that they and their families can establish sustainable micro enterprises.

Prior to this paper's analysis, other works within micro enterprise, NGOs, Fair Trade, and agricultural impacts on the environment, will be explored in conjunction with the field research on AGG. The following analysis will interpret AGG's business model, their process of providing financial support, and how they identify viable micro enterprises to incubate. Not only does the AGG organization help families start their desired ventures, but they assist the family in operating as both economically and environmentally sustainable enterprises.

LITERATURE REVIEW

Non-governmental organizations are non-profit organizations that are not funded by any state or government. They are typically funded at least partially, if not fully, by the private sector. NGOs face many challenges as they work with economically disadvantaged people or marginalized people. The NGOs also have a social change mission, which creates more challenges. One major difficulty faced by NGOs is leadership development (Hailey & James, 2004). NGO leaders face a barrage of issues with access to few resources as they assist those involved with their organizations. This type of situation means that those leaders must be able to perform multiple tasks that include finance, marketing, and training, along with other responsibilities. It is essential that future leaders of NGOs be recognized and appropriate leadership development be established so that there is a future for successful NGOs (Hailey & James, 2004).

There are many successful NGOs with high-quality leaders that operate within the coffee industry either through funding or setting up operations in the field. Scholer (2006) provides information about Coffee Kids, an NGO started by American coffee retailer, Bill Fishbein, who realized the opportunity to improve the quality of life for Guatemalan children and their coffee producing families. Coffee Kids works with other local NGOs such as Women's Health Collective and regional democratically run coffee cooperatives on an annual budget of \$700,000. One of its main programs provides microcredit to women to build economic stability, encourage saving, and provide access to small, low-interest loans to start or expand small businesses. Coffee Kids has made it possible for these women to open general stores, midwife clinics, pharmacies, and food stands much like those from AGG (Scholer, 2006).

NGOs have become an important business aspect not only in Guatemala but in other areas of the world as well. According to Stafford and Hartman (2001), the world market is becoming more and more globalized, and the role of national government is shrinking. There is a growing trend with the collective influences global business has on people's lives and the planet, that there requires an increased obligation for social and environmental responsibility. This trend has allowed NGOs to realize their opportunity for leverage with the global business community as collaborative partners rather than adversaries in advancing environmentally sustainable practices (Stafford & Hartman, 2001).

According to Domeisen (2006), NGOs must be a part of the mainstream of trade development because they can help address the limitations of official trade development efforts. Governments, donors, and developmental agencies should cooperate with NGOs to improve trade development and make the trade development a primary focus. Cooperation between these groups affords the opportunity for harnessing specialized knowledge from all groups with a positive outcome for all (Domeisen, 2006). If effective programs are developed from partnerships with NGOs, economic sustainability becomes more realistic.

Another issue among coffee producers in Guatemala is whether or not to obtain Fair Trade certification. Fair Trade is not forced upon any producer, but the purpose is to incentivize producers to adhere to social guidelines as they earn the higher Fair Trade price rather than the world market price. Fair Trade has gained much attention with its labeling initiative that symbolizes that the coffee inside the package was produced using environmentally sustainable processes while also addressing social issues of the coffee producers (Taylor, Douglas, & Raynolds, 2005). According to the Fair Trade Labeling Organization (2005), which developed the Fair Trade standards, participating coffee producers must meet three requirements: 1) be small family farmers, 2) be organized into small, democratic organizations, and 3) use environmentally sustainable processes. The key objectives of Fair Trade include guaranteeing a Fairtrade Minimum Price for the coffee, facilitating pre-financing when necessary, charging buyers a Fairtrade Premium that will then be used for social and economic development, facilitating long-term relationships between buyers and producers, and ensuring social, economical, and environmental responsibility (FLO, 2007).

In January 2007 the minimum price for Arabica coffee (that which is grown in Guatemala) by Fair Trade standards was \$1.21/lb. (\$1.36/lb. for organically grown), whereas the price based on the world market was \$1.06/lb (Steinrücken & Jaenichen, 2007). Therefore, in theory, producers working under Fair Trade earn a higher price for their coffee than those coffee farmers who choose not to acquire Fair Trade certification. However, there are costs associated with obtaining the Fair Trade certification. Based on inspection times and the size of the producer group, annual fees for certification range from \$2500.00 to \$10,000. For small producers with less than 50 members, a new fee category was established in 2007 that gave these small producers a discount of up to 35% on certification fees (Fair Trade Certified, 2008).

A producer must decide if certification costs will be recovered after receiving the Fair Trade product price rather than the world market price. Steinrücken and Jaenichen (2007) provide detailed analysis for profit comparison between Fair Trade price and world market price and conclude that depending on the relative costs each producer faces, one could make more profit staying with the world market price. However, those producers run the risk of suffering a decline in the world market price, while Fair Trade producers are guaranteed a price, thus creating a stronger incentive to switch to Fair Trade production standards.

Buyers often view buying products with the Fair Trade label as a contribution to social and environmental awareness. A number of studies in the United States (US) and the United Kingdom (UK) have recently suggested that customers are taking note of whether or not organizations are behaving in an environmentally responsible manner (Bhaskaran, Polonsky, Cary, & Fernandez, 2006). This sense of responsibility from buyers then gives supermarket chains and food service franchises the ability to influence their suppliers to adopt environmentally sustainable standards. An example of this is the strict environmental standards that Starbucks commands its “preferred suppliers” to adopt (Bhaskaran, Polonsky, Cary, & Fernandez, 2006). Value must be created not just on an economic level, but value must also be created on environmental, social, and ecological terms (Wheeler, McKague, Thomson, Davies, Medalye, & Prada, 2005).

METHODOLOGY

Qualitative research places an emphasis on the dynamics between the researcher and the topic of study. The authors employed a qualitative research method for this study because it best exemplified the desired path in seeking the preferred outcome. Specifically, the authors wanted to gather information concerning the business model of the As Green as it Gets organization, which operates in Guatemala and serves as an incubator for micro enterprises. During October 2008, five research teams from the University of the Incarnate Word in San Antonio, TX visited Guatemala and conducted field research in an attempt to discover effective business practices in that country. The three authors of this paper purposely focused on AGG. While in Guatemala, the authors spoke with Franklin Voorhes, the organization's director, and they were also able to conduct direct observations of some of the micro enterprises in order to gather additional information from some of the entrepreneurs associated with AGG. After returning to the United States, the authors gathered some more detailed data from Voorhes via email communications.

Secondary data was also used in this study. The AGG website, which contains information such as newsletters, the mission statement, the AGG philosophy, and its stand on Fair Trade, offered some more insight for the authors to consider as they continued to conduct field research. This information supplemented the information gathered through personal interviews and field observations by the researchers. Other secondary information relating to NGO's, Fair Trade, and economic sustainability was used as a comparison point with AGG's practices and means of operation.

FINDINGS

AGG has a team of volunteers who work with the business owners who are involved with the organization. The director, Franklin Voorhes, started this small business development program with coffee farmer Felix Poron in 2005. AGG focuses on product development, business management, and marketing. The philosophy of AGG centers on giving the entrepreneurs enough knowledge that they are able to function independently with little or no charity. Teaching the proper skill set gives the business owners the opportunities necessary to improve quality of life while maintaining a sense of dignity. As the researchers met with and observed several businesses within the AGG organization, it was obvious that those business owners had a sense of accomplishment and were proud people.

AGG coffee is 100% pure Arabica coffee grown in the Antigua valley of Guatemala and is hand-picked and processed with little to no herbicides or pesticides. The farmers and producers from AGG receive 100% of all income associated with the sale of their particular product, and all seasonal workers must be paid more than the minimum Fair Trade wages. Furthermore, AGG and the management staff receive no income, salary, or financial compensation from the sale of any products sold by the business owners. Instead AGG recognizes the needs of the business owners and helps them to become better at what they do in order to improve their opportunities for economic sustainability.

Rather than using a cooperative model as a business structure, micro enterprises working with AGG are sole-proprietorships, associations, or corporations. In order to overcome emergencies, every business has a backup system. For example, if the father in the family is the coffee farmer, at least two other family members can duplicate the necessary tasks. This type of structure prevents a total shut down of the business should the main business owner become unable to perform his job. AGG also partners with Common Hope, a non-profit organization that provides support to children and families in Guatemala, especially in the areas of education, health care, housing, and community and family development. Putting money into the hands of these entrepreneurs, helping to insure a future for other family members, and providing support helps AGG fight poverty in Guatemala.

Although there are various types of businesses, some of which will be discussed later, coffee production is by far the most successful and accounts for approximately 80% of the business volume in the AGG micro enterprises. As the researchers discovered in their field research when they had an opportunity to climb up the side of a mountain and pick coffee beans alongside a coffee farmer, there is a lot of time and hard work that goes into harvesting a coffee crop. The two to three mile walk to the site where the coffee trees were located was only the beginning of their journey. For the actual coffee farmers, the journey begins with purchasing land and coffee trees. After that, the truly difficult work begins. The coffee farmers clear the land to plant their coffee trees, haul manure in wheel barrows to the site, and then cultivate the land throughout the year. This process is repeated each year until a good harvest is achieved. We asked the director of AGG, Franklin Voorhes, to supply us with a sense of what it takes to be a business owner with AGG. He provided us with some general guidelines.

The entrepreneurs should have some type of skill set or resource with which the organization can assist and use as a base. For example, someone might have a knowledge base or a piece of land. Someone else may have sewing or weaving skills. The business owners must be flexible and open to new ideas. They need to have confidence in the decisions and recommendations made by AGG so that they do not recede back to the previous problems.

An entrepreneurial spirit is an important aspect of the AGG micro enterprise owners. As Voorhes stated, “We can teach folks a lot of things – how to export, how to roast coffee, how to host tourists, how to handle homestays, whatever. It’s very hard to teach someone to be a hard working entrepreneur.” A great filter for success is that the family is trying to earn money. Therefore, prior to asking a business owner to join AGG, it must be clear that there is drive and motivation present. These same hardworking people must also fall into the “disadvantaged” category, typically having a combined family income of less than \$2000 per year. These families are not the poorest families in the area, but are instead lacking a good sense of business fundamentals.

A major difference between AGG and other coffee producers is AGG’s stance on the Fair Trade certification in Guatemala. According to Voorhes, several reasons exist that contribute to his decision not to pursue certification. First of all, “democracy in business does not work”, says Voorhes. With Fair Trade certification, the organization that is certified must operate within a democracy. This model requires that all decisions be made in a democratic format. Voorhes believes that this type of system does not work correctly, and each decision cannot be made in a democratic manner. For example, there are times when a decision must be made by one person and not a group that votes on the issue before a decision can be reached.

Another reason for opting out of the Fair Trade certification is the financial aspect. The cost of certification and subsequent fees do not justify membership by AGG’s coffee producers. As a matter of fact, the fees alone are more than the maximum annual family income allowed by the families who receive assistance from Common Hope. Although AGG seeks to eliminate middlemen fees, Fair Trade’s parent company, Transfair, receives \$.05 per pound of coffee from Fair Trade coffee producers. In essence, the middleman is placed back into the mix, and AGG is philosophically opposed to this type of transactional fee. Additionally, the five cent per pound fee was earmarked for community development programs. This development has not occurred, according to Voorhes.

Additionally, while Fair Trade guarantees a minimum price for unroasted coffee, it does not guarantee a minimum price for roast coffee. AGG coffee producers pursue roast coffee markets; therefore, the value of having the Fair Trade certification is nominal. For example, the current guaranteed price provided by Fair Trade for the type of coffee produced by AGG farmers is \$1.25 per pound. However, the fair market price for AGG coffee is considerably higher, with some plantations in the Antigua Valley earning over \$7.00 per pound. For these reasons, AGG has decided that their coffee producers are better off economically without the Fair Trade certification.

Although not a member of Fair Trade, AGG is able to continue to successfully assist its micro enterprises. As with most businesses, financing is a factor for economic sustainability. Loans are available to the business owners on both a short-term and long-term basis. The system for loans differs greatly from the typical loan process to which most people in the US are accustomed. Short-term loans are a year or 13 months in duration, and the loan amount is usually \$125.00 from the financier. The producer can receive up to about \$1500.00 in these small loans depending on the business, its history with AGG, probability for success, and AGG's subjective analysis of their risk as a person. The loan pay back schedule is based on sales, not on the calendar. When harvest time approaches, the producer pays back the loan principle as cash and the 5% annual interest in kind.

If these same producers were to obtain a local loan, the interest rate would be 30% to 36%. That percentage is highly unrealistic given the fact that the business owner would then need to have 30% to 36% in gross sales just to break even. AGG does not own the money for the loans; the financier owns the money. The financier coordinates with the business owner, therefore avoiding typical loan origination fees, closing fees, service fees, etc. There is also no compounding for the loan interest because the business owners have limited math skills and do not understand compounding.

An aspect of the loan arrangements in the micro enterprises with AGG is the lack of any formal contract or collateral. While this is a foreign concept, and even an unacceptable practice to most business people, the idea is that, "If a person's word is good, you don't need a contract. If a person's word isn't good, neither is their contract," says Voorhes. There are no resources to fight legal battles over contracts, so there are no contracts. As Voorhes states, "Contracts, collateral, and the like are basically fancy ways of saying, 'I don't trust you so sign this paper.'" That's the wrong attitude to use, so we don't bother with them."

The philosophy behind long-term loans is similar to that of short-term loans. Only when the financier requests a contract is a contract written up and signed. However, there is typically no contract, simply a promise to repay the loan. These long-term loans are for about five years. The nominal 5% interest that is paid in kind is paid each year, and lump sum repayment is expected at the end of the five year term for land purchases. The fifth year harvest itself is pledged to be used as collateral against the loan. Loans for equipment are paid back at 20% per year in cash and 5% interest in kind.

Rather than assessing the average income of its coffee farmers, AGG is beginning to create a quality of life index to quantify the changes that are occurring. The system is very subjective. For example, moving from a dirt floor to a concrete floor is improving quality of life but cannot be factored into an average income for coffee production. Voorhes did offer a statistical example but cautioned us not to simply use this one statistic since it does not represent the full story. Prior to joining AGG, San Miguel farmers make less than \$2000 combined family income and about \$750 net income from their coffee businesses. After working with AGG, coffee farmers make an average of \$1875 per year from their coffee businesses. Again, caution should be taken when considering these numbers since there are other factors that can affect the overall average income of the coffee farmers.

Once with AGG, it takes coffee farmers a good part of a year to get their product into the sales channel. Typically, the farmers begin with small quantities in order to make sure that their business will work. Once they see a higher income, the farmers will grow their volume in subsequent years. Everyone who has made it through a full year with AGG has remained with AGG. However, not everyone makes it through that first year, and about 25% actually drop out before they really get started. There are approximately 50 families who currently receive substantial help on a regular basis, and 150 to 200 families who receive minor assistance.

Business owners with AGG do work on a global level. Coffee bags are imported from India and Mahogany seeds from Cuba. Coffee farmers export their coffee to the US and Canada. AGG also has

volunteers from the US and Australia with one more volunteer on the way from Denmark. However, Voorhes states that, “Globalization is a double-edged sword.” Globalization intensifies problems that are already present in a developing country. There is no easy answer to the issue of globalization. Although AGG’s producers often benefit from globalization, that same effect may not hold true for the average citizen.

AGG prides itself on taking care of the environment by incorporating land restoration, intercropping, and organic farming as an integral part of its business model. Business models are more successful the more the farmer cares for the land. A major aspect of AGG environmental sustainability is its tree program. Coffee farmers maintain their coffee fields with a density of 160 trees per acre. AGG volunteers teach agroforestry and sustainable forest harvest. People are encouraged to plant trees rather than chop them down and financial incentives are sometimes offered to people for not chopping down rare trees. AGG also partners with the community to save current trees and plant new ones.

Farmers use about 50% compost and organic fertilizers in agricultural production. While some farmers have very simple composting programs, other farmers have fairly involved, large scale compost producing programs. Farmers also intercrop extensively, have some simple crop rotations, and plant legumes. AGG does its part to increase environmental sustainability by planting trees, saving trees, intercropping, and sequestering carbon. It is an organization that continues to move forward with new ways to preserve our ecosystems.

DISCUSSION

“Improving the living conditions of so many people requires the integration of modern technology and traditional knowledge, individual initiative and collective effort and a genuine focus on sustainability through a balance of economic, social and environmental concerns. . . .Successful micro-enterprises fuse economic sustainability, community well-being and environmental preservation” (Vargas, 2000). AGG, the focus of this research, is an organization with a group of dedicated volunteers that is working to help disadvantaged families in Guatemala improve their business process, and ultimately, their standard of living while promoting social and environmental sustainability.

Guatemala is a country full of people who somehow survive on earnings that are well below the poverty level. People are living in homes that would be condemned in the US. The researchers witnessed living conditions of people who had no indoor plumbing or indoor kitchen. Women were cooking tortillas outside to sell later. Meals for the family were also prepared outside. Children, as well as adults, were working during the day. Some of the families stated that their children attend school for half of a day. It is no wonder that the illiteracy rate is so staggering. But there is hope for the future. As AGG assists some of these families and partners with other groups who offer assistance, these proud people are able to improve their standard of living. Families are able to have concrete floors and indoor plumbing. Two families have children attending universities. The standard of living, while not affluent, is definitely improving for the families associated with AGG.

Can the AGG business model work in other areas of the world? The answer is yes, but the extent to which people would accept this type of incubator for micro enterprises is the issue. In developing countries such as Guatemala, where business is conducted on a smaller scale, it might be easier to integrate this type of business model into the economic system of the country. However, in a country such as the US, the integration would be much more of a challenge. It is almost inconceivable in the US that a loan would be given to a business owner without some type of formal contract. Yet AGG has managed to make it happen, and it appears to be working.

Environmental sustainability, an issue that should concern everyone, seems to take a back seat to profits for some businesses. However, as more consumers are requesting more accountability from the producers, changes may come at a more rapid pace. If a small group of volunteers can make a difference in Guatemala, then surely both large and small business around the world can do the same. The issue of environmental sustainability is no longer an option; we are at a junction where decisions we make today will ultimately affect what we have tomorrow. Preserving our ecosystems is essential and can no longer be ignored.

Micro enterprises operate on both a local and global level. Many of these entrepreneurs need some form of assistance, whether it is financial or intellectual. We can all learn from the AGG model of micro enterprise incubation. It does not mean that every aspect needs to be adopted for every organization, but we can learn from AGG's practices and adapt to specific circumstances. It is the responsibility of everyone to help improve the living conditions of people around the world, both economically and environmentally. This help does not mean charity. We can help in others ways, and AGG has found ways to both help the environment and the marginalized and disadvantaged people of Guatemala.

The researchers in this study plan to further investigate micro-enterprises working under the guidance of AGG and other NGOs in Guatemala. Of particular interest is the stand on Fair Trade. An in depth study of the effects of Fair Trade on small coffee farmers is warranted to determine if the benefits of the certification justify the cost of obtaining certification. AGG is a fairly new organization, and a longitudinal study of its participants could yield information that would benefit AGG as well as other NGOs.

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THE BALANCED SCORECARD AS A STRATEGIC MANAGEMENT SYSTEM: CASE STUDY OF THE PORT AUTHORITY OF VALENCIA

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ABSTRACT

A case study methodology has been applied to examine how a strategic management system has been implemented at the Port Authority of Valencia, a government body managing and controlling the ports of Valencia, Sagunto and Gandia in Spain. The analysis of this implementation process has implied studying how the balanced scorecard model was designed and implemented, how a strategy map was drawn, performance measurement software applied and a strategy management process implemented in the organization. This research provides further knowledge of the changes that an organization undergoes to implement a strategic management system.

INTRODUCTION AND METHODOLOGY

Aiming to meet the challenges of a common European and globalized market, the Spanish State-Owned Port System (hereafter referred to as SSOPS) has over the last decade carried out its activity following the guidelines of a strategic framework (Puertos del Estado, 2001). The implementation of the SSOPS' strategic plans has been based on the adoption of the balanced scorecard (BSC) model as a strategic management system (Kaplan and Norton, 1996a, 1996b, 1996c, 1996d, 2000, 2001a, 2001b, 2001c, 2001d, 2004; Malmi, 2001; Nilsson and Olve, 2001; Speckbacher et.al., 2003). Such a strategic performance measurement system describes the strategy by means of cause-effect relationships and implements the organizational strategy by establishing objectives, action plans, results and by linking incentives to BSC measures.

Given the importance of developing empirical research on the innovations in management accounting (Brewer and Hunter, 1989; Bryman, 1989, 1992; Otley and Berry, 1994; Chapman, 1997; Hoque and James, 2000; Brignall and Ballantine, 2004; Lillis and Mundy, 2005; Tuomela, 2005), the aim of this research is to analyze the strategic planning process and the implementation of BSC by means of a case study of one of the SSOPS' business units: the Port Authority of Valencia (PAV).

The unit of analysis in this study is the Port Authority of Valencia (PAV), a government body that manages and controls the ports of Valencia, Sagunto and Gandia. The PAV has become consolidated as a leader in trade flows in Spain, essentially in container imports and exports, making the organization not only a key player for the internationalization of the economy of the Valencian region but also the maritime gateway for the entire Iberian Peninsula. Given the potential of the PAV's facilities for retaining the traffic generated in its hinterland and its large capacity to attract inland transport connections and the necessary shipping lines to be included in the main interoceanic routes, it can be stated that the PAV is strategically positioned (Bobrovitch, 1982; Fleming and Hayuth, 1994).

The PAV was essentially chosen due to having developed a project aimed at implementing BSC at the highest level (within the strategic framework of the PAV). It is worth indicating that this work has been carried out using an interpretative approach to accounting research (Hopper and Powell, 1985), which implies placing current management accounting practices within their historical, economic, social and organizational background. Consequently, this approach provides a theoretical framework aimed at

understanding how management accounting practices are both the means and the result of social structures (Burns and Scapens, 2000).

STRATEGIC PLANNING TOWARDS 2015 OF THE PORT AUTHORITY OF VALENCIA

The PAV released in 2002 its 2002-2015 Strategic Plan, aiming to define and integrate basic strategic pillars along with projects capable of satisfying sustainable and competitive port capacity supply, both in terms of quality and price, and port, maritime, intermodal and logistics infrastructures and services. The process of designing the PAV's Strategic Plan followed five stages (Giner et.al., 2007): 1) analysis of the business environment; 2) diagnosis of competitiveness; 3) formulation of the framework for action; 4) definition of strategic pillars for action; and 5) program for strategic development.

Ten framework projects were defined aiming to foster leadership and allocate responsibilities among the PAV's executives. These framework projects have been further broken down into a set of projects and subprojects, allowing the involvement of the PAV's top-level management team in promoting the Strategic Plan. A Commission of Representatives of the Board of Directors created to monitor the Strategic Plan implementation, a Strategic Plan Development Office and the organizations that link and bring together the port community, such as the Quality Council and the Commercial Councils of the ports managed by the PAV integrate a solid working structure in charge of implementing and monitoring the strategic development program.

STRATEGIC MANAGEMENT SYSTEM AT THE PORT AUTHORITY OF VALENCIA

Following the presentation of the PAV's process of strategic planning, we have carried out a detailed analysis of a series of issues considered fundamental in the PAV's BSC implementation project. This analysis is justified by the PAV's peculiarities, including the availability of a strategic plan, the size of the three ports run by the PAV and their types of traffic, amongst others. These characteristics gave rise to a series of PAV-specific aspects in the BSC implementation project when compared to the "standard" implementation process used in other port authorities belonging to the SSOPS. In this sense, we have structured the study of this implementation process in four parts: a) the BSC implementation project; b) designing a strategy map; c) applying performance measurement software and; d) strategic management.

Implementation of the Balanced Scorecard Project at the Port Authority of Valencia

Despite having publicly presented its 2002-2015 Strategic Plan in November 2002, the PAV was unable to fully implement it due to problems that emerged when breaking down its framework projects and designing the projects and subprojects forming the strategic plan. This situation was essentially due to the lack of a specific and formalized method to both manage this process and correctly communicate the vision of the organization to the PAV's Management Committee. For this reason, at the end of 2003 the PAV found that it was incapable of implementing appropriately its strategic plan. The inevitable need to overcome these difficulties or obstacles, as stated by Strategy & Focus (2007) in their investigation, had become one of the main challenges to be surmounted for success to be attained.

As a consequence, that same year the PAV began the BSC implementation project, which was carried out in the following three stages: a) personalization of the common SSOPS' BSC model to the PAV's case; b) fine-tuning the corporate BSC and preparing for implementation and; c) launching of the corporate BSC and implementation stage.

Despite the main reason for implementing the BSC being the necessity to activate and relaunch the 2002-2015 Strategic Plan of the PAV, which was supposed to permeate the entire organization in the first stage and the port community (group of public and private sector organizations offering the whole range of port

operations and services), in the second stage, the move was also motivated by three additional reasons that aroused interest in this strategic management tool: 1) enhancing the strategic planning process, aligning and assigning resources and strategic monitoring of the PAV; 2) strengthening management culture and; 3) enabling the PAV to communicate the common strategy to all port community stakeholders fostering cohesion and teamwork.

The work related to the BSC implementation project was carried out by a group of both internal and external work teams. The internal team included the Management Committee, in charge of establishing the main strategic criteria for elaborating the BSC, testing and validating the results; the internal project coordinator, working as a liaison officer between the organization and external teams and internally coordinating all BSC related activity; the BSC work team, providing the organization with knowledge of its fields, processes, customers, etc. in order to be able to define the PAV-specific BSC model; and the head of information systems, providing information of technology and data sources and participating in the interface definition and implementation of the computer software. The external supporting team was composed of the central government state-run ports agency, a team of consultants and the software implementation team. This external team, given its experience in implementing BSC in other organizations and its knowledge of the sector, provided methodological support for the project development, led work meetings, prepared result reports, introduced PAV-specific parameters and installed the software, among other tasks. The size of the project required a combined effort from the internal and external teams in designing a strategy map, applying performance measurement software and strategy management.

Strategy Map of the Port Authority of Valencia

The process followed by the PAV to elaborate its BSC originated from the existence of the 2002-2015 Strategic Plan, which in turn resulted in a corporate strategy map being designed. An initial presentation of the BSC implementation project was made to members of the organization, who were also given specific training in this methodology. Following this, the strategic pillars were reviewed and adapted. As regards the perspectives of the common strategy map, objectives were established at top executive level, the managers to be in charge of the strategic objectives of the corporate map were appointed and a final validation of this strategy map was undertaken (Malmi, 2001; Horváth & Partners, 2003; Speckbacher et.al., 2003; Medina, 2005; Ripoll et.al., 2005). Finally, the strategic objectives assigned to these managers were set out in more detail as well as the cause-effect relationships between them (Malmi, 2001; Ittner and Larcker, 2002; Speckbacher et.al., 2003; Banker et.al., 2004; Bryant et.al., 2004).

Once the strategy map had been drawn up, the next stage of the process was to determine the strategic metrics that would make it possible to measure the various strategic objectives (Banker et.al., 2000; Hoque and James, 2000; Hoque et.al., 2001; Laitinen, 2002; Smith, 2002; Said et.al., 2003; Hoque, 2005), as well as the targets to be achieved by these measures in forthcoming periods (AECA, 2006). This work was complemented by a detailed definition of the measures, particularly those that were specific or exclusive to the PAV. The entire process underwent several revisions as a stepping stone towards final validation. The fact that a corporate strategy map already existed enabled it to be correctly interconnected to the strategic projects and the action plan that stemmed from the PAV's Strategic Plan (Chenhall and Langfield-Smith, 1998; Olsson et.al., 2000; Tate, 2000).

As regards the perspectives of the common strategy map of the SSOPS - financial, customer, internal business process and learning and growth perspectives - (AECA, 2006), it is worth indicating that they have adapted perfectly to the PAV's requirements. As a result, there has been no need to adjust any of these perspectives whatsoever.

It must also be noted that the proposed common strategy map for port authorities of the SSOPS was designed for those lacking their own strategic plan. However, as the PAV had already elaborated a strategic plan prior to the process of implementing the BSC model, the pillars of the corporate strategy map of the PAV had to be adjusted to its strategic plan. Consequently, the five pillars that are normally included in the SSOPS common strategy map were increased to eight PAV-specific pillars. As a result of how specific the PAV is in relation to other port authorities and in light of how difficult it was for PAV's members to assimilate the strategy derived from one sole corporate strategy map, it was decided that a set of maps, one for each strategy pillar, would be drawn up (Medina, 2005; Ripoll et.al., 2005). A total of eight strategy maps were elaborated, that is, one map for each of the pillars included in the Strategic Plan. Their corresponding objectives, cause-effect relationships, measures and targets were determined by means of creating a team and a team leader for each strategic pillar map.

These strategy pillar maps with their respective objectives, cause-effect relationships and measures were presented to top-level PAV management staff for their validation. Once approved, the maps were presented before the PAV Management Committee. More specifically, after various sessions in which strategic pillar teams identified measures, the various metrics of both pillar maps and the corporate strategy map were approved. Furthermore, team leaders were appointed for each strategic objective of the corporate map and for each objective of the pillar maps. First-level strategic measures were also selected. These indicators measure success in accomplishing the objectives set by the corporate map and the strategic pillar maps. Finally, targets were established for all these metrics.

Once all the strategic measures had been approved, the process of configuring and introducing the software that was to be used to manage the strategic information generated by the BSC of the PAV began. While it is fair to say that strategy maps by pillar are understood in the PAV to be a break-down of the corporate strategy map, the truth is that the first corporate strategy map was drawn up after integrating the eight strategic pillar maps.

Nevertheless, integrating the strategic pillar maps into one single corporate strategy map for top-level management was difficult to present and monitor afterwards, due to the enormous number of strategic objectives and measures that were contained therein. For this reason, an executive strategy map was designed for PAV top-level management staff that had a smaller number of both strategic objectives and measures, thus making it easier for these members of the organization to analyze the key drivers that should be subject to appraisal. A small work group was created in order to design this executive strategy map. The executive strategy map was presented in 2004 before top-level management and included 16 strategic objectives and 39 strategic measures, although the number of measures had increased to 42 by 2008.

Technology Implementation of the Balanced Scorecard at the Port Authority of Valencia

After concluding the first version of the strategy map and having determined the measures that should provide information regarding progress towards achieving strategic objectives, the need arose for a system to monitor this information. As a result, at this stage of the project, tasks specifically linked to the process of introducing the software for BSC in the PAV were undertaken.

In this sense, the coordination and decision-making mechanisms of the BSC implementation project needed to be redesigned with respect to normal business management tools (Escobar, 2002; Rigby and Bilodeau, 2005; Tuomela, 2005). In order to achieve this, an analysis of the current state of information systems at the PAV was carried out with the aim of successfully integrating the software finally chosen with the existing information systems in use in the organization. Once existing information systems had been audited, Quick Scorecard was the software program chosen to extract and supply BSC information.

This tool was chosen by the Spanish State-Ports Agency and was developed as an application to be integrated in Microsoft Access and Excel.

This decision was made due to the fact that implementing a tool capable in a short period of time of adequately monitoring the strategy (strategy objectives, measures, targets, operating objectives and initiatives) was deemed of utmost importance, along with the fact that this program is easy to configure, use and integrate into the rest of software programs in use at the PAV (Krumwiede, 1998; Liberatore and Miller, 1998; Sharman and Kavan, 1999; Ahn, 2001; Cavalluzzo and Ittner, 2004).

This technological development was based on the implementation of integrated information systems and state-of-the-art business intelligence applications, capable of being programmed by the users themselves, leading to the deployment of one sole information system capable of gathering data from different databases. As a result, the PAV has improved considerably in terms of dealing with the growing amount of information that it generates, which is making the decision-making process easier for its members (Epstein and Manzoni, 1997, 1998; Liberatore and Miller, 1998; Escobar, 1999, 2002; Granlund and Malmi, 2002; Niven, 2002; Tuomela, 2005).

It is worth highlighting that the information flows between PAV members that feed the databases which contain the information on BSC measures are significant. Consequently, it is crucial for the program to be successfully integrated in order to visualize to what extent the strategy of the organization is being achieved, how motivated the people involved in the process are (by making their contributions visible), and the detection of possible flaws or improvements that can be made to the software (Doll and Thorckzadeh, 1998; Banker et.al., 2004). Therefore, the data feeding process at the PAV is essential for objectives to be suitably appraised and decisions to be made thereafter. At present, the process of compiling and loading data and appraising objectives is being carried out on a quarterly basis. Final quarterly results are made available in the BSC computer tool shortly after the appraisal meeting.

Strategy Management at the Port Authority of Valencia

In order for BSC to be successfully integrated into the PAV, the construction of strategy maps and implementation of software needed to become part of the management process of the organization. This led to: a) the strategy being made operative by synchronizing the long term vision (strategy) and the short term vision (operations); b) BSC being used as a guide in executive meetings aimed at monitoring business and in decision-making processes; c) BSC becoming the tool used to periodically communicate the results achieved to the PAV's staff; d) fostering strategic dialogue between PAV members and teamwork towards accomplishing final goals and; e) BSC being used in resource allocation and in prioritizing the initiatives to be undertaken.

Therefore, given the size and scope of the strategy implementation process based on developing each and every strategy pillar defined by the PAV, it was essential to plan and apply an entire array of strategy management actions that enabled the organization to become acquainted with the new strategy and the tasks it entailed, as well as to make it easier for key people to become involved gradually (Otley, 1999).

In order to achieve this, the PAV uses basic management principles to reinforce strategic management and drive the implementation of the Strategic Plan. In this sense, the following management principles are worth highlighting: a) strengthening the leadership of top-level managers in the Strategic Plan projects; b) one-way strategic and day-to-day management; c) fostering delegating actions and independence in executing strategic projects; d) reinforcing management mechanisms; e) clarity and consistency when assigning project responsibilities; f) allocating strategic projects to the people/teams that are best prepared and willing to take charge; g) endowing strategic projects with devoted, capable and

motivated human resources; h) establishing objectives and mechanisms for monitoring and control; i) developing internal communication and, j) promoting motivation mechanisms.

Along the same lines, the process of strategic implementation and monitoring should not be considered a one-off action to be developed only when a new strategic plan is specified. An organizational function, called strategy management, is necessary to guarantee ongoing support for both the implementation of the strategy and also the monitoring and revising processes it entails (Strategy & Focus, 2007). The aim, therefore, is for management to be based on strategy, as defining the BSC model is not enough: it must be used as the primary reference in strategic business monitoring meetings; it should encourage strategic dialogue between organization members and foster teamwork towards attaining the final goals of the PAV. It must also be a key factor in resource allocation and also when prioritizing the initiatives to be launched (Braam and Nijssen, 2004).

As normal strategy management requires a functional structure within the organization to make managing and monitoring easier (Roberts, 1990; Archer and Otley, 1991; Kaplan and Norton, 2001c), a Strategy Implementation Office was created under the direction of the PAV's Strategic Planning Section/Area. The role of this office is to manage the strategy, both while it is being elaborated and also during monitoring processes, taking on the following responsibilities: 1) managing the elaboration and/or annual review of the Strategic Plan; 2) managing the process of designing and/or updating of strategy maps; 3) managing and coordinating the processes of definition and implementation of corporate strategic initiatives, as well as ensuring they are assimilated throughout business departments and units; 4) designing the strategic management system (measures and targets) and managing the results and proceedings of coordination and review meetings regarding the implementation of the strategy at different levels (Executive Board, Management Committee, Departmental Committees, etc.); 5) leading and managing the design and development as well as the implementation of the technology platform, coordinating updates according to the information needs that stem from the elaboration of a new strategy or an annual review; 6) managing the external and internal strategy communication plan to make all aware of the PAV's strategic process in order to help them understand the strategy and to get them involved in accomplishing its objectives and; 7) managing the change that implementing the strategy entails.

More specifically, the Strategy Implementation Office has developed a series of strategy coordination and monitoring mechanisms in order to fulfill its function. These mechanisms are detailed below:

a) Monthly internal Implementation Office meetings to monitor strategy implementation and decision-making processes, as well as to review the organizational management model. These meetings are basically held to gather data and analyze the information stemming from the metrics received, to revise the plan of action, to detect possible deviations from the schedule or resource overloads, to propose actions to solve the foregoing problems, improve processes or update models and to elaborate the contents of progress reports regarding the state of the strategy map and measures.

b) Quarterly meetings of the Management Committee to monitor the strategy. The main functions of these meetings are as follows: each person in charge of a strategic objective gives a brief account of the progress they have made and the operating objectives they have been assigned. If appropriate, they may also raise critical issues to be discussed in group or that may give rise to ideas or require decisions to be made. Agreements and the next steps to be taken are specified and the meeting secretary prepares an e-mail to inform the entire team of the agreements reached.

c) Schedule for validation and revision of the elements that make up the PAV's management model, aimed at serving as a guide towards correctly updating the PAV's Strategic Plan.

Throughout the rest of the year, the BSC Management Committee holds periodical monitoring meetings to analyze the progress made towards strategic objectives and makes decisions to this respect. Those in charge of operating objectives and their teams carry out the projects they have been assigned. Periodically, strategic metrics are measured. Finally, the information required by the common measures and operating objectives included in the objectives stage of the Business Plan is reported to the Spanish State-Ports Agency on a quarterly basis.

CONCLUSIONS

The main reasons for the PAV to adopt a BSC system as a strategic management tool have been improving their strategic planning process, resource allocation and strategic follow-up system; reinforcing their organizational management culture and strengthening the PAV's role as port community leader. As a result of the empirical analysis carried out, the ten main benefits that the PAV has reaped from implementing the BSC system have been identified. These benefits are as follows:

- It facilitates streamlining the staff's actions with the strategy by translating strategic objectives into targets that can be assigned to most groups within the organization.
- It helps assigning resources in a more balanced and coherent manner, as regards the strategy in question, and also helps to prioritize project execution.
- It provides top-level managers with a set of strategic and key operating measures that capture the evolution of their business from different points of view.
- It makes it possible to anticipate problems and to act proactively towards achieving strategic objectives.
- It enables the organization to carry ongoing monitoring of how well the Strategic Plan is being assimilated and followed.
- It plays a key role in communicating the strategy to all levels, which allows everyday work to be related to the future vision of the organization.
- It favors teamwork towards achieving common final objectives.
- It guarantees a global view of the organization's strategy in all areas and departments, helping to understand the implications that actions carried out in one area have on others (global optimum versus local optimum).
- It simplifies and supports the elaboration of business plans and budgets, which enables the long term objectives to be linked to the short term goals.
- It has a set of common measures agreed upon by all SSOPS business units, giving rise to the possibility of benchmarking.

Carrying out empirical research within the field of management accounting will make it possible to support the claim that most of the changes in accounting are a direct or indirect result of dissemination processes (Ax and Bjørnenak, 2005). For this reason, studying the design and implementation of these innovations in specific organizations contributes towards promoting the dissemination and adoption of such management practices. In this sense, this case study has had a two-fold objective: on the one hand, it has aimed to share the experience of the PAV, which has developed a project to implement the BSC at top

management level and, on the other hand, to explain and help others become aware and understand the transformations or changes that the PAV has had to make throughout the process. By doing so, our intention has been to provide those in charge of strategic planning with knowledge that can help them to carry out future BSC projects in their own organizations.

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THE IMPACT OF GLOBAL ACCOUNTING STANDARDS ON FOREIGN AND UNITED STATES MULTINATIONAL CORPORATIONS

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ABSTRACT

The movement of business toward a global economy has accelerated the need to move toward global accounting standards. Two recent decisions and a “roadmap proposal for the US to adopt International Financial Reporting Standards, IFRS rules, have been issued by the United States Securities and Exchange Commission. These decisions and the “roadmap” proposal have had a major impact on the issue of converging United States Generally Accepted Accounting Principles and IFRS. The “roadmap” would allow 110 of the largest publicly held companies equal to 14% of US market capitalization to begin using IFRS voluntarily for their 2009 financial statements. Speed of acceptance in world capital markets of one standard of accounting namely. IFRS is rapidly occurring and may motivate companies voluntarily to change. This paper will examine a selection of foreign and US multinational corporations currently using US GAAP financial reporting to examine the benefits or disadvantage of change for the companies reviewed. United States and Japan are the only countries in the G8 group of nations that have not adopted IFRS for financial reporting. (Gray 2008). Sony Corporation and Matsushita Electric Industrial Company (most recently changed to Panasonic Corporation) are the companies to be reviewed for the Japanese companies studied. The US multinational companies to be reviewed in this study are Proctor and Gamble and Johnson and Johnson companies.

JAPANESE COMPANIES

Japan has agreed to IFRS convergence by 2011. The Accounting Standards Board of Japan ASBJ met with the International Accounting Standards Board, IASB, in 2007 and agreed to eliminate by 2008 major differences between Japanese and IFRS GAAP. The remaining differences were to be removed on or before June 30, 2011 at which time Japan would switch to IFRS. (Accountancy Age, 2008). As of the present time Japan has not adopted IFRS (Kagawa 2008).

Sony Corporation

Sony operates on a fiscal year calendar with year end occurring March 31. For 2008, revenue was \$89.6 billion compared to Matsushita Electric that had revenue of \$90.7 billion (Hoovers 2008). Sony does business in many countries. It is a true global player having 23% of its business in Japan, 26% in Europe, 25% in the US, and 26% in other regions (Sony 2007). Its major revenues are from foreign sales 49% while revenues from the US are 25%.

Research and Development Expenses: Research and development expenses for 2008 were \$521 million. Under US GAAP R&D expenses are for the most part expensed. IFRS requirements are to capitalize R&D expenses and add them to asset accounts in most cases. To follow IFRS would allow Sony to decrease expenses and increase net income dramatically.

Goodwill and Other Intangible Assets: Sony has goodwill of \$30.4 million for 2008. Goodwill and other intangible assets that are determined to have an indefinite life are not amortized and deducted as expenses on the income statement. But under US GAAP they are tested on a two step process for impairment

(Financial Accounting Standards #142) An impairment loss is recognized if the carrying value of the asset exceeds the current fair value and must be expensed. Under IFRS goodwill impairment is limited to a one step review. The use of significant estimates and assumptions as required in the second step process is dropped. The elimination of this process may lead to a reduction of impairment expense under IFRS and result in an increase in net income. The above discussion of two factors that might affect Sony Corporation financials indicate an increase in figures reported under IFRS reporting if Japan should adopt IFRS reporting.

Matsushita Electric Industrial Company

This company has changed its name to Panasonic Corporation as of October 1, 2008 (Panasonic 2008). Its founder Konosuke Matsushita is hailed as the patriarch of the Japanese consumer electronics industry. It uses a fiscal calendar year and year end is March 31. The revenue for 2008 was \$90.7 billion. In 2008 50% of sales revenue was in Japan, 13% in Europe, 23% in Asia, 14% in North and South America. Thus, most of the revenues are foreign sales.

Research and Development Expenses: Panasonic has \$449.0 million expenses in 2008. If Panasonic converted to IFRS, R&D expenses would be for the most part capitalized and added to an asset account. This would reduce expenses, increase net income, and add asset values to the balance sheet.

Goodwill and Other Intangible Assets: Panasonic has goodwill of \$4.29 billion for 2008. Goodwill and other intangible assets determined to have an indefinite life are not amortized, they are required to be tested on a two step process under FAS #142 US GAAP. Any impairment is then expensed. Under IFRS goodwill impairment is limited to a one step test and may result in net income. The two factors reviewed may change Panasonic Corporation's financial statements to report higher figures under IFRS reporting.

US COMPANIES

The roadmap created by the SEC would allow 110 of the largest publicly held companies equal to 14% of the US market capitalization to begin using IFRS voluntarily for their 2009 financial statements. (Journal of Accountancy, 2008) While the US is not adopting IFRS on an all-at-once mandatory basis the allowance of major companies to report on an IFRS basis will permit initial data for analysis. The US multinational companies reviewed in this study are Proctor and Gamble and Johnson and Johnson companies.

Proctor and Gamble: Proctor and Gamble operates on a fiscal year calendar for financial reporting with a year end of June 30. Its revenues for 2007 were \$31.9 billion for the United States and \$44.5 billion for international revenues. Over 50% of revenue was from foreign sales.

Revenue Recognition - LIFO Inventory: Revenue recognition is simpler under IFRS compared to US GAAP. Revenue recognition under IFRS will probably increase because restrictions in US GAAP will be removed. For example, LIFO inventory is not recognized or allowed under IFRS. Revenue will probably increase because the restrictions on revenue recognition under US GAAP using will be removed. LIFO is popular in US GAAP reporting because it usually reduces taxable income. As a result US companies pay lower taxes. If LIFO is used for tax purposes in the US it must also be used in financial reporting. Proctor and Gamble uses LIFO for certain cosmetics and commodities, but foreign subsidiaries use FIFO inventory reporting. With the elimination of LIFO taxes may Increase but in general the recognition of increased revenue reporting may occur.

Goodwill: Acquired goodwill and other intangible assets with indefinite useful lives are not amortized and are subject to a two step for impairment test under US GAAP. For IFRS only a one step test for

impairment is used. The ongoing market turmoil has created problems for every company following US GAAP two step impairment test requirement. Companies will need to pay greater attention to goodwill impairment as required by Financial Accounting Standard FAS 142. Companies may find that goodwill impairment has occurred. In addition the creation of the new Financial Accounting Standard FAS 157 Fair Market Accounting is now mandatory as of this year 2008. FAS 157 defines fair value as an exit price or how much could be obtained upon the sale of the asset. The second impairment test now requires companies to compare fair value of each units carrying value including goodwill. Goodwill is not impaired as long as the fair value of the entire reporting unit is greater than its carrying value. If the fair market values less than the book value a goodwill impairment loss is recognized and profits fall. In this market a severe loss is likely to occur. Thus a switch to IFRS with one step testing is likely to benefit most companies. This may lead to a decline of impairment loss recognized and as a result a higher net income under IFRS. Total goodwill for Proctor & Gamble, at June 30, 2008 is \$57.73 billion. The effect on Proctor and Gamble financials with a change to IFRS reporting would most likely result in higher income and an increase in the valuation of assets on the balance sheet. The foregoing analysis of some factors that may help Proctor and Gamble to report higher figures on IFRS reporting. It would also reduce the costs of converting IFRS subsidiaries to US GAAP for US reporting.

Johnson And Johnson Corporation

Johnson and Johnson operates in over 55 countries. It operates on a fiscal year basis with a year of December 30. In the second quarter of 2008 International sales grew to \$8.24 billion compared to US sales revenues of \$8.21 billion. International sales were higher than US sales revenues. Proctor and Gamble with sales of \$76 billion in 2007 is currently leading the industry. Johnson and Johnson is a close second with \$61 billion in 2007.

Revenue Recognition: The Revenue Recognition process for IFRS is not equal to US GAAP they are compatible. Differences related to software revenues and the sale of real estate as reported under US GAAP should not have a major impact on Johnson and Johnson's financials. (Ernst & Young, 2008)

LIFO & FIFO Inventory: Johnson and Johnson use FIFO for their inventory valuation. (Johnson & Johnson Annual Report, 2008) Johnson and Johnson can easily convert any differences in their FIFO inventory as it is acceptable under IFRS reporting. (Ernst & Young, 2008) Conversion to IFRS would help Johnson and Johnson access capital markets globally without having to produce separate sets of financial reports for international and domestic investors. (AICPA Backgrounder, 2008)

SUMMARY

Benefits of IFRS

The competitiveness of US markets would be improved by the elimination of many barriers to entry in foreign markets. (Morris, 2008) The elimination of the cost of converting IFRS reporting subsidiaries to US GAAP reporting will occur. Investors will find it easier to compare foreign companies with an American rival company creating a better understanding of financial information (Economist, 2008).

Challenges in Moving to IFRS

Transitioning to IFRS is costly but of great benefit to cross border operations of large Companies. Small companies without cross border business conversion would be costly and without benefit for some. Conversion from GAAP to IFRS will raise tax related issues. Any in Securitized transactions with millions of dollars are allowed to stay off the books under US GAAP, IFRS requires most of the assets and liabilities to be reported on the balance sheets. Conversion to IFRS from US GAAP will impact

many industries differently. The implications will vary also. However, in the long run the benefits will outweigh the problems.

Timeline

Throughout the world most markets have moved to IFRS and require an immediate mandatory conversion for domestic companies listed. Canadian GAAP moves to IFRS for all publicly accountable enterprises on January 1, 2011. ASBJ of Japan has agreed to converge Japanese GAAP to IFRS in 2011. They have not as yet adopted IFRS.

CONCLUSION

Although many multinational companies following US GAAP have internally made plans and efforts to move toward IFRS reporting, the world economic downturn has slowed the momentum. Many companies now have to focus on remaining profitable as a first consideration. However, eventually conversion to IFRS will become a major priority and US GAAP will become less significant.

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FORECASTING OF NATURAL RUBBER RIBBED SMOKED SHEETS NO.3 (RSS3) PRICE IN THE AGRICULTURAL FUTURES EXCHANGE

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ABSTRACT

Rubber price changing in Thailand gets direct influence from agricultural futures market. The process rubber manufacturers always use agricultural futures market to prevent the fluctuation of rubber price. Moreover, many investors use it to make the profit from the difference between the current price and future price or the difference in the trading promissory note. The purpose of this study is to study the prediction method on rubber price to help the investors to apply for buying and selling decision in the situation time.

KEYWORDS: future price, forecasting, agricultural futures market

INTRODUCTION

The forecasting rubber price in the futures market might be similar to price in the stock market; moreover, it can estimates including the effect on external factors because the adjusting on rubber price in the long term may cause by the main of supply and demand. Whence, in this study will deep thought the method of forecast in two cases that the first case is technical analysis that analyzes only on the period of rubber price without paying attention to exogenous variables. In addition, the second case is fundamental analysis that considers on exogenous variables that affect to rubber price. Lastly, a final step necessary for testing efficiency is to adjust generated trading profits for risk.

This research will study both technical analysis and fundamental analysis because each analysis has strong and weak point in differently. It can use technical analysis combining to fundamental analysis as the result of technical analysis can be used as the tool investigating the probability of the result from fundamental analysis that how more or less to trust on fundamental analysis. The technical analysis in current year has many forecasting methods, but the most well-known and has variety of program for analyze such as Naïve, Simple Moving Average, Simple Exponential Smoothing, Holt's Linear Exponential Smoothing, Brown's Triple Exponential Smoothing, Holt-Winters Smoothing, Regression Analysis, Decomposition, and Box's Jenkins, etc. The paper cannot depict that which method is the best because each method is strong and weak point differently. In the practical way, the combine method might be the other option using to forecast. In the way of choosing the suitable and the best trust should concern on the factors following as period of forecasting, amount of data, and the level of valid on predicting. Along with this research, it will an account of the proper method for movement of rubber price data in the futures market including to find the suitable period of time and appropriate number of data using in forecasting. Besides there will be designed by line graph for considering the trend of rubber price that will be occurring in the next coming future. Fundamental analysis in this research is examining the factors that influence to rubber price and is searching the model of rubber price when the factors on rubber price are changed. On the other hand, this research will deem to be some factors that touch only on market price mechanism. The view attentively on rubber price in futures market will be concerned on others, which will operate the better accurate on forecasting.

The main objectives of the research are: To discover the proper forecasting, to examine the suitable number of data uses to forecast, and to identify the appropriate time period applies to estimate rubber price in short time and long time. To maintain following as objectives, the paper will scope the study as firstly, futures market. The study is Tokyo market (TOCOM) because more than one third of natural rubber ribbed smoked sheet no. 3 from Thailand is sent to Japan; furthermore, rubber price in Tokyo will affect the most to rubber price in Thailand because Tokyo market is the most trading. More than 90 percents is for trader and the rest is importer and middle merchant. Then, TOCOM can mention as the market that has more flowing of movement. Rubber price in the market is moving so fast as the result of influencing from trader, he change in exchange rate between dollar and yen, and other factors. Secondly, rubber price used to study is the natural rubber ribbed smoked sheets no. 3 because of the most exports by observing the level of exports FOB, is an abbreviation of Free On Board, the term commonly used when shipping goods to indicate who pays loading and transportation cost, that is applied as the selling price in futures market. Thirdly, forecasting model used to study for rubber price in futures market classifies in two cases as (a) short time predictions is finding forecasting model and the most suitable period using in daily rubber price which methods use following as Simple Exponential Smoothing, Holt's Linear Exponential Smoothing, Box's Jenkin (b) long time prediction is used for monthly forecasting. Before making final decision, the research considers on external factors that may affect to rubber price. This method will be classified along with objective of using such as for monthly rubber price will predict without concerning on other factors that affect the movement of rubber price in the past enough to predict the movement of rubber price in the future which methods are used following as Simple Exponential Smoothing, Holt's Linear Exponential Smoothing, Decomposition, Box's Jenkin. To search for model test of rubber price when changing in factors affect to rubber price. It concerns on variables that affect to rubber price, it should also account on regression method.

o consider on period that rubber price tends to move up or move down is studying factors that can indicate rubber price occurring in the future passing through building graph-leading indicator that it studies from leading indicator of business cycle. Fourthly, time period is used in short time prediction in daily following as (a) Using 100 days starting from 17 August 2007 to 7 January 2008 divide as 5 periods following 15 days, 30 days, 50 days, 75 days and 100 days. (b) Finding proper forecasting method in comparison period uses 5, 10, and 15 days being the period that chooses from practical method and brings the outcome comparing to cash trading in the period during 8th to 28th January 2008. Fifth, Time period uses in monthly from July 1999 to December 2007 within 102 months divides as two periods following as (a) Using 90 months starting from July 1999 to December 2006 divide as four periods following 30 months, 50 months, 75 months and 90 months. (b) Finding appropriate forecasting method in comparison period uses 3, 5, 12 months being the period that chooses from verify method and accounts the result comparing to spot trading in the period during January 2007 to December 2007. Sixth, for long time prediction, paper will observe variables that affect to rubber price by using multiple regressions via data from Year 1999 through 2007. The variables are following as Time, Exchange Rate, Imports Natural Rubber in China, Imports Synthetic Rubber in China, Imports Natural Rubber in Japan, Imports Synthetic Rubber in Japan, Oil price, Stock Natural Rubber in Japan, Stock Synthetic Rubber in Japan, World Consumption Natural Rubber, World Consumption Synthetic Rubber, World Production Natural Rubber, and World Production Synthetic Rubber. Seventh, to consider period that rubber price expands or shrinks down via indicated factors is applies by graph analyze between monthly rubber price. Constructing the model of monthly rubber price chooses by indicated variables and obtains from monthly natural rubber ribbed smoked sheets no. 3 price as the reference line.

LITERATURE REVIEW

For the purposes of understanding futures prices, this paper will be underlying on theories in the past regarding futures prices dealt with price dependence over time. Fortunately, the names of the theories and their applicability to particular products have based on a product's storability. This is because the storage

cost considered a necessary characteristic of a product to trade on a futures market (Skadberg and Futrell 1966). However, factors other than the storability of a commodity are likely to be important in explaining pricing performance of futures markets as well coming along with the fundamental basic futures price theory on cost of carry model that the factors are cash price at time t , spot price, cash rate of return, and time increment. Moreover, studies typified by Kofi (1973), Leuthold (1974), Cox (1976), Goss (1980), and Koppenhaver (1983) have identified such factors as size of annual production variations, government intervention, quality of information, and market efficiency as having a significant impact on prices. Later studies by Leuthold (1974 and 1977) and others have continued to find relationships between cash and futures prices. Such behavior is typical of markets for storable commodities where current cash and distant futures prices expect to strongly related. Additionally, Ehrich (1969) found that a large segment of the U.S. cattle feeding industry probably viewed current and past cash prices as the best available indication of expected prices. This observation received some support from Leuthold (1974) who found that some cattlemen and other users of cattle futures markets are unsure of which functions that markets perform efficiently if any a pricing or forecasting function and or a hedging function. Because to perform a hedging function, a futures market must simply produce prices, which move in the same general direction as, do cash prices for that product during the life of the futures contract; it is a market where basis risk is lower then price level risks. To perform a forecasting function, futures prices must indicate the price level at which the cash price will be at the futures contract maturity date. A futures market can perform both functions efficiently.

Empirical studies add to the debate studies by Barton and Tomek (1984) and by Leuthold (1983) found widespread use of the markets by hedgers attracted by the numerous opportunities for increasing profits, which were identified by Hayenga and Di-Pietre (1982) and Hayenga et al. (1984). However, Koppenhaver found that a risk premium existed when using routine hedging. As for forecasting, Martin and Garcia (1981) concluded that the live cattle futures market had not performed the forecasting function well, yet Just and Rausser (1981) found the market to be about as accurate as were large econometric forecasting models. On the other hand, Kolb and Gay (1983) found that cattle futures market perform the price discovery process without significant bias in prices. Despite conflicting empirical results, it appears in the extreme case that if cattle futures markets perform a valid forecasting function, the products cannot consider perfectly non-storable in nature.

Concept of Futures market efficiency, given the importance and interest in the pricing efficiency of futures markets as a topic of inquiry, numerous studies have examined the efficiency of agricultural futures markets. Indeed, nearly every agricultural futures contract that lists by an exchange today has examined in some context (Garcia, Hudson, and Waller 1988). In examining the necessary conditions for futures market efficiency, three sets of forecasts use in predicting the USDA's announced Class III price: futures forecasts, forecasts generated from simple time series models, and expert opinion forecasts. These forecasts are first evaluated using the traditional forecast accuracy measure of root mean squared error. In addition to casual comparisons of mean squared error, the Multiple Data Model (MDM) procedure tests for statistical differences in forecast accuracy (Harvey, Leybourne, and Newbold 1997). The more stringent test of pricing efficiency, forecast encompassing, is then tested in a multiple encompassing framework using the MS test statistic put forth by Hervey and Newbold which they suggest a test statistic MS based on Hotelling's generalized T^2 -statistic. Intuitively, futures market efficiency should intimately tie to the ability of that market to forecast.

Nevertheless, Working (1958) was reluctant to call futures prices forecasts. In addition, Tomek and Gray (1970) suggested that cash prices of non-storable commodities might be able to forecast deferred prices better than do futures prices. Furthermore, "The futures market will not forecast if doing so elicits behavior that will prove the forecast wrong" (Koontz et al. 1992. p. 235). Yet, poor forecasting does not necessarily make a market inefficient. The futures market may still be the best forecast available. Thus, the mere existence of poor forecasts is not sufficient to contradict efficiency. Then, Fama (1970) who

suggested that a futures market is efficient if the prices contain all relevant information defines market efficiency. He; also, describes efficiency in terms of whether abnormal trading profits can be earned conditional upon three possible sets of information that are weak form, semi-strong form, and strong form. Grossman and Stiglitz (1980) extended Fama's definition by noting that where information has a cost, informational efficient markets will be impossible. Essentially, their work adds that for perceived inefficiencies to be real inefficiencies, they must be large enough to merit the cost of trading them out. Fama (1970) acknowledged this as well. In addition, profit comparisons for efficiency testing should account for risk. Besides these, Makridakis and Winkler (1983) studied the accurately on combination method by emphasizing on method of averaging from 14 forecasting methods such as naïve, simple moving average, exponential, ratio, Brown, Holt's, regression, Holt's and Winter, Automatic AEP, Lewandowski's FORSYS, Parzen'ARIMA' methodology, Bayesian forecasting, BOX by MAPE. So, they find that the more accurate depends on the number of method that are used to combine together because the more we join each method, the better accurate of forecasting.

However, the prediction will be stable when we combine more than 4 methods. In addition, Batchelor and Dua (1995) researched on monthly period on four types as RGDP growth, inflation in the implicit GNP deflator, the growth of cooperating profit and the unemployment rate of 22 predictors. They observe that in every data, the more we add, the greater accurate on value or the better reducing the deviation causing the decreasing in Mean Square Error (MSE). Including to Terry and Ted (1995) concluded that simple trend-following forecasting models develop using ordinary least squares regression. The models provide 19- and 29- week forward futures price forecasts. Hypothetical futures funds, based upon simulated trading of the forecasting systems, develop to translate futures forecasting into an economic framework suitable for analyses of resultant trading profits. To enhance the plausibility of dynamic forecast selection over such a long period, three simple forecast selecting/combining techniques use in choosing a forecast to act upon at any given week.

General knowledge on forecasting method in the future, a method is needed which will assist futures traders and analysts in indemnifying whether a product's futures market price behavior is better explained by the theory existing. In addition, it will provide quantitative information for use identifying the appropriate theory for RSS3 can separate into two groups that are Quantitative forecasting and Qualitative forecasting. The quantitative forecasting divides into 2 groups. (1) Time Series Model, this group's view is behavior in the past of object that we want to predict should be enough to forecast behavior in the future such as naïve method, moving average method, decomposition method, exponential method, Box's Jenkins. (2) Casual Model, this group's idea is behavior of object can predict from others that have suitable aspects to relate in each other such as regression method and econometrical method. There are many forecasting methods which ones have different characteristics, strong point, and weak point being not perfect, so we should choose the most proper and reliable forecasting method including emphasize on factors used in method; for example, time period, data, number, valid – reliable, and expenses (Makridakis, Wheelwright 1983).

Statistic methods used in this research are (A) Regression Method; it examines the relation of a dependent variable or response variable to specified independent variables or explanatory variables. It can use as a descriptive method of data analysis such as curve fitting without relying on any assumptions about underlying processes generating the data (Richard 2004). (B) Regression method in autoregressive model, it is a regression model where the explanatory variables are lags of the dependent variable. The word "autoregressive" usually shorten to "AR". We begin by discussing the autoregressive model with the explanatory variable being the dependent variable lagged one period. This is called the AR(1) model: $Y_t = \alpha + \phi Y_{t-1} + \varepsilon_t$, for $t = 2, \dots, T$. (C) Decomposition Method, decomposition is a method of splitting the model into smaller models and then solving each independently. When this does, the results can aggregate to form an approximate solution. What is nice about decomposition is that for a number of communication systems the decomposition gives exact results (P. G. Harrison and N. M. Patel, 1992).

This method is suitable for period that has separate movement such as (1) Trend is a changing in the long term showing the moving up and down which can express as linear or non-linear. (2) Seasonal part is a changing in 1 year because of changing in the season. There are two changing characteristics as static season (occurring in every year) and moving season (cycling in each period of year). Two types as seasonal index and seasonal factor can provide all these characteristics. (3) Cycle is a similar change as seasonal, but the period is much longer such as business cycle. (4) Irregular is a changing in unanticipated such as war, flooding, etc. (D) Exponential Smoothing Method, in statistics, exponential smoothing refers to a particular type of moving average technique applied to time series data, either to produce smoothed data for presentation, or to make forecasts. The time series data themselves are a sequence of observations. The observed phenomenon may be an essentially random process, or it may be an orderly, but noisy, process. Exponential smoothing commonly applies to financial market and economic data, but it can use with any discrete set of repeated measurements. (E) Holt's linear exponential, this method is suitable to the data that the trend of movement is linear form including up and down smoothly.

Statisticians George Box and Gwilym Jenkins described box's Jenkin Method, the Box-Jenkins approach to modeling ARIMA processes in a highly influential book in 1970. An ARIMA process is a mathematical model used for forecasting. Box-Jenkins modeling involves identifying an appropriate ARIMA process, fitting it to the data, and then using the fitted model for forecasting. One of the attractive features of the Box-Jenkins approach to forecasting is that ARIMA processes are a very rich class of possible models and it is usually possible to find a process that provides an adequate description to the data. The original Box-Jenkins modeling procedure involved an iterative three-stage process of model selection, parameter estimation and model checking. Recent explanations of the process (Makridakis, Wheelwright and Hyndman, 1998) often add a preliminary stage of data preparation and a final stage of model application or forecasting. This method is the complicate method and needs the experience and specialize in analyze data; however, this method gives the higher accurate than others in short-term prediction (Newbold and Granger, 1974).

METHODOLOGY

Collecting all time series of RSS3 in the futures market particular daily and monthly. Using the rubber price in time series is for plotting graph checks for moving characteristic. Setting the period of time series in each type as 2 phases as the proper period uses in this research (1) Daily rubber price time series is divided into 5 sizes as 15, 30, 50, 75, and 100 days. (2) Monthly rubber price divides into 4 sizes as 30, 50, 75, and 90 months. Comparison time period and finding the number of suitable prediction method 5, 10, 15 days and 3, 5, 12 months that will be the continuing time from the consideration period and size. Constructing equation in each proper method by daily rubber price as Exponential method, Holt's method, Box's – Jenkin method and monthly rubber price by adding decomposition method. Each value of prediction method compares to the true value and calculates MSE_1 of each one along with number of data as 15, 30, 50, 75, and 100 for daily and 30, 50, 75, and 90 for monthly. Forecasting is in advance from the last day period 15 values for daily and 12 values for monthly after that bringing the value to compare with the true value of comparing period.

Calculating MSE_2 of period is at time 5, 10, and 15 days including 3, 5, and 12 months. The model of rubber price for monthly time series by study the variables affects to rubber price via regression from the year 1998 through 2006. The variables are Time, Monthly rubber price in past, Quantity of producing natural rubber of the world and Quantity of using natural rubber of Japan. Quantity of imports natural rubber of Japan, Quantity of using synthetic rubber of Japan, Quantity of producing synthetic rubber of Japan, Quantity of synthetic rubber in stock of Japan, and Quantity of natural rubber in stock of Japan are including. Constructing model and finding the variables indicating the rubber price for considering to period that rubber price has trend in expansion or recession studies along with business cycle index from graph analysis between monthly rubber price and quantity of variables

DISCUSSION

Part1: The relationship is between data and factor of daily time series.

Figure1: The Moving Daily RSS3 Price

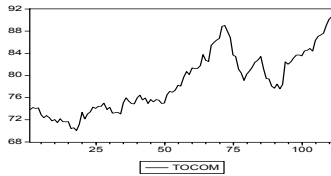


Table1: Correlogram Shows ACF and PACF of Daily Rubber Price

Autocorrelation	Partial Correlation		AC	PAC	Q-Stat	Prob
. *****	. *****	1	0.792	0.792	70.346	0.000
. *****	. .	2	0.640	0.033	116.70	0.000
. ****	. .	3	0.505	-0.031	145.86	0.000
. ***	. * .	4	0.341	-0.158	159.26	0.000

Considering the data ACF and PACF finds that ACF is sliding drop when k value is increased causing that the data is not independent which means that it will be used the past information of daily rubber price to predict the future rubber price.

Table3: Testing the Trend on Daily Rubber Price

Trend	equation	R-Square
Linear	$Y = a_0 + a_1t$	0.7845
Exponential 2 nd	$Y = \beta_0 + \beta_1t + \beta_2t^2$	0.7854
Exponential 3 rd	$Y = \beta_0 + \beta_1t + \beta_2t^2 + \beta_3t^3$	0.8630

Comparing R-square can be concluded that time series of daily rubber price has trend style on exponential third because it can be explained more than 86 percent.

Figure2: The Moving Monthly RSS3 Price

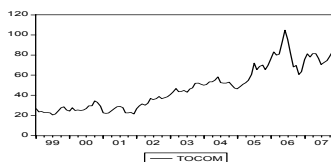


Table2: Correlogram ACF and PACF of Monthly Rubber Price

Autocorrelation	Partial Correlation	AC	PAC	Q-Stat	Prob	
. *****	. *****	1	0.598	0.598	39.714	0.000
. **	. ** .	2	0.234	-0.193	45.849	0.000
* .	* .	3	-0.060	-0.181	46.259	0.000
** .	. .	4	-0.192	-0.047	50.478	0.000
** .	. * .	5	-0.254	-0.112	57.949	0.000

Also, when considering on the data ACF and PACF of monthly finds that ACF is sliding drop as well when k value is increased causing that the data is not independent which means that it will be used the past information of monthly rubber price to predict the future rubber price.

Part2: Searching is in the forecasting model, the proper predicting model, and the size.

Table3: Prediction Model in Each Daily Time Series

SIZE	METHOD	EQUATION
15	SES	$E(\text{thai}_{t+1})=1.84*10^{-11}\text{thai}_t+1.033E(\text{thai}_t)$
		$E(\text{thai}_{t+m})=76.833$
		$m=2,3,4,\dots$
	HOL	$E(\text{thai}_{t+m})=75.299+0.767m$
	BOX	$E(\text{thai}_{t+1})=8.111+0.887\text{thai}_t$
$E(\text{thai}_{t+m})=1+1E(\text{thai}_{t+m-1})$		
$M=2,3,4,\dots$		
30	SES	$E(\text{thai}_{t+1})=0.996\text{thai}_t-1.010E(\text{thai}_t)$
		$E(\text{thai}_{t+m})=76.307$
		$m=2,3,4,\dots$
	HOL	$E(\text{thai}_{t+m})=72.353+1.977m$
	AR(1)	$E(\text{thai}_{t+1})=90.472-0.0136\text{thai}_t$
$E(\text{thai}_{t+m})=1+1E(\text{thai}_{t+m-1})$		
$m=2,3,4,\dots$		
50	SES	$E(\text{thai}_{t+1})=\text{thai}_t$
		$E(\text{thai}_{t+m})=75.269$
		$m=2,3,4,\dots$
	HOL	$E(\text{thai}_{t+m})=71.149+2.060m$
	AR(1)	$E(\text{thai}_{t+1})=-398.639+6.766\text{thai}_t$
$E(\text{thai}_{t+m})=1+1E(\text{thai}_{t+m-1})$		
$m=2,3,4,\dots$		
75	SES	$E(\text{thai}_{t+1})=\text{thai}_t$
		$E(\text{thai}_{t+m})=72.412$
		$m=2,3,4,\dots$
	HOL	$E(\text{thai}_{t+m})=68.016+2.198m$
	AR(1)	$E(\text{thai}_{t+1})=-233.745+4.554\text{thai}_t$
$E(\text{thai}_{t+m})=1+1E(\text{thai}_{t+m-1})$		
$M=2,3,4,\dots$		
100	SES	$E(\text{thai}_{t+1})=9.74*10^{-12}\text{thai}_t+7.550E(\text{thai}_t)$
		$E(\text{thai}_{t+m})=73.737$
		$M=2,3,4,\dots$
	HOL	$E(\text{thai}_{t+m})=69.431+2.153m$
	AR(1)	$E(\text{thai}_{t+1})=-316.724+5.703\text{thai}_t$
$E(\text{thai}_{t+m})=1+1E(\text{thai}_{t+m-1})$		
$M=2,3,4,\dots$		
Remark:	M is daily in unit for origin	at 7 th January 2008

In this study in the size of time series can be predicted rubber price from three different methods. From those can bring to compare by considering on root MSE along with table below:

Table4: MSE₁ Is from Different Methods in the Different Sizes of Rubber Price.

Forecasting Method	Size of Time series					MSE ₁ in average
	15	30	50	75	100	
SES	0.167	0.206	1.203	6.028	6.290	2.779
HOL	0.167	1.156	1.285	6.029	6.290	2.985
BOX	0.146	0.206	1.203	6.028	6.290	2.775
MSE ₁ in average	0.160	0.523	1.230	6.028	6.290	

Considering from the table can find that the SES gives MSE₁ the lowest in the size of 15 days being 0.167. In addition, the highest is in the size of 100 days being 6.290 and giving the MSE₁ in average 2.779. HOL gives MSE₁ the lowest in the size of 15 days being 0.167. In addition, the highest is in the size of 100 days being 6.290 and giving the MSE₁ in average 2.185. BOX gives MSE₁ the lowest in the size of 15 days being 0.146. In addition, the highest is in the size of 100 days being 6.290 and giving the MSE₁ in average 2.775. Regarding MSE₁ in average above in each size of forecasting method found that the lowest MSE₁ is the size of time series in 15 days being 0.160. Therefore, the collecting data of daily rubber price for predicting should collect in 15 days. When choosing the least error on time series and using to forecast is following as:

Table5: True Value and Predicting Value in Different Methods of 15 Days Future Forecast

DATE	TRUE VALUE	PREDICTING VALUE		
		SES	HOL	BOX
08-01-08	80.43	82.93	81.44	72.77
09-01-08	80.50	81.90	82.20	72.77
10-01-08	80.64	81.00	82.97	72.51
11-01-08	80.43	80.12	83.74	72.20
15-01-08	81.93	76.15	86.80	71.89
16-01-08	81.64	75.19	87.57	71.75
17-01-08	80.93	74.34	88.34	71.40
18-01-08	80.64	73.25	89.11	71.49
21-01-08	81.07	69.79	91.41	72.24
22-01-08	80.29	68.72	92.17	72.33
23-01-08	80.86	67.45	92.94	72.82
24-01-08	80.07	66.29	93.71	73.08
25-01-08	80.93	65.12	94.47	73.93
28-01-08	81.21	61.83	96.78	73.79
29-01-08	81.64	60.80	97.54	73.79

Table5A: MSE₂ is from Different Methods in the Different Sizes of Rubber Price.

Forecasting Method	Size	of	Time series	MSE ₂ in average
	5	10	15	
SES	0.161	0.268	0.269	0.232
HOL	0.159	0.268	0.269	0.232
BOX	0.080	0.265	0.270	0.198
MSE ₂ in average	0.133	0.266	0.269	

Considering MSE₂ finds that Box-Jenkin is giving the MSE₂ lowest being 0.198. Therefore, The Box-Jenkin method should use for daily forecasting and the next method will be SES and HOL being 0.232. So, it considers that the short period in time-series will give the more accurate than the long period for future forecasting.

Table6: Prediction Model in Each Monthly Time Series

SIZE	METHOD	EQUATION
30	SES	$E(\text{thai}_{t+1}) = \text{thai}_t$
		$E(\text{thai}_{t+m}) = 23.021$
		$m=2,3,4,\dots$
	HOL	$E(\text{thai}_{t+m}) = 23.021 + 1.337m$
	ARIMA	(2,0,1)
		$E(\text{thai}_{t+2}) = 1 + 1E(\text{thai}_{t+1}) - 2.99 \times 10^{-14} \text{thai}_t$
		$M=3,4,\dots$
	DEC	$E(\text{thai}_{t+m}) = E(\text{TC}_{t+m}) * E(S)$
		$E(\text{TC}_{t+1}) = \text{TC}_t$
		$E(\text{TC}_{t+m}) = 15.402$
		$m=2,3,4,\dots$
50	SES	$E(\text{thai}_{t+1}) = \text{thai}_t$
		$E(\text{thai}_{t+m}) = 18.412$
		$m=2,3,4,\dots$
	HOL	$E(\text{thai}_{t+m}) = 18.412 + 1.670m$
	AR(2)	$E(\text{thai}_{t+2}) = 1 + 1E(\text{thai}_{t+1}) + 1.67 \times 10^{-14} \text{thai}_t$
		$M=3,4,\dots$
		$E(\text{TC}_{t+1}) = \text{TC}_t$
	DEC	$E(\text{TC}_{t+m}) = 16.667$
		$m=2,3,4,\dots$
		$E(\text{thai}_{t+1}) = \text{thai}_t$
		$E(\text{thai}_{t+m}) = 14.472$
75	SES	$m=2,3,4,\dots$
		$E(\text{thai}_{t+m}) = 14.472 + 1.821m$
	HOL	

SIZE	METHOD	EQUATION
90	ARIMA	$E(\text{thai}_{t+1}) = 1 + 1\text{thai}_t - 1\epsilon_t$
	(1,0,1)	$E(\text{thai}_{t+m}) = 1 + 1E(\text{thai}_{t+m-1})$ $m=2,3,4,\dots$
	DEC	$E(\text{TC}_{t+1}) = \text{TC}_t$ $E(\text{TC}_{t+m}) = 124.917$ $m=2,3,4,\dots$
	SES	$E(\text{thai}_{t+1}) = \text{thai}_t$ $E(\text{thai}_{t+m}) = 16.584$ $M=2,3,4,\dots$
	HOL	$E(\text{thai}_{t+m}) = 16.584 + 1.746m$
	ARIMA	$E(\text{thai}_{t+1}) = 1 + 1\text{thai}_t - 1\epsilon_t$
	(1,0,1)	$E(\text{thai}_{t+m}) = 1 + 1E(\text{thai}_{t+m-1})$ $m=2,3,4,\dots$
	DEC	$E(\text{TC}_{t+1}) = \text{TC}_t$ $E(\text{TC}_{t+m}) = 181.185$ $m=2,3,4,\dots$
	Remark: m is monthly in unit for origin at December 2006	

In this study in the size of time series can be predicted rubber price from four different methods. From those can bring to compare by considering on MSE_1 along with table below:

Table7: MSE_1 is from Different Methods in the Different Sizes of Rubber Price.

Forecasting Method	Size	of	Time	series	MSE_1 in average
	30	50	75	90	
SES	11.548	15.216	54.173	56.358	34.324
HOL	11.548	15.216	54.173	56.358	34.324
BOX	11.548	15.216	54.173	56.358	34.324
DEC	95.430	9.741	280.855	258.662	161.172
MSE_1 in average	32.52	13.85	221.687	106.934	

Considering from the table can find that the SES gives MSE_1 the lowest in the size of 30 months being 11.548. Also, the highest is in the size of 90 months being 56.358 and giving the MSE_1 in average 34.324 as the same as HOL and AR excepting DEC. The table above, DEC gives MSE_1 the lowest in the size of 50 months being 9.741. In addition, the highest is in the size of 75 months being 280.855 and giving the MSE_1 in average 161.172. Regarding MSE_1 in average above in each size of forecasting method found that the lowest MSE_1 is the size of time series in 50 months being 13.85. Therefore, the collecting data of daily rubber price for predicting should collect in 50 months. When choosing the least error on time series and using to forecast is following as:

Table8: True Value and Predicting Value in Different Methods of 12 Months Future Forecast

DATE	TRUE VALUE	PREDICTING VALUE			
		SES	HOL	AR	DEC
01-07	67.16	18.412	53.482	53.650	80.850
02-07	75.42	18.412	28.432	61.300	22.818
03-07	71.89	18.412	50.142	59.720	71.573
04-07	76.23	18.412	43.462	61.950	53.640
05-07	77.73	18.412	35.112	66.980	36.90
06-07	77.66	18.412	55.152	71.846	84.898
07-07	64.22	18.412	50.142	61.887	74.138
08-07	66.76	18.412	46.802	67.046	67.422
09-07	64.04	18.412	46.802	68.339	69.071
10-07	72.15	18.412	45.132	73.789	61.424
11-07	78.51	18.412	45.132	78.832	193.792
12-07	76.72	18.412	43.462	77.712	54.300

Table 8B: MSE₂ Is from Different Methods in the Different Sizes of Rubber Price.

Forecasting Method	Size	of	Time series	MSE ₂ in average
	3 months	5 months	12 months	
SES	7.722	4.693	27.577	13.330
HOL	7.722	4.693	27.577	13.330
BOX	7.722	4.693	27.577	13.330
DEC	16,618.23	47,859.13	1,878,937.126	647,805.095
MSE ₂ in average	8,312.976	23,931.911	939,482.351	

Considering MSE₂ finds that SES, HOL, and AR giving the MSE₂ lowest being 13.33. So, all of those three methods should be used for monthly forecasting. So, it considers that the short period in time-series will give the more accurate than the long period for future forecasting.

Part3: The factors affect on the changing in RSS3 price.

Finding the factors the have affected on movement of monthly rubber price from multiple regressions is collecting all data since January 1999 until December 2007 following as:

Dependent Variable: PRICE = F.O.B on monthly rubber price

Independent Variables: TIME = time; PRICE_1 = TOCOM of monthly rubber price backward in one month; EXBUS = exchange rate between Thailand and U.S.; EXYENUS = exchange rate between Japan and U.S.; CONNAW = quantity of consuming natural rubber of the world; NETIMPORTNAC = quantity of net imports natural rubber in China; NETIMPORTNAJ = quantity of net imports natural rubber in Japan; STOCKNAJ = quantity of stock natural rubber in Japan; CONSYW = quantity of consuming

syntactical rubber of the world; NETIMPORTSYC = quantity of net imports syntactical rubber in China; NETIMPORTSYJ = quantity of net imports syntactical rubber in Japan; STOCKSYJ = quantity of stock syntactical rubber in Japan; OIL = oil price

Bringing thirteen independent variables estimate and find that the variables affect to monthly rubber price following as:

$$\text{PRICE} = -2.412 + 0.911(\text{PRICE}_1) + 0.087(\text{OIL})$$

(-0.369) (37.696)** (3.446)**

R-Square = 0.997

R-Square Adjusted = 0.996

Durbin Watson = 0.902

F statistic = 2119.164

The number in the blanket is t-Statistic, ** is significant at 0.01

Comparing the true value with the predicted value from the multiple regressions is

Month/Year	True Value	Multiple Regression
Oct/07	72.15	76.56
Nov/07	78.51	81.83
Dec/07	76.72	81.05

Part4: Studying the movement on price from the graph and can be estimated the proper period.

Figure3: Showing the Relationship between the Monthly Rubber Price Bar Chart and Monthly Quantity of Imports Natural Rubber In Japan

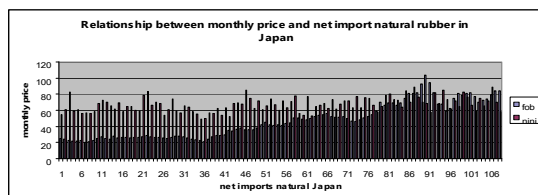


Figure4: Showing the Relationship between the Monthly Rubber Price Bar Chart and Monthly Quantity of Imports Synthetic Rubber In Japan

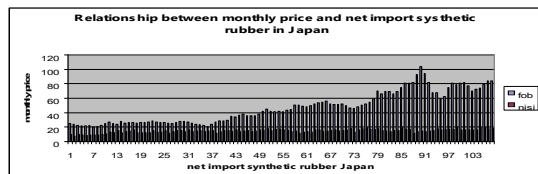


Figure5: Showing the Relationship between the Monthly Rubber Price Bar Chart and Monthly Quantity of Imports Natural Rubber in China

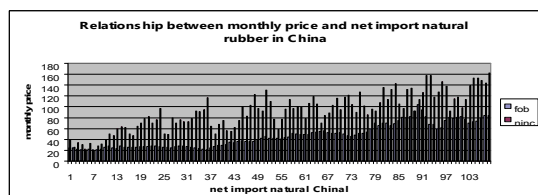


Figure6: Showing the Relationship between the Monthly Rubber Price Bar Chart and Monthly Quantity of Imports Synthetically Rubber in China

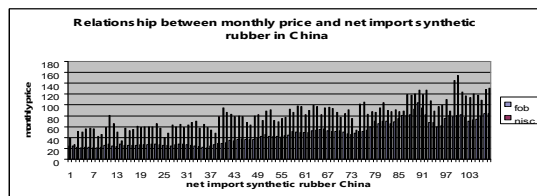


Figure7: Showing the Relationship between the Monthly Rubber Price Bar Chart and Monthly Quantity of Consuming Natural Rubber in World

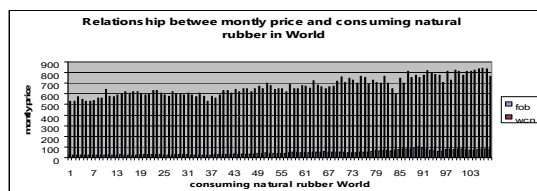
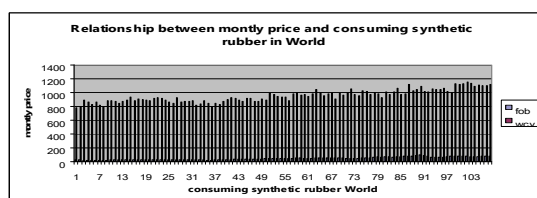
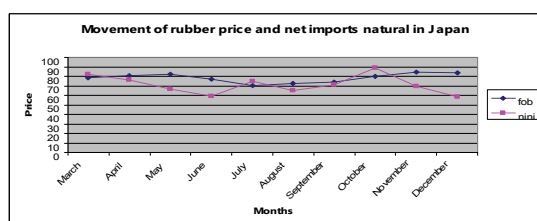


Figure8: Showing the Relationship between the Monthly Rubber Price Bar Chart and Monthly Quantity of Consuming Synthetical Rubber in World



Regarding above each pair of relationship studied is brought to consider by visual checking the figure of variables when each is compared to the reference graph found that the quantity of net imports natural rubber in Japan could be used to be the future-leading indicator. After that chooses the last 10 months starting from April 2007 to December 2007 to analyze the trend in the future following as below:

Figure 9: The Movement of Rubber Price and the Quantity of Net Imports of Natural Rubber in Japan from March 2007 to December 2007



Considering along with figure 9, the trend will have been slightly decreasing from March that it turns to be the lowest on June in the net imports natural rubber in Japan. It indicates that the smoothly drop of net imports roughly these four months affecting to the rubber price down along with these months in the same time. However, the next period estimates the increasing in price around three months after expanding again, which considers that the net imports from Japan will be recovering on July until October.

Table 9: Comparing the True value and the Expected Trend in the Future

Month number	Month/Year	True Value
103	July/07	64.22
104	August/07	66.76
105	September/07	64.04
106	October/07	72.50

The corresponding with the true value is considering that the trend gets along well with the true value that turns to have 64.22 on July and three months continuously expanding from August respectively. However, the supporting idea with the decreasing during the September 2007 causes by influencing of JTEPA on the bilateral relationship between Japan and Thailand.

DATA ANALYSIS

Considering on the relationship of data on daily and monthly rubber price from the graph of ACF and PACF finds that there both have the relationship and rubber price in the past that means the period uses to study has the form of trend that can use technical analysis for forecasting rubber price in the future. Learning on the movement and the factors of time-series finds that changing in daily period causes by trend which the characteristic of trend is exponential 3^{rd} as same as the result on changing in monthly period. Forecasting analysis on time-series searches that the proper size for daily time-series is 15 days; the suitable forecasting method is Box's Jenkin. Furthermore, it depicts that the further range of period is, the more increasing on inaccurate that implies the accurate on predicting will support by the short period forecast, especially five day forward. For monthly time-series is proper on 30 months and forecasting method is suitable by Simple Exponential Smoothing (SES), Holt's Linear Exponential Smoothing (HOL), and Box's Jenkin (BOX). In additional knowledge knows that SES method uses when data pattern is horizontal such that there is no neither cyclic variation nor trend in the historical data. HOL method uses when the data exhibits both trend and seasonality. BOX method changes following by the movement of time-series, and then it should investigate every time when the true data will create.

According to 30 months time-series sees that Box's Jenkin giving the least mean squared error (MSE) at ARIMA (2,0,1). Besides, the paper shows that the more expanding on period is the increasing on an error forecasting. The best fit on this paper is 3 months forward prediction giving the least MSE. Selecting the appropriate model for period in time-series considers from MSE_1 and MSE_2 finding that they are not going along well with each other. Therefore, the best forecasting way is coming from MSE_2 that it gives the least value. Besides, it expresses that monthly time-series should not use Decomposition (DEC) method on forecasting because it gives the highest in both MSE_1 and MSE_2 . Using the multiple regression on 108 months in time-series shows that TOCOM price one month backward and oil price can be created the forecasting model following as: $PRICE = -2.412 + 0.911(PRICE_1) + 0.087(OIL)$. The model can explain the change in rubber price 99.7 percent. Also, it explains the F.O.B that RSS3 in AFET uses as indicator at monthly "a" has the directly relationship with TOCOM price one month backward (ceteris paribus to other factors) describing "if rubber price at monthly "a-1" increases by 1 baht, it will cause the rubber price at monthly "a" increasing 0.911 baht". For oil price, it also has the positively relationship (ceteris paribus to other factors) depicting "if the oil price at monthly "a" increasing 1 baht, it will affect to rubber price at monthly "a" increasing 0.087 baht.

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INNOVATION AND THE VALUE OF FAILURE

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ABSTRACT

Innovation is a difficult phenomenon to evaluate. Innovation impacts the firm in a variety of ways. It is difficult to analyze the full impact of innovation because there is no single set of metrics that can capture its full significance. The metrics that have been traditionally used only capture a fraction of the true benefit derived by the firm. In addition, since the circumstances, values, structure and strategies vary greatly between industries and firms within industries, the efficacy of specific metrics fluctuates from application to application. An unmeasured and often neglected area of innovation deals with the ideas that, for a variety of reasons, fall by the wayside. This paper examines the uncounted valuation aspects of innovation that occur independent of the market success or failure of the innovation product. These are benefits to the organization that may accrue from discarded or abandoned ideas or innovation products that failed in the marketplace. The sources of innovation valuation error are discussed as well as strategies for maximizing the value of failure and reevaluation.

JEL: O31, O32

REVISED CAPITAL ASSETS PRICING MODEL: AN IMPROVED MODEL FOR FORECASTING RISK AND RETURN

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ABSTRACT

This study's aim is to examine a new version of capital assets pricing model which is called Revised Capital Assets Pricing Model (R-CAPM) in Tehran Stock Exchange (TSE). According to Markowitz theory, systematic and unsystematic risk effect expected rate of return, in this paper by combining Capital Assets Pricing Model (CAPM) and leverages (financial, operational and economic), we found a new model which we will call it Revised CAPM (R-CAPM). We compared the R-CAPM with 3 models as follows: First, Traditional CAPM which was established by Markowitz with the introduction of portfolio theory. Second, Downside Capital Asset Pricing Model (D-CAPM), suggested by Estrada (2002). Third, Liquidity Adjusted-Capital Asset Pricing Model (Adj-CAPM), offered by Acharya and Pedersen (2004). We investigated this new model and compared it with the 3 models (CAPM, D-CAPM and Adj-CAPM) through experimental testing, for 70 firms listed on the stock exchange of Tehran for the period 2000-2007. Results from the tests of the hypothesis show that, there is a meaningful difference between measures of the R-CAPM expected return and the CAPM, D-CAPM and Adj-CAPM expected return. The best model which can be used for predicting expected return in Iran stock exchange is R-CAPM. Another hypothesis show that there is not a meaningful relation between the three macro economic variables (interest, exchange rate and inflation rate) and a firm's sales

INTRODUCTION

One of the most important achievements in finance is the capital asset pricing model (CAPM), which is a most widely used tools in finance for quantifying risk and the reward for bearing it. Its key idea is that the expected excess return of an asset is proportional to the expected covariance of the excess return of this asset with the excess return of the market portfolio. In other words according to the CAPM, the difference in risk premium across assets is mainly due to the difference in the riskiness of the returns on the assets. This seems to be consistent with the fact that investors trade off return and risk.

One of the main implications of the CAPM is that there exists a linear equilibrium relationship between the expected return of a financial asset and the perceived market risk, β , measured by the covariance of the asset's return and the return of the market portfolio.

Therefore, there is an irreducible risk component which cannot be diversified away, which cannot be eliminated through portfolio aggregation and thus has to be priced. The central testable implication of the CAPM is that assets must be priced so that the market portfolio is mean-variance efficient (Fama and French, 2004). Earlier empirical evidence supporting the CAPM includes Black, Jensen, and Scholes (1972), Blume and Friend (1973), and Fama and MacBeth (1973). They all found that a roughly linear relationship between return and risk and high- β stocks appear to have higher average returns than low- β stocks.

However, several authors reported some anomalies or deviations from the CAPM, e.g., the size effect of Banz (1981), the value effect of Fama and French (1992), and the momentum effect of Jegadeesh and Titman (1993).

In CAPM method, all of the assets are considered. But practically there are some problems for measurement of return of all the assets or finding general market index. In order to meet these goals, common stock is used for explaining of the model. First hypothesis of CAPM is that a kind of linear relationship exists between stock return of each activity and stock market return during some periods. In capital assets pricing model, if we suppose short term treasury papers of a company as an asset which are supposed to be risk less, according to this model, investors should gain a return more than return of treasury paper, because they accept more risk. According to CAPM supposition the equation is used for calculation of securities market line:

$$K_j = R_F + \beta(R_M - R_F) \quad (1)$$

Where:

R_F = risk free rate of return, β = beta coefficient, R_M = return rate based on market index, $R_M - R_F$ = premium or excessive return of market (risk premium) compared to risk free rate of return.

Beta of asset i (β_i) equals the covariance between asset i and the market portfolio divided by the variance of the market portfolio:

$$\beta_i = \frac{\delta_{iM}}{\delta_M^2} = \frac{E[(R_i - \mu_i) \times (R_m - \mu_m)]}{E[(R_m - \mu_m)^2]} \quad (2)$$

CAPM explains that expected rate of return of an asset is a function of two parts: risk free rate of return and risk premium.

There are only a few non-CAPM based models, of which the best known and most relevant is developed by Estrada (2002). It overcomes one of the most serious weaknesses of the CAPM; specifically, that investors are assumed to be averse to variance or total risk. In fact, as already mentioned, investors are motivated by their aversion to downside risk, that is, downside and upside swings are not equally important for the investors, as his or her pivotal goal when selecting an investment target is a desire to avoid an economic loss.

Estrada (2002) introduced the Downside Capital Asset Pricing Model (D-CAPM) to deal with the above mentioned problem. In general, the cost of equity calculated under the D-CAPM is higher than that of the CAPM and lower than that of the models double-counting the risk; therefore the D-CAPM should not only explain returns in developed countries, but in emerging market as well.

The usage of semi-variance and downside beta is the only difference between the D-CAPM and the CAPM. The formula of the cost of equity under the D-CAPM therefore is as follows:

$$K_j = R_F + \beta^D \times (R_M - R_F) \quad (3)$$

Where β^D is the downside beta and like to the CAPM beta, is equal to cosemivariance divided by the market's semi variance of returns:

$$\beta_i^D = \frac{\delta_{im}}{\delta_m^2} = \frac{E\{Min[(R_i - \mu_i), O] \times Min[(R_m - \mu_m), O]\}}{E\{Min[(R_m - \mu_m), O]^2\}} \quad (4)$$

Acharya and Pedersen (2004) in a paper called "Asset Pricing with Liquidity Risk" solved explicitly a simple equilibrium asset pricing model with liquidity risk- the risk arising from unpredictable changes in liquidity over time. In their Liquidity –Adjusted capital asset pricing model (Adj-CAPM), a security's required return depends on its expected liquidity as well as on the covariance of its own return and

liquidity with market return and market liquidity, if it is persistent, results in low contemporaneous returns and high predicted future returns. The model provides a simple, unified framework for understanding the various channels through which liquidity risk may affect asset prices.

In the Liquidity –Adjusted CAPM, the expected return of a security is increasing in its expected illiquidity and its "net beta", which is proportional to the covariance of its return, r_i , net of illiquidity costs, C_i , with the market portfolio's net return, $R_M - C_M$.

In the unique linear equilibrium, the conditional expected net return of security i is:

$$E(r_{t+1}^i - C_{t+1}^i) = r^f + \lambda_t \frac{\text{cov}_t(r_{t+1}^i - C_{t+1}^i, r_{t+1}^m - C_{t+1}^m)}{\text{var}_t(r_{t+1}^m - C_{t+1}^m)} \quad (5)$$

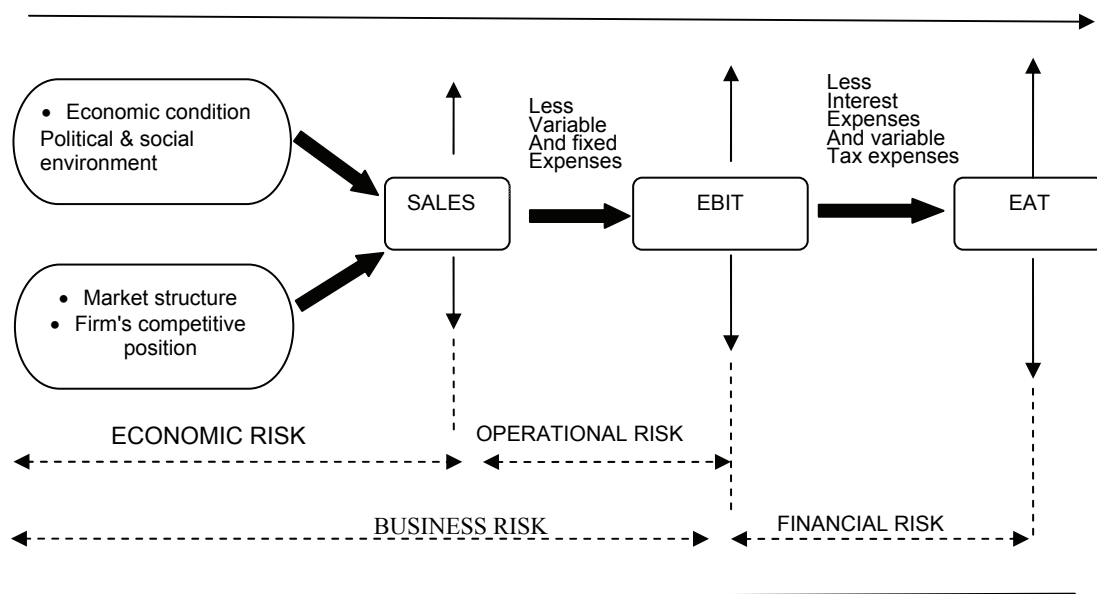
Where $\lambda = E_t(r_{t+1}^m - C_{t+1}^m - r^f)$ is the risk premium and beta equal to:

$$\beta = \frac{\text{cov}_t(r_{t+1}^i - C_{t+1}^i, r_{t+1}^m - C_{t+1}^m)}{\text{var}_t(r_{t+1}^m - C_{t+1}^m)} \quad (6)$$

However, past and recent tests criticized CAPM's assumptions, but it can be a foundation of developed approach with some adjustments and revision as we did it in this paper. As we mentioned before CAPM define covariance of the asset's return and the return of the market portfolio as a systematic risk.

Hamada (1969, 1972) demonstrated systematic risk can be decomposed into operating risk and financial risk and enter accounting variables into risk measuring discussion. Hawavini and Viallet (1999) showed multiple dimensions of systematic risk as Figure 1. They illustrated financial risk as the relation between earning after taxes and earning before interest and taxes, and operational risk as the relation between EBIT and sales.

Figure 1: Analysis of Multiple Dimensions of Systematic Risk.



This figure shows the economic, operational and financial risk
From: Finance for Executives (1st ed.), by G.Hawawini and C.Viallet 1999.

Indeed, work that relates accounting numbers to market measures of systematic equity risk was largely undertaken in the 1970s and early 1980s (Ryan, 1997). Research in this field can be usefully divided between theoretical and empirical studies. The empirical work has, largely, been unguided by a theoretical model (Foster, 1986). This has resulted in regressions of market measures of market beta on various accounting measures of risk (Beaver, Kettler and Scholes, 1970; Pettit and Westerfield, 1972; Breen and Lerner, 1973; Rosenberg and McKibben, 1973; Thompson, 1974; Lev, 1974; Lev and Kunitzky, 1974; Bildensee, 1975; Beaver and Manegold, 1975) or the use of accounting number analogues to market derived measures of risk (Hill and Stone, 1980).

The theoretical work began with Hamada (1972) and Rubinstein (1973) who identified the multiplicative impact of financial leverage on the beta of the levered firm. There by now, a well known result is that:

$$\beta = \beta^* + \beta^* (1 - \tau) \frac{D}{E} \quad (7)$$

Where;

- β = the levered firm's common stock beta,
- β^* = the unlevered firm's common stock beta,
- τ = the corporate income tax rate,
- D = the market value of debt, and
- E = the market value of common equity.

Whilst β^* was called operating risk, Rubinstein recognized that it reflected the combined effects of operating leverage, the pure systematic influence of economy wide events and uncertainty surrounding the firm's operating efficiency. Lev (1974) separated operating leverage from the other two variables and found it to be individually significant and reported that operating leverage has a positive effect on systematic risk. Financial leverage also has a positive effect on systematic risk (Myers, 1977) and explains about 25 percent of systematic risk (Hamada, 1972).

Gahlon and Gentry (1982) developed a model for calculating beta that included the degree of operating leverage (DOL) and the degree of financial leverage (DFL) as explicit variables. Specifically, the study examined how operating and financial decisions will affect systematic risk and value. They identified the DOL and DFL as real-asset risk measures. Furthermore, they analytically demonstrated that beta is a function of the degrees of operating and financial leverage, the coefficient of variation of the revenues, and the correlation coefficient between the cash flows to the owners and the aggregate dollar return to all capital assets.

Huffman (1989) found that systematic risk is positively related to DFL but negatively related to DOL. Mensah (1992) pointed out that the operating, financing and strategic decisions of a firm are related to its systematic risk.

Li and Henderson (1991) examined the relation between combined leverage and common stock risk, and report that high growth firms have high operating and financial leverages at the same time.

Mandelker and Rhee (1984) explicitly incorporate measures of the degree of operating and financial risk into their theoretical model and arrive at the following relationship:

$$\beta_j = (DOL)(DFL)\beta_j^0 \quad (8)$$

Where,

$$DOL = \frac{(\tilde{X}_{jt}/X_{jt-1})-1}{(\tilde{S}_{jt}/S_{jt-1})-1}, \quad (9)$$

$$DFL = \frac{(\tilde{\Pi}_{jt}/\Pi_{jt-1})-1}{(\tilde{X}_{jt}/X_{jt-1})-1} \quad (10)$$

And

$$\beta_j^0 = Cov[(\Pi_{jt-1}/S_{jt-1})(S_{jt}/E_{jt-1}), R_{mt}] / \sigma^2(R_{mt}) \quad (11)$$

Where,

\tilde{X}_{jt} = earnings before interest and taxes for company j in period t

\tilde{S}_{jt} = sales for company j in period t

$\tilde{\Pi}_{jt}$ = earnings after interest and taxes for company j in period t

β_j^0 = the intrinsic business risk of common equity of company j

E_{jt} = the market value of common equity of company j in period t

R_{mt} = the rate of return on the market portfolio for period t-1 to t.

Griffin and Dugan (2003) considered multiple dimensions of systematic risk defined by Hawawini and Viallet and empirically represented the economic risk construct through the use of the term, degree of economic leverage (DEL). They define DEL as a percentage change in firm's sales resulting from a unit percentage change attributable to an exogenous disturbance, so

$$DEL = \frac{(\tilde{S}_{jt}/S_{jt-1})-1}{(\tilde{Z}_{jt}/Z_{jt-1})-1} \quad (12)$$

Z_{jt} = exogenous disturbance in period t.

They developed Mandelker and Rhee's model by using DEL in Mandelker and Rhee's β_j^0 and offered their risk measure as:

$$\beta_j = (DEL)(DOL)(DFL)\beta_j^0 \quad (13)$$

Where

$$\beta_j^0 = Cov[(\Pi_{jt-1}/Z_{jt-1})(Z_{jt}/E_{jt-1}), R_{mt}] / \sigma^2(R_{mt}) \quad (14)$$

All mentioned researches have resulted in definition of some leverage as well determinants of systematic risk and have not discussed expected return. In this paper we extended Griffin and Dugan's model to estimate expected return as we believe this computation of beta have a rigorous explanatory power considering firm's intrinsic variables. So we utilize systematic and unsystematic risk through combining leverage and the traditional CAPM as well as historical and estimated data completely and we will call it Revised Capital Asset Pricing Model (R-CAPM).

According to R-CAPM supposition the equation is used for linear calculation of securities market:

$$K_j = R_F + \beta^R (R_M - R_F) \quad (15)$$

Where:

$$\beta^R = (DEL)(DFL)(DOL)\beta^o_j \quad (16)$$

The CAPM, D-CAPM and Adj-CAPM focus only on systematic risk and historical data, but in R-CAPM to achieve more accurate prospecting predicted return, we use systematic and unsystematic risk as well as historical and estimated data completely.

METHODOLOGY

The objective of the present research is to demonstrate the degree of economic leverage as a determinant of systematic risk, and the assessment of the incremental explanatory power of the DEL through empirical testing.

Research method is according to survey method and is of a correlation type and regression which its main goal is to definite the relationship among some quantitative variables.

Population of this research is 70 companies in Tehran Stock Exchange which have operated for 8 years, since 21 March 2000 to 21 March 2007.

We use Mandelker and Rhee model to provide the theoretical framework for the DEL. In this research the unit percentage change attributable to an exogenous economic disturbance is changes in three macroeconomic variables:

- Interest rate,
- Exchange rate,
- Inflation rate

Based on the above literature, this study seeks to test the following hypotheses:

H_1 : There is a meaningful relation between interest rate and company's sale.

H_2 : There is a meaningful relation between exchange rate and company's sale.

H_3 : There is a meaningful relation between inflation rate and company's sale.

H_4 : There is a meaningful difference between accumulated beta by DEL and accumulated beta by CAPM, D-CAPM and Adj-CAPM.

Hypothesis Testing

Correlation and regression analysis were conducted on the data to test the hypothesis one to four. Results of correlation in table 1 provide a support to hypothesis 1 to 3 which states the existence a conceptual relation between sales and the 3 exogenous economic disturbances, (interest rate, exchange rate and inflation rate) with confidence level of 95% is not accepted.

Table 1: Testing Correlation between Sale & The 3 Exogenous Economic Disturbances

<p>Regression Analysis: % SALE versus % INTEREST RATE The regression equation is: $\% \text{ SALE} = 98.6 + 0.092 \% \text{ INTEREST RATE}$</p> <p>Pearson correlation of $\% \text{ SALE}$ and $\% \text{ INTEREST RATE} = 0.020$ P-Value = 0.644</p> <p>Regression Analysis: % SALE versus %EXCHANGE RATE The regression equation is: $\% \text{ SALE} = 111 - 0.76 \% \text{ EXCHANGE RATE}$</p> <p>Pearson correlation of $\% \text{ SALE}$ and $\% \text{ EXCHANGE RATE} = -0.005$ P-Value = 0.914</p> <p>Regression Analysis: % SALE versus % INFLATION RATE The regression equation is: $\% \text{ SALE} = 103 - 3.31 \% \text{ INFLATION RATE}$</p> <p>Pearson correlation of $\% \text{ SALE}$ and $\% \text{ INFLATION RATE} = -0.038$ P-Value = 0.379</p>
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Results of comparing beta and expected return in real and predictable manner through CAPM, D-CAPM, Adj-CAPM and R-CAPM models have been summarized in table 2; respond to the main question of research which is the purpose of research. The claim is the existence a conceptual difference between the calculated Beta by R-CAPM and the calculated Beta by the three other methods. For this purpose, first by using the annual real data, we have calculated the amount of Beta from for methods of CAPM, D-CAPM, Adj-CAPM and R-CAPM for years 2000 to 2007 and then by using the growth rate of each year, we have predicted each of the variables for the years and the amount of Beta has been predicted from each four mentioned methods for this period of time. Finally, by using the real and predicted Beta and expected return (K_j) for these eight years has been actually computed and then predicted and then compared.

Through comparing the real and predicted amounts in each three methods, we will attain this result that total predicted amounts of all variables (Beta and expected return) are closer to the reality in compare with other three methods through helping of R-CAPM method for all existent companies and our claim will be accepted in this hypothesis, that is the calculated Beta by Revised CAPM has a conceptual difference with the calculated Beta by CAPM, D-CAPM and Adj-CAPM method. Furthermore, it is considerable that not only the calculated predicted return by the improved model is closer to the reality when compared with the other methods, but also we can say that the reason of this difference is the interference of the number of very important variables such as interest, exchange and inflation rate.

Table 2: Comparing Beta and Expected Return in Real and Predictable Manner through CAPM, D-CAPM, Adj-CAPM and R-CAPM Models (average of 70 companies)

Variable	CAPM			D-CAPM			Adj-CAPM		
	Actual	Forecast	Difference	Actual	Forecast	Difference	Actual	Forecast	Difference
β	0.35	0.005	0.355	1.524	1.876	0.351	0.026	0.040	0.014
$(\%) K_j$	22.08	7.091	14.17	39.24	46.80	7.6	16.07	16.88	0.81

Variable	R-CAPM (interest rate)			R-CAPM (exchange rate)			R-CAPM(inflation rate)		
	Actual	Forecast	Difference	Actual	Forecast	Difference	Actual	Forecast	Difference
β	0.0001	0.017	0.017	0.0002	0.0031	0.003	0.0004	0.008	0.008
$(\%) K_j$	16.62	16.17	0.45	16.63	16.77	0.14	16.62	16.67	0.05

CONCLUSION AND RECOMMENDATION

After theoretical conceptual studies by using Regression analysis and Pearson correlation testing, the first hypothesis, which is the inverse and meaningful relation between interest rate and a company's sales, was not accepted. The other two hypotheses also were not accepted. But the hypothesis that is a meaningful difference between measure of the Beta calculating by DEL and the Beta computing by CAPM, D-CAPM and Adj-CAPM were accepted.

By combining CAPM with leverages (financial, operational and economic leverages), we found a new model which we will call it Revised CAPM (R-CAPM). In this model to achieve more accurate prospecting predicted return, we focus on systematic and unsystematic risk as well as historical and estimating data completely.

Regarding the results of research, it is suggested that, the beta Coefficient of degree of economic leverage is used for determining the systematic risk and predicting the expected return rate and also the economic leverage is used beside other leverages for making decision about sale changes and profitability of companies. We suggest that investigate other macro economic variable as other exogenous economic disturbances.

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EMPIRICAL ASSESSMENT OF THE INFLUENCE OF SERVICE RESPONSIVENESS ON JOB SATISFACTION AND CUSTOMER SATISFACTION

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ABSTRACT

Organizational responsiveness is an effective means of managing the relationship between firms and customers, explaining why it is an important issue in marketing research. However, research is still lacking the relationships among service responsiveness, employee job satisfaction and customer satisfaction. Statistical results indicate that mechanistic service responsiveness negative influences employee job satisfaction, and organic service responsiveness positively influence employee job satisfaction. Meanwhile, employee job satisfaction enhances customer satisfaction. Finally, the implications of the findings and suggest future research directions are discussed.

KEYWORDS: Service responsiveness, job satisfaction, customer satisfaction

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A STUDY ON CHINA MEDIUM AND SMALL ENTERPRISES EXPORT TO AMERICA

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ABSTRACT

The Chinese economy is developing particularly rapidly in the last decades. China is not only the world's most populous nation, but also the world's third largest trader, especially America's second largest trade partner. Its miracle economic growth is mainly export driven. Recently the question of China manufacturer's global competitiveness and export performance looms. A survey was conducted in the Consumer Electronics Show (CES) in Las Vegas between January 7 and 11, 2008. Twenty two small and medium enterprises (SMEs) from China participated in the survey.

RESULTS

Sales Volume and Growth Rate: 45.5% of China SMEs surveyed sold less than one million dollars products to America every year, while 13.6% sold more than ten million dollars products to America annually. Between 2004 and 2006, the export growth rate of 36.4% of SMEs was between 30% and 50%, while 18.2% manufacturers with more than 50% growth rate.

Marketing Channel: 31.8% of the SMEs sold products to America through intermediaries in Hongkong, while 36.4% sold to American Companies directly. 18.2% SMEs have agents/branches in America, while 68.2% SMEs have no any agents/branches in USA.

Brand: 45.5% SMEs planned to export products with its own brand to USA, while 50% SMEs have no such intention. *Service Needed :* 31.8% SMEs used service agent such as Alibaba and/or Global Resources to seek buyer, while 18.2% used it for promotion of company and products.

Services Needed but not Available: 27.3% SMEs reported "to contact directly with buyer", while 13.6% wished "to help them standardize information and products disclosure based on the format required by buyers", and 9.1% wished "to purchase products from them and resell to others". Other data and SMEs contact information may be provided upon request.

IMPLICATIONS

In 2005, it was reported by American government that the total import from China was \$243.46 billion, but the number released by Chinese government was only \$114.2 billion. There were many justifications and excuses for this gap. According to our survey, only 36.4% SMEs exported to USA directly. This suggests the supply chain needs to be optimized. This will result in savings for US consumers. It is especially urgent given the current economic downturn.

68% of China SMEs have no agents or branches in USA which indicates a potential for direct investments in the US market by Chinese companies. This requests the support of American policy and related services to be provided. Such investments could be the acquisition of US wholesalers or brand names. This will help the economic growth of America and create jobs in USA.

LIMITATIONS

Be careful about the applicability of the results of this study due to the small sample size.

FUZZY PIECEWISE LOGISTIC REGRESSION MODEL FOR NEW PRODUCT SALES FORECASTING

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ABSTRACT

An appropriate sales forecasting method is vital to the success of a business firm. The logistic model is usually adopted to forecast growth trends and the potential market volume of innovative products for a single growth process. However, the conventional logistic model is incapable of predicting the complex growth in which multiple growth and diffusion processes with sub-processes occur simultaneously. The piecewise regression model can detect the change points and estimate the new parameters when the growth trend of the conventional regression has changed. Therefore, we combine the logistic model and the piecewise regression model to propose the fuzzy piecewise logistic regression model. Two television technologies are used to demonstrate the performance of our proposed model. The results show that the proposed model is an appropriate method which can not only reveal the best and worst possible market shares, but can also highlight the impact of external influences on the current market.

INTRODUCTION

A correct evaluation of sales volume is important when businesses introduce products from foreign countries into local markets, because it allows the firms to appropriately allocate resources. Therefore, it is extremely important to find an appropriate new products sales forecasting model that provides estimates of the product's diffusion speed and total market potential. The speed of diffusion represents the sales increase in any period, while the market potential is the product's maximum total sales after its introduction. From these two variables, the amount of time required for a return on the initial investment can be determined.

Natural systems cannot sustain exponential growth indefinitely. Instead, negative feedback mechanisms or signals from the environment slow the growth, producing the S-shaped curve. Thus, for a single growth process, a single sigmoidal curve is often a useful model. However, many systems exhibit complex growth, with multiple processes occurring sequentially or simultaneously (Meyer et al., 1999). The conventional logistic model is incapable of predicting the complex growth in which multiple growth and diffusion processes with sub-processes occur sequentially or simultaneously. Moreover, models with informative interpretations are required. The key feature of the piecewise logistic regression analysis is to identify the structural change and interpret it not just to build or run the model.

Therefore, this paper proposes a fuzzy piecewise logistic diffusion model that combines the piecewise regression model (Yu et al., 2001) with the logistic diffusion model and provides forecasts of sales to decision makers. We apply the model to two products in the TV industry to demonstrate their performance, and find that it makes good forecasts and appears to be an appropriate tool.

FUZZY PIECEWISE LOGISTIC REGRESSION MODEL

The logistic diffusion model has been used in marketing to capture the life-cycle dynamics of a new product in which the diffusion of new technology follows an S-curve function. The logistic model is described by Eq. (1) (Victor & Ausubel, 2002):

$$\pi_i = 1/(1 + \exp(-\alpha_i t + \beta_i)) + e_i \quad (1)$$

$$z_t = \log\left(\frac{\pi_t}{1-\pi_t}\right) = t\alpha \quad (2)$$

where π_t is the market share that has adopted the new technology at time t , β is the timing of the initial adoption, and α is the speed of adoption.

Based on the fuzzy piecewise regression model (Yu et al., 2001), a fuzzy piecewise logistic regression model is proposed as follows:

$$\hat{\pi}_t = 1/(1 + \exp(-A_1 t + A_0 + \sum_{i=1}^n B_i(|t - p_i| + t - p_i)/2)) \quad (3)$$

where A and B are interval parameters i.e., $\pi_t \subseteq \hat{\pi}_t$. The fuzzy piecewise logistic diffusion model can be transformed into a linear piecewise model, too. After taking logarithms, the transformed model is linear and meets the inclusion relationship based on which the fuzzy regression interval must include the observations. Two objectives which are minimizing the fuzziness width of the fuzzy regression model and minimizing the number of change-point points of the piecewise regression model are considered to find a parsimonious model with a proper number of change-points using multiple objective programming (Zimmermann, 1978).

EMPIRICAL RESULTS—TV INDUSTRY

After performing the fuzzy piecewise logistic regression, two sets of generation data from 1998 to 2007, which relate to Cathode Ray Tube (CRT) TVs and Liquid Crystal Display (LCD) TVs are demonstrated to show the curve's fit. Taking CRT as an example:

Lower bound of the predicted CRT:

$$\hat{\pi}_t^{L, \text{CRT}} = 1/(1 + \exp(-5.1351 + 0.3824t + 0.3299(|t-6| + t-6)/2 + 0.1633)) \quad (4)$$

Upper bound of the predicted CRT:

$$\hat{\pi}_t^{U, \text{CRT}} = 1/(1 + \exp(-5.1351 + 0.3824t + 0.3299(|t-6| + t-6)/2 - 0.16323)) \quad (5)$$

The change point occurs in 2003 ($t = 6$).

There is 1 change point that is obtained in each of CRP and LCD. The change point occurs in 2003 for CRT, and in 1999 for LCD. From the raw data, the market share for CRT declines after 2003. Apparently, the growth rate of the LCD market share increases rapidly after 1999. Based on our approach, not only does the curve fitting take place, but it also provides the impact timing for each generation.

CONCLUSIONS

The logistic model and the piecewise regression model are integrated into the fuzzy piecewise logistic regression model. The fuzzy piecewise logistic regression model is formulated to obtain the smallest interval system, including all of the selected data, so that it can provide the possible interval. Moreover, it can detect the change points in the complex growth process. In order to demonstrate the performance of our proposed model, two television technologies are used. The results show that the proposed model is an appropriate method, which can not only reveal the best and worst possible market shares, but can also highlight the impact of external influences on the current market.

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SOCIAL INSURANCE SITUATION AND REFORM IN ALBANIA

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ABSTRACT

In the broad range of the challenges to the country's economy during transition of importance is also the problematic of the social insurance. The analysis of the current social insurance situation, which is deemed critical for a country like Albania, with a young age population structure, and the necessity for further reform of this system constitute the scope of this presentation.

Initially work goes into the review of the legal base of the process of the reform of social insurance in order to tailor it to the market demand, and to adjust it to further parametric changes dictated by the increase in the cost of the public pensions system, with no reservation such as: gradual increase of the retirement age, expansion of the range between the minimal wage and the maximum wage in the calculation of contributions, narrowing the gaps between pensions, reducing the contributions burden, approval of the law for the introduction of volunteer pillars and schemes of private pensions, etc.

A rich statistical publication has served as the bases for the analysis of the performance of the social insurance scheme in the course of the last 15 years. Data analysis indicates that the insurance performance has not changed in line with the macro-economic improvements. On the contrary, there are certain deteriorations in some of the synthetical indicators of the scheme such as: the cost of the pensions scheme, dependency coefficient, replacement coefficient, deficit of the scheme and state budget subsidies, etc. In addition to the identification of the failures, problems and gaps, recommendations are provided for reducing the cost and strengthening the financial sustainability of the pensions scheme.

Other very problematic issues would be the dynamics of the real pension, and the replacement coefficient. A comparative analysis with the region economies indicates that Albania currently provides the lowest pensions in the region. The rate of growth of real pensions, following a drastic decline during 1991-1993 is low, and up until 2005 it failed to recover the rates of real pensions for 1990.

Like many other countries in the world, Albania is being faced with the crises of the PAYG public scheme, with its financial constraints to face up profits with contributions, and with the very low replacement rate norms. Despite the fact that Albania has a young age population, the dependency ratio of the pensions system is eight times higher than the old age population rate. This is mainly due to the fact that the labor market is still in transition, and is characterized by high levels of unemployment, informality and low retirement age. This situation can be overcome through the following two measures:

First, by making use of the experience of developed countries to reduce the cost of the pensions scheme, and through the implementation of the parametric reforms. This path is valid for the short-term period, but however includes limited opportunities and reserves.

Second, in the long-term, the reform of the PAYG scheme is important, with the view to strengthening the linkages between profits and contributions, with the development of the financial market infrastructure in order to enable the transformation of the public pension scheme into a reserve scheme. More can be done regarding information and enhancement of volunteer private pensions schemes.

INTRODUCTION

The reform of the social insurance system, which is the subject of this presentation, is part of the reforms launched after the 90s for the transfer from the planned system of economy towards the market economy. This is an endeavor to reflect the work and the results of the social insurance reform, mainly in the branch of pensions, in order to identify the challenges facing the current pension scheme, and to recommend some of the alternatives for the reform, and in particular further liberalization of the pensions system in Albania.

Based on the analysis of the developments and performance of the reformed social insurance, the conclusion is that the public pensions scheme of PAYG type is currently facing many problems, challenges, and difficulties such as: the increase up to too critical boundaries of the dependency rate, the low replacement rate, the minimum rates of recovery of the level of real pension of 1990, low level of coverage of population with social insurance, continuous and in big sizes of the cost of the pensions scheme, and the difficulty of covering it with contributions, the increase of the pressures of the pensions scheme over the state budget for subsidies, etc. In the foundation of these challenges and difficulties does not lay the demographic phenomena of the aging of the population, like it is the case in the developed countries, but rather the macro-economic issues, which are related mainly to the labor market that continues to suffer the accepted consequences and difficulties of the transition such as: high rates of unemployment, pressure for early retirement, low retirement age, and high levels of informality.

Facing the challenges and difficulties has led to the indispensable need for the process of a deeper reform and further liberalization of the existing pensions scheme. For the short-term, the attention should focus on the exploitation of the existing opportunities for reducing pension costs through a continuation of the parametric reforms. Concomitantly, efforts should continue for the reform of the public pensions scheme PAYG and for the implementation of the most feasible selected option. In this context it is recommended to use the option of moving from the existing PAYG scheme to the Non-Financial Defined Contribution scheme (NDC). Whereas for the long-term the attention shall need to focus on the liberalization of the pension system in order to avoid the monopoly position in the market of the Social Insurance Institute through the development of the second and third pillars, introduction of professional schemes of pensions, and personal schemes of pensions, depending on the experience of the countries that have already carried out these reforms. This requires the implementation of aggressive measures for the development of the capital market, and for the development of incentives which promote increased individual savings for the post-retirement period.

SOCIAL INSURANCE PERFORMANCE DURING TRANSITION

The review of the performance of the social insurance system does not represent a goal in itself, but it rather serves as a mirror where the results, but also the problems are reflected from the implementation of the reform for its reform and liberalization. The analysis of the performance of the system would not have been comprehensive and understandable were it to be conducted outside the context of its close linkages with the overall macro-economic situation and developments since they constitute the basis and the main factor which conditions the changes that happen, and the social insurance performance.

During 1991-1993, the country faced a very difficult macro-economic situation. As a result of the economic collapse, increased unemployment, and emigration etc., in the course of this period there was a sharp fall in the specific weight of the economically active population, which otherwise would have supported the pensions scheme. In the urban area, the number of contributors fell from 846 thousand in 1990 to 353 thousand in 1993. Meanwhile, in the rural area after 1992, a year which has also come to be known as the year of disintegration of the agricultural cooperatives, the number of contributors was approximately 5% of the total number of individuals employed in the agricultural activity.

During this period is affirmed also another phenomena, namely that of increase with high rates of the beneficiaries in the social insurance scheme. Due to trade unions pressure, which was motivated from the massive bankruptcy of state-owned enterprises, from the redundancies and the high rates of unemployment etc., the politics had to intervene in the area of social insurance, legitimizing the right for early old age retirement pensions eligibility for particular categories of employees. Legitimizing of the early retirement pensions increased substantially the number of new pensions. Thus during 1991, 1992 and 1993 the number of new old age pensions was 3.3 times higher than in 1990.

The macro-economic situation during the first three years of transition continued to deteriorate rapidly and in big sizes. The facing of the centralized economy with the market competition makes it objectively impossible for the survival of the inherited production capacities from the centralized planned system since they were based on obsolete technologies. The GDP of 1991 marked a decline of 27%, while in 1992 it marked a further decline of 33.2% compared to 1990, whereas the industry suffered an even more severe fall by 70%. The economy faced strong hyper-inflationary pressures which in 1992 marked a three digit "record" of 239%. This situation was also accompanied with rapid and extensive depreciation of the local currency; a considerable budgetary deficit which reached up to 60% of the GDP; and a considerable increase of unemployment rates, which reached up to 27%, etc.

The macro-economic situation deteriorated further since the old structures of the centralized management were abandoned, while the new market institutions had not yet been established. A state of chaos prevailed since there was neither plan, nor market. To this end contributed also the political conflicts, social tensions, the strikes, and the absurd phenomena of the destruction and theft of the national property. This situation of collapse of the first years of transition was reflected also in the social insurance system, by reducing to too critical limits the financial sustainability of the scheme. It is enough to mention that the system dependency rate increased by 1 beneficiary for 4 contributors in 1990 to 1 beneficiary per 0.75 contributors in 1993. The replacement rate of pensions/wages and consequently the real pension were significantly reduced. Thus for instance in 1993, the real minimum pension was only 39.4% of that of 1990, whereas maximum real pension for the same year was even smaller, at 32.4% of that of 1990.

During the four following years 1993–1996, as a result of the measures for stabilization and structural reforms, the economy lived through promising progress: the GDP grew to 46.7%, the inflation rate in 1995 fell to 6% from the three digit level of 1992, and the unemployment rate fell from 26.5% in 1992 to 12.4% in 1996. Until 1996, all macro-economic parameters were optimistic and showing continuous improvement. But this promising macro-economic progress was halted in 1997 due to the winding-down of the fund-raisers (pyramid schemes). The reforms of that period also included the approval of Law no. 7703 of 1993, which reformed the social insurance system, and ensured the gradual improvement of its financial outcome (Shalari, 1998).

Some of the key indicators that reflect the performance of the social insurance system for 1994-2007 in a summary are presented in Table 1.

Table 1: Progress Of Synthetical Indicators Of The Social Insurance Institute During 1994-2007 (In Million Lek)

Indicators	1994	1996	1997	2002	2007
Revenues total	8,610	17,336	17,232	35,045	57,026
Expenditures total	10,700	17,864	18,534	35,045	58,288
Expenditures in % compared to GDP	4.04	5.67	5.75	5.61	5.94
Financial deficit of the scheme	2,090	528	1,302	0	1,262
Number of contributors	480,435	432,200	348,037	468,997	858,293
In the urban area	438,197	399,637	321,315	342,438	420,500
In the rural area	42,328	32,563	26,723	12,559	437,793
Number of beneficiaries	462,765	485,560	494,883	545,454	525,688
In the urban area	309,677	322,025	327,211	361,822	366,856
In the rural area	153,088	163,535	167,672	183,632	158,832

This table shows the dynamics of some key indicators which reflect the performance of the social insurance system for the period 1994-2007.

For the analysis of the progress of the social insurance scheme of importance are the performance indicators such as: the dependency rate, the replacement rate, and the percentage of coverage of population with social insurance, the dynamics of which for the period under review are presented in Table 2.

Table 2: Indicators Of The Social Insurance Coverage (1994-2007)

Indicators	1994	1996	1997	2002	2007
Dependency rate	0.96	1.12	1.42	1.16	0.61
- in the urban area	0.71	0.81	1.02	1.06	0.87
- in the rural area	3.62	5.02	6.27	1.45	0.36
Percentage of population coverage	14.5	14.8	14.9	17.7	16.6
Replacement rate					
- in the urban area	60.2	51.9	48.6	49.6	48.4
- in the rural area	27.3	21.3	16.7	20.0	33.5

This table shows the dynamics of the most important social insurance coverage indicators such as: the dependency rate, the replacement rate, and the percentage of coverage of population with social insurance.

During the period under review 1994-2007, the number of contributors grew more than that of the beneficiaries, respectively to 76.8% and 13.6%. This positive trend in the dynamic of the abovementioned indicators has led to a substantial improvement of 36.5% of the social insurance dependency rate. However, this positive trend is not reflected in the same degree on the financial

indicators of the scheme as well. The revenues of the scheme, although increasing more than the total of expenditures, respectively 6.62 times and 5.45 times have had a lesser impact on the improvement of the financial outcome of the scheme in 2007 compared to that of 1994. Thus, the reduction of the financial deficit of the scheme in absolute amounts was 828 million Lek, and relatively represented only 1.4% of the total of expenditure for 2007. This was because the dependency rate was reduced only in the rural areas, where contributions are significantly lower than those in the urban areas, whereas on the contrary in the urban, the dependency rate has increased.

Improvement of social insurance performance for the 14 year period is minimal to say the least. This is also confirmed by the indicators of percentage of social insurance population coverage which has increased solely by 2.2 percentage points; indicators of the expenditures for social insurance as a percentage vis-à-vis the GDP, which has increased from 4.04% to 5.94% and the indicator of the dependency rate of the urban area, which has increased from 0.71 beneficiaries for one contributor to 0.87.

A more detailed analysis of the dynamic of performance indicators for social insurance, in particular the analysis of the indicators of revenues and expenditure, and the financial outcome of the scheme allows us that within the period under review to distinguish three phases (Luci, 2007).

The first phase includes the period between 1993-1996, when thanks to the launched reforms and the favorable macro-economic conditions, the social insurance performance witnessed in general positive developments. The scheme expenditure compared to the GDP of the respective year witnessed a considerable increase from 2.76% in 1993 to 5.67% in 1996. The revenues of the scheme for three years grew more than the expenditure, respectively 5.4 times compared to only 2.44 times of expenditure growth. Consequently, the deficit of the scheme fell substantially from 4,095 million Lek in 1993 to 528 million Lek in 1996. The dynamic of the abovementioned indicators should be judged in the circumstances when the country's economy was living through a high two digit inflation rate.

Reduction of the deficit and strengthening of the financial sustainability of the scheme at this stage were mainly the result of the sacrifices of the interests of the beneficiaries since the replacement rate of the pensions, and the size of the real pensions continued to remain low, and even deteriorated further. Thus, for instance, average real pension of 1996 was 37.5% lower than the real average pension of 1990. The replacement rate continued its decline while reaching in 1996 to 51.9% for the urban area pensions compared to 75% which is the legal obligation. At this stage, there is a considerable deterioration of the dependency rate as well, which out of 0.61 beneficiaries per one contributor in 1993 reached in 1.12 beneficiaries per one contributor in 1996.

The second phase which includes the interval between 1996-2002 coincides with the problematic year 1997, which in addition to the macro-economic situation deterioration had adverse implications on the social insurance scheme as well. In 1997 revenues and expenditures of the scheme marked negative growth rates; the coverage rate as a ratio of contributors vis-à-vis the labor force fell to 26.8% out of 33.9% which was the figure of the previous year, whereas the deficit of the scheme grew by 247.2% compared to 1996. The developments of the scheme during the second phase, with the exception of 1997 took place under favorable macro-economic conditions expressed in: high rates of economic growth, which on average reached 8% per annum, in the presence of controlled inflation at low levels, and a declining unemployment rate. But, improvements in the social insurance performance during this phase are not in harmony with the country's macro-economic performance.

During the second phase, revenues have increased less than expenditure. Revenues for 2002 were 202% higher than those of 1996, whereas the expenditure of the scheme during the same period increased to 259%. The dependency rate marked an initial deterioration until 1997 when it reached 1.42 beneficiaries

per one contributor. After 1997, the replacement rate begins to go down, but the improvement is insignificant and occurs mainly in the rural areas. The dependency rate for the city pensions until 1999 marked small improvements, whereas the deterioration trend comes later. If in 1999 there were 0.69 beneficiaries for each contributor in the city, in 2002 this indicator reached to 1.06. The dependency rate continues to remain in very critical, risky and debatable levels regarding the financial sustainability of the social insurance scheme. The same situation is true for the coverage rate as well. This rate, despite minor improvements during this period continues to remain in low levels. Therefore, despite the favorable macro-economic conditions, the performance indicators of the scheme during the second phase testify to a slight deterioration of some parameters of the scheme.

The high informality rates of the labor market have no doubly been influenced by the high burden of contributions of the social insurance scheme. To this end, after 2002 measures have been taken, among which the most important are: reduction of contributions burden, transfer of responsibilities for the collection of contributions to the Tax administration, and coordination of the work among the Social Insurance Institute, State Labor Inspectorate, and the Tax Department regarding monitoring of the inclusion in the scheme of all businesses and those employed in them.

The third phase includes the timeframe 2002-2007. During this phase even though there is a slow down in the average rate of economic growth, the macro-economic situation is deemed favorable, with a stabilized low inflation rate at 2-4%, and declining unemployment rates. To this favorable macro situation is added also the impact of the implementation of the parametric reforms, which with the exception of the reform for narrowing the gap of the differences between same pensions, but signed according to different pieces of legislation had an impact on the reduction of the cost of the pensions system. Under these circumstances, normally, the performance of social insurance was supposed to have marked tangible improvements. But the reality is different.

The performance of the social insurance scheme during the third phase under review based on the dynamic of the number of contributors and that of the beneficiaries shows a significant improvement since the contributors have increased substantially at 83%, whereas the number of beneficiaries has been reduced by 14%. Also, it is necessary to clarify that the increase in the number of contributors is due almost entirely to the rural areas, whereas it is common knowledge that the contributions of the self-employed in agriculture are a lot lower than those currently paid by an individual employed in the private sector in the urban area.

Under these circumstances, despite all tangible improvements made with regard to the increase in the number of the contributors, and in the reduction of the number of beneficiaries, as well as of the cost of the scheme thanks also to the implementation of the parametric reforms, the performance of the social insurance scheme during the third phase reflected through the financial indicators in fact has remained almost the same with that of the second phase. Furthermore, it has even slightly deteriorated. Thus, the revenues of the scheme in 2007 grew to 162.7% compared to 2002, while expenditures increased by 165.9%. This significant increase of expenditures compared to revenues has led to an increase of the deficit to 1,262 million Lek, which represents the most important output indicator of the scheme.

In the evaluation of the performance at this phase should also be considered the financial implications of the parametric reforms carried out during 2002, and in the following years. These reforms began to yield their positive results in the increase of contributive revenues and reduction of expenditure for eligibility, and have been reflected in the financial result of the scheme in the third phase. If we were to exclude the impact of these reforms, the performance of the social insurance system in third phase would be significantly deteriorated.

The above mentioned analysis of the performance of the social insurance system bears witness to the fact that the public PAYG scheme is constantly facing problems, difficulties, and serious stretches in order to guarantee the financial sustainability of the pensions scheme, to cover the increasing costs of the contributive scheme, to maintain the normal parameters of the scheme such as: the replacement rate, real pension growth, as well as to ensure its credibility and guarantee its attractiveness for the employers and employees alike.

THE DYNAMICS OF REAL PENSIONS AND THE REPLACEMENT COEFFICIENT

Very important parameters of the pensions scheme are preservation, and possibly increase of the real value of its pensions. That is why the social insurance law points out that: “The Government is in charge of indexation of pensions to the extent and as often as the salaries indexation as a result of the increase in the prices”(SII, 2003). This indexation is meant for the compensation of the impact of inflation over the reduction of the real value of pensions, and consequently on the living standard of the retiree. In this sense, indexation or increases in the pension to the size of the increase of the index of consumption goods prices in real terms do not lead to an increase of real pension, but only guarantees maintenance of the achieve level.

In the social insurance practice there is no mention of indexation, but rather the term used is increase in pensions. This is not correct since it eliminates the distinction between indexation and the real pension increase. Some of the achievements made in the pensions area, in particular those achieved in the recent years have been above the threshold of the inflation rate, and consequently they have had both components: indexation of pensions, i.e. maintenance of its real value, but also of the increase of the real pensions value. However, in practice there are also instances when there is no increase in pensions in the course of the year, or when the increase is smaller than the accepted norm of inflation. In these instances there is no real increase of real pensions.

We believe it is necessary that in the practice of the pensions review to distinguish between indexation and the increase in pensions. Indexation is a legal obligation which should take place in regular time intervals strictly defined, in order to preserve the real pensions value in the face of inflation. Whereas the increase in pensions is a request for enhancing the living standard of the pensioner. This increase does not take place in regular time intervals, but is mandatory for all instances when there is an increase in the labor wages, but it can also take place in the instances when the scheme provides the financial possibility to this end, and aims at not the preservation, but the increase of the real value of the pension.

From the nature and destination, indexation of pensions should be equitable for all pension categories. Indexation should take place not on basis of the index of the basket of goods and consumer services calculated by INSTAT, as is the case currently, but based on an index calculated especially for the pensioners' basket. This becomes indispensable because the composition and the structure of the basket of their goods is drastically different compared to that of the rest of the population.

In the practice so far of the increase of pensions, in most of the cases, the increase has been differentiated, aiming at favoring through higher rates of increase of the minimum and rural pensions. This practice while narrowing the difference between the minimum, average and maximum pensions de-naturalizes the pensions system, which since it is based on the contribution principle should maintain the differences in the size of pensions since diminishing the contributive nature gives social insurance the nature of social assistance, and promotes informality in the social insurance scheme.

Table 3: Dynamic of Nominal and Real Urban Pensions for 1990-2007 (In Lek)

Year	Inflation rate	Inflation compared to 1990 (in times)	Minimal nominal pension	Minimum real pension	Maximum nominal pension	Maximum real pension	Average nominal pension	Average real pension
1990	100.0	1.000	350	350	700	700	401	401
1991	104.0	2.040	660	324	1,050	515	627	307
1992	236.6	6.867	860	125	1,365	199	815	119
1993	30.9	8.988	1,237	138	1,967	219	1,171	130
1994	15.8	10.409	2,200	211	2,906	279	2,121	204
1996	17.4	12.953	3,250	251	3,970	306	3,250	251
1997	42.1	18.406	3,250	177	3,970	216	3,250	177
2002	1.7	22.304	6,116	273	12,232	548	6,446	289
2007	3.1	23.381	8,650	370	17,300	740	9,831	420

This table shows the dynamic of nominal and real pensions as a result of approved increases during the period 1990-2007.

From the review of the dynamic of real pensions for the period 1990-2006 there is a general trend of decline in the size of real pensions. Thus, there stands out in particular a drastic decline of real pensions during 1991 and 1992 due to very high inflation three digit rates, as well as a regressive turns of the level of pensions in 1997 due to the problems caused by the bankruptcy of the pyramid schemes. Only in 2007 was it possible to recover the real pension level of 1990, while there was a surpassing in terms of minimum and maximum pension by 5.7%, whereas for the average pension by 4.7%.

However, the review of the dynamic of the real pensions will be limited to the period 1993-2007, at a time when the new reformed social insurance system became operational. From the relative view point, the best dynamic during this period was witnessed for maximum pensions with an increase of 337.9%, followed by average pensions with an increase of 323.1%, whereas minimum pensions have known the smallest increase by 268.1%. In the dynamic of maximum real pensions was witnessed a relatively substantial increase of these pensions during 2000 and 2002. This is linked with the implementation of the reform for the alleviation and minimization of distinctions of pensions signed before and after 1993, and pensions signed during 1993-1996. In a detached review of the dynamic of real pensions for 1993-2007 one could come up with the wrong impression that there has been a substantial increase of real pensions. This impression is due to the fact that the basis of comparison, i.e. the real pension of 1993 was low. We are not going to discuss real pensions of the rural areas which are significantly lower than those in the urban areas. According to the strategy of the social insurance system the equalization of real pensions of rural areas with those of urban areas will be achieved by 2013.

In order to create a more accurate image regarding real pensions and their dynamics in time it would be useful to review also the replacement rate, which in the course of this period has gone through a continuously declining trend. The replacement rate for an average old age pension in the urban area in 1994 was 60.2%, while in 2007 it fell to 48.4%, i.e. marking a decline of 20%. The deterioration of the replacement rate becomes more visible when the above-mentioned indicators are compared to the legal obligation to have a replacement norm of 75% of the contributory wage. The replacement rate for real maximum pensions is lower than minimum real pension. Whereas for average old age pension for the rural areas this indicator marked an increase of 22.7% out 27.3% in 33.5%. Despite the increase, the replacement rate for rural pensions continues to be a lot lower than that of urban pensions.

The replacement rate is the results of the relations established between the dynamic of the pensions increase and that of the wages. The reduction of this indicator for the urban area was due to a higher increase of wages, on the basis of which are calculated contributions compared to the increase in pensions. The decline of the replacement rate indicates that the employees should pay more contributions than before in order to secure the same amount of benefit and at the same time that the pensioners will go through a relative decline in the living standard compared to the rest of the population. That is why, the deterioration of the replacement rate is a factor that promotes informality.

FURTHER REFORM OF THE PENSIONS SCHEMES

The analysis of the performance of the PAYG scheme identified its difficulties and lack of capacities to cover the increasing cost of pensions, and securing the legal replacement rate. Long-term studies and forecasts (SII, 2001) indicate that the perspective is going to be even more problematic. These together with a decline in the trust of the public put a question mark to the PAYG scheme.

The public system of pensions is debatable in the whole world (Chand, 1996). The main challenge is the aging of the population, a warning flagged by the many publications of the OCDE (1988) and the World Bank (1994). This challenge is related with the demographic factor, and namely with two components: reduction of fertility rates, and increased life span. The aging of the population increases the financial pressures to the scheme, which require reduction of benefits and pensions eligibility period. The demographic factor is not the sole challenge, and in addition there are the challenge of macro-economic growth, and increased unemployment, which become problematic due to the pensions system, when pension contributions are perceived as distorted taxes, and political challenges related to the loss of trust vis-à-vis a given pensions system etc.

In the case of Albania, like in other countries with young age population, the very high dependency rate of the pension system is not a consequence of the aging of the population. This is confirmed by the fact that the replacement rate of pensions in 2004 is over six times higher than the old age dependency rate, which according to statistics is calculated as the ratio of the population above 65 years old and the working age population of 15-64 years old. The main cause of the high dependency rates of pensions is the current situation of the labor market. This market continues to suffer the aftermath of the transition, namely: unemployment, early retirement, low retirement age, and high informality. This high rate, and in particular its inclination for a rapid increase generates serious fiscal pressures which can not be faced up by the current scheme of public pensions. Facing the challenges of the public scheme of pensions makes indispensable the reform and further liberalization of social insurance in two main directions:

First, in the short-term through the partial parametric reforms according to experience of developed countries for the exploitation of the remaining opportunities for the reduction of the cost of pensions, and through the study of all plausible options for the reform and change of the PAYG scheme, and for choosing the most feasible option.

Second, in the long-term, the liberalization of the pensions system in order to avoid the monopoly position in the market of the Social Insurance Institute through the development of the second and third pillars, introduction of professional schemes of pensions, and personal pensions schemes, according to the experience of the countries that have been successful in the implementation of these reforms.

The experience of the countries in the European Union in terms of establishing the necessary equilibriums among the active population, beneficiaries, contributors, and the non-active population has identified as appropriate paths: the increase of the number of contributors through the enhancement of the levels of employment, and reduction of evasion in the collection of contributions, reduction of the number of pensioners, or in the even this is not possible maintenance of a normal rate of their increase, and through the reduction of the replacement rate.

The efforts for increasing of the economically active period for females in the European countries have helped in the alleviation or in the compensation to a certain extent of the negative consequences, which are the result of the increase of the average life span of females over the social insurance cost. As a result of these efforts it is being affirmed the trend of the increased participation of women in the labor force, while there is an increase of the working period and their contribution in the scheme. Also, there have

been efforts made for the increase and unification of the insurance periods for both genders. The period of insurance for full old age pension eligibility in Greece, Belgium, and Germany is up to 35 years, while in Italy, Sweden, and Luxemburg this period is 40 years. In these directions, social insurance network in Albania still has reserves that can be exploited.

Another method for the reduction of insurance cost through increase of the number of contributors, and the reduction of the number of beneficiaries is using incentives for employees to work post retirement age. This can be done through increase of the pension size for each working year over the legal retirement age threshold. The increase is different for different countries. Thus, in Finland the envisaged increase is 12% annually, while in England it is 7.5%. Meanwhile, in Denmark the individuals who continue to work after 67 years, and then ask for pension they benefit a pension increase of 5% for every half additional year, on the condition that the overall increase reaches maximum up to 30% of the pension. In Albania, this pension allowance is only 4% for every working year. We are of the opinion that this figure is low, and may be increased in the future.

In response to the demand for pensions before reaching the legal retirement age, and in light of the unemployment pressures, the social insurance systems in many countries have legitimized the right of early retirement pensions, provided some given criteria are fulfilled mainly related with fixing the given age and period. The most favored category is that of women, for whom the insurance period covers also the time that they have been in undergraduate studies, child upbringing, care for elderly household members, or sick and disabled household members. This policy of early retirement pensions aims at the creation of new jobs, in particular for the periods when unemployment rates are high. Studying and utilization of the abovementioned paths, and other paths could be an important direction for the reduction of the cost of pensions in the short-term.

But, as is indicated by the experience of many countries, the possibilities of the parametric reforms is being more and more limited, whereas on the contrary the cost of the PAYG scheme is increasing. In addition, these reforms include the limits of basic relation which stands in the foundation of every pension scheme. Following every parametric change the scheme should remain in harmonized parameters in order for it to be lucrative for the employees. Otherwise, the system would only promote labor market informality.

Given that changes in particular parameters of the scheme can not face the challenges of the scheme of public pensions, and guarantee its normal development in perspective, we believe that one should move towards the reform of the PAYG scheme itself. To this end, there is need to study and compare the plausible options of the reform of the PAYG system, including also the experience of countries that have finalized the reform of the public scheme such as: Italy, Lithuania, and Sweden, in order to select the most feasible option, and to start as soon as possible the reform of the public scheme of pensions for the circumstances of Albania.

In this context, we would recommend as an appropriate option the transition from the existing PAYG scheme, which is a traditional non-financial scheme with assigned benefits towards a Non-Financial Defined Contribution scheme (NDC) (Borch, 2003). The NDC scheme aims at strengthening the ties and conditioning the benefits from contributions. It is similar to an individual savings scheme, where contributions are placed in one account. However, the NDC scheme given that it has no reserves, continues to apply the PAYG principle, which with the contributions of the current employees funds the benefits of the current pensioners.

In the long-term, in addition to the reform of the PAYG scheme, there is also need for the liberalization of the pensions system, in order to avoid the monopoly position in the market of the Social Insurance Institute through the development of the second and third pillars, introduction of professional pensions

schemes, and individual pensions schemes, according to the experience of the countries that have already implemented these reforms. To this end, there is need for more efforts for the development of the infrastructure of the capital market, and for incentives that promote the increase of the individual savings for the post-retirement period.

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BIOGRAPHY

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EXAMINING THE EFFECTS OF LEADERSHIP STYLES ON KNOWLEDGE-BASED CUSTOMER RELATIONSHIP MANAGEMENT IMPLEMENTATION

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ABSTRACT

This study examined how transformational and transactional leadership styles affect knowledge-based customer relationship management implementation in the Taiwanese hotel industry. A model of the relationship was created based on earlier research and used Bass and Avolio's Multi-Factor Leadership Questionnaire along with questions to assess a multi-dimensional construct for CRM. The model was tested and modified using structural equation modeling. The results generally support a positive relationship between transformational leadership styles and the implementation of knowledge-based CRM while rejecting transactional styles. Suggestions for future research are also included.

INTRODUCTION

Prior research studies have suggested that leadership styles are related to organizational performance (e.g. Elenkov, 2002; Howell, Neufeld & Avolio, 2005; Tosi, Misangyi, Fanelli, Waldman & Yammarino, 2004), job satisfaction, job performance, and organizational commitment (Lok & Crawford, 1999; Yousef, 2000; Lok & Crawford, 2004; Huang, Cheng & Chou, 2005; Lee, 2005; Politis, 2006; Bartram & Casimir, 2007; Erkutlu, 2008). However, hospitality organizations are under pressure to improve their performance, to anticipate change, and develop new structure. Effective leadership is therefore essential to ensure that change leads to increased efficiency and profitability (Pittaway et al., 1998; Zhao & Merna, 1992; Slattery & Olsen, 1984). On the other hand, Customer Relationship Management (CRM) has generally been assumed to create a competitive edge for an organization, as well as to have a positive impact on organizational performance (Sin, Tse & Yim, 2005).

Swift (2001, p. 12) defined CRM as an “enterprise approach to understanding and influencing customer behavior through meaningful communications in order to improve customer acquisition, customer retention, customer loyalty, and customer profitability.” According to this definition, Francis (2004) suggested that a customer focused culture for successfully implementing Customer Relationship Management needs to be developed by the leadership and through the design of formal systems of the company, as well as the myths and stories that are created within the firm. Additionally, Karmarkar (2004) suggested that managers will need to make proactive changes which focus even more intensely on customer preferences, quality, and technological interfaces in order to stay competitive in such a dynamic environment. Furthermore, Osarenkhoe and Bennani (2007) have found that to implement sustainable CRM strategy required the endorsement by and commitment from top management.

Although the importance of customer knowledge management has been addressed recently by several researchers (e.g. Davenport & Prusak, 1998; Davenport, 1998; Bulter, 2000; Davenport, Harris & Kohli, 2001; Gareia-Murillo & Annabi, 2002; Gibbert, Leibold & Probst, 2002), still there is a lack of knowledge management research in both the hospitality and tourism industries (e.g. Ruhanen & Cooper, 2004; Xiao & Smith, 2007). Therefore, in this study the integration of knowledge management and customer relationship management is addressed and is defined as knowledge-based customer relationship management implementation. Given the preceding arguments, it is worthwhile to be able to characterize

the relationships between managers' leadership styles and knowledge-based customer relationship management implementation and is, therefore, the purpose of this study.

HYPOTHESES

H1: Leaders' transformational leadership style is positively correlated with the implementation of knowledge-based CRM.

H2: Leaders' transactional leadership style is positively correlated with implementation of knowledge-based CRM.

DISCUSSION AND CONCLUSIONS

Hotel organizations are increasingly concerned with building and maintaining relationships with customers by implementing knowledge-based customer relationship management. Some hotels have recognized the importance of constructing a knowledge-based CRM organization building on the concept of the service profit chain (Heskett, et al., 1997) where the internal relationship of the organization will affect the capability of service value and consequent impact on the level of customer satisfaction and loyalty. Furthermore, some hotels have recognized the importance of building internal relationships, and the relationships between transformational/transactional leadership styles and knowledge-based CRM implementation were examined in the previous section. Transformational leadership styles were found to positively correlate with knowledge-based CRM implementation. In particular, the dimensions of knowledge-based CRM organization and key customer focus were found to be most affected by the transformational leadership styles while transactional styles were rejected.

Thus, in this case, to most effectively lead, managers should be aware of and concerned with: (1) acting as role models for their followers; (2) inspiring and motivating their subordinates by providing meaning and challenge to their followers' work; (3) promoting intelligence, rationality, and careful problem solving; (4) giving personal attention, treating each employee individually, and coaching and advising each employee (Yammarino, Spangler, & Bass, 1993; Bass & Avolio, 1994; Bass, 1998). Additionally, managers with a transformational leadership style will benefit their organizations by building customer centric marketing, identifying key customer lifetime value, treating customers individually, and creating interactive co-creation marketing. Finally, hotels hoping to successfully implement KCRM should avoid transactional leadership styles in their leaders.

One weak area of the results regards the dimension of technology-based CRM. In the sample hotels not all employees have the opportunity to operate the computer system. Management employees operate the computer system most frequently, and in this case a low response rate was received from managers. The knowledge sharing dimension also produced a weak result, but managers in hotel organizations should still appreciate the benefits of external organization knowledge sharing with other strategic alliance organizations.

For future research, the same relationship model could be studied in Mainland China to explore the perception of leadership styles and knowledge-based CRM implementation in five star hotels. Because the Taiwanese government has created a policy to attract tourists from Mainland China, this sort of future study offers an important issue on which to focus.

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SIGNIFICANCE OF FIELD FORCE FOR THE CRM IMPLEMENTATION IN AN ENTERPRISE

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ABSTRACT

The article briefly describes the evolution of the CRM perception, from the pure IT solution fashion to the most recent view based on three CRM aspects: strategy, technology and change management process. One of the common malfunctions is CRM change management process is lack of proper communication and motivation strategy designed for field force taking part in the implementation process. The authors present the principles of effective customer-oriented operative processes and seek the answer why they are commonly neglected by field force. This leads to a definition of the 'marginal level of self-involvement' and its impact on success of the CRM implementation. In addition, the authors discuss strategies for quality oriented motivation schemes.

INTRODUCTION

CRM strategy is sometimes accused of not contributing anything new to marketing or management theories and to economic practice. It has been using known mechanisms and concepts and refers to solutions that have already been reached. The only significant point (according to its critics) is application of computer systems processing customers' data at an unprecedented scale. Therefore, CRM is perceived by them as an expensive toy which, instead of improving a company's efficiency, wastes its valuable financial assets and energy of employees. This thesis seemed to be confirmed by the first attempts of implementing CRM at the end of the 20th century. In most cases those attempts resulted in heavy investment in hardware and software, and usually ended with failure, not bringing the expected business profits. It has been estimated that in a pioneering period of CRM, from 55% to 70% of CRM implementations were unsuccessful (Lovelock & Wirtz, 2007).

However, trying to combine practical experience with conclusions from publications of leading institutions dealing with consultancy on CRM implementation and books devoted to strategic change management (not only in the context of CRM implementation), the authors, in the course of their scientific research, came to a conclusion that CRM can be understood as a healing process within an organisation. This process is an outcome of conscious decisions taken by members of an organisation, which are continued, controlled and adjusted to the changing conditions, with the most important criterion of changes which is optimisation of the creation chain of benefits, attractive from the customer's point of view. The factor which has to be taken into consideration is the level of profitability which guarantees the owners of a company the expected return on the invested capital and its employees realisation of their individual needs within the full range of 'Maslov's pyramid'. Therefore, when undertaking attempts to implement CRM, special attention should be paid to correctly defining the role of line personnel and to preparing basic incentives and tools which build their commitment to practical realisation of this strategy. The article is devoted to this problem.

RESPONSIBILITIES OF THE FIELD FORCE

New responsibilities of the field force, deciding about their efficiency in developing relations with customers are, first of all, their constant attempts to replace anonymous trade contacts with a dialogue of partners who can be identified by their names and surnames. In this context, the number of contacts with customers is still important, which, taking into consideration even a certain level of probability of

purchase, should lead to a number of transactions correlated with it. However, it is not of less importance whether these contacts end up with obtaining information about customers which enables

- their repeat identification,
- making a contact on a salesperson's own initiative,
- better adjustment of a company's offer or more accurate highlighting of its strengths, thanks to conscious collecting of information about customers' needs,
- analysis of the reason of not concluding the transaction, on the basis of an interview with the customer.

The last situation is the best proof that even contacts with those customers who eventually did not decide to purchase are not a waste – from the point of view of an organisation – time. It is so if the organisation was able to collect sufficient amount of information about characteristic features of such a customer and about the reasons why the offer was rejected by him. This set of data will permit to determine whether a client was important for a company, for example, because of his potential for concluding transactions, declared levels of orders, key preferences (price, product, extended product) and which elements of the offer were so unattractive for him that he rejected it totally. In this way an organisation will be able to determine if the whole offer is properly adjusted to the needs of customers from its target group and where modifications should be introduced.

This type of complex analyses will rather not be conducted by employees having direct contact with customers. Those employees do not have enough time, research experience and their influence on the final shape of an offer is relatively small. Nonetheless, results of such analyses may be soon introduced to trainings for field force. However, active exploitation of information about customers does not have to and should not take the form of only analytical processing.

Operational exploitation of this information plays an equally important role and starts affecting field force. Every successive meeting or conversation can be based on the formerly acquired knowledge. Therefore, it is not necessary to come back to the matters that have already been settled, and a salesperson learns more and more about needs and motives of a customer. In that way, a customer can be offered solutions which, in given circumstances, have better chances of success. It is also affected by the fact that subsequent contacts are characterised by higher and higher level of mutual trust. Due to experience, customer's reactions become more predictable for a salesperson, and in turn, information received from a would-be customer can be used for winning orders from him in the future. Knowing his needs, reasons for rejecting the current offer, contact data and having information about his purchase cycle of products and services, a salesperson may, in a due time, contact him again and try to convince him to the company's offer.

Even higher probability of concluding (in this case a repeat) transaction occurs when there are regular contacts with this customer who has already once trusted the salesperson and the company represented by him. Thanks to continuous supplementing of information about a customer, gathered during realisation of a transaction and later, it is possible to:

- update contact data,
- identify tendencies and changes in customer's needs,
- locate them in a time context,
- supervise his satisfaction (and if possible) solve the identified problems.

Such after-sales assistance gives a customer the feeling of being the centre of attention, although he has already concluded a transaction. At the same time, a customer is not left alone with a product or service (which may not meet his expectations fully) during the period between successive transactions. Then a salesperson may be sure that his strength will effectively neutralise the influence of competitive suppliers, especially when in their contacts with customers they have to rely only on mass communication, which, in

its nature, is adapted to the needs of the so called 'typical customer'. This sort of communication is separated from individual cycle of product/services exchange.

In order to make a dialogue with a customer an effective tool of building competitive advantage, it has to be a continuous process. Effects can not be expected immediately. Even concluding a very complex transaction, during which mutual contacts of a salesperson and a buyer are very intensive, is not sufficient to deepen the knowledge about a customer to the extent that customer's motives and decision taking criteria can be fully understood. On the other hand, each information becomes out of date after some time. For example, product exchange cycle, which has been stable so far, can be accelerated due to improvement in customer's financial situation and related increase in his needs. External factors, such as changes in legislation which affect a given market, or aggressive activity of competitors may also bring about redefining which has an impact on a customer's decision taking system.

All those arguments prove that a professionally operating salesperson does not end his contacts with a customer the moment a sales transaction has been concluded. It is just the beginning of the whole series of mutual interactions which should contribute to deepening the relationships between both partners. For a salesperson, apart from a method of gaining current information about customer's needs, motives and criteria for taking a decision, they give a possibility of quick recognition and counteracting of those phenomena which exert a negative impact on customer's satisfaction and value of a mutually built relationship. Taking into consideration the increasing complexity of offers available on the market (enriching them by added values) and the tendency to perceive products and services as an inseparable whole, these are the values that a customer buys, a salesperson should not forget about customer's satisfaction with those elements which were added to the basic offer (Zeithaml & Bitner, 1996).

PROBLEM OF MOTIVATION FOR ACTIVE PARTICIPATION IN IMPLEMENTATION

It would seem that realisation of CRM strategy should be perceived by the field force as a complex recipe for long-term success. Why do not so many of them see it in this way? As it has been proved by research, in almost every second case, the main reason for failure in implementing CRM is lack of commitment and conviction of line employees about implementing the changes (Greenberg, 2004). There are at least a few reasons for such a situation and their negative impact is very strong because they usually coincide. It can not be expected that when the CRM idea wins support of a company's management, it will be automatically accepted by others. Employees accept CRM strategy only when it really changes their working place and when they are adequately paid for additional responsibilities, moreover when they are earlier prepared for these changes and trained in such a way that they feel co-participants (Gentle, 2004). Success of companies in international business is very closely related to recruitment, and first of all, training, motivating and planning development of their staff, who is capable of performing all the tasks connected with realisation of the CRM programme.

Continuous collection and making use of customers' data is an investment made by field force every day. Its main cost is extended time devoted to serving a customer, without any guarantee of immediate result – purchase. Especially at the early stage of applying CRM strategy sales people can perceive, for example, after-sales service from the angle of economic costs of those activities, that is a bigger number of quick transactions theoretically lost. Until a salesperson starts to gain notable material benefits from his professionalism, in the form of loyal customers, his engagement into realisation of the strategy will depend on training and motivating programs, and pressure of the organisation. Unfortunately, the authors know it from his experience, that companies usually exploit only the last of those factors.

The situation becomes additionally complicated in those branches where product replacement cycle/frequency of using a service is long/small. It may, however, turn out that in some specific conditions (for example, a company reduces costs during a difficult situation on the labour market) the

index of employee retention is so low that, in practice, none of the employees can count on concluding the next transaction with the same customer. Then there is a case of only declarative implementation of CRM strategy and such implementation is reflected only by presentations given by members of a company management, and in fact, it is limited to installation of CRM class computer system (B. Deszczyński 2005).

As it has been already mentioned, acceptance of CRM system by sales people is highly influenced by preparing a proper training programme. It should embrace the following elements:

- explaining the theoretical basis of profitability of CRM strategy implementation,
- referring to basic elements of the strategy in the context of company's mission, vision and its main objectives,
- operationalisation of the strategy elements in the form of realisation of processes connected with a widely understood customer service,
- combining company's benefits resulting from implementation and application of the strategy with personal benefits of sales force,
- training how to operate the CRM system.

In order to make trainings effective, they should be organised before introducing any changes so that sales force have time to assimilate the knowledge and could feel that they are an important link in the chain of changes in their organisation. In companies which implement CRM system from scratch, it would be advisable to separate trainings concerning the strategy from trainings on CRM application. Preparing a system, especially a targeted one, is a long-term process, therefore at least some organisational changes should be implemented before the whole system starts operating. This, in turn, requires support of all members of the organisation first of all of sales people or, more broadly, of front-line personnel.

Another important element of the implementation process are trainings for immediate supervisors of sales force. In theory the process may be implemented when sales employees are resistant to it but supervisors are fully committed, however, any undertakings which are against the will of the lowest management level are bound to fail.

While dealing with sales force motivation, at least a few very important principles of effective motivation programmes should be mentioned:

- combining individual interests of motivated employees with the interest of the motivating,
- adjusting incentives to the features and qualifications of motivated employees,
- using understandable, real and attractive, from the point of view of employees, rewards,
- exceeding the usual, but possible to achieve, objectives which entitle employees for receiving those rewards,
- creating motivation systems which are continuous and encourage employees to systematic improvement in a long term.

MARGINAL LEVEL OF SELF-INVOLVEMENT

The first condition of an effective motivation system looks so obvious that it seemingly does not need any comment. The simplest way of defining it would be a statement that an employer given tasks to an employee, which he has to complete in order to receive the agreed remuneration. Thus it may seem that triggering off the required effect, i.e. employee's activity, has been secured because it is guaranteed by a very severe sanction of not receiving remuneration if the employee fails to carry out his responsibilities. In this case we can talk about a direct effect of organisational pressure. Such approach, however, does not automatically mean that work done for an employer will be of the quality required by him. In case of field force, or people employed in trading, the basic factor determining work quality is, the so called, level of customer service. Behind this general concept, from the point of view of a customer, there is the whole experience he had before, during and after a transaction. Leaving aside the quality of a product

itself, which a salesperson has no influence on, it is his behaviour, personal involvement, knowledge, readiness to help a customer, ability to solve problems and communication skills that determine the way a customer perceives both the offer and the company. In services this interdependence is even stronger because the quality of service which a customer buys depends directly on the salesperson (or a person providing this services) (Zeithaml & Bitner, 1996). Moreover, loyalty can be more easily found between two people rather than between a person and a more or less anonymous company (Schüler, 2005).

In order to illustrate the importance of this problem it is enough to go to a few shops. Why were some shop assistants so keen on our purchase in their shops and others seemed not to notice our interests or even showed their displeasure? After all each of them was receiving remuneration for their work, and employers cared about the possibly highest level of customer service. Does it mean that “bad” sales assistants are more lazy by nature? Maybe they have just properly assessed the relation (or rather its lack) between their behaviour and personal benefits.

The result of this type of calculation is affected by two essential factors. The first one is direct financial motivation. If a sales assistant receives the same remuneration for a routine service as for work with full engagement which results in a large number of sales and satisfaction of his customers, an employer cannot expect that this shop assistant will do anything above a given minimum. This minimum can be defined as a marginal level of shop assistant's involvement which is created within the framework of his way of thinking. Thus the marginal level is the lowest level of the required effects of his work, expressed in his income, benefits and quality of customer service, which guarantee his further employment. Apart from those factors which affect a particular employee's judgement and his personal standard of diligence, the marginal level is influenced by the level of control of job standards and by attraction of remuneration for this job. The less effective the control and the less attractive the remuneration, *ceteris paribus*, the less an employee requires from himself.

Even if a payment scheme is closely connected with the sales level, it does not automatically guarantee high quality of an employee's work. Frequently, in a short term, it is even profitable to cheat customers in order to reach high revenue and income. It is obvious that long-term activity and development of a company, in the context of low loyalty level of cheated customers and all negative aspects of word-of-mouth advertising, are not of the same importance for the owner of a company and for his employee. Therefore, in order to effectively combine his interest with the interest of an employee, the employer must also take into consideration one more aspect of his relations with an employee – atmosphere at work. The concept of marginal level of involvement embraces two theories concerning people's attitude to work which were formulated by Douglas McGregor. Theory X – assumes that work is unpleasant by nature and therefore employees should be motivated by power, control and money. Theory Y says that people by nature are motivated to work and proper realisation of tasks (McGregor, 1960).

The higher the level of employee's identification with the owner, the company and its products, the higher the probability that he will diligently carry out his duties. In some circumstances, an employee can, on his own initiative, exceed the standard set by an employer, for example, giving a customer more information about products or services, staying at work ‘until the last customer leaves’, helping less experienced colleagues, devoting his time to self-education. Especially in the context of work quality, triggering off certain types of employees' behaviour is very difficult because these types are too loosely connected with the effects that can be effectively controlled. For example, how to reward with money an employee who sells cars for every situation when he shows interest in the client many times within two minutes – from the moment the client entered? As a matter of fact there is a possibility of combining similar activities with those that are easier to control. However, this type of motivation can be applied only when the connection between two activities is relatively clear. Therefore it seems that a smart blend of motivation payment scheme and proper atmosphere at work can bring about the effect required by an employer.

It should be noticed that the role of atmosphere which individualises employees will be relatively small in companies which concentrate on quick, mass sales of simple, low quality, cheap products to not demanding customers whereas the role of such atmosphere will grow in case of luxury goods sold individually to demanding customers (Yukl, 2002). In the first case, a customer either does not expect or cannot afford to pay for a service level exceeding a certain minimum, however, the level of service should grow proportionally to the increasing needs of customers. Higher quality level, declared and communicated to customers also means a higher threat that negative atmosphere at work may be transferred consciously or unconsciously by sales people onto their customers. Unfortunately, atmosphere at work as a derivative of corporate culture may either hinder realisation of quality objectives or support it (B. Deszczyński, 2007).

BASIC AND MOTIVATING REMUNERATION OF FIELD FORCE

Attitude of sales people to their work and quality of customer service is very highly influenced also by the level of remuneration and opportunity to raise it when quality of their performance is above the set standard. Determining an appropriate level of remuneration is a basic dilemma that a company has to solve when it employs a new worker. In order to make a payment policy an effective tool of human resources management (the policy which contributes to the success of the CRM strategy) it must lead to achieving such objectives as attracting proper candidates, retaining them in a company and motivating to work and development.

It can be generally claimed that too low remuneration will bring about the situation when a company will not be able to attract and/or retain people with a proper potential, even if this company offered extremely motivating atmosphere at work. It is very common that worse atmosphere is usually accompanied by lower basic remuneration and, at the same time, with a lower minimum quality of work tolerated by an employer. In some market situations such a system may be justified but not when a company aims at building long-term relations with customers. On the other hand, it may also turn out that basic remuneration is demotivatingly high, at least for some employees. By analogy, one of the conclusions of the neoclassical theory of unemployment could be quoted here. It combines the increasing level of social benefits (here basic remuneration) with decreasing activity of a beneficiary of such a transfer. Together with growing level of basic remuneration there is a decrease in probability of reaching objectives connected with motivational remuneration system at a given level of marginal self-involvement of an employee. Therefore, it seems that when determining the level of basic remuneration, a company which applies the CRM strategy should analyse the links among the following factors:

- atmosphere at work,
- diligence of employees,
- possibility of work control,
- scarceness of human resources.

Good atmosphere at work raises the attraction of a working place. Diligence of employees and effectiveness of control increase, in turn, marginal level of self-involvement. Relatively high availability of jobs creates the possibility of access to better qualifications for relatively low remuneration and quick filling of vacancies. Thus, if the atmosphere at work and diligence of workers are better, control of work higher and scarceness of human resources smaller *ceteris paribus* basic remuneration can be lower.

Determining the proper level of basic remuneration is a starting point for preparing a payment motivation scheme. At this point, great importance should be paid to setting targets whose reaching entitles an employee to receiving a reward. Those targets are usually connected with increased sales, revenue or income within a given period which for a company means a lower level of stored goods and improvement

in financial liquidity. To prevent a motivation system from becoming a tool for lowering customer service quality, the volume criteria should be accompanied by quality criteria. They will protect a company from periodical lowering of customer service quality connected with excessive transfer of attention to immediate effect of sales.

Another aspect which should be taken into consideration when setting goals in a motivation system, is the level of difficulty in achieving them. Setting too difficult goals may lead to the situation when rationally thinking employees come to the conclusion that meeting those requirements is not within their reach or a potential reward does not justify such big effort. By increasing attractiveness of a reward this border can be shifted but not ad infinitum. If, on the other hand, the probability of receiving a reward is very low, employees may be indifferent or try to cheat, for example, by working together for one employee's results and then sharing the reward unofficially.

SUMMARY

Despite its unquestionable advantages, the CRM strategy cannot be applied in every company. One of the major factors determining effectiveness in customer relation management is maturity of an organisation and the role played by its employees. While setting CRM implementations goals, it should be remembered that it is a slow process and its effects appear in the long perspective. Its benefits will be directly proportional to employees' involvement and their identification with the total vision of the CRM strategy. This, in turn, can be achieved by defining properly employees' role in the implementation process and by activities directed at raising their marginal level of self-involvement. The appropriate level of basic remuneration, supporting not only volume but also quality targets of a motivation remuneration scheme, and corporate culture, supporting development relationships with customers, constitute basic conditions for successful implementation of CRM strategy.

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GEOGRAPHIC CONCENTRATION AND INDUSTRY SHAKEOUTS

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ABSTRACT

The geographic location of an industry over the life cycle of a product is often a missing component in industry evolution literature whereas the time aspect is rarely considered in agglomeration studies. However, the different geographical regions within a country have different endowments/resources, levels of knowledge transmission, infrastructure, institutions, etc. As a result, producers make choices in terms of location of their production facilities in order to minimize their costs or alternatively earn higher profits. Consequently, increased competition (for instance, due to more entry over time) among firms will affect the profit opportunities of existing firms and may result in relocation of producers across space and time. Thus, the different regions within a country are likely to exhibit dissimilar industry dynamics.

This paper considers the geographical aspect of industry dynamics and looks at how a general increase in competition over time affects industry location. For this purpose, I create and analyze a historical dataset of firm location for five U.S. industries over the past century - automobile pneumatic tires, cathode ray tubes, DDT (Dichlorodiphenyltrichloroethane), home and farm freezers, and penicillin. These industries underwent a severe shakeout and had been highly geographically concentrated over the years. The first part of the analysis is based on the U.S. Census Bureau division of the United States into 4 distinct region - Northeast, Midwest, South, and West. I determine the primary region as well as the secondary region for every industry. In the second part of the study, I make a comparison of the patterns of industry dynamics in the core of an industry, where most of the firms are located, versus its periphery. For both parts of the analysis, I divide the evolution of each industry and each region into 3 distinct stages (a period of rise in the number of firms after inception, a shakeout, and a post-shakeout period) following the algorithm developed in Klepper and Grady (1990). Then, I compare the average net entry rates in each stage, the duration of the stages, and the severity of the shakeout across regions. The data source is the Thomas' Register of American Manufacturers. I find evidence that for all but one of the products in my study the shakeout was delayed and was smaller during the first quarter of the shakeout in the periphery or in the secondary region. The findings suggest that for the products in my study (excluding automobile tires) the different regions exhibited different patterns of industry development over time.

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WHY ARE THE INTANGIBLE ASSETS SO INTERESTING FOR REVENUE AUTHORITIES ?

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ABSTRACT

This paper presents a short analysis of current trends and differences according to definitions and terminology in the field of intangible assets and intellectual capital and compares these results with the situation in certain areas of the Czech Republic. In addition, it deals with the differences in reporting of intangible assets consistent with IFRS, US GAAP and with the Czech accounting legislation. An analysis of the Czech Act on Income Tax which has changed the recognition as well as the methods of depreciation of the intangibles multiple times since its introduction concludes the paper.

KEYWORDS: Intangible asset, international accounting regulation, income tax

INTRODUCTION

Intangible assets and intellectual capital have become important within the scientific community as well as among businessmen. The movement mirrors recent developments in the business world that has become quite competitive and has appreciated intangible assets and intellectual capital on their own while using limited sources.

Field surveys (e.g. Kaufmann, Schneider, 2004) indicate four major terminology groups that are currently being used in research: The largest group uses the term “intangible assets, intangibles”. The second group uses the term “intellectual capital”. The third group modifies the terms used by previous researchers, using terms such as “intangible resources”, “intellectual property” and “immaterial values”. The last group uses no particular term; instead they use “knowledge”.

It is clear that the community has yet to reach an agreement on the actual definitions and terms in the field. For instance, Sullivan (2000, p. 228) calls intangibles as knowledge that can be converted into profit. Lev (2001, p. 5), on the other hand, claims that an intangible asset is a claim to future benefits. Intangibles also tend to be characterized by a set of attributes, categorization, etc.

The categorization process has encountered difficulties that are similar to the /non-/unified terminology discussion. The researchers have yet to come to an agreement as far as a precise description is concerned. Much of the categorization process has not reached a deeper, more practical level of description. Therefore, the actual use of intangibles within the business world has been somewhat limited.

Edvinsson's (1997, p. 370) simple classification that has influenced a number of researchers includes only two main categories: human capital and structural capital. A number of other studies use no particular classification, they usually only mention the difficulty of the classification process. A few authors (among which Sweiby) recognize three different groups or levels: knowledge or capabilities of employees, results of internal organization, external influences.

There seem to be only two quite detailed classification approaches to date: Categorization processes introduced by the American Financial Accounting Standards Board (FASB), these will be discussed later and categorization processes that have originated in the working group on “Intangible Assets in Accounting” of the Schmalenbach Society for Business based in Germany.

EVALUATION AND REPORTING OF IA AND IC

As we discussed earlier, there is a great deal of variability in terminology and classification of intangibles and intellectual capital. Similarly, there exist a number of different approaches when evaluating or reporting these intangibles. Sweiby lists four essential evaluation methods; his list has been updated a number of times since its first apparition. In addition, a few other researchers that were mentioned in the first part of the article tend to agree with Sweiby's list (Sweiby, 1997:2). However, a real consensus is lacking in the field at this point.

The main methods are: Direct Intellectual Capital methods - assume that one can recognize individual components and evaluate them accordingly, either individually or in an aggregate, Market Capitalization Methods - are based on finding a difference between a company's market capitalization evaluation and an accounting evaluation of shareholders' property, Return On Assets method - ROA uses a traditional means of financial analysis; it also compares the results that have been obtained with the average in the field. Scorecard Methods - SA represent approaches in which IA and IC are published or evaluated while using graphs or tables.

All of the above-mentioned methods have their pros and cons; therefore, it is necessary to select the most appropriate one according to one's needs. Methods allowing evaluation through monetary means are frequently used during mergers and company acquisitions. Moreover, they may be used in multiple company comparisons; this approach is then quite similar to the one that the accounting systems use when reporting and evaluating intangibles and intellectual capital.

REPORTING ON INTANGIBLE ASSETS

According to IFRS (2005) intangible asset is defined as an "identifiable non-monetary asset that has no tangible substance and that is used in manufacturing or delivering of goods and services, in renting to other subjects or in administration." The asset is being governed by an accounting unit which then expects an economic advantage in return.

An identifiable asset must meet a set of requirements: it can be divided from a company by means of selling, renting or exchanging; in addition, any future benefits related to this asset can be divided without any damage to benefits related to other assets that are used in similar manner; moreover, it may be based on a contract or a lawful right. It is not necessary that these rights can be divided or transferred. IFRS 38 recognizes an intangible asset according to the following: it is highly probable that the company will gain thanks to the asset, the means used to obtain the asset must be easily and reliably identified.

US GAAP states that a property is a likely future economic benefit that is possessed by a company or a subject. "Intangible asset is capital that lacks its physical form." (Mládek, 2005) A value of the capital depends heavily on a transaction; therefore, the economic value can only be obtained at the moment of sale. It is only then when one can include benefits and costs in books. US GAAP include seven major categories of intangibles based on: Technology, Customers, Markets, Employees, Contracts, Company organization and Status of the company.

According to IFRS, one may include intangibles in books at the moment of its first apparition. Following the default definition of capital in the US standards, one may deduce that US GAAP do not include research and development as part of the intangibles.

Reporting of intangible assets in the Czech Republic is constrained by the czech Act on Accounting (n. 563/1991) including all its amendments and by the Czech accounting standard for businesses n. 013 and The standard lists a number of items that are considered intangible: Initial business costs, Intangible

results of research and development, Software, Rights that may given a value, Goodwill, Unfinished long-term intangible assets, Advances on long-term intangible assets.

Table 1: Summary of Selected Differences in Reporting of Intangible Assets

	IFRS	US GAAP	Czech Act on Accounting
Definition	Economic source managed by a company that is to profit.	It has no physical value; a company will retain an economic advantage in the future.	No definition. It lists a number of items.
Evaluation	All costs directly linked to creation of capital and its usage.	All costs necessary to register and establish legal contracts.	All direct and indirect costs linked to manufacturing
Capitalization of costs in research and development	Allowed only for costs in development.	Forbidden.	Allowed for costs both in research and in development.
Depreciation	Not always compulsory.	Necessary to write off capital that has a certain expiration date	Following regulations expressed in the law

Source: the authors' result

In our earlier article (Krizova, 2006) was demonstrated, via comparison of model examples, that a given company will report the highest profit when using Czech reporting standards. In contrast, the lowest profit will be reported when using US GAAP standards. The reported differences may then affect the manner in which the level of company efficiency is reported, particularly when using traditional methods of share indexes of rentability. Companies striving to succeed within the European or the world markets need to report their results using methods that are concomitantly used by others.

ACT ON INCOME TAX VERSUS INTANGIBLES

There are still many questions to be answered and further research is encouraged. Recently, there have been developments in the way in which the term “intangible asset” and its reporting have been used in the czech Act on Income Tax n. 586/1992. Undoubtedly, this question may affect businesses on a daily basis and therefore merits further analysis. Consequently, the final part of the paper consists of an analysis of the part of czech Act on Income Tax, which has changed the recognition as well as the methods of depreciation of the intagibles multiple times since its introduction. In particular, the paper deals with the influence that many of these changes have had on the reporting of the intagibles in the small entereprisses.

The expenses used to acquire intangible assets may be usually used as tax expenses that decrease the amount of one's income tax. Laws regarding intangible assets in the Czech Republic have been significantly modified over the past eight years. Many companies deal with a number of issues when reporting the intagibles in their statements (books) and when using them as tax expenses.

Up until the end of the year 2000, the Act on Income Tax had defined the intagibles as „industrial property objects“, projects and software and other technical or business-related know-how. The intangibles were required to have an entry price above 60 000 CZK as well as useful life longer than one year. Additionally, the assets were to be bought or created for business purposes. Also, they could have been obtained through a shareholder acquisition, gift or inheritance. The intangibles were then written off according to par. 30, 31 and 32 of the Act on Income Tax.

Surprisingly, the intagibles were no longer included in the Act on Income Tax in 2001. It was only the accounting methods that were then used while dealing with these types of assets in 2002. The expenses used when obtaining the intagibles became tax expenses at the moment of purchase if acquired by small

entrepreneurs (simply accounting). In the financial accounting systems had to write off the intangibles starting at the amount of 60 000 CZK. They followed a depreciation plan of their choice. Therefore, companies would have different tax expenses based on assets of the same value. In companies simply accounting could apply the whole amount at once.

The Act on Income Tax did not include any specific details regarding the reporting of the intangibles or the in 2003 either. However, the accounting methods used until then changed at the beginning of 2003. They include a new listing of assets that qualify as intangibles. Among these, there were initial business costs, intangible results of research and development, software, rights that may give a value and goodwill. There were no longer limits regarding the minimum amount to be written off (earlier 60 000 CZK); that decision had to be made by the company itself.

The Act on Income Tax returned to its previous form (before the end of 2000) on January 1, 2004. The law explains exactly the ways of reporting the intangibles by financial accounting, it is possible to report following items: Initial business costs, Intangible results of research and development, Software, Rights that may give a value, Other long-term intangible assets (according to accounting act).

Previously stated conditions that pertain to the price and the useful life of the assets are valid again. The intangibles were required to have an entry price above 60 000 CZK as well as useful life longer than one year. Additionally, the assets were to be bought or created for business purposes. Also, they could have been obtained through a shareholder acquisition, gift or inheritance.

The par. 32a of Act on Income Tax states that goodwill cannot be considered intangible. Goodwill is defined as a difference between the value of the company obtained and the overall amount of the individual items included in the assets from which accounts payable are removed.

Leaseholder as well as the owner may write off the intangibles. As far as the intangibles with the time-limited right of use go, the yearly depreciation combines a part of the initial price and the usage time according to the deal. When the deal does not contain time-limited right of use, one may be writing off continuously in the following cases: 18 months for an audiovisual piece, 48 months for software (since 2004) and 36 months for software (since 2005), 60 months for initial expenses, 72 months for research and development outcome (since 2004) or 36 months in these cases since 2005, 72 months for all other intangibles.

Companies, they are obligated to financial accounting, have been required to write off new intangibles since 2004. Tax payers who included intangibles in their books prior to that moment must act according to what the law required in the year of purchase of the intangibles. Small companies (simply accounting) have easier means of reporting the intangibles. Their expenses are applied as tax expenses at the time of purchase of the intangible assets. The situation has remained the same since 2001.

SUMMARY

The purpose of the article was to present the IA/IC questions in a broader context. However, if one is interested in company evaluations or efficiency comparisons, there have to be limitations such as methods evaluating intangible assets through monetary means reported in the financial statements. Even then, there are still many questions to be answered and further research is encouraged. Recently, there have been developments in the way in which the term intangible asset and its reporting have been used in the Czech Act on Income Tax. Undoubtedly, this question may affect businesses on a daily basis and therefore merits further analysis.

International Accounting Standards Boards that issues IFRS and FASB responsible for the US GAAP signed the Memorandum of Understanding in February 2006. The document contains a number of steps leading to creation of compatible quality accounting standards. The intangible assets issues were not included in the above-mentioned document; however, the research is still being undertaken in the area.

Today, IFRS and specific national modifications also deal with the question of compatibility of the standards within the EU. This question should be resolved by the Common Consolidated Corporate Tax Base project that is to be finished by 2011. The EU aims at creating a unified approach as far as establishing one's income tax is concerned; the individual member countries would be in charge of establishing the rate then. This paper demonstrates the differences between the reporting of the intangibles in the Czech Republic and the reporting according to the international accounting system. Development within the Czech law-making regarding the intangibles is also analysed. By all means, the analysis is not exhaustive, but main differences one encounters when reporting the intangibles have been presented here.

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A MODEL OF THE RELATIONSHIP BETWEEN LEADERSHIP STYLES, INNOVATIVE CULTURE AND KNOWLEDGE-BASED CUSTOMER RELATIONSHIP MANAGEMENT IMPLEMENTATION

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ABSTRACT

This study examined how transformational and transactional leadership styles affect innovative culture and knowledge-based customer relationship management implementation in the Taiwanese hotel industry. A model of these relationships was created based on earlier research and used Bass and Avolio's Multi-Factor Leadership Questionnaire, a 12-item scale for assessing innovative culture along with questions to assess a multi-dimensional construct for CRM. The model was tested and modified using structural equation modeling. The results generally support a positive relationship between transformational leadership styles, innovative culture and the implementation of CRM while rejecting transactional styles. Suggestions for future research are also included.

INTRODUCTION

According to the administration blueprint of Taiwan's government, "Challenge 2008: The important plan for country development," Taiwan will be developed as an "Island of Tourism". One of the country's development plans is to increase the number of tourists visiting Taiwan. This plan has had a major growth impact on the hotel industry. According to data from the Tourism Bureau (Tourism Bureau Website, <http://admin.taiwan.net.tw/indexc.asp>, May, 2008), the hotel industry will experience an increase of more than 13,000 hotel rooms, and total investment in this industry will exceed \$3 billion within next three years. This can cause difficulties for hotel managers as they attempt to differentiate an individual hotel from its competitors (Reid & Sandler, 1992). However, innovation may enhance service differentiation and produce financial gains. Buckler (1997) suggested that innovation is an environment, a culture – almost a spiritual force – that exists in a company and drives value creation. Leaders can create a shared culture that favors innovative value, generating an organizational mental model that protects the organization against new challenges (McGill, Slocum & Lei, 1992). Managers will need to make proactive changes which focus even more intensely on customer preferences, quality, and technological interfaces in order to stay competitive in such a dynamic environment (Karmarkar, 2004).

Customer Relationship Management (CRM) has been widely regarded as a company activity related to developing and retaining customers through increased satisfaction and loyalty. Parvatiyar and Sheth (2001, p. 5) defined CRM as "a comprehensive strategy and process of acquiring, retaining, and partnering with selective customers to create superior value for the company and the customer." Although the importance of customer knowledge management has been addressed by several researchers (e.g. Davenport & Prusak, 1998; Davenport, 1998; Bulter, 2000; Davenport, Harris & Kohli, 2001; Gareia-Murillo & Annabi, 2002; Gibbert, Leibold & Probst, 2002), still there is a lack of knowledge management research in both the hospitality and tourism industries (e.g. Ruhanen & Cooper, 2004; Xiao & Smith, 2007). Thus, in this study the integration of knowledge management and customer relationship management is addressed and is defined as knowledge-based customer relationship management implementation. Given the preceding arguments, it is worthwhile to develop a model of the relationships

between managers' leadership styles, a culture of innovation, and knowledge-based customer relationship management implementation. Therefore, the purpose of this study is to propose and examine such a model.

HYPOTHESES

These arguments lead to the following hypotheses:

- H1: Leaders' transformational leadership style is positively correlated with organizational innovation.
- H2: Leaders' transactional leadership style is positively correlated with organizational innovation.
- H3: An organizational innovative culture will be positively related to the implementation of knowledge-based customer relationship management.

DISCUSSION AND CONCLUSIONS

A model of the relationships between leadership styles, innovative culture, and knowledge-based customer relationship management implementation has been proposed for hotel organizations to enhance the quality of customer relationships. In this study, hotel organizations have showed a growing concern for building and maintaining relationships with customers by creating an innovative culture and implementing knowledge-based customer relationship management. Additionally, these hotels have recognized the importance of constructing a knowledge-based CRM organization. Based on the concept of the service profit chain (Heskett et al, 1997), the internal relationships in the organization will affect the ability to provide service value, and the consequent impact on the level of customer satisfaction and loyalty. Therefore, these hotels have also recognized the importance of building strong internal relationships.

Two types of leadership styles, transformational and transactional, were adopted as the independent factors of the relationship model. Respondents recognized both transformational and transactional leadership styles in their managers. According to the results of the path analysis, transformational leadership styles positively correlate with innovative culture, and the consequent impact on the implementation of knowledge-based customer relationship management. In particular, the dimensions of knowledge-based CRM organization and key customer focus were found to be most affected by transformational leadership styles, and also innovative culture. Thus, in this case, to effectively lead, managers should be aware of and concerned with (1) acting as role models for their followers; (2) inspiring and motivating their subordinates by providing meaning and challenge to their followers' work; (3) promoting intelligence, rationality, and careful problem solving; (4) giving personal attention, treating each employee individually, and coaching and advising each employee (Yammarino, Spangler, & Bass, 1993; Bass & Avolio, 1994; Bass, 1998). Additionally, managers demonstrating transformational leadership will benefit their organizations by building customer centric marketing, identifying key customer lifetime value, treating customers individually, and creating interactive co-creation marketing. Furthermore, hotels should pay attention to creating an innovative culture as this is a primary element of "core competences" (Prahalad & Hamel, 1990). Indeed, such innovative organizations continuously develop leading edge positions based on their technology breakthroughs and not only satisfy current needs but also create new needs of customers (O'Cass & Ngo, 2007). Finally, hotels hoping to create an innovative culture should avoid transactional leadership styles in their leaders.

One weak area of the results regards the dimension of technology-based CRM. In the sample hotels not all employees have the opportunity to operate the computer system. Management employees operate the computer system most frequently, and in this case a low response rate was received from managers. The

knowledge sharing dimension also produced a weak result, but managers in hotel organizations should still appreciate the benefits of external organization knowledge sharing with other strategic alliance organizations.

For future research, the same relationship model could be studied in Mainland China to explore the perception of leadership styles, innovative culture, and knowledge-based CRM implementation in five star hotels. Because the Taiwanese government has created a policy to attract tourists from Mainland China, this sort of future study offers an important issue on which to focus.

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AN ASSESSMENT TOOL TO MEASURE POST GRADUATION COMPETANCIES AND SKILLS NECESSARY FOR BUSINESS COLLEGE GRADUATES TO BE SUCCESSFUL IN THE WORKPLACE

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ABSTRACT

This paper addresses the following research questions about developing an assessment tool for business college graduates:

- 1. What surveys exist to identify the skills that alumni and employers think are important for workplace success?*
- 2. How can a valid and reliable survey be developed that identifies the knowledge, skills, and competencies needed for a successful business career?*
- 3. What knowledge, skills, and competencies are considered most valuable for successful performance in the workforce by employers and target college business graduates?*

Questionnaires from four AACSB accredited Schools of Business were reviewed. Questions were adapted from the surveys reviewed based on a target school's curriculum. A focus group of faculty from the target school reviewed and edited the final survey. This paper discusses how to compile an assessment instrument for alumni and employers' feedback to modify the curriculum so that future graduates will be positioned with the most relevant knowledge, skills, and competencies for the workplace.

INTRODUCTION

The literature indicates that the accountability movement in higher education, the incorporation of total quality management (TQM) in student assessment, and the incorporation of feedback from business leaders are important factors for faculty to consider when revising curricula. With the formation of the Secretary of Education's Commission on the Future of Higher Education, a national effort is being organized to have higher education institutions held accountable on the preparation of college students for jobs that meet the economic and workforce needs of the country's future (U. S. Department of Education, 2005). The Commission on the Future of Higher Education is renewing pressure placed on colleges and universities to be accountable for their student outcomes. The 2006 report, Commission on the Future of Higher Education, questions the results that are obtained from accreditation bodies and higher education institutions.

In national reports, government leaders, business community members, and higher education leaders encourage college faculty, when revising curricula, to focus on the skills and competencies graduates should have in order to have success in the workplace. Involvement of alumni and employers in identifying skills and competencies that are necessary for graduates' success in the workplace are factors that the AACSB accreditation team members deem as essential components for the assurance of learning standards and the accreditation process.

Curriculum revision using stakeholder input is proposed by Settoon and Wyld (2004) who state that department curriculum committees, composed of department faculty, should review issues regarding course content, prerequisites, and sequencing. In addition, the faculty should evaluate curricula based on the input from students, businesses, and other constituents. Using these inputs, changes are then proposed

when warranted. Stiehl and Lewchuk (2002) stated that as one of the first steps in curricula design, faculty should know what their students need to be able to do in the workplace. After evaluating data received from surveying external stakeholders, faculty can make informed decisions about particular skills and competencies that are the most important for their undergraduates and for employers of their graduates. Once the skills are identified the faculty should design curricula that incorporate those skills. From external stakeholder feedback, faculty can develop a curriculum structured around management, marketing, and finance clusters in which the teaching of academic skills is embedded in the business courses (Yopp, 2003).

In addition to assisting with curricula revision, faculty, working in partnership with employers and receiving feedback from alumni, can work with the external stakeholders to define the learning outcomes for students; they can define what professional knowledge, skills, and attitudes the educated business graduate should have at the completion of the undergraduate business program (Jones, 2002; Gumport, 2001). At the completion of academic work, student outcomes can be assessed. This learning-centered outcomes-based curriculum is linked to needs in workplace and allows the college to conduct alumni assessment of the skills attained and applied. The use of alumni studies can be attributed to internal and external demands for assessment and accountability (Dellow & Romano, 2002).

This paper will discuss how to compile an assessment instrument for alumni and employers' feedback to modify curriculum so that future graduates will be positioned with the most relevant knowledge, skills, and competencies for the workplace.

EXISTING EVALUATION TECHNIQUES

Assurances of learning standards from the AACSB were created to address the concern that graduates were not prepared adequately for integrating their academic knowledge and skills with their job responsibilities (Roberson, Carnes, & Vice, 2002). Assessment of student outcomes and documentation of the assessments are mandated within the accreditation procedures of AACSB. Alumni surveys and employer surveys are used by the AACSB accredited schools of business at Auburn University, University of Wisconsin-Milwaukee, Fairleigh Dickenson University, and Western Carolina University (to solicit feedback from respondents on the importance of knowledge, skills, and abilities that were needed for employment in the occupational fields).

KNOWLEDGE, SKILLS, AND COMPETENCIES NEEDED BY BUSINESS GRADUATES

Colleges and universities have many stakeholders including students, faculty, parents, employers, public officials, and community leaders, as well as a general public that has come to see higher education as both a commodity and a public good. What these stakeholders have in common is a need to know if the faculty teaching at colleges is preparing today's students for tomorrow's jobs (Gumport, 2001). As indicated in the reports, external stakeholders to higher education believe that college faculty are failing to impart the kinds of skills that are needed in the workplace—a workplace influenced by rapid technological advances, the establishment of global business networks, and businesses changing organizational structures, and human resources policies.

Increasingly employers are searching for employees who have strong abilities in problem solving, teamwork, oral and written communications, leadership, learning, managing others, handling customer relations, and system thinking (Zekeri, 2004; Peterson, 2004; Jones, 2002). Business programs that revise their curricula based on market needs will have more graduates who are desirable for hiring (McColgan, 2003).

Most employees enter positions with adequate technical skills; it is the general skills in communications and problem solving that count toward successful job performance that are often missing (Peterson, 2004; Business-Higher Education Forum, 1997). Recommendations from the reports urge faculty to make revisions to the curricula that would make significant differences in student learning with respect to skills necessary in the workplace (Jones, 2002).

DEVELOPING A VALID AND RELIABLE SURVEY FOR OUTCOMES ASSESSMENT

In evaluation research there is formative and summative evaluation. In instructional design, formative evaluation is one method that can be used to improve curriculum content through receiving feedback from stakeholders and experts; based on this feedback, the curricula can be improved by identification and remediation of the problem areas which have been identified.

As part of the evaluation methodology that was used to develop the instrument, a formative committee was assembled to identify the business skills and competencies that are important to students' success in the workplace and should be in the business curricula. The formative committee consisted of two tenured faculty members, the assistant provost for academic affairs, and the director of career services at the target college. The faculty included a professor of business studies who is chair of the business division's assessment committee and an associate professor of business studies who served as the former coordinator of the management track. The tenured professors on the formative committee are senior faculty who teach classes in the required academic core for general business courses and in hospitality and tourism. In addition the faculty participated in drafting and commenting on the AACSB and MSCHE documents for the pursuit of accreditation at the target college. The formative committee members knew the skills and competencies being taught in the business curricula. In addition, the committee members examined sample survey questions about graduates' skills and competencies that are needed in the workplace from four AACSB accredited schools of business. These universities were Auburn University, University of Wisconsin, Fairleigh Dickenson University, and Western Carolina University. From their knowledge and reference to the sample questions on skills and competencies, the committee members made recommendations about questions that should be included on the selected college's survey for alumni and for employers.

The skills judged to be important are listed in Table 1. Respondents were asked what specific writing tasks they are expected to complete such as e-mail, memos, letters, proposals, documentations, training guides, product specifications, and research reports. They were also asked what specific quantitative skills are required at work such as algebra, geometry, statistics, probability, queuing/simulation, project management, forecasting, financial accounting, budgeting, cost analysis, rates of return, discounted cash flow analysis, and total quality management. Respondents indicated whether they use any of the following programs word processing, e-mail, database, spreadsheet, presentation, multimedia, desktop publishing, World Wide Web, statistical analysis software, programming or computer based training. Table 1 lists the skills that the compiled as being necessary for success in the workplace. Participants were asked to rate these skills as very important, important, limited importance, not important, or not applicable.

Demographic questions are asked to compile information about the respondent's sector of employment, area of employment, size of organization, and year of graduation. Open ended questions were asked to solicit skills alumni considered most important.

EXPECTED OUTCOMES

It is expected that the data will show that alumni will do the following tasks most often in their job duties: writing emails, business letters, and memos; budgeting, financial accounting, project management, and

statistics; using the computer for email, spreadsheets, conducting research on the World Wide Web, and managing databases. The skills they will identify as being important are: demonstrating effective communication skills (oral and written); use of computer tools, knowing software and applications; applying legal and ethical principles; functioning as a team member; thinking critically; and managing time efficiently.

Table 1: Most Relevant Knowledge, Skills, and Competencies for the Workplace Listed in Alumni Survey

Written Communication Skills	Understanding the Influence of Political, Social Issues on Business Decisions	Interpersonal Skills
Speaking/Oral Communication	Understanding Market Trends in the Industry and the Company's Position in the Market	Adapting to Change and Being Flexible
Respecting and Valuing Diversity/ Multicultural Issues	Computer Skills/Information Technology	Basic Knowledge of Global Issues/International Perspectives
Ethical Understanding	Quantitative Reasoning: Ability to use mathematics or statistics	Basic Knowledge of Accounting Principles
Locating, Organizing, Evaluating Relevant Information: Know where to locate information and how to evaluate information for relevance	Working Independently	Basic Knowledge of Economic Principles
Thinking Critically/Analytically: Evaluating and analyzing information; integrate information from sources	Teamwork Skills	Basic Knowledge of Marketing Principles
Knowing Basics of Financial Theories and Analysis	Leadership/ Motivation Skills	Basic Knowledge of Management Principles
Understanding Law/ Regulations on Business Decisions	Thinking Creatively to Solve Problems	

This table lists the knowledge, skills, and competencies as determined by the committee that were used for the instrument for the target school. The alumni will rate their importance.

CONCLUSION

In order to incorporate these skills needed for the workplace, faculties must change their philosophy of developing curricula and include input from any external stakeholders. Stakeholder participation is essential as business schools undergo curriculum reform (Peterson, 2004; Gumport, 2001; Jones, 2001; Stasz, 2001). By obtaining input from stakeholders faculties can determine how to best meet the needs of the graduates and the stakeholders. It is important to understand what graduates need to know when they enter the workforce, and what skills will be valued and serve them well in their careers. As stated by Cooper and Cliatt (2000), members of the business community are the ultimate customers of business education and therefore, faculty of business programs must provide product satisfaction and delivery through customer satisfaction to their consumers.

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AN ANALYSIS OF MALAYSIAN SALES MANAGERS' PERCEIVED PERFORMANCE IMPROVEMENT AS A RESULTS OF ATTENDING SALES TRAINING PROGRAM

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ABSTRACT

This study measures the most recent perceptions of the effect of managerial sales training on sales managers' performance in across various industries in Malaysia. The study sample was generated from Kuala Lumpur Stock Exchange Location of Registered Share (2008). 250 firms were contacted via personal interview in the business district area of Kuala Lumpur and Selangor Malaysia, from May to August 2008. The study scale was developed, pre-tested, and borrowed from Behrman and Perrault (1982). The response rate received from the 105 responding firms yield to 42 percent. Three research questions (RQs) were proposed and data was analyzed using exploratory factor analysis, descriptive statistics, and One-Way ANOVA techniques. The statistical test of the first research question (RQ1) revealed five specific measures of perceived sales managers' improved performance i.e. 1) Company information and policies, 2) Sales presentation and communication skills, 3) Sales target and objectives, 4) Product information and technical skills, and 5) Customer relation skills, as a result of attending managerial sales training. Managerial implications were discussed based on the statistical findings of all three research questions (RQ1, RQ2 and RQ3) proposed in this study.

INTRODUCTION

Organizations invest significant time, money, and effort developing, conducting, and assessing sales training program. In 2000, \$56.8 billion were invested in training (Galvin 2001). The purpose and objectives of attending sales training are to: 1) Impart effective product, selling, and intercultural skills, as well as to increase reps' knowledge about parent companies (Keater 1994); 2) Build customers' information and disseminate parent companies' market orientation practices (Honeycutt, Kirande, and Jantan 2002); and 3) Help evaluate and improve both sales reps' and managers' performance measures (quantitative versus qualitative measures [Hills and Allaway 1993]).

In the past three decades, sales training literature have seen virtually very minimum empirical research relating the effectiveness of sales training program to performance measures—particularly in the global environment. Much of this is due to the lack of agreed upon performance measures within the different industries and this problem is exacerbated by the lack of uniformity in the practice of measuring sales managers' performance across global industries (Anderson and Mehta, 1997). Fifteen years after Hills and Allaway (1993)'s initial study, Attia et al. (2008) proposed a framework discussing the antecedence and consequences variables useful in measuring the performance of global sales managers as a result of attending sales training programs. Thus, this study is aimed to respond to the selected few empirical suggestions made by Attia et al. (2008)'s study.

LITERATURE REVIEW AND RESEARCH QUESTIONS

Sales Training And Sales Managers' Performance: Large numbers of practitioner studies demonstrated a possible association between the following sales organizations' activities: needs assessment, objectives setting, methods and contents, evaluation levels, with the outcome of a sales training program (i.e., success or failure of a training program) (Still 1981; Keater 1994). Similarly, many empirical studies also

have shown evidence that the aforementioned sales training activities such as: needs assessment activities (Erffmeyer, Russ and Hair 1991); inter-departmental coordination of objectives setting (Honeycutt, Ford, and Tanner 1994); selecting proper training methods and contents (Honeycutt et al.1999); and adoption of higher level of evaluation techniques (Attia and Honeycutt 2000), can favorably affect sales rep's and sales manager's (Anderson et al.1997) functional activities.

In other words, when sales training programs are implemented effectively, there is a strong tendency that sales managers can experience improvement in their performance (Honeycutt et al.1999). In addition to the research conducted in the domestic market in the US, research in the area of performance of sales training programs in the global market has also lend evidence that perceived improvement of sales managers performance are beneficial particularly in the area of market orientation (Jantan and Honeycutt 2002); customer relationship management (Erffmeyer et al. 1993); improvement in selling skills (Honeycutt et al. 1999); and improvement in sales managers time management (Jantan and Honeycutt 2002). Consequently, consistent to these previous research findings, this study aimed at answering the following research questions:

RQ 1: What is the underlying factor structure of sales managers' performance as a result of attending sales training programs as perceived by sales managers in Malaysia?

RQ2: How do the above underlying factors of perceived performance as a result of attending sales training being ranked by the sales managers who took part in the industry?

RQ3: Can the underlying factors of perceived overall performance of sales managers as a result of the attending sales training be differentiated by the following important demographics variables such as: industry type, perceived top management support, and global/local status of the firms involved in the study?

SAMPLING FRAME AND METHOD

This study focused to examine the influence of sales training program on sales managers' performance in the Malaysian environment. The prospective respondents were identified from a sampling frame provided by Malaysia's Kuala Lumpur Stock Exchange Location of Share Register (KLSELOS R) 2008. KLSELOS R (2008) provides the global and domestic status as well as the industry classification of those firms listed in the directory. Because only medium and large size firms were normally registered in KLSELOS R (2008), this directory helped ensure that the selected firms belonged to medium and large size firms. Sampling unit generated from KLSELOS R directory list were selected using systematic random sampling method.

To minimize the risk of a low response rate, firms included in the sampling list were selected from the industrial and commercial areas of Kuala Lumpur and Selangor state of Malaysia. From the KLSELOS R list, a total 1000 firms were identified in the sampling population. A systematic random sampling method was employed to select firms from this sampling list. In order to allow every firm to have an equal chance to be selected, each firm was randomly selected with an equal interval ($ith=4$), i.e., a firm was selected at every fourth interval of the sampling list yielding to a final sample number of 250 total firms being selected and contacted to participate in the study.

Firms were also contacted through phone to confirm the accurateness of the following information: 1) existence of a sales force in the location where the sales managers took part in the study 2) existence of formal sales training programs offered for the sales managers who took part in the study, and 3) address and name of the contact person whom agreed to participate in the study. This screening process was

performed for each selected firm to determine its eligibility. The person sampled for this study was the selected firms' sales managers (following Honeycutt, Karande and Jantan [2002]).

DATA COLLECTION METHOD

Survey packets were personally distributed by the researcher to the sampling list generated for the study. Each survey packet included: a) two cover letters both in English and *Bahasa Melayu* (National language of Malaysia); b) two four-page questionnaire--each one in English and *Bahasa Melayu*; and c) an empty envelope. Confidentiality of the respondents' responses and their company profiles was assured. The questionnaire was translated from English to *Bahasa Melayu* and back-translated to English to resolve any discrepancies in meaning (Brislin 1970).

The questionnaires were distributed personally by the researcher from the middle month of May 2008 to late September 2008. After a week, a follow-up telephone call was made to remind the respondents of the need to complete the questionnaire. The non-responding sales managers received an additional time to respond to the questionnaire before they were collected from them. To insure consistency across firms in the study, each sales manager was asked to evaluate the influence of *initial managerial sales training programs* on their performance, when they were first promoted to the position or when they first joined the firms as sales managers.

Questionnaire Design

As suggested by many previous researchers (e.g., Honeycutt et al 1999), the qualitative sales manager's performance measure for the firms in this study is derived by borrowing sales performance scale developed by Behrman and Perreault (1982). The scale utilizes a seven points Likert-type format that ranges from 1 (need improvement) to 7 (outstanding), and reported an overall reliability score of 0.93 coefficient alpha.

Due to the mixture of industries involved in this current study (i.e., not restricted only to industrial firms), upon the initial pretest result, only twenty of the thirty-one items were deemed fit to be used for this study. The mean score of all items was used to indicate perceived improvement in sales manager's performance as a result of them attending initial managerial sales training program upon joining the firm and/or as soon as they were promoted to the managerial position.

Research Techniques:

Exploratory Factor Analysis (Test Of RQ1): The multi-item responses derived from the twenty items *performance scale* were factor analyzed to determine its common underlying constructs. This step is performed to answer **RQ1** of this study as well as to provide an assessment of construct validity of the *performance scale* when used in Malaysian environment (Craig and Douglas 1999). According to Craig and Douglas (1999, P.335), when a scale is borrowed and adapted from a previous study, factor analysis must be used to assess the validity of the research instruments. Since the purpose of this scale is to provide common structure groupings among variables rather than testing a theory, exploratory factor analysis is deemed adequate to assess **RQ1** of this study.

Simple Mean Tabulation and One-Way Anova (Test Of RQ2 And RQ3): Using SPSS descriptive analysis technique, simple mean tabulation was used to determine the rank of importance of the perceived sales managers' perceived performance as a result of attending sales training program (**RQ 2**). One-way ANOVA was administered to determine the impact of the different demographic variables on the overall perceived sales managers' performance improvement (**RQ3**). Serious consideration was given to such covariates as: age, education levels, race, type of industries, type of respondent job ranks, gender, job

tenure, and length of experience, prior to the final analysis. When ANCOVA of sales managers' performance was analyzed with these covariates, none significantly influenced the overall main effect analysis. Thus, in answering **RQ3**, only the important demographics variables such as: perceived organizational sales focus culture, perceived top management support, and global/local status of the firms took part in this study, were included in the main effect of this study.

Sample Characteristics

250 medium and large size firms agreed to participate in the study which took place between Mid May to late September 2008. The total usable surveys collected from the eligible respondents were 105 firms giving a response rate of 42%. Using T tests (Armstrong and Overton 1977), the differences in means of the variables between the earliest and latest respondents were determined to be insignificant, which suggests that response bias is not a serious limitation of this study. Table 1 below provides the complete sample characteristics of this study.

Table 1: Sample Characteristics

SAMPLE PROFILES	SAMPLE DESCRIPTIONS
Title	Sales Managers
Gender	Male
Education Level	Bachelor Degree
Length of Employment	Between 1-10 yrs
Age	Between 35-50
Capital	> than 2.5 mill (US 1 mill)*
Firm Size	Large to very large
Ethnic	Malaysian Malay and Malaysian Chinese
Length of Experience	Between 1-10 yrs
Industry Representation:	
Industrial Goods	39 (37%)
Industrial Services	11 (11%)
Consumer Goods	32 (30%)
Consumer Services	23 (22%)
Total Sample	105 Firms

* Based on Small and Medium Industry Development Corporation (2007)'s classification

Data Analyses:

Construct Validity & Internal Consistency Measures: Table 2 presents the factor structure, Eigen values, Coefficient Alpha, and explained variance of the scales, using data obtained from sales managers from the sample firms in Malaysia. The Coefficient Alpha (internal consistencies) for each perceived sales managers' performance ranged from 0.73 to 0.88 (refer Table 2). These values exceeded the criteria set by Nunally (1978) for basic research. The scale used in Malaysia also maintained a similar overall coefficient alpha of 0.93 to the one computed for the original scale in the USA (Berhman and Perrault 1982 p.363).

EVALUATION OF RESEARCH QUESTIONS

RQ1: What is the underlying factor structure of sales managers' performance as a result of attending sales training programs as perceived by sales managers in Malaysia?

A factor analysis with varimax rotation was conducted to answer RQ1 of this study. This procedure yielded in five significant underlying performance dimensions which were discussed in this section of this study. The factor solution was extracted by a clean factor structure with eigen value greater than 1 for all five factors, and no cross loadings appeared to exist between all factors with value greater than 0.4. The

total variance explained by all five sales performance dimensions was reported to be high at 71.8 percent. Consequently, the *Perceived Sales Managers' Performance* scale used in this study satisfied both the content and construct validity criteria adopted by Craig and Douglas (1999).

Table 2 below reported five common underlying extracted sales factor structure namely a) *Performance I*: Company Information and Policies; b) *Performance II*: Sales Presentation and Communication Skills; c) *Performance III*: Sales Target and Objectives; d) *Performance IV*: Product Information and Technical Skills; and e) *Performance V*: Customer Relation Skills.

Table 2: Factor Structure of Perceived Sales Managers' Performance (PSMP) as a Result of Attending Sales Training Programs in Malaysia.

<i>Underlying Performance Dimensions</i>	I	II	III	IV	V
PSMP 9: Helped me carry out company policies	0.59480				
PSMP 10: Provided me knowledge with paperwork related to order, expenses, and other routines reports.	0.72526				
PSMP 11: Provided me input on how company operations and procedures	0.68817				
PSMP 12: Increased my productivity by submitting required reports on time	0.74336				
PSMP 13: Assisted me to operate within the budgets set by the company.	0.70385				
PSMP 16: Helped me understand customers' unique problems and concerns		0.67619			
PSMP 17: Mastering the skills of establishing contact (networking)		0.79769			
PSMP 18: Improved my performance by practicing the skill of communication		0.79927			
PSMP 19: Helped me improve my performance by making effective use of audiovisuals		0.59941			
PSMP 20: Helped me to be equipped with the solutions to customers' questions.		0.61675			
PSMP 1: Help me to produce a high market share for my firm in my territory.			0.82011		
PSMP 2: Helped me to generate a high level of dollar sales.			0.84944		
PSMP 3: Helped me to generate sales of new company products.			0.81276		
PSMP 5: Helped me to know the applications and functions of company products.				0.82466	
PSMP 6: Facilitated my knowledge as special resource to the other departments.				0.76433	
PSMP 7: Keep me abreast with the company's production and technological developments				0.58544	
PSMP 8: Helped me keep abreast with company technological development.				0.51069	
PSMP 4: Helped me to produce sales with long-term profitability					0.56466
PSMP 14: Helped me control cost by reducing travel spending and lodging money					0.73831
PSMP 15: Improved my performance by helping me practice good listening skills					0.72970
Percentage of Variance	44%	9.2%	6.8%	6.1%	5.7%
Coefficient Alpha	0.88	0.87	0.85	0.76	0.73
KMO Measure= 0.86929					
Bartlett Test P Value=0.0000					

Table 2 reported a Bartlett Test of Sphericity of 1317.18 which is significant at the P-value < 0.000. This test demonstrated that sales managers participating in the study confirmed that they have experienced significant improvement in accomplishing tasks involved in *Performance I* (Company information and policies) such as: 1) Carrying out their firms policies and procedures effectively; 2) Providing their firms with accurate and complete paperwork; 3) Providing them with input on how to improve company

operations; 4) Increasing their productivity by having knowledge to submit their required report on time; and 5) Assisting them to operate within the company budget.

Table 2 also confirmed that sales managers involved in the study reported that they experienced significant improvement in accomplishing tasks involved in *Performance II* (Sales presentation and communication skills) such as: 1) Understanding customers unique problem; 2) Mastering the networking skills; 3) Communicating sales presentation clearly; 4) Making effective use of audio visuals; and 5) Reducing supervision time .

Table 2 subsequently reported significant sales managers' performance improvement in the area of Performance III (Sales target and objectives) such as 1) Generating high market share for the company; 2) Generating high level of sales dollars and 2) Generating sales for firms' new products, as a result of attending sales training program

Next, Table 2 reported the significant improvement of sales managers' performance in **Performance IV** (Product information and technical skills) namely in the area of 1) Knowing the applications functions of their company products; 2) Becoming resource to other departments; 3) Keeping abreast with the firms production and technological development and 4) Providing information as to how to carry out firms policies, procedures, and programs.

Lastly, Table 2 reported that firms' sales managers did experience greater improvement in accomplishing tasks involved in *Performance V* (Customer Relations Skills) in the area related to 1) Producing sales with long term profitability; 2) Reducing travel spending; and 3) Listening attentively to customers and understanding their real concerns. Thus, it is clear that from the data gathered in this study, Malaysian sales managers did perceive significant improvement in all five areas of their performance as a result of attending sales training programs offered by their firms.

RQ2: How do the above underlying factors of perceived improved performance as a result of attending sales training being ranked by the sales managers who participated in the industry?

To evaluate RQ2 a simple composite mean tabulation was performed to the data using SPSS 15. The data was separated between each individual performance measure and each performance dimension's composite mean score was calculated. Then the mean of each dimension was arranged in the order from the highest mean rank (7) to the lowest mean rank (1). These rankings will determine the rank order of the perceived importance improvement of each performance measure experienced by the Malaysian sales managers as a result of attending their sales training programs (Table 3).

Table 3 showed evidence that two of the five "improvement in sales managers performance" dimensions perceived to be "very important" and instrumental to the performance improvement of sales managers who took part in this survey. This simple finding lends support that when attending their sales training programs these managers would have experienced very high improvement in the area of *Performance II* (Sales presentation and communication skills) and followed by *Performance V* (Customer relations skills). Table 3 also clearly demonstrated that *Performance III* (Reaching sales target and objectives) was ranked as the third important performance improvement experienced by sales managers who took part in the study. Lastly, *Performance I* (Company information and policies) and *Performance IV* (Product information and technical skills) were being ranked as the fourth and fifth respectively as the important contributor to sales managers' improved performance as a result of attending sales training programs.

Table 3: Findings of the “Perceived Importance of Performance Improvement as a Result of Attending Sales Training Program” as Ranked by Malaysian Sales Managers

Performance Measures	<u>MEAN SCORES</u>		<u>MEAN RANKING</u>	
	Sales Managers' Composite Mean Score	Mean Strength	Rank of Importance of the Mean	Sample N
PERF I	4.5623	Important	4	105
PERF II	5.9634	Very Important	1	105
PERF III	4.7882	Important	3	105
PERF IV	4.4904	Somewhat Important	5	105
PERF V	5.1233	Very Important	2	105

Less than 2.00 -- Very Unimportant *4.00-4.49 -- Somewhat Important*
Between 2.00 – 2.99 –Unimportant *4.50-4.99 -- Important*
Between 3.00-3.49— Somewhat Unimportant *5.00 – 5.99 – Very Important*
3.50– 3.99-- Neither *6.00 and Above – Most Important*

RQ3: Can the underlying factors of perceived overall performance of sales managers as a result of the attending sales training be differentiated by the following important demographics variables such as: a) Sales focused culture firms, b) Perceived high/low budget support, and c) Global/local status of the firms involved in the study?

To evaluate **RQ 3**, the data is coded and separated into three different important demographics classifications as 1) Sales culture Versus Non-sales culture focused firms, 2) High Versus Low budget support, and 3) Global Versus Domestic status. Using One-way ANOVA technique, the statistical F test determines if these classifications will have any significant different on the perceived overall performance of the sales managers' performance as a result of attending sales training offered by their firms. Table 4 reported the findings for the research issue raised in **RQ3**.

Table 4: Results of One Way ANOVA Tests.

<u>One Way ANOVA Tests</u>					
Between Subjects Effects	Group Types	<u>Mean Scores</u>		F-Value	P-Value
		High Mean Composite	Low Mean Composite		
Perceived Improvement in the overall Performance	RQ3a: (Hi Sales Culture VS Low Sales Culture)	98.464	86.5918	14.245 *	0.000
Perceived Improvement in the overall Performance	RQ3b: (Hi Budget Versus Low Budget Support)	76.50	68.322	7.9663 *	0.005
Perceived Improvement in the overall Performance	RQ3c: (Global VS Domestic Firms Status)	101.45	86.27	25.203*	0.000

* Significant at $p < 0.0000$

The One Way ANOVA tests (Table 4) revealed that all three demographic classifications have statistically significant influenced on the way the sales managers perceived the overall improvements in their performance as a result of attending sales training programs. Sales managers working in Malaysian

companies with higher sales culture focus reported a significantly higher perception toward the improvement in their overall perceived performance than those who belonged to firms practicing lower sales culture ($F=7.9663$ $p = 0.00$). This finding complemented prior descriptive research, where researchers reported that in a high sales culture environment, top management tend to implement a more robust sales training program to ensure the success of the sales focused culture (Still 1981; Hill and Allaway 1993; Keater 1994). Thus, it is quite possible that within a high sales culture sales training based, participants would tend to experience higher improvement in their performance compared to the low sales culture training environment. The data of this study seems to support this premise.

Similarly, sales managers working in Malaysian firms with a high sales training budget provision reported to have experienced significantly higher perception toward the improvement of their performance after attending their sales training ($F=7.9663$ $p = 0.00$) than the firms with low budget provision. This finding is consistent with Anderson et al. (1997), where they found higher training budget helped determine higher levels of participants' satisfaction toward training facilities and methods sophistication. This in turn will improve the training participants' perceived performance improvement after attending the training session. Again, the data of this study seems to agree with the premise that high budget sales training is effective at improving sales managers' performance.

Finally, sales managers working in Malaysian firms who belonged to the global industry classification has reported a significantly higher perception toward the improvement in their overall perceived performance than those who work with local firms/industry environment in Malaysia. This finding complemented prior empirical research, where many past researchers reported that global firms placed very high emphasis and focus to the success of their sales training programs more so than their domestic counterpart. This finding is consistent with the findings of global sales managers improved performance in Saudi Arabia (Erffmeyer et al. 1993) and China and Slovakia (Honeycutt et al. 1999). Thus, the data from this study Malaysian study seems to support similar trend.

MANAGERIAL IMPLICATIONS AND CONCLUSION

The fact that the evaluation of all research questions from this study have received favorable outcomes and consistent with prior research, gave clear evidence that managerial sales training is an important contributing factor in improving sales managers' performance in Malaysia. This result supports the salesperson's performance model as proposed by Churchill, Ford and Walker (1987 p.298). The model posits that organizational environment (which includes firm's commitment to sales training, sales versus non sales culture focused, global versus domestic among others), will have significant influence on salesperson's performance improvement. Thus, the finding from this study supports Churchill et al.'s (1987) model.

Data from this study also revealed that as a result of attending training, Malaysian sales managers perceived improvement occurred in the area of *Performance I* (Company information and policies), *Performance II* (Sales presentation and communication skills), *Performance III* (Sales target and objectives), *Performance IV* (Product information and technical skills), and *Performance V* (Customer Relations Skills). This finding gives credence to the importance role played by managerial sales training in the growth of wide arrays of sales managers' performance (**RQ1**).

Based on the rank of importance of performance improvement of Malaysian sales managers who took part in the study, data revealed that those managers ranked the perceived improvement in their performance in the following order: *Performance II* (Sales presentation and communication skills) as the highest rank of importance, followed by *Performance V* (Customer relations skills) as the second importance, *Performance III* (Reaching sales target and objectives) as the third rank of importance, *Performance I* (Company information and policies) as the fourth rank of importance, and *Performance IV*

(Product information and technical skills) as the fifth rank of importance. This finding revealed that sales presentation, communication skills, and customer relations skills, are among the terminal skills which can be effectively disseminated during managerial sales training programs in Malaysia. Thus, more training topics to support this finding must be further designed and developed by corporations in Malaysia (**RQ2**).

Finally, data from the study also revealed that Malaysian sales managers who took part in the study perceived increment improvement in their overall performance especially among those who belonged to the high-sales culture-, high budget-, and global- firms environment. This finding is very consistent to prior research which confirms that the more organized firms in aligning their sales training resources and commitment, the better equipped their training facilities and sales trainers in improving the much needed skills of the sales managers who attended the training session. Thus, in order to reap the benefit offered by this finding, Malaysian firms are advised to place more emphasis in developing more systematic sales training facilities and consider providing strong infrastructure of their sales training program as part of the essential development of sales culture commitment. Finally, domestic corporations in Malaysia should learn and observed how their global counterpart managed and organized their sales training efforts (**RQ3**).

In conclusion, firms in Malaysia must realize the important role played by sales training towards the improvement of wide arrays of their sales managers' performance. Knowing this, Malaysian corporations must create more training topics related to communication and customer relations skills as these skills have been ranked as the most important performance improvement skills experienced by the sales managers in that country. And lastly, this most current data revealed that Malaysian corporations should include the design of their sales training as one major component of their overall marketing plan. This is to reflect higher level of commitment towards the healthy growth of the sales culture within the overall corporate strategy.

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BIOGRAPHY

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BEING ETHIC IN A CRISIS TIME

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ABSTRACT

Nowadays we may observe that all the economies are passing through financial and economic crisis. Therefore, we wonder what means being ethic. Can we find any connection between accounting ethics and the actual crisis? Can the economic and financial crisis determine new fundamentals and principles? What are the consequences of the crisis on accounting professionals? This may determine a financial reports crisis. As a conclusion, we try to achieve an interconnection among the financial reports crisis, the professional accountant and the financial accounting policy of the Romanian companies. It is expected the accounting professional to find personalized solutions to become a person who has the right to find and to reflect on the accounting approach of each transaction, to thoroughly analyze the processes and phenomena, which will be found in the financial reports. Without advances knowledge, based on the International Accounting and Financial Reporting Standards an accounting professional cannot cope with the actual demands of the economy.

INTRODUCTION

How can move from high economic growth in the crisis? Here is a question that sits on many lips. In European Union recession is spreading, not to mention the U.S., where the financial crisis is feeling more acute. Anyone who has watched the evening news or read the press in the last few weeks is aware of this fact, and it affects everyone.

Lately can be seen economic crisis shown on the world market in Romania. So both, macroeconomic and the microeconomic level can feel the economic crisis effects. Global economic crisis is rising every day, and Romania starts to feel more and more the economic recession, to which the great economists of the world fail to find the antidote. We can see, on one hand, the companies that contracted loans for development and for other needs will wake up with inability to pay back these loans, concomitantly with the impossibility of payment of suppliers, especially for those who have to pay in foreign currency.

On the other hand, as world stock exchanges fall, and the Bucharest Stock Exchange lost in a few days over 2 billion euro, the companies can not stake them as sources of financing, so that another way of covering financial needs is totally blocked. Because of these, economic crisis is expected that applications for credit of companies to the banks to decline, it shape the complete picture of a financial crisis, which will throw many Romanian companies in bankrupt

The main effect felt by employees is the closed gates of biggest manufacturing companies. If until now is faced Romania with a shortage of labor force now, in some areas, unemployment threatens whole communities. This week began with another negative ad from Dacia, which reacted to a market with reductions of up to 30%. The car manufacturer announced that he would extend inactivity period for another 18 days between Nov. 20 and Dec. 7, after “repose” of another four days between Oct. 30-31, and respectively Nov. 13-14. Oltechim will reduce his activity by 20% in November and will discharge 500 employees, while the Russians ALRO Slatina will decrease production next year by 25%. The management of aluminum producer ALRO Slatina has taken a similar measure. Swiss group with Russian shareholder Vimetco could fall next year ALRO production by 25%, measure that will lead to a “substantial reduction of employees number in Romania”, shown in a communiqué of the company. Will be reduced the production up to 65.000 tones, as the total capacity of combine is 260.000 tones per year.

After Nestle, another giant of sweets, Kraft Foods, close unit in Romania and moved its business in Bulgaria (Urban, 2008).

Bankruptcies will leave many people without a job in Romania. Therefore you can not think that, if at the end of 2007 we complains that we do not find sufficient labor force in Romania, it is possible that at the end of 2008, much sooner than we anticipate, on economic crisis fund, to find a rise level of unemployment in our country (Moldoveanu, 2008).

How is born and how made financial crisis? What is its running mechanism? What is the specificity contemporary crisis, and which is the difference of past crises? Crisis - is always and above all a mistake - a collective mistake. However, where was permitted the mistake, which launched this financial crisis?

The main cause is thinking short term, combined with the lack of accounting in the financial institutions but also between management and shareholders. Therefore, we wonder if Romanian leaders will find the necessary resources to remove the country from one of the greatest economic crisis in 2008, which is an election year. Let us hope so, because otherwise, the first hit and all affected will be small traders, who do not have the financial power of large corporations, and perhaps, indirectly, through economic slump in the world is actually pursuing only the establishment of total supremacy of large corporations worldwide.

HOW INFLUENCES THE ECONOMIC AND FINANCIAL CRISIS THE ETHIC OF THE ACCOUNTING PROFESSIONAL IN ROMANIA?

The world faces with a major transformation in the international business environment. Taking into consideration the essential transformations caused by global economic crisis on all sectors of activity we wonder how it is influenced the ethics of professional accounting? Which are the ethical issues facing accounting in an economy in full recession? Can we determine personalized solutions determined by the Romanian economic reality?

Modern professional accountant evolve at the same time as the development of legislation, business environment and new management techniques. It has become a very good analyst of business, a true adviser to the management team. Professional accountant should have thorough financial training to allow analysis and interpretation of financial position, evaluate and interpret financial performance, follow and understanding the flow of Treasury (cash-flow), diagnosis and identification of economic risk (of operation), financial and insolvency through the most appropriate indicators in this respect. In Romania, the professional body, which regulates the ethics issues on accounting profession, is the Body of Chartered Accountant and Authorized Accountants of Romania (CECCAR). It has the power in drafting and publication of the rules of professional activity and ethic conduct of expert's accountants and approved accountants, professional guidelines in financial-accounting field.

National Ethic Code of Professional Accountants in Romania, approved by Decree no. 50/2002 of the National Conference revised, reclassified and renamed, is trying to be in accordance with International Ethic Code of Professional Accountants – because of statutory obligations arising for CECCAR in his capacity as a member of IFAC (International Federation of Accountants).

In order to fulfill the objectives of accounting profession, Romanian professional accountants must meet a number of preliminary conditions or basic principles such as integrity, objectivity, professional skills and goodwill, confidentiality, professional behavior, technical and professional standards (IFAC, 2006).

Are not intended to be used the basic objectives and principles to solve the ethical problems of professional accountants in a well-determined case. However, the Code provides specific guidelines

regarding the implementation in practice of fundamental principles and objectives on the number of typical situations that meet in the accounting profession.

To enhance credibility, Romanian accountant should become an international accountant, to not only master the business language, but also especially the principles and terms of international accountancy. Investor confidence is founded on the fact that must have reliable financial information and which may be based when taking decisions regarding the allocation of capital (Khawaja, 2001). To achieve this trust, in reporting to investors, professional accountant should take into consideration the need for a full, timely and accurate financial results and of other information that are significant for investors decisions.

Taking into account the Romanian economic reality, we can easily see that the economy mechanisms present a great rigidity in the concepts and principles of ethical accounting implementation. For us, the most acute problem would be applying international standards and European regulations as they are, but obviously with the minimum necessary adjustments arising from the legislative progress and rules. In a next step will be to develop our own standards and norms, proper needs specification and the Romanian economy. Development of national standards starting from the principles contained in international code of ethics appears to be the most interesting way, but it is not easy (Drăgan, 2007). Applying these solutions entails a very good knowledge of the code of ethics and an international legislative activity prior to preparing the necessary opening scope and unimpeded manifestation of these principles. National standards and principles prepared must ensure full convergence with those applied worldwide. This way of access to the AICPA - code of professional conduct - provides a better match between principles and rules can satisfy better the relationship that should exist between the professional accountant and accounting staff and may include some rules of ethics in nowadays economy.

So, can we talk about ethics in the conditions in which world exchanges are ruin, toughen the conditions of financing and access to liquidity is increasingly difficult? Can be ethic a member of accounting profession that is professional and committed at the same time? So how can a professional accountant be ethical in the conditions in which his income depends on decisions taken within the society in which work? What happens to professional ethics in terms of massive layoffs in the Romanian market? Economic reality shows us that are more important the accounting side as an employee of the company that can collect revenues necessary survival to the detriment of the ethical.

The most convincing example for the ethical issues faced by professional accountants is the related handling fees owed to the state budget, the outcome of the employer requirement to fulfill the conditions required by credit institutions. In this case we consider that it doesn't violates the ethical principles if the professional accountant mistakes without violating the legal norms to find a solution for the organization such as to pay lower duty and taxes and to maximize profits.

Most affected by the economic recession will be small and medium-sized companies, companies that have borrowed resources in foreign currency, the repayment of these loans generating an additional cost caused by the depreciation of the domestic currency against the currencies of reference. In these circumstances, employers require professional accountants to use creative accounting techniques for the commercial company to be able to perform under normal conditions, without needing to resort to discharge, to stop activity for a determined period or contract other loans, which would lead to more indebtedness of it. An accountant, or other manager, who takes a stand against creative accounting faces the same pressures as any other whistleblower. In extreme cases, failure to act could ruin a reputation. As one company accountant who took a firm stand put it: 'It cost me my job, but I do not think I would have gotten another job had I been unethical' (Amat et. al. 1998). Accountants who accept the ethical challenge those creative accounting raises need to be aware of the scope for both abuse of accounting policy choice and manipulation of transactions.

Analyzing all the changes occurred we find out as personalized solutions for an accounting professional to become a person who has the right to find and to reflect on the accounting approach of each transaction, to analyze the processes and phenomena, found in the financial reports, as following:

- Facilitate the access to ideas or solutions to common accounting professionals' problems from k-organizations through the creation of international databases on different cases encountered in the work of a k-organization and access to similar cases on the international level (Radneantu et. al, 2008).

- New informational resources. E-commerce developments bring a challenge to traditional business systems and accountants who serve them. The Internet will play an increasingly important role in spreading information and financial business. This change international borders of information and generates expectations of timely reporting of updated information, which determines that the accounting should be given more to informational existing system in its entity, rather than on data from the financial statements (Radu, 2002). Access to Internet companies has led to commercial transactions based on electronic transmission of data - e-commerce - that in accounting resulted in significant changes in recording, processing, and storage of information.

- Access to skills, knowledge and other international programs. Will be professional associations forced to identify, understand and influence emerging trends in business and communicate these trends to its members.

- Harmonization of ethical standards with those of national knowledge based economies on to create a legislative render uniform

- Protection against competitive local and global partnerships and other alliances

- Orientation towards more flexible, more intelligent, more integrated enterprises, as: network, virtual organization, "horizontal" organization, the project based organization or k-organization

CONCLUSION

In our society, the crisis manifests a close interdependence between subsystems that make up - political, economic, social, and moral. As a result, in the transition process that we browse, the crisis in the Romanian economy interpenetrates with a strong moral crisis. Therefore, the solution of outrunning political and economic crisis of Romanian society is the return to healthy moral values and promotes them in all social environments and by all available means. Had be the first Romanian reform done not as a political and economic reform, but moral reform by promoting healthy value system with high moral and ethical standards. Now, the strategy promoted by political forces for overcoming the economic crisis should take into account the interdependence between moral and economic environment.

We believe that should be reconsidered the accounting profession. Future Romanian accountants should become what in some European countries exist from a long time, central axis around which the management should take all-important decisions. Because he has the possibility, reflecting what is going on, to analyze the phenomena and to foresee in the future. To face economic recession is necessary an innovative mentality from accounting part, a compilation of old and new roles and skills, aiming at a new image, of accounting - consultant who has knowledge of law, accounting, management, economics, econometrics, etc.

Integrity, both individual and the institution level is essential. In fact, integrity, which is acting the accountancy profession, and the integrity of persons participating in this profession represent the new concept in the doctrine and deontology accounting of profession, to play confidence in financial reporting.

As members of a profession, accountants bear responsibility not only for those who committed and towards clients, but also against the whole society to maintain the highest moral standards. In our opinion, the environment in which the professional accountant works can influence evaluation, assessments and the offered image, but ethics have to stop the professional accountant to provide accounting information to mislead certain categories of users.

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A COMPARISON OF THREE FORMERLY COMMUNIST COUNTRIES HUNGARY, ROMANIA AND THE UKRAINE LEVEL OF ECONOMIC DEVELOPMENT AS OF THE SUMMER OF 2008

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ABSTRACT

Traveling, recently, through Eastern Europe I was struck at the significant difference in economic development between three countries that used to be communist and under the domination of the former Soviet Union. Hungary, Romania and the Ukraine represent countries that have evolved uniquely since becoming free of direct Soviet control. In the author's opinion, the titles of two films created in the 1960's titled; "Yesterday, Today and Tomorrow" and "The Good, the Bad and the Ugly" can characterize their situation. In case of the aforementioned three countries, Hungary can be described as the "Good" and as Tomorrow, Romania as the "Bad" and Today while the Ukraine is the "Ugly" or, as Yesterday. This paper describes the countries situation in the summer of 2008, explores a number of factors that may have caused this situation, and outlines the issues that these countries must address if they are to advance successfully into the future.

BACKGROUND

The three countries represent unique backgrounds that help explain their situation. The factors to consider include; 1-historical, 2- cultural, 3- political, and 4- economic.

Historical

The three countries history in the 20th century is representative of a declining imperial power (Hungary), a submissive and colonized country (Ukraine) and one (Romania) with a mixed history. Hungary was the junior partner in the Austro-Hungarian Empire that ruled much of central and Eastern Europe for hundreds of years. While Vienna was the capital and cultural center of the empire Budapest also had a culturally rich and sophisticated character. The Hungarians were also different from their Slavic neighbors being a remnant of the Asian invaders (the Huns) that over ran the Roman Empire in the 4th century. They were, and always considered themselves, the rulers over other people. On the other hand, the Ukraine was always dominated by other powers (Sweden, Poland, and Russia) throughout its history. Their last colonizers, the Soviet Union, were so cruel that tens of millions of Ukrainians were starved to death in the 1930's. The Romanians have had an interesting history. From being the last vestige of the Roman Empire in the 4th century to being a staunch communist country in the 20th they maintained a European identity. Thus the varied history of these countries characterized their national culture.

Cultural

As noted the histories of these countries defined their culture. The Hungarians are Asiatic in appearance and rebellious in nature. They are the descendents of the Asiatic tribes who invaded Europe in the 4th and 5th centuries. Their language is very different from Slavic or the Romance languages of their neighbors and they always had a streak of independence. During World War II they joined the axis powers and fought with the Germans against Russia. When the Allies won, and the Soviet Union liberated/conquered Eastern Europe, a communist government was installed in Budapest. However, the Hungarians tried to revolt against communism in 1956 only to be defeated and remain under communism until the collapse of

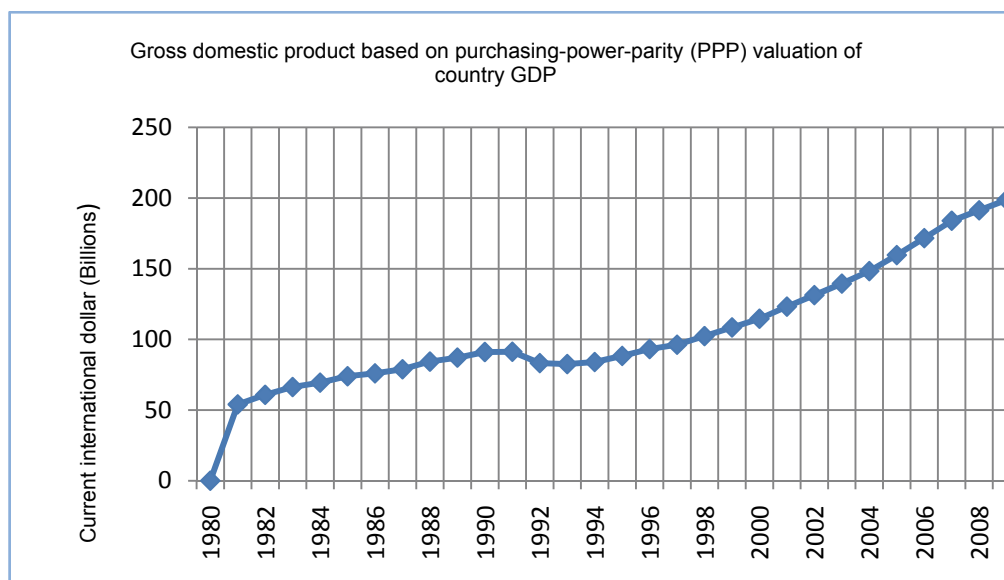
the Soviet Union in 1989. The Romanians, on the other hand, are self-proclaimed descendents of the Romans who ruled the area. They are Latin with a language that is similar to Italian, French or Spanish. Like the Hungarians they have an imperial mindset but with a more passive Latin approach. The Ukrainians are very Slavic with a strong similarity to the Russians in language, appearance and mindset. In the author's opinion, their only misfortune was to be on the conquered side vs. their conquering cousins, the Russians.

Their attitudes and behaviors are symbolic of their cultural history. It is the author's opinion that the Ukrainians are blatantly corrupt; the Romanians have a bit of a "maniana" mentality and the Hungarians very haughty in their dealings. Thus it was not surprising to see their respective states of economic development to be a mirror of their historical/cultural experience.

Economic

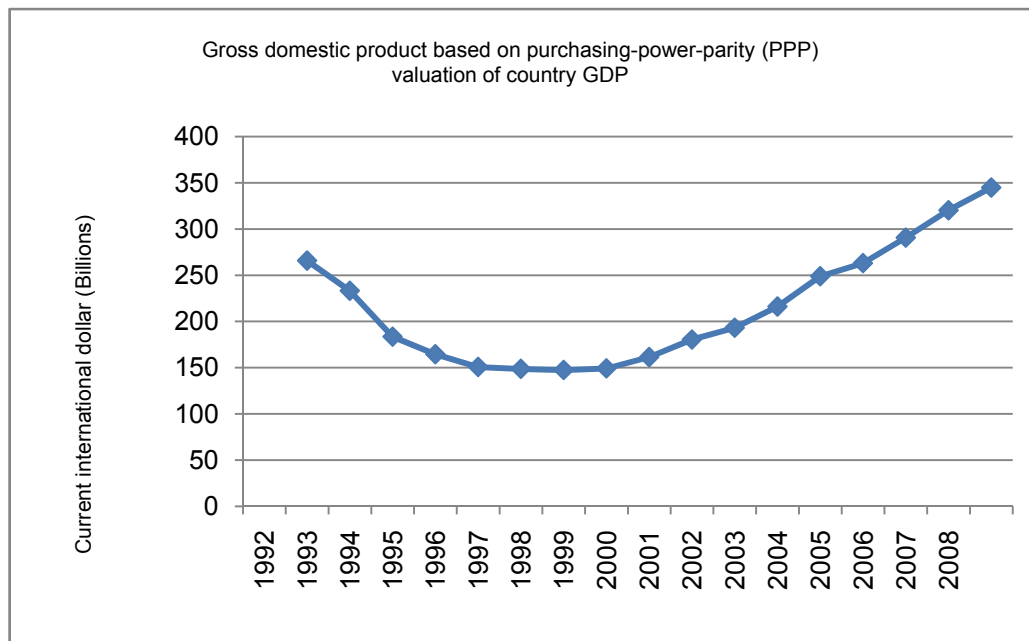
Hungary, in the summer of 2008, was booming. It is very advanced in a number of industries (e.g. electronics) and Budapest, its capital, is as grand as any of the old Western European (e.g. Berlin, Vienna, Paris) capitals. It joined the European Union in 2004. On the other hand the Ukraine, in the author's opinion, reminds one of a third world developing country. Its highway system, in the western part of the country, is decrepit and the cities look more like Russian cities under Stalin than modern urban centers. Even Czernowitz, the so called Vienna of the east, looked much run down and poor with no modern stores. Their economy runs on the basis of bribery and corruption. Romania was somewhere in between the two countries when it comes to economic development. Since it became a member of the European Union in 2007 the country, at least psychologically, thinks of itself as part of Western Europe. This is more the case in the larger cities whereas in the countryside horse drawn wagons can still be found on the highway. Everywhere, while prices have gone up new market opportunities have emerged. The question is if and when the Romanians can overcome their history and become more westernized. In a way the three countries symbolize the continuum of economic development that correlates to their respective political history.

Figure 1: GDP Growth for Hungary



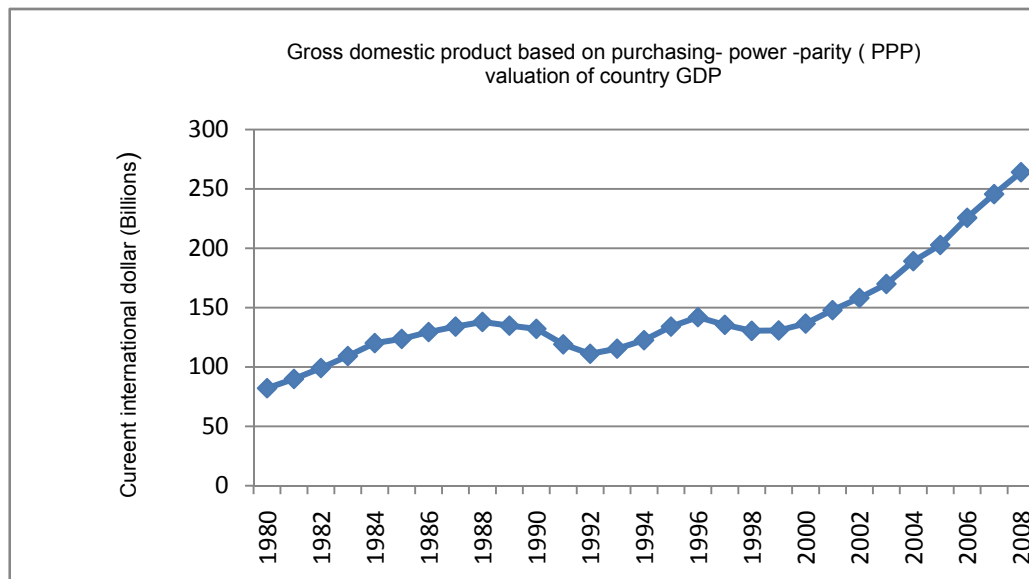
This figure shows the GDP growth of Hungary from 1980 through 2008. GDP dollar estimates are derived from purchasing power parity (PPP) calculations. Source: International Monetary Fund -2008 World Economic Outlook

Figure 2: GDP Growth for the Ukraine



This figure shows the GDP growth of the Ukraine from 1992 through 2008. GDP dollar estimates are derived from purchasing power parity (PPP) calculations. Source: International Monetary Fund -2008 World Economic Outlook

Figure 3: GDP Growth for Romania



This figure shows the GDP growth of Romania from 1980 through 2008. GDP dollar estimates are derived from purchasing power parity (PPP) calculations. Source: International Monetary Fund -2008 World Economic Outlook

Political

Politics and economics have always been intertwined with history, often due to military conditions, determining the outcome. The region was always controlled by empires. Whether the Austro-Hungarian

or Russian Empires in Central Europe or the Ottoman Empire in the Balkans the local peoples were dominated by outsiders. The Soviet Union was particularly brutal in its rule. In the Ukraine they starved millions, in Hungary they put down a rebellion and in Romania they expropriated a part of the country, Bukovina, and redrew the map in 1945 by making it part of the Ukraine, then part of the Soviet Union. The Soviet treatment of the “liberated” territories also reflected the fact that both Hungary and Romania joined Germany in World War II and the Ukrainians welcomed the Germans as liberators when the Germans invaded the Soviet Union in 1941. With Soviet military victory and control, came a communist form of government and a command economy economic system. The state owned everything and there was no freedom of choice.

The subsequent demise of the Soviet Union in the late 1980's brought democracy and capitalism to the region. This happened first in Hungary and Romania and later in the Ukraine. Furthermore, due to the geographical proximity of the Ukraine to Russia the Russians have continued to try and shape political events in the Ukraine either through the use of their energy supplies or even attempts at political assassinations. Thus, we see how these countries' histories and cultures determined their current political and economic situation and may be a precursor as to their future economic development.

EXAMPLE

One metaphor that can be used to exemplify the current relative situations between the three countries is their road system. While in the region in the summer of 2008 I took a 2000 mile (3200 km) trip, by car, throughout the three countries. As noted in the abstract it was an experience of the “Good, Bad and Ugly”.

Driving through Hungary was a pleasure. Their national, toll, four lane, motorway system is on par or superior to many highways in western countries. The speed limit was 78 mph (130kph) with an abundant number of conveniently located gas stations. In Romania it was a very different experience. It was “Bad”. In the north there is no motorway with the national highway system being “under construction”. Consequently, there were frequent lane closing that resulted in a one lane two way situations controlled by a person holding a sign with green on one side and red on the other. The speed limit was 48mph (80kph) with many vehicles trying to pass the frequent slow moving trucks. In a two lane system the result was often a game of “chicken” (i.e. who will give way first). At one point, the Dorna pass, the luxury of a paved road gave way to a one lane dirt road strewn with boulders. The gas stations were far apart and many only accepted the Romanian currency or lei. These experiences had caused the car rental in the west to forbid their renters from driving into Romania prior to 2007 when Romania became part of the European Union (EU). However, though now part of the EU, on paper, their road conditions have not improved. Indeed, having driven through the region in 2004 it appeared that things may have gotten worse. In the Ukraine things got even worse. The rental car company forbade driving in the Ukraine so a Ukrainian driver plus car were hired.

The part of the Ukraine that used to be Romania until after World War II has a highway system that is comparable to Romania's (i.e. “Bad”) and perhaps more decrepit. Being driven by a local Ukrainian driver in his car was an adventure. He explained that the local governments maintain the roads since no assistance was coming from the capital. Thus the wealthier regions as well as areas with military, political or economic significance had “better” roads while the others were not as good. However, “better roads” is an oxymoron in the Ukraine. At one point the experienced Ukrainian driver blew a tire while driving on these “better roads” due to the potholes in the road. There were no road signs and only through knowing the system (i.e. bribery) the language and the people was the driver able to get us to our destination. However, it took twice as long, cost significantly more (car/driver cost .40 euro per km) and at far greater risk (with no spare we drove late at night) than the way in Hungary. It was truly “Ugly”.

CONCLUSION

Basic economic theories identify a free choice system (i.e. democracy/capitalism) as the best way for attaining economic development. A good infrastructure is also necessary, with a modern, good road system being a must. As described, these countries are at different levels of economic development and their economic performance is a mirror of their political/cultural history.

Consequently, in the author's opinion, it would seem that more experience with a free market democratic system is required for the laggard countries (i.e. Romania and Ukraine) to catch up to their neighbor (Hungary) and the rest of Western Europe. Membership in the European Union had helped Hungary in the past and hopefully will help Romania now. In the future the Ukraine would also benefit from being a member but it must fundamentally change its character (e.g. corruption) and its systems (e.g. legal) to be considered for membership.

While inherent culture makes a difference, countries can change. Ireland, formerly the poorest country in Europe is now the wealthiest. While the Southern European countries (e.g. Greece, Spain) have not completely caught up with their northern neighbors they are still much wealthier than they used to be. With the appropriate system that allows for freedom of choice the three countries described can develop economically. Then, tomorrow, the Good, Better, and Best will replace the Good, Bad and Ugly descriptions of today.

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BIOGRAPHY

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DIGITAL ECONOMY CONSEQUENCES OVER HUMAN CAPITAL

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ABSTRACT

The emergence of digital economy assumes the metamorphoses of human capital management control in view of increasing profitability of the individual. Taking as a fundament the concept of human factor having a limited capacity of attention, perception and memory, modern society is found to be in the stage of development and implementation need of integrated informatics systems to enable the completion and updating the cognitive database of automated systems features and the maintenance at an optimal level in their dynamic context. Thus, from the human operator performance growth point of view it is found as imposed the sine qua non condition the transforming of raw information into intelligent information, useful and applicable, materialized in the human resources actions reactivity increase contributing to the internal or external applications. Investing in human resources and support intelligent decision-making processes with predictive abilities may lead to achieving an optimal level of human capital accumulation, which becomes more productive and positive linked to the economic growth rates. Therefore generating competitive advantage in the long term proceeded from the capabilities of human capital, having as the central pillar the promotion of integrated information systems to support the reduction of mental demands, will materialize into protecting the balance in the new circumstances of modern variations economy.

INTRODUCTION

Information and communications technology has registered a significant increase in the last period allowing the progress towards a new stage of human society-the information society, ensuring, in this way, the economic growth under the conditions of increased protection of the environment, with the primary consequence: reducing the physical work in favor of rendering valuable the information and knowledge, so the fundamental pillar is transferred from the investment in fixed assets into investment in human capital. Under this concept the digital economy meets the conditions for integrating the objectives of sustainable development by allowing the restructuring of business environment and industry.

From this point of view, the digital economy tends to promote an efficient market, which involves improving the supply of products where there is a demand. Known is that often markets fail to balance the demand-supply relation, although there are traders with significant stocks of products, without selling and buyers, which do not find the necessary products or services. This discrepancy is caused by the geographical differences in the buyer-seller relation and the weak information pointing to such: lack of coordination.

A first positive aspect of the transition to the digital economy is the practice of lower prices and reduced costs for certain transactions or acquisitions, putting into a bright light the creation of an optimal balance in the market, given that there are no geographical or time constraints.

Thus, using new technology in the digital economy human factors have at their disposition the making of financial transactions and trade with the electronics appearance, such as electronic data exchange, electronic transfer of funds and not least the multitude of activities involving the use of debit cards or credit.

With the introduction of new technologies, we witness a reduction in the cost of accessing, storing and transmitting information. Digital information is so accessible and having low costs, that human factor can turn into new economic and social values, revealing new opportunities for designing new services and products. Human capital, administrating such information, developed becoming a strategic resource for the digital economy.

However the experience of economically developed countries, signals the need to increase investment in technical means and in particular into human capital in terms of using new technologies, in order to obtain competitive advantages onto the digital market. Certainly, the experience of developed countries shows that lack of involvement in this process of transition to the digital economy can generate serious consequences on both the survival and development of enterprises, for region or also for a state.

Taking into account the perpetual development of human capital within this new economy we can say that the use of new technologies is an evolutionary process, which allows improving business processes, provided there is a primordial ongoing review of strategies, techniques and tools to companies who choose the path to this new digital economy. Special role it plays, of course, globalization through the generalization of technological changes creating a substantive dimension of competitiveness between firms. But at the same time, it can not be obtained sustainable competitive advantages in the long term. Examples from the global market, demonstrates the validity of this concept.

In this sense, competitive advantage can not be described as being integrated into some limits given that the activities of the digital market are varied in terms of size and shape, there is no set of information technologies to be valid for the whole number of companies, even though most of them are based on the relationship and communication with customers, suppliers and employees.

Indeed technology has revolutionized the way in which transactions are conducted, but the business itself is slowly adapting to the new economic context. Thus, the successful implementation of new technologies, new circumstances developing economies, assumes primary, designing a new management culture and a new organization, because the overall change is the start of the premises and management of a business, using new business models based on Internet, taking into account the opportunities and risks that can be foreseen.

Thus, human capital appears to be developing in a virtual enterprise, in an undertaking made in cybernetic space. From this point of view is urgent need human capital to integrate in a significantly in the global information. Also appears the need for knowledge of planning and operating in the new digital economy.

Thus, human capital appears to be developing in a virtual enterprise, in an enterprise designed in cybernetic space. From this point of view is being developed the urgent need for human capital to integrate significantly in the global informational community. And it also appears the need for know-how of planning and operating in the new digital economy.

Therefore, the appearance of promotion in the digital economy materializes into whether to obtain, maintain and constantly update knowledge and technical skills to operate in cyberspace and also rendering valuable the cybernetic training, and provide periodic improvements to human capital selected to be used in virtual reality.

Switching to a new era of economy is not devoid of legal support, thus, qualified personnel, promotes, through government institutions and all competent institutions, the importance of the role of incentives, management and control of this process, promoting concrete action programs and initiated new framework specific regulations. However, it should be taken into account the priorities of national development over the long- medium term and also the objectives of accession to Euro-Atlantic structures.

All this leads to the sizing of investment in human capital, in education, training and health, vocational training being emphasized available human resources scientific and professional abilities and, on the other hand, adapting human resources to structural changes of the economy imposed by the scientific and technical progress, taking into foreground the parameters of profitability and efficiency.

Essentially, strategies to promote human capital focuses on the sizing of human capital in terms of strategic and operational needs of the national economy and ensuring efficient use of these resources. Developing such strategies will build strategies for economic development through the establishment of future requirements for capital, by identifying top ways to use of this capital, where available human capital will support the implementation of plans for economic development. However, it should be maintained the aspect that there are certain restrictive barriers in the use of human capital, being offered for instance, according to literature specialists (Nica, 2005): the deficit of qualified personnel, difficulties in recruiting labor, low labor productivity, insufficient flexibility and adaptability or the climate that discourage human operator's cooperation and commitment.

The digital economy, as a result of interaction between the personal computer, telecommunications, Internet and electronics is highlighted by bringing in the forefront of human capital, giving them a strategic role in the ongoing activities of a world market of goods and services developed through innovative new technologies.

Another consequence of the transition to this new economy-the digital economy- is creating a new business model, the on-line model, so we face: e-business, e-commerce, e-banking and many others. In the contemporary period, electronic commerce is making good progress noteworthy, being considered as the highest form of practical realization of business, plus the shaping of sui generis markets and of scientific knowledge, driven by the unprecedented pace of development of the research-development sector, according to made research in the field, (Caraiani, 2006).

The digital economy focuses on the needs of the human factors involved in an increasingly large design, implementation and use of goods and services, even when their very beginning moment of research and development. That being said, it is considered that human operator role is increasing, so it will be known as "a source of ideas and innovation" for the manufacturer (Rosca and collective, 2006), and as a promoter of new technologies, in order to maintain and expand digital economy, from the maximizing the sustainability perspective of the new economy development.

Thus, human capital is being developed in a new business owned by two features of the digital economy: competition information and intra-departmental cooperation. If we add in the equation the interaction between supply and demand we can say that these two features mentioned above are two inseparable sides of digital economy.

Even the forms of manifestation of competition between enterprises are substantially modified by the importance given to a human operator in a continuous and rapid development in terms of needs, tastes and requirements so that companies are faced with the urgent necessity to cooperate in order to succeed onto the development world market.

So, it must be mentioned another consequence that resulted in the digital economy requires of higher consumption of human capital, especially focused on designing, of high level which creates a higher added value, new jobs, segments of virtually unlimited opportunities business and creativity, by the existence of flexible and interconnected standards that facilitates the integration and division of consumers individual need (Radneantu, 2007).

Promoting innovative and entrepreneurial spirit in the digital economy, the increase labor productivity of human capital, the increase of speeding production and changing economic phenomena and processes in the new context, and increases value added, by showing the economic impacts are requiring the digital economy as a superior form of world economy.

Meanwhile, the optimal communication technologies are also increasing the degree of innovation through the possibility of aggregating virtual human resources and their ideas, generating tangible effects at the microeconomic and macroeconomic scale.

The task of promoting this new type of economy rests increasingly onto the active population that requires the accumulation of skills and abilities in relation to information technology in order to adapt to changes that will occur as regards the request for human capital.

Therefore, human capital represent the amount of all knowledge skills, skills and competences acquired by the consumer directly to educational services, put forward the production capacity of the economy, whose main feature are sustainable development and maintaining quality of life for human factors. From this perspective, human capital is indeed subject to depreciation. For this reason a decision for sizing the investment in human capital is rigorously analyzed, along with putting into balance the perspectives offered by various alternatives, and bringing into the equation the financial and non-financial efforts and the possible resulted effects.

The transition from a traditional economy to a digital economy is achieved with the help of a skilled human capital. So, the central pillar for the development of future generations, from the perspective of reducing physical effort and dimensioning the importance of intellectual effort is investing in human capital, now.

In conclusion, human capital has become in the new digital economy, a factor of strategic enterprise with a significant share of the capital, requiring the development of human capacities at all levels of society, locally and nationally.

The experience (Ionescu, 2007) shows that the study of social capital in the companies demonstrates the direct effects on the macroeconomic and microeconomic level for the companies, human capital, promoting the emergence of economic performance standards, heading towards the increase of qualified staff in the purpose of bringing more efficiency and enterprise competitiveness.

Thus, economic and social progress will be based on superior turning over new information technologies, but it will be necessary to be followed the guidelines generated under the strategic orientation of policies and strategies for optimizing the use of human capital.

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CHANGE MANAGEMENT- THE NECESSITY OF THE EXISTENCE OF CHANGE

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ABSTRACT

An organization performs its activity effectively on condition of a continual adaptation of the organization to the new conditions which appear both in the external environment of the latter, a fact which leads to the improvement of the organization strategy, of the organizational structure, the increase of effectiveness in carrying out activities, even the development of said organization. Special attention shall be dedicated to the importance of the existence of development at organisational level, as a response to the technical, scientific, economic, political, social and cultural changes which have interfered in the internal and external environment of the organisation. Among the factors which determine change at macroeconomic level, we can include: globalisation, fiscal policies, IT investments, managerial innovations. In what regards the microeconomic level, the factors which lead to the apparition of change, there are: the change in the lifecycle of the products from all the domains: pharmaceutical, electronic, etc., the increase of the quantity of services, the increase of competition especially due to the apparition of the phenomenon of globalisation, modification of the needs and expectations of the clients. All the characteristics of change are real modifications which occur inside an organisation, determiners of certain mutations.

INTRODUCTION

The activity of any organisation is intended to be carried out effectively, a fact which can be realised through the ongoing adaptation of the organisation to the new conditions which appear both in the external environment and in the internal environment of the latter. A conclusion which derives from this fact may get the shape of the strategy of the organisation, of the organisational structure, the increase of the efficiency of the carrying out of the activity, even the development of the organisation. According to E. Burduş (Burdus and Androniceanu, 2000) the organisational development is like ” a totality of projection actions and implementation of measures of perfecting the components of the management system (strategy, structure, IT system, decision-making system, methodological system), meant to lead to the increase of the performance and competitively of the organisation”, identifying through this definition many characteristics of the development at organisational level:

- The application of perfection measures of the management system -totally or some componenets, whole organisations or organisational subdivisions;
- The use of methods and techniques specific to a problem or the whole management system;
- The implemenetation of changes at the level of human behaviour through the application of the totality of methods;
- The implementation of changes at the level of human behaviour through the application of the totality of methods;
- The maintainance and improvement of changes, as a measure of the organisational development;

The increase of the efficiency as a result of the organisational development.

Through these characteristics is underlined the importance of the development at organisational level, as a response to the technical and scientific, economic, political, social, cultural changes which interfered in the internal and external environment of the organisation. The degree of competitively on the market of

an organisation depends to a great extent of the capacity of the latter to meet and adapt to the changes. John Naisbitt (Naisbitt, 1982) has highlighted several changes among which:

- The transition from the industrial era to the informational one;
- The transition to the frequent use of high-tech technologies in a personalised manner;
- The transition from the national economy to the the global, interdependent economy;
- The orientation of the management, as a consequence of the need to adapt, to the long-term previsions, the decrease of the time horizon for the forecasts due to frequent changes.

Among the factors which determine the change at macroeconomic level, we can include: globalization, fiscal policies, IT systems, managerial innovations. Regarding the globalisation, this leads to changes at the level of the external environment to the organisation and may be characterised by four stages: the domestic one, in which the potential market is of the origin country, the international stage, characterised through the increase of exports and the tendency of the companies to adopt the domestic concept; the multinational stage in which the production and marketing facilities are localised in several countries; and an important part of sales is made outside the borders of the country of origin and the global stage, in which obtaining the resources and sales aim at the country which offers the best business alternatives. Under these conditions the organisations must adapt to the new requirements of the external environment, which means making changes which have favourable effects on the competitively organisation, on its efficiency and effectiveness on the market.

The IT system may produce modifications at the level of costs, by reducing the latter and the quality of goods by improving the former due to the apparition of competitive methods of collecting, storing, transmitting and using the information. Managerial innovation, as a consequence of changes in the external environment, involves recurring to new strategic alliances, new forms of structural organising.

At microeconomic level, the factors which determine the apparition of change are: the modification of the product lifecycle in all the fields: pharmaceutical, electronic, etc.; the increase of the quantity of services, the intensification of competition especially due to the apparition of the globalisation phenomenon, the modification of the needs and expectations of the clients. Other tendencies which favour the change are:

The evolution in the field of technologies. In this manner there shall be produced modifications in what regards the nature of work, especially due to the use of artificial intelligence and robots, so that it appears the necessity of new abilities and requirements which must be fulfilled by managers such as: technical knowledge, understanding the connections among functional departments and of the functioning of the system as such, holding interpersonal relations skills, communication skills, etc.;

Health. We can notice an increased importance people give to their state of health, materialised through the increase of the consumption of natural products, the elimination of the effects of pollution, aiming to reduce stress at work, which leads to the increase of the average life expectancy, challenges which an organisation has to answer according to the expectations of potential clients;

Demography. The low birth rate and the increase of the life expectancy pose problems to the organisations which must face new reducing markets and older clients;

Non-traditional employees. It is intended to create a permanent small- scaled nucleus of human resources, and also to close contracts through which there are attracted people from other organisations based on the needs of the organisations. A special importance is given to the intensive intellectual development;

The involvement of an increasing number of women in management. We can notice the modification of the role of women in society, which leads to the extension of the professional training time; in this way they can face the challenges successfully to jobs which have not been accessible to them until recently.

The knowledge boom. We can notice an accelerated rhythm of improving and updating knowledge which leads to new exigencies imposed to the managers, such as: the discovery and transmission of new knowledge, appealing in this way to the capacity of communication of the managers, creating new ideas and transforming them in products and services, etc.;

Working conditions. Any employee of an organisation aims at satisfying, through work, some needs, which lead to the change within the organisations due to the fact that they must target the permanent improving of working conditions, motivation process, decision making method, a fact which has as a beneficial effect for the organisation the decrease of the number of absences from the workplace.

Types, causes and characteristics of change

Function of the moment in which the change decision is made, this can be: voluntary and involuntary. The voluntary change appears only in the moment in which the activity of the organisation is competitive, and has beneficial effects on the organisation due to the fact that the change decision is made for the purpose of improving the present state or preventing unfavourable events for the organisation. Among the causes of voluntary change we can also include the preoccupation of managers for forecasting for the purpose of adapting the organisation to change, being aware of the need to change in order to be able to profit from the possibilities which have appeared, the existence of an innovative climate and the low degree of resistance to change. In what regards the involuntary change, the decision is made in critical situations, especially for the purpose of the survival of the company, when the managers are constrained to act in a certain way, not having freedom of action. The causes which lead to the decision of involuntary change are: the lack or weak exercising of the forecast function, the resistance to change of the managers, a fact which determines them not to take any risks, the inability of managers to put their ideas into practice. Function of the manner in which it manifests itself, the change can be: incremental-continuous (Rusu, 2003) which can easily and painlessly be achieved, and which is met with little resistance by the affected individuals and radical (discontinuous) which has as a main objective the re-evaluation and re-definition of the problems and of the context, proposing radical solutions which lead to the re-thinking of a new system which creates performance and profit, to finding a new equilibrium, at the level of the entire company.

At the same time, change may be orderly or disorderly. If the organisations perform activities for the carrying out of disorderly changes, then their management is not well- oriented. In what regards the orderly changes, they allow to the organisations the planning of changes at the level of the carrying out of their activity, which facilitates the reach of the objectives intended. For carrying out these orderly changes, the organisation must choose the right type of change: incremental or radical, to have in mind the method of getting the right resources, the necessary time span, the change plan, the costs and the aim of obtaining efficiency as a consequence of change. The change acts at the level of management under the form of a challenge, within the limits of existence of several restrictions which must be set aside in a near future. Figure 1(Nicolescu, 1996) presents the mechanism of managerial challenges with its restrictions.

The innovative character of competition may be limited or supported through the intervention of the state in economy which must be done through finding balance between centralisation and de-centralisation, balance which may be given by the behaviour in economy, by the level of the results. The strategies have a central place, whose planning influences the success of a future development in a turbulent and dynamic environment. One of the main restrictions whose antidote has not yet been found is poverty, which takes

the form of a global phenomenon due to the fact that it may be met in the developed countries in an extended vision on an average time span. All the above-mentioned elements make up a set of challenges of the management whose intervention cannot be anything but professional. One of the main restrictions, whose antidote have not yet been found, is poverty, which takes the form of a global phenomenon, due to the fact that it may be met in the developed countries in a vision extended to an average time span. All the enumerated elements make up a set of management challenges whose intervention cannot be anything but professional. The change is a process of transformation of the individuals and organisations according to the external and internal requirements. It has certain characteristics (Rusu, 2003):

- a. It is a temporary relation- it evolves between a present and a future state, between which there is a period of transition.

According to figure 2, an organisation, which situates itself at present, identifies the need of a change, so that the manager decides the beginning of the latter. In this way, it is drafted a strategy of implementing the change, the organisation going through the process of transition in which the factors involved in the process of change, have not managed to master all the routines. The implementation of change is final when the organisation gets over the moment of transition.

- a. It implies passing from one state to the other, from the present to the future one, involving the individuals from the organisation, the organisation itself.
- b. It may be a natural process (the physical use of the equipment and employees) or a process imposed most of the times by the threats and opportunities which appeared in the external environment which generate resistance to change, that can be eliminated through an effective communication between managers and employees through which the information is sent, a fact which highlights the fact that the change is only a means of adapting to the external environment.
- c. The result of the implementation of a change may have as an effect the improvement or deterioration of the future state of the organisation, compared to the state which has been surpassed. But the organisations have to adapt to an even more hostile environment, as a result their activities and manner of organisation have to be flexible in contact with the changes which appeared. One of the most important responsibilities of the change management represents the choice of the moment for initiating a change.

All these characteristics of organisational change are real modifications which take place inside an organisation, determining mutations which appear in the external environment, intentional processes which have as a starting point the manifestation of management's intention of an organisation for the purpose of rendering more efficient results of the activities performed, possibilities of gaining experience on account of change.

Figure 1: The Mechanism of Managerial Challenges

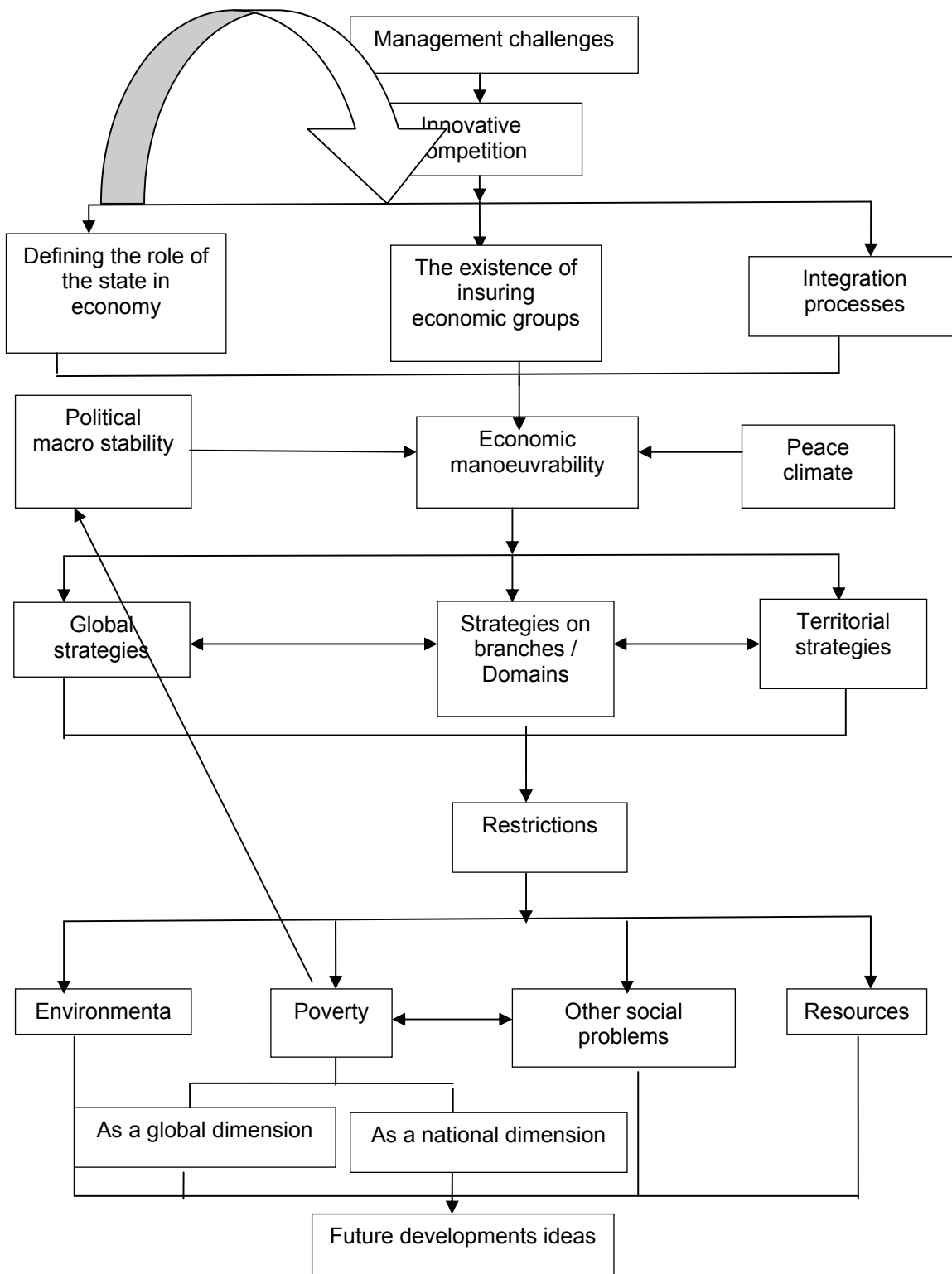
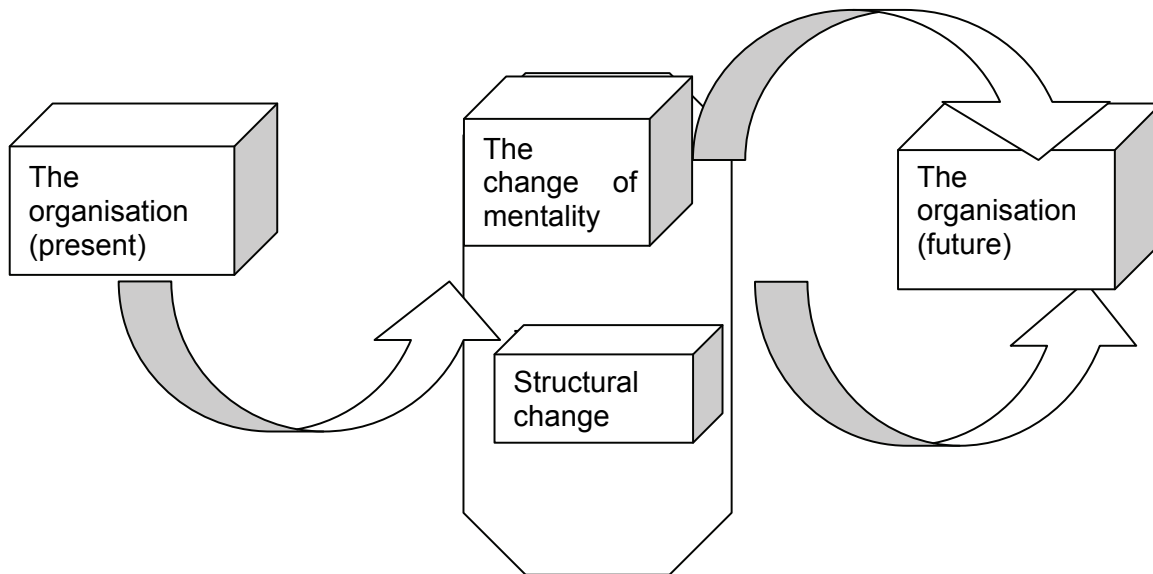


Figure 2: The organization Subjected to Change



According to figure 2, an organisation, which situates itself at present, identifies the need of a change, so that the manager decides the beginning of the latter. In this way, it is drafted a strategy of implementing the change, the organisation going through the process of transition in which the factors involved in the process of change, have not managed to master all the routines. The implementation of change is final when the organisation gets over the moment of transition.

- d. It implies passing from one state to the other, from the present to the future one, involving the individuals from the organisation, the organisation itself.
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THE DYNAMICS OF CHANGE OF ACADEMIC GROUPS: A BENCHMARKING FOCUSES: THE CASE OF TWO INSTITUTIONS OF HIGHER EDUCATION.

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ABSTRACT

This documentary research is a comparative study of two Mexican public universities: one located in the center of the country (BUAP) and the other located in the southeast (UJAT) against a particular Academic Unit of each: Faculty of Public Accounting (BUAP) and the Economic Division of Administrative Sciences (UJAT), both belonging to DES of Economic Management Sciences. As to the successful performance party at the national level, a second DES is included, Sciences, represented by the Faculty of Natural Sciences of the BUAP. In-depth study of both DES, on the subject of interest, will provide data that will in turn allow, in the immediate future, for strategic planning to boost the academic bodies of each IES to achieve the levels of competitiveness that globalization is demanding and educational at the same time create NETWORKS for the generation of knowledge.

INTRODUCTION

This documentary research is a comparative study of two Mexican public universities: one located in the center of the country (BUAP) and the other located in the southeast (UJAT) against a particular Academic Unit of each: Faculty of Public Accounting (BUAP) and the Economic Division of Administrative Sciences (UJAT), both belonging to DES of Economic Management Sciences. As to the successful performance party at the national level, a second DES is included, Sciences, represented by the Faculty of Natural Sciences of the BUAP.

This research provides information on academic and response capabilities of professors assigned to different areas of knowledge on behalf of the calls under the "Desirable Profile Recognition Program", as well as on the number of "Consolidated Academic Bodies", to cite some of the items considered by PROMEP.

In-depth study of both DES, on the subject of interest, will provide data that will in turn allow, in the immediate future, for strategic planning to boost the academic bodies of each IES to achieve the levels of competitiveness that globalization is demanding and educational at the same time create NETWORKS for the generation of knowledge.

THEORETICAL AND CONCEPTUAL FRAMEWORK (MATERIAL AND METHODS)

In this paper we will use Benchmarking for conducting the analysis. Considering this technique as a continuous process of measuring and comparing an organization with leading organizations, whether or not competition, anywhere in the world, in order to obtain information that will help them implement actions to improve their performance. This practice is also known as comparative performance studies. Each function or area of the company may be "benchmarked". Some authors call benchmarking "best practices" and this is common to in Spanish as well as "benchmarking process."

According to Damelio (1997), there are concepts that should be considered when making Benchmarking, and among them are: system, consortium and partners. He also recommends that businesses rely on processes, practices, measurements and grants to describe and analyze the performance of processes.

This research covers up to this point in the process of benchmarking. However, it is vital that the authorities concerned can carry out the implementation plan of the findings, as it translates recommendations into adequate action and resources, besides providing a guide for changing the process to achieve a performance world-class.

THE CONTEXT OF INSTITUTIONS: THE GOVERNMENT POLICY AND THE PROGRAM FOR ACADEMIC DEVELOPMENT OF TEACHERS

In 1996, the higher education system in Mexico was characterized by having a very low percentage of professors in public universities, having postgraduate degrees in their respective fields. This parameter was the standard of institutions with higher academic level in the world, considering teachers degrees was the most important limitation to the quality of higher education in our country.

Under this context and with the aim of addressing this problem and contribute to improving the quality of higher education, the Ministry of Public Education (SEP) with the support of the National Council for Science and Technology (CONACYT) and the National Association of Universities and Higher Education Institutions (ANUIES), created the 1996 Program to Improve Teachers Development (PROMEP), which formally began its operations at the end of that year (PROMEP, 1997).

The objectives of PROMEP exposed in "First analysis of their operation and impacts in the process of strengthening academic achievement of the public universities" (2006) are:

- a) Improve the level of empowerment of academic staff full time assets of the public institutions of higher education (individual strand).
- b) Encourage the development and consolidation of academic bodies (CA) attached to units of higher education in these institutions (collective dimension) and thus sustain the improved training of students in the public system of higher education.

To operate the program at public universities, SEP, through the Undersecretary of Higher Education and Scientific Research, established since 1997, cooperation agreements with each of them in which they laid the foundation for improving the level of training for their teachers full time and boost the development of academic bodies attached to their units for Higher Education.

Most of these policy proposals are based on the belief that higher education through management models for higher education institutions and their key players, as well as strategic programs, which are crucial for our country is at par with institutions higher educational level of recognized academic at the international level.

CURRENT STATUS OF ACADEMIC BODIES IN IES: CASE STUDY

The data provided by PROMEP in his paper entitled: "A first analysis of its operation and impacts in the process of strengthening academic achievement of the public universities" (2006), noted that CA nationally show different behaviors, with a clear advantage of the bodies that are in the areas of natural sciences in terms BODIES CONSOLIDATED, found the bodies of the areas of social and administrative sciences have a growth in 2004 allowing them to get out of the last places, but their position can be seen as weak even before the leader.

The academics of natural sciences of the IES of the country have a competitive advantage over all other academic bodies which allows them to reach higher levels of competitiveness and at the same time get more resources in the education system. The previous data allow us to identify the Academic Sciences Bodies of the BUAP as the reference for comparison, or leader, for purposes of benchmarking.

PERFORMANCE OF ACADEMIC BODIES AT BUAP (PHYSICS AND MATHEMATICS SCIENCE FACULTY AND THE FACULTY OF ACCOUNTING) AND AT UJAT (DIVISION OF ECONOMIC-ADMINISTRATION SCIENCES)

The Academic Body in the Academic Department of Natural Sciences

At present the FCFM has 11 CA: Formation CA (EF): one; Consolidating (EC): five and Consolidated (C): five. All of them have 27 specific areas of research (LGAC) and 80 full professors (PTC) take part of them. (FCFM. Academics Database, 2008):

- A. The Academic Bodies in the Faculty of Accounting and in the Division of Economic-Administrative Sciences
- B. Faculty Of Accounting (BUAP):

There are currently 5 CA registered in formation (EF), with 7 specific areas for investigation/ research (LGAC), 23 full professors (PTC) members, 2 half-time professors collaborating (MT)] and 5 professors working per hour. (FCP. Database Plant Academic, 2008):

Division Of Economic-Administrative Sciences (UJAT)

DACEA has three academic bodies, which later became five, and in 2005 they were restructured into three, which at present have status in Formation (EF), with 8 LGAC and the participation of 28 PTC members. (Research Center for DACEA, 2008).

RESULTS

At this point is very important to remember that the central objective of this study is to analyze the practices of the successful DES and submit proposals, which were subsequently used as a framework for developing a plan, which would be valuable to institutions of higher education in our country, and enable them to integrate and consolidate the academic staff around CA, so as to meet the objectives of PROMEP.

- A. The degree of professors assigned to FCP and Dace has a very low rate of Doctors (3% and 2.66%), while the FCFM has 71% of them.
- B. Participation of professors at FCP and DACEA National Program for Researchers (SNI) is 4 and 1% respectively; while FCFM has 49% of its members at the four levels SNI.
- C. The desirable PROMEP profile of PTC at FCP and DACEA is 24% and 12, when at FCFM it is 40%.
- D. The participation of professors at FCP in CA, in respect of his universe is 43% and collaboration of 11% MT and HC professors. The Dace has 55% of its PTC active in CA, no one of MT and HC. At FCFM participation is 79% and 8% by members and collaborators, all of them PTC.
- E. The CA at FCP and DACEA are 5 and 3 respectively, and all of them are in formation. The FCFM has 11 CA registered, to whom 1 is in formation, 5 in Consolidation and 5 Consolidated.

PROPOSALS FOR DEVELOPMENT OF ACADEMIC BODIES: STRATEGIES AND POLICIES

- 1) To link the proposals referred to regulations EPS, Permanence and Promotion.
- 2) To provide the infrastructure and equipment necessary to carry out the functions of the CA.

- 3) To spread the importance of CA and collaborative networks among students at all levels and including them in appropriate programs.
- 4) To strengthen the linkage of the current IES, through its CA, with the social sector, governmental and productive.
- 5) To encourage the publication of individual results, by CA and in collaboration with networks.

As described in the last few paragraphs, the start of what could be the continuation of this project, whose main objective is to achieve a strategic plan to boost the academic bodies of each of IES, within PROMEP in order to achieve levels competitiveness that globalization is demanding and educational at the same time create NETWORKS for the generation of knowledge.

Abbreviations:

UJAT: Juarez Autonomous University of Tabasco

BUAP: Benemerita Autonomous University of Puebla

DES: Higher Education Department

DACEA: Division of Economic-Administration Science

FCP: Faculty of Accounting

FCFM: Physics and Mathematics (Natural) Sciences Faculty

IES: Higher Education Institutions

PROMEP : Mexican Program for Academic Development of Higher Education Professors.

CA: academic body

SNI: National Program for Researchers

CONACYT: National Council for Science and Technology

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RELATIONSHIP BETWEEN INFORMATION, QUALITY AND PRICES - SOME RELATIVE STATISTICS FROM ALBANIAN TOURISM INDUSTRY

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ABSTRACT

The main aim of the article is to assess the relationship between information asymmetry, quality and prices for Albanian tourism, focusing on the holiday hotels sector. The impact on hotels prices of information asymmetry, as well as other qualitative attributes reflecting the demand and supply, is well examined in theoretical and empirical terms.

The main objective of this paper is as follows:

- *To examine the situation of tourism industry in Albania, in particular holiday hotels sector, identifying the problems regarding prices, quality and information.*
- *To critically shortly review and analyse the theory of information asymmetry.*
- *To analyse and critically appraise the existing applications regarding the effects of information asymmetry on tourism quality and prices.*
- *To investigate empirically the impact of information asymmetry and qualitative attributes on holiday hotels prices in Albania.*
- *To assess and develop policy proposals in Albanian Tourism, about information asymmetry problems, marketing and product development, holiday attributes provision, commercial pricing policy and strategic planning at the micro level.*

Keywords: information asymmetry, prices, quality information, statistics.

INTRODUCTION

Information asymmetry is the condition in which at least some relevant information is known to some but not all parties involved, which causes markets to become inefficient. The asymmetric information theory, founded by Akerlof in 1970 (*The market for Lemons*), is a relatively young theory in tourism economics and the problems arising from the presence of information asymmetry are:

- In general, it lowers the quality of products in the market,
- The dispersion of information will lead to dispersion of price and product quality,
- Equilibrium may fail to exist, and when it does exist, it may result in inefficient use of resources.

Carlton and Perloff (2004) noted that although not all markets with asymmetric information degenerate so that only the lowest-quality item is sold, there is always inefficiency in these markets relative to a world with perfect information: quality levels are too low. The low-quality inefficiencies are due to an externality in which a firm does not completely capture the benefits from selling a higher-quality product. Because the price based on average quality is less than the cost of producing the higher-quality product, a firm is unwilling to produce and sell it.

Models dealing with the relationship between information asymmetry, prices and market equilibrium can be grouped broadly into two statistical categories. First, there have been a number of attempts to model specifically the impact of search costs on a single equilibrium price. An important study of this category is offered by Diamond (1971) where the search cost is more a cost-time of finding the pertinent information than a real cost transport. All profit maximising firms will have a clear incentive to raise price continuously by an amount that does not exceed the search costs. It is only when the monopoly price is reached that the firms are no longer driven to adjust price.

However, most of the studies have found arguments in the second category of those models of information asymmetry which focus on price distributions rather than a single equilibrium price, because assuming that all search costs are positive ignores the possibility of information acquired through social contacts. Dixit and Stiglitz (1977) and Salop and Stiglitz (1977) have observed in their models that the low-price stores have higher sales because individuals with low-search cost seek them out. Only high-search cost individuals go to high-price stores. One outcome of this work is that dispersion of information will lead to dispersion of price as well as product quality. Those researches culminated in the argument of Stiglitz (1987) that if price becomes a signal of quality, then “quality can depend on price”. In addition, Cooper and Ross (1984) note that many consumers use prices as indicators of quality in making their choice between different goods. They suggest that the degree to which prices convey information on product quality is directly related to the entry of dishonest firms. Therefore, in equilibrium, prices will in general convey some, but not all, information on product qualities.

HEDONIC PRICING APPROACH

Theoretical foundation of hedonic pricing provided in Rosen (1974). Every good can be treated as a bundle of attributes that define product quality and that differentiate closely related products.

$Z = (Z_1, Z_2, \dots, Z_n)$, where, Z_i measures the amount of the i th characteristic contained in each good.

The interaction of suppliers and demanders at the same time determines the hedonic price function and the implicit demand and supply functions for products.

The hedonic price regression: $P(Z) = P(Z_1, Z_2, \dots, Z_n)$

There are some Hedonic Pricing Applications in Tourism Limitations:

- the lack of several demand factors in model
- the simplifying assumption of perfect information
- unreliable data supplied from the brochures of tour operators
- little attention paid to econometric modelling

HEDONIC PRICE MODEL

$P_i = f[X_i(X_1, X_2, X_3, \dots, X_m), Y_i(Y_1, Y_2, Y_3, \dots, Y_n), C_i(C_1, C_2, C_3, \dots, C_k)]$

- P_i is the price of observation i ,
- X_i is a vector of holiday hotels attributes for observation i (*hotel category, distance from the beach, room equipment, zone, etc.*),
- Y_i is a vector of additional demand variables (*socio-demographic characteristics of tourists, such as income, age, employment, etc.*),
- C_i corresponds to the information asymmetry factors (*information level of tourists, source of information, origin, hotels expenditure on advertising, etc.*).

INFORMATION ASYMMETRY – SOME STATISTICAL APPLICATIONS

The theoretical and empirical literature of information asymmetry covers almost all areas related to the economics, in particular finance, insurance and labour markets. However, the tourism area, which is particularly important for the analysis of information asymmetry, has received very little attention. Markets characterised by the continual entry of new participants with limited information provide an opportunity to test specifically the predictions of economic models based on asymmetric information. This is the case of tourism industry, where it is contended that tourists possess only a modest bank of market intelligence on the distribution of prices, especially in holiday destinations. Moreover, the tourists confront significant and positive search costs.

The tourism product is considered as a set of components which integrates physical components, service and information. I can conclude the strategic role of information on the tourism economics, considering three important aspects of the tourism good definition:

1. *First*, the tourism product is a combination of goods and services in the sense it constitutes a set of characteristics which are localisation, transport, accommodation, attractions and support services. Those are the main components of this good and each component constitutes a potential source of informational asymmetry.
2. *Second*, the tourism product is an “experience good” which means the tourist cannot taste a sample of the product. Moreover, the tourist cannot appreciate the quality of the tourism good before he consumes it. Thus, he can only study the tourist information available and try to evaluate the quality.
3. *Third*, the tourism product is a localized activity but a tourist does not always know the precise localisation. It can be a historical site, an attraction or Natural Park, a restaurant, a hotel or a motel.

Both sides in tourism market are confronted with uncertainty; customers cannot sure about quality and the offered products price, and supply side is not sure about the consumers, about their number and behaviour. Non-complete and late information produce uncertainty which appears along two dimensions; price and quality. Thus, I emphasise that ***information asymmetry is an important feature of tourism market.***

The substantial theoretical model which analyse the effects of information asymmetry in tourism industry is the Tourists-and-Natives model (Carlton and Perloff, 2004). It assumes that there are two types of consumers. Natives are informed consumers and have zero search costs, knowing the entire distribution of prices in the market, and tourists are uninformed consumers who have positive search costs. This models refers to the models of Diamond (1971), Salop and Stiglitz (1977) and Dixit and Stiglitz (1977). In this model there are two possible types of equilibrium. If there are enough informed consumers, the equilibrium price equals marginal cost. All consumers are charged the full-information, competitive equilibrium price. If there are relatively few informed consumers, a two price, monopolistically competitive equilibrium is likely, where some stores charge a high price and others charge marginal cost, even though the good is homogeneous. The law of a single price does not hold. All the informed consumers shop at the low-price stores, and the uninformed consumers shop randomly. The high-price stores charge their profit-maximizing price. The price discrimination is possible with differently informed consumers. Thus, where there are both informed and uninformed consumers in a market, it often pays for a monopoly to create *noise*; that is, it has an incentive to charge different prices for a homogeneous good at various locations to make it more difficult for uninformed consumers to find the low-price store.

STUDIES IN SECTOR

Unfortunately, there are few studies testing the Tourists-and-Natives Model in order to assess the effects of information asymmetry in tourism destinations. An important application is undertaken by Crase and Jackson (2000) which develops a method for testing the impact of information asymmetry on pricing behaviour in markets with a seasonal influx of tourists. Notwithstanding the substantial limitations to the study, the results show some support for the proposition that certain firms will charge monopoly prices when the proportion of uninformed tourists in the market increases. These results point to the need for further research into pricing motives of suppliers in tourism destinations.

Another theoretical model in tourism is developed by Caccomo and Solonandrasana (2001) which combines *price competition, localisation and imperfect information*. The authors show that when the price is not observable by all the tourists, the existence of a precise proportion of uninformed tourists generates prices differentiation. When the imperfect information concerns the localisation, the symmetric equilibrium (The symmetric equilibrium here is defined as equilibrium with only one price level, while the non-symmetric equilibrium is equilibrium with two different price levels). does not exist at all. This study shows that the existence of information asymmetry generates price dispersions between tourist products having the same characteristics.

Further, I have stressed the increasing attention given recently to the issues of sustainable tourism in relation with asymmetric information. An important contribution is given initially by Keane (1996, 1997) who suggests that *information asymmetries between visitors and producers may lead to a loss of competitiveness of tourist destinations*. Then, Caserta and Ruso extended the Keane's work by focusing on the consequences of increasing tourist pressure on heritage destinations and the role of imperfect information. In addition, Baddeley (2004) has investigated some further issues related to quality, information and sustainability in tourism. She observed how incentives to provide high quality tourism are limited given asymmetric information, adverse selection and positive search costs, with implication both for the sustainability of the tourism industry and for environmental sustainability more broadly defined.

DEVELOPING A HEDONIC PRICING STATISTICAL APPROACH

Here are firstly synthesised the theoretical aspects of the hedonic pricing approach, which is based on the hypothesis that every good can be treated as a bundle of attributes that define product quality and that differentiate closely related products [The theoretical foundation of hedonic pricing is provided in the seminal paper by Rosen (1974)]. Hedonic techniques have been used extensively to assess the relationship between a product's price and its attributes, where the price reflects the many decisions made by consumers and suppliers in the market place.

In addition, I have focused the analysis on the critical review of recent studies in holiday hotels sector [Regarding the tourism context, initially the hedonic pricing has been applied theoretically by Rugg (1973), Kahn and Lang (1988) and Morley (1992), and empirically by Sinclair et al. (1990), Clewer et al. (1992) and Taylor (1995)]. An example is the article of Espinet et al. (2003), which examines the effect on price of different characteristics of holiday hotels in sun-and-beach segment. The value of attributes and characteristics is unobserved because they are not separately traded in the market; only the overall prices of hotel rooms, including particular combinations of attributes, are observed. The use of hedonic functions here allows quantifying the effect on price of each of the significant variables, such as town, star category, and distance to the beach, number of rooms and availability of parking place. Thus, hotels managers can make economic estimates of the impact of their decisions regarding changes in these variables. The decisions concerning some of the significant variables (i.e. town and distance to the beach) are made only once, when the hotel is built, while those regarding the other variables (i.e. star category,

number of rooms and parking place) can be changed, but not without incurring considerable costs. The results may be particularly useful for new investments decisions. On the other hand, as the town in which the hotel is situated is one of the differentiating variables makes it clear that public authorities (mainly local and regional) can play an important role, for example by preserving the town's image through appropriate public service provision, and environmental and communication policies.

Among further similar researches, Coenders et al. (2001, 2003) use hedonic functions to study the peak level and seasonality of hotel prices and their predictors in Spanish continental Mediterranean coast. The most important variables which explained level and seasonality were very similar to the results of Espinet et al. (2003). The important effect of zone on peak level shows that hotel attributes are not the sole determinants of price. Tourists do not only pay for a hotel room, but also for its environment. Although further research is needed on the effect on prices of these aspects of supply, this fact should inspire the local and regional government policies, reinforcing once more the findings of Espinet et al. (2003). The ultimate aim of these policies is to differentiate the zones by making them attractive for other things than merely sunseeking.

The competitiveness and efficiency issues related to destinations in the Mediterranean region are examined by Papatheodorou (2002), who performed a hedonic analysis, in which the price of holiday packages is regressed on a number of package characteristics and operator and location scaling factors. This correlation analysis allows the author to establish a number of interesting implications for the policy makers of Mediterranean countries. First, it should be clear that what really matters in Mediterranean tourism is the creation of a strong resort brand name. This should not be associated so much with natural attractions, as we know the majority of Mediterranean countries share the same features. What really make the difference are the existence of built attractions and the air of sophistication. The latter may be related to the old monuments and tradition. If these are not present, however, policy makers should think seriously about building such attractions.

An important more recent study of Haroutian et al. (2004) applies hedonic analysis to investigate whether price differences, assumed to reflect quality differences, between holiday packages in Mediterranean countries can be associated with characteristics advertised in the brochures of tour operators. Their results show that only a small number of characteristics advertised in the brochures appear to be significantly associated with the price of holiday packages. The price (quality) variation is often more associated with the country of destination rather than the advertised quality characteristics of holiday packages. The empirical results of Haroutian et al. (2004) indicate interestingly that tour operators, in general, are not very helpful in providing information about the quality characteristics of holiday packages in their brochures.

METHODOLOGY

- Data sources

Two set of questionnaires, one for tourists and another for holiday hotels, in a cross-sectional survey (*summer 2007*).

- Preliminary survey

A preliminary survey will pre-test the questionnaires and identify the expected problems during the data collection (*summer 2007*).

- The sample

A sampling technique will be used for both hotels and tourists in order to have a representative sample that does not suffer from selection bias and represents well the population (*rural area*).

A simple random sample of hotels within the area would probably give misleading results because different types of hotels are not equally important in terms of economic impact of visitor spending. To account for this, initially the sampling procedure is based on dividing hotels into relatively homogeneous types according to operating characteristics (size of hotel, category, etc.) and setting sample sizes for each type. In comparison with surveys of tourists, the hotel sample size obtained may not appear to be very large.

In addition, the specification of the data required from hotels raise particular difficulties because of the sensitivity of some information. In Albania, there exist cultural taboos about disclosing financial data, in particular data about income payments (i.e. wages and distributed profits) and the composition of the workforce within the area (i.e. owners and employees, full-time and part-time etc.).

Although general information can be obtained on different hotels characteristics, it is difficult to compile information from hoteliers on the actual prices that are finally negotiated between them and tourists. Many holiday hotels in Albanian coast are not legally built and they are not registered in any local or national office. Therefore, very often hotels managers do not prefer giving this kind of information about their activity. As specific problems arise in the collection of such data, the questionnaire should be based on face-to-face interviews rather than self completed questionnaires.

Given the difficulty involved in obtaining direct information on the actual negotiated prices from supply side, I have choose instead to use a practical way to collect this kind of data from the tourists' interview. As with hotels survey the main considerations are sampling procedure and questionnaire design. Regarding the sampling technique, the main concern is to obtain a representative sample of different types of tourists and to minimise both sampling error and bias. This requires the definition of the survey population, the survey period, the location for interviews and the sample size.

Tourists can be interviewed at their accommodation or at selected points within the beach area. There are a lot of problems of infrastructure in Albanian tourism and the lack of other attractions (such as museums, national parks, shopping centres etc), and people who go for vacation in Albanian holiday hotels spend most of the time near the beach. Therefore for each selected hotel in the area, we will obtain a representative sample of tourists on the beach. The tourists' survey will record information on prices, room conditions and their socio-demographic characteristics.

In general, the study of hotel room pricing is quite complex in Albania because of different price discounts. Prices are usually negotiated between hotels and tourists when the room is reserved and paid by the traveller directly. Moreover, two types of prices are relevant in Albanian holiday hotels: prices offered to Albanian tourists and prices offered to foreign tourists, such as tourists from Kosovo, Macedonia and Montenegro especially. Very often prices offered to foreign tourists are higher than those offered to natives. The dependent variable for our hedonic pricing analysis is the *actual price in Euro per day and person in a double room*.

FRAMEWORK OF STATISTICAL RESEARCH

Focusing on the empirical investigation where the most important data source are the tourists and hotels questionnaire survey in a cross-sectional analysis, has been one of the main aim of paper. Given the difficulties involved in obtaining primary data, it was undertake initially a preliminary survey in the study area during summer 2007 by carrying out several personal interviews with both tourists and management personnel from different hotels. The intention is to pre-test the questionnaires and to provide information about the number of variables which are considered by tourists as the key factors when deciding about their vacations. This preliminary survey will also identify the eventual problems we are expecting to have during the investigation.

Further, the complete information I need for analysis will be provided from the cross-sectional survey during the peak season of summer 2008, including two set of questionnaires: one for holiday hotels representatives and another for tourists. A sampling technique must be used for both of them in the study area in order to have a representative sample that does not suffer from selection bias and represents well the population. This requires the definition of the survey population, the survey period, the location for interviews and the sample size.

Both hotels and tourists questionnaires will provide ideas how to improve hotels and zones and how to resolve information asymmetry problems. Since there are some rural areas considering as beach areas, as very important destinations of holiday hotels sector in Albania, it can be considered as a typical case of this segment, and thus I hope the results to be useful beyond this area. In addition, the survey provides information about existing problems in Albanian tourism and its holiday hotels sector.

The research initially describes the general overview of Albanian tourism, in order to identify the existing problems regarding information asymmetry, quality and prices. Particular attention I give to the actual situation of holiday hotels sector (including lack of information on market, infrastructure issues, lack of legislation and its implementation, informal economy, etc.) and Durres area which represents the major *sun-and-beach segment* in Albania.

The key concepts of information asymmetry and its implications about quality, prices and market equilibrium are very important in order to follow the important role of information in tourism. From the literature I can conclude that the existing literature has not reached sufficient and clear evidence concerning the relationship between information asymmetry, quality and prices. Moreover, the *power of information asymmetry theory is not able to explain fully pricing and qualities in tourism*.

Therefore, next it is develop a theoretical statistical framework that takes into account these limitations and reflects more accurately the situation of tourism industry. To this end, I rely on the integration of two approaches, asymmetric information and the hedonic pricing, and suggest an application for the case of Albanian holiday hotels.. The main issues and limitations must be taken account for further investigation in order to choose an appropriate hedonic model for Albania.

The statistical research methodology is based on a ***cross-sectional survey*** of tourists and holiday hotels for the first time in Albania, since hotels prices and attributes are not systematically collected by any official tourist or statistical office in this country. The main purpose of this survey is to obtain data on how hotel attributes tourists' characteristics and information level influence on prices for holiday hotels. The findings of this empirical work will be used to derive policy recommendations, concluding the final part of the thesis.

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AN ASSESSMENT OF INFORMATION TECHNOLOGY COMMUNICATION ON SME' MARKET SHARE GROWTH AND INTERNATIONALIZATION

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ABSTRACT

Are computers helping small and medium size enterprises (SMEs) growing?

Do SMEs with a higher degree and adaption of new era technology are more profitable and effectively?

Does exist a relationship between information technology communication, SMEs and growth?

In fact, the responding of the above questions is a very recently and emerging issue, because the proper answering and delivering the results of this process will support and help not only researchers, but also practitioners, stakeholders and policy makers. These are the most interesting groups involving in SMEs matters. Creating a network within those through Information Technology Communication Strategies will satisfy their needs.

KEYWORDS: market share, ITC, SMEs

INTRODUCTION

Regarding to adaption of the new era of technology, we see many differences between large and small firms. In fact, recently, especially after 1995 in Albania it is noted a very fast process of adapting of ITC, especially in large companies, helping them to increase and improve their profits, relationships, market share and to diversify the marketing strategies. From the other hand, SMEs seldom have an explicit ITC plan or strategy, or even a defined ITC budget. The relation between the most effective marketing strategies and SMEs growth has attracted the attention of researchers and practitioners in the last few years.

SMEs constitute a highly dynamic and important sector of the economic activity in most developed and underdeveloped countries. A survey covering Albania revealed that SMES constitute nearly and more than 90% of all business establishments. The figures of business registered do not fit with real dates. Anyway, SMEs generate a considerable number of employments and contribute very well in gross domestic product. Regarding to Albanian economy, as a group, SMEs constitute a very interesting and dynamic sector. What it is noted and what is really important during their cycle life growing, is related with the fact that:

1. on one hand, they have to struggle with high competitive pressure, and they need to be careful in their decisions, since lack resources are often carse or nil,
2. on the other hand, they are usually much more informal and unstructured in their management and marketing style, definition of market strategy, or even in the process of pricing and delivering. This allows them to compete in flexibility and responsiveness, being close to markets needs and customers.

The main findings of this study show a positive correlation between ITC strategies and growth the market share of SMEs. According to this, we conclude that the small companies or firms that adapt in their business more and more, or are just starting this process, so analyzing, adapting and monitoring the marketing strategies for ITCs, consistently tend to have higher market share, impacting directly in the improving the cycle life, and growth of their business activity.

Also, our findings confirm the literature review, which depicts these firms as privileged actors in their relationship with technology information marketing strategies, due to its superior flexibility. The bottom line is that ITC practically always will support and help improving the efficiency, productivity, effectively, and finally market share growth. Due this support can be easily monitoring the delivering process of SME's products and services, the promotion of SMEs, the composition of products, environment, physically evidence, people and consumer satisfy. Identification of all marketing elements by marketers or owners of SMEs, and monitoring of those through ITC process, impacting quick in the market share of those firms.

This paper attempts to clarify whether being more responsive to technology changes presents an advantage to SMEs. Being responsive in information communication technology means being alert, knowledgeable and prepared to face technical problems and to solve them in appropriate ways. Too much questions seems to be arise: Are computers helping small and medium size enterprises (SMEs) growing? In which ways? Does exist a relationship between information technology communication, SMEs and growth? Are they impacting their cycle life extending? Are they exporting due to ICT adapting? Which impact ITC has on becoming internationally? Do SMEs with a higher degree and adoption of new era technology are more profitable and effectively? Firms that perform these changes get a fundamental advantage versus those who do not perform them at all?

In fact, the responding of the above questions is a very recently and emerging issue, because the proper answering and delivering the results of this process will support and help not only researchers, but also practitioners, stakeholders and policy makers. These are the most interesting groups involving in SMEs matters. Creating a network within those through Information Technology Communication Strategies will satisfy their needs.

What happened with SMEs when Europe decided to use only one unique currency: euro? This was a big challenge for whole the community of SMEs within the Europe. In Europe, this year, 1999, confronted firms with two examples of such challenges:

1. The adoption to the new European currency, and
2. So called millennium bug.

LITERATURE REVIEW AND BACKGROUND

Issues Of Definitions

While the term SME is widespread, there is no generally agreed definition that isolates this type of organization. A variety of definitions for SME can be seen among different countries, industries and government agencies. Some have defined SME's on quantitative criteria, while others have used qualitative criteria.

1. *Quantitative criteria* involve factors such as sales figures, social assets, number of employees, number of customers, and value of the equipment, capital investment, production, and level of energy consumption.
2. *Qualitative criteria*, however, are related to behavioral attributes such as how SME are run, how decisions are made, and how authority is exercised.

In fact, ICT impact on SME growth market share is related directly and can be measured by the second criteria, qualitative criteria. In this case, should be use criteria as:

- adaptability to changing markets,
- ownership,
- independence,
- niche taking,
- innovativeness,
- rapidity of decision making,
- production simplicity,
- less effectiveness of information and communication management, and
- Working motivation (Rovere, 1996).

Internet Use

Internet use and internet impact in this article refers to use of the internet by businesses at the level of enterprises or firms for the purpose of conducting business activities, including general, purchasing and selling activities.

For a nation, effective use of the internet enables increased efficiency, lower business transaction costs, improved communication speed, more flexibility and better responsiveness to customer needs, and minimized time and distance barriers of global markets (Kotler, 2007). Also, in national and local level, potential exists for an increased customer base, particularly for entrepreneurial businesses and SMEs.

Internet uses for marketing activities are as follows:

1. Communications and information channels for buyers and sellers;
2. Distribution channels to facilitate physical exchanges.

Examples of internet-adopted marketing functions include disintermediation, customer relationship management, mass customization, sales force automation, marketing decision support information, and collaboration and coordination. What follows from all this discuss is related to the fact that these marketing activities are not likely to be performed effectively and efficiently if a SMEs does not have access to sufficient internet capabilities.

EVALUATION THE ROLE IF ICT ON SMES

There is a great variability in how responsive SMEs are to ICT-related problems. The degree of ICT usage plays an obvious role in that: SMEs that rely on technology for their business processes may need to be more “on top of things” than those that make just a circumstantial use of it.

Not all firms want to adapt new technologies in their processes. There are some factors that determine the role of ICT, as organizational size, availability of resources, size and features of the system necessarily affect the scale and scope of the work. Typically, SMEs are forced to invest in ICT in an incremental way, due to the lack

Based on the criteria of ICT usage, we can classify SMEs in two groups:

1. *Prospectors* would be the firms that are permanently observing the environment, and become aware early of the problems, manage to solve them as soon as possible. Prospectors will more likely to be firms that care much about technology, and are aware of potential problems, fix them as soon as they can.
2. *Reactors* are positioned in the other extreme. These would be the firms that appear not to care about the problems, and solve them only in the last moment or even when the first complications

derived from them finally arise. These groups of SMEs care less (may be) about the technology, be less aware of new technologies and incorporate them only when the external pressure is high.

Becoming More Internationally through ICT

The internet has helped increase opportunities for firms in different business positions (smaller vs. larger forms or firms from developing vs. developed countries) to compete with each other. Therefore, at one extreme, the internet has allowed small firms from developing countries to internationalize their products and services more actively and effectively than ever. For example, with the advantages of the internet, small Albanian firms can currently acquire information about potential and existing foreign markets more easily and communicate with potential and current foreign partners and customers more directly with low costs. This type of firm behavior will become normal among Albanian small firms in the near future.

In addition, small firms from transition countries have also had the opportunities to enter markets around the world directly without need for an intermediary. The internet, for example has introduced small Albanian firms to a huge number of potential markets beyond their domestic territory. The firms can gain more knowledge about foreign territory. The firms can gain more knowledge about foreign markets, and learn more about culture or other countries through information and communication provided by the internet with a minimum of financial investment. As a result, more products and services will be increasingly sold in foreign markets not only by larger, but also by smaller forms around the world. Without doubt, advantages of the internet will cause significant changes in how both larger and smaller firms conduct international business. The internationalization process in SMEs is exploring the competitive advantages of SMEs, choices of entry mode, and SMEs' international constraints (Jones, 1999; Coviello and Martin, 1999).

Internationalization effect and SMEs impact are closely connected with ICT. This effect on SME growth is due to ICT. This theory of internationalization cause direct exporting, causing a whole process, at the end of which we will found out satisfied consumers, satisfied small and medium firms, and effective usage of ICT. This theory suggests that psychic distance plays a major role in explaining how firms make internationalization decisions and commitments. So, in this way, SMEs would expand their business to low risk and psychically close markets to their home countries in the initial stage.

Influence of ICT in Growth Market Share through Growing the Exports

With generally limited internal resources, international SMEs typically have unavoidable difficulties selling their products or services directly to their customers in foreign markets, or even to be known in the international markets, and as such many have used foreign distribution channels as their intermediaries to these markets (Burgel and Murray, 2000).

Recently, SMEs have shown increased involvement in international business (Graham, 1999). Setting an appropriate mode of entry into foreign markets is critical to small firms with limited resources that cannot invest in long-term risk (Burgel and Murray, 2000). In this condition, those SMEs have chosen to internationalize their products and services through exporting activities for minimized business risks and resource requirements, and more business flexibility engaged by the exporting mode as compared to other types of foreign-market entry modes. Direct exporting by SMEs requires specific experience and knowledge of foreign markets. This experience and knowledge cannot be easily acquired without significant expense, as collaborating with foreign partners involves a great deal of time and effort to overcome language and cultural difference. Utilizing the internet, firms can acquire information related to potential and current foreign customers, business partners, and markets, as well as competitive intelligence much more easily than in previous years and at minimal efficiently and more effectively (Porter, 2001).

SMEs are more often more customer oriented and easily adaptable to new technologies because complex management levels do not exist always within the organizations. Having interfirm cooperative relationships still requires an appropriate amount of commitment including time, personnel, and capital; larger firms usually have more advantage over and opportunities than smaller firms in acquiring and maintain such relationships with their foreign partners (Pan and Li, 2000).

Capabilities and use of the internet have changed the structure of SMEs relationships. The internet enabled SMEs to communicate with foreign business partners more often and more widely than before due to more reasonable and affordable costs of internet communication, as compared to other traditional communication alternatives, i.e. telephone and facsimile services.

In fact, we have evidently noted for the purpose of this study that, the influence of internet use for the purpose of international business partnership by export SMEs. The internet connects information seekers to information providers globally, and interesting to examine, is whether internet use can prompt SMEs to internalize their domestic distribution activities, and sell products and services directly to other business concerns in foreign markets.

For the purpose of this study, which is to determine whether the internet affects the in export of SMEs, and if so, how internet capability and internet use influence those exporting choices, one conceptual model have been proposed. This model is developing to test the critical relationship between internet capability and firm choice of direct exporting. *The model show that SMEs must adapt their capabilities, and use the ICT as a fundamental tool for growing the market share through direct exporting.*

The Model of Internet Capabilities

What results by the literature and case studies, it related to the fact that, although it is agreed that the internet offers new opportunities for SMEs to compete with larger firms in an international context, only SMEs with appropriate use of the internet can be successful in foreign markets (United Nations, 2001). The internet, as part of ICT, is capable of:

1. reducing search and network coordination costs
2. increasing the availability of alternative resources and channels, as well as the value of intangible assets
3. Facilitating the access to market information with higher quality.

Figure1: Basic Model of Internet Capabilities



Fig., Basic model of internet capabilities

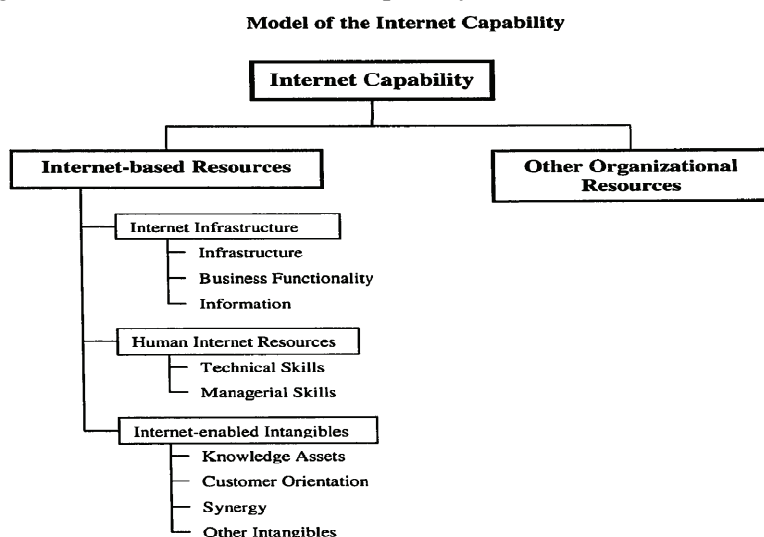
The key internet-based resources can be classified based on the model as:

1. *internet infrastructure*, which includes the physical internet infrastructure components of a shared information base, business functionality with communication links, and information that can be shared across system and services;

2. *human internet resources*, which involve both technical internet skills and managerial internet skills;
3. *Internet-enabled intangibles* such as knowledge assets, customer orientation, and synergy of the internet activities.

Internet capability refers to the ability to mobilize and deploy internet-based resources in combination or co-presentation with other resources and capabilities of the SMEs. Furnishing the basic model with new key internet resources will have an improved and more developed model, which proposes some other *elements that SMEs must take into consideration when they decide to grow their market share and adapt ICT technology.*

Figure 2: Model of the Internet Capability



Source: Adapted from Bharadwaj (2000)

This model suggests that all three types of internet-based resources together, combined with other firm resources can establish and increase the internet capabilities. What flows as important issue is that to obtain competitive advantages through information technology (ICT) integration rather than ICT technical skills, ICT managerial skills for effective use of ICT to strengthen competencies and skills to other business units should be emphasized.

ROLE OF SMES IN ALBANIAN ECONOMY

From some statistic result that there are twenty three million SMEs in Europe: some 99% of all businesses, also, they employ 100 million people: some 70% of the workforce. Other figures and dates show clearly that SMEs play an important role in most of the economies of the world. In the last decade, researchers have increasingly been interested in how SMEs contribute to economic growth and development (Rovere, 1996; von Potobsky, 1992). The most significant constraints of SMEs are limitations of internal resources such as financial, people, information, and management (Yusof and Aspinwall, 2000; Buckley, 1989; Erramilli and D'Souza, 1993). In Europe, with growing the monetary convergence has brought two situations. SMEs need to adapt their Information System and to adapt their systems to a new euro system currency.

Both situations involve considerable changes in the software, and in some cases even in hardware, used by SMEs. These problems affect SMEs in many different ways. In this scenario, come present for all SMEs to adapt new ICT for their activities increasing in these ways the economic effects of their nations.

SMEs has direct impact on employment and GDP, which it seems clear that any initiative directed to improve the way SMEs use technology could have a great effect on the economy as a whole.

In its history of transition to a market economy, Albania has gone through several massive shocks which have influenced the development of the economy in general and the SME sector in particular. The establishment of a market economy was preceded by a period of chaos, demonstrations, destruction of public property and mass emigration in 1991. The newly elected democratic government which came to power 1992 faced the task of not only building the institutions of a market economy but also responding to the urgent needs of the population for food, law and order and economic security. With the bulk of state-owned enterprises hit by severe transformational recession, the liberalization of entry conditions, privatization of agriculture, housing and small firms, encouraged the rapid growth of new businesses, almost all small scale enterprises. The rapid growth of agriculture, transport, trade and services led to a recovery from 1993, with the industrial production returning to growth in 1995, after almost 7 years of decline (Hashi, 2001).

Over the past decade, Albania has undergone a turbulent transition, alternated by periods of relative tranquility and steady growth to major, unforeseen setbacks (IMF, 2003). Albanian economy reveals a low level of competitiveness. In particular, the low levels of export and the high trade deficit, point out to the need to take measures which will contribute to fostering the business environment, through promoting the private sector development and attracting foreign direct investments.

Small and medium size enterprises make important contributions for Albanian economy and general development. The growth of a healthy, competitive SME sector will be maximized when there is a strong enterprise culture in the society at all levels; a continuous growth in the quality stocks of independent business; maximum potentials for growth of existing SME; and a highly supportive economic, social and stakeholder environment. These are the broad target areas for policy development.

By the end of 2005, micro and SME registered and operating in the Albanian Economy were about more than 54.000 firms, which make in total to 99% of total firms operating during the same period. Micro and SME firms have provided employment for more than 56% of total employment, 65% of total turnover of the economy, and 45% of total investment generated by private non agriculture sector. In particular, micro enterprises dominate with 94% of total firms operating in the country, while the SME firms account for about 5% (Ministry of Economy, 2006).

What is flow from the above analyze result to the fact that SME are very widespread all over the country, and neglecting their development would mean not to take into account important drives of the economic growth of the economy.

The New Era of ICT and Albanian SMEs

This current era of a combined globalization and information technology age is an ideal time for international business and management information systems researchers to extend their knowledge. Form the importance aspect that globalization has on market share growth; ICT has been recently used practically and investigated academically.

Regarding to adoption of the new era of technology, we see many differences between large and small firms. In fact, recently, specially after 1995 in Albania it is noted a very fast process of adapting of ITC,

specially in large companies, helping them to increase and improve their profits, relationships, market share and to diversify the marketing strategies. From the other hand, SMEs seldom have an explicit ITC plan or strategy, or even a defined ITC budget. The relation between the most effective marketing strategies and SMEs growth has attracted the attention of researchers and practitioners in the last few years.

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3. on one hand, they have to struggle with high competitive pressure, and they need to be careful in their decisions, since lack resources are often carse or nil,
4. On the other hand, they are usually much more informal and unstructured in their management and marketing style, definition of market strategy, or even in the process of pricing and delivering. This allows them to compete in flexibility and responsiveness, being close to markets needs and customers.

How fast Albanian SMEs have reacted to these two problems, or even how they introduce the capabilities degree of ICT responsiveness into a classical production function. What is followed by the analyze it related to the fact that everything is found to be positively to output generation: *SMEs or small firms that are proactive and responsive to their ICT related problems tend to outperform those who are not.*

How Fast Albanian SMEs Profit from Using ICT?

Albania is the fifth country of the group of EU candidate and potential candidate countries to join an important part of the EU's Competitiveness and Innovation Programme (CIP). Under the CIP, the European Commission promotes innovation, entrepreneurship and growth in SMEs. On 27 June 2008, European Commission Vice President and Minister for Economy, Trade and Energy of the Republic of Albania, signed a Memorandum of Understanding formalizing the Republic's entry to the entrepreneurship and innovation pillar of the CIP. The EU remains Albania's main commercial partner, accounting for 87.1 % of exports and 59.8 % of imports. The main trade partners remain Italy and Greece, whose represent 27.5 and 13.7 % of imports and 72.9 and 9.2 % of exports respectively.

Table 1: Internet Penetration in Balkan' Countries -2008

Country	Population No	No Users	% of Users	Broadband Users
Albania	3,087,159	471,200	15.3%	300
Greece	10,706,290	3,800,000	35.5%	787,000
Macedonia	2,056,894	392,671	19.1%	36,500
Serbia	10,087,181	1,400,000	13.9%	121,700
Montenegro	665,734	266,000	40.0%	25,800
Bulgaria	7,322,858	2,200,000	28.7%	384,300
Romania	22,276,056	7,000,000	31.4%	1,796,300

part of SMEs still use basic communication technology such as fixed phone line and fax, and only a small part use CRM software

Also, analyzing the dates, results that, SMEs accounted for about 99% of the total number of active private enterprises in 2005, contributing 64% to the GDP and represent-ing 66% of total employment.

What is still a recent trend is that SMEs in most developing countries in Europe still have been slow to adopt ICT. In Albania, better

Let's go back in the questions: *How fast Albanian SMEs profit from using ICT?* This is emerged by the fact that it remains the main and global scope of internet. Any small company, firms, or whatever SMEs, that establish a site on the internet automatically *becomes a multinational company*, because consumers worldwide can access it. This means that SMEs in Albania can be firstly coming more internationally through ICT. Everything is coming to be internationally marketable which in fact will perform the market share perform, even the Albanian products are national, regional or even local products.

ICT has decisive and direct impacting on the cycle life of SMEs in the country. The main challenge that faces forms in the country due to the ICT on SMEs growth market share is:

1. There can be found some alternative choices of export distribution channels (direct vs. indirect exporting) when internet is used as an information and communication tool in the international environment. In this way ICT capabilities and use could impact on the exporting choices of SMEs.
2. ICT help and support the two main theories, *internationalization* and *transaction cost* theory.
 - a. Based on internationalization theory, SMEs would gain more foreign market knowledge through more use of internet for their business activities. Greater foreign market knowledge would result in the reduction of perceptions concerning the uncertainty about foreign markets.
 - b. According to transaction cost theory, increased use of the internet by SMEs would help reduce foreign partners' performance uncertainty perceived by the SMEs. This reduced perception would, in turn, lower costs of performance evaluation and monitoring. Furthermore, due to the lower costs, SMEs in Albania would be willing to *export their products directly rather than indirectly*.

SOME CONCLUSIONS

Small and Medium-sized Enterprises (SMEs) should consider a crucial sector for the Albanian economy that needs support by ICTs. They are keys for making SMEs grow. As our economy becomes increasingly reliant on ICTs to receive, process, and send out information, SMEs should not be left behind.

In this paper we conclude that there are two categories of SMEs:

1. SMEs that consider their information system crucial for their activity and/or a source of competitive advantage will be more likely to be responsive and provide an early solution to these problems, showing a proactive attitude, and
2. In contraposition, other SMEs which will simply wait until the problem is imminent, or will not even correct them at all and face the consequences.
 - The main findings of this study show a positive correlation between ITC strategies and growth the market share of SMEs. According to this, we conclude that the small companies or firms that adapt in their business more and more, or are just starting this process, so analyzing, adapting and monitoring the marketing strategies for ITCs, consistently tend to have higher market share, impacting directly in the improving the cycle life, and growth of their business activity.

- Also, our findings confirm the literature review that depicts these firms as privileged actors in their relationship with technology information marketing strategies, due to its superior flexibility. The bottom line is that ITC practically always will support and help improving the efficiency, productivity, effectively, and finally market share growth. Due this support can be easily monitoring the delivering process of SME's products and services, the promotion of SMEs, the composition of products, environment, physically evidence, people and consumer satisfy. Identification of all marketing elements by marketers or owners of SMEs, and monitoring of those through ITC process, impacting quick in the market share of those firms.
- While the internet is perceived as a technological breakthrough that has affected tremendous change in the business world, an increasing number of researchers and practitioners argue that the internet is not simply a miracle of modern information technology, which by itself, can enable firms to increase their business performance. To take full advantage of the internet for assuring the most positive business outcomes, firms must understand and use the internet in suitable ways (Porter, 2001; Petersen et al., 2002). *Without effective strategies and appropriate use, the internet is just another ineffective marketing pool.*
- By the end of paper review, we found out that regard to ICT assessment:
 - A. the output contribution of ICT impact is significant and positive,
 - B. There exist a strong positive and significant relationship between ICT and firm size.
- Also, we recommend strong **public initiatives**:
 - A. to increase awareness of new technologies,
 - B. divulge their benefits,
 - C. to ease their adoption, given the potentially high impact that ICT gains in SMEs might have in the economy as a whole.
- Finally, SMEs that display a proactive and responsive attitude towards ICT generate more resources than those who are not.

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World Bank

LEADING THE LEARNING ORGANIZATION

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INTRODUCTION

Under the present environmental conditions, transforming to learning organization has become an organizational imperative as the survival of the organization is at stake. This has motivated scholars and practitioners to identify a number of factors that influence the development of learning organization. Fiol & Lyles (1985) suggest that the organization culture, the strategy, organization structure and the environment in which the organization operates influence the development of learning organization. Caudron (1993), Schien (1993), Garvin (1993), Marquardt (1996) have identified the important role culture plays in creating a learning organization.

Many researchers have identified leadership as being one of the most important factors, among the many factors, that influence the development of learning organization (Senge 1990; Johnson, 1998; Prewitt, 2003; Sadler, 2003). The transition to a learning organization involves change in a complex system. Transforming a complex system is difficult without a leader who understands the needs of the situation, the people and the goal and undertakes the necessary action to achieve the transition.

The plethora of studies on learning organization is mostly descriptive in nature. Studies on leadership have also focused mostly on the follower outcomes. In view of the current state of the literature, this study explores how leadership influences the development of learning organization. The type of leadership considered in this study is “transformational leadership.” Transformational leadership has been the subject of extensive research in the past decade and these leaders bring about changes in the followers and the organization through innovative or revolutionary ideas and a vision of future possibilities (Bass, 1985). Yet, despite the potential for a transformational leader to positively affect the development of a learning organization, little research has investigated the existence of this link. In view of paucity of research in this direction, this article seeks to understand the role of transformational leadership in the development of learning organization.

The first section provides a brief overview of the literature on learning organization. The second section gives a review of the leadership theories with a focus on transformational leadership. The impact transformational leadership has on various subordinate and organizational outcomes has been reviewed in the third section. The section that follows provides support for the influence of transformational leadership on the development of learning organization.

LEARNING ORGANIZATION

In this era of intensified competition and rapid transformation and change successful organizations are those that can recognize, react to, manage, and prosper in a changing environment (Johnson, 1998). The capacity for change and improvement is linked with learning. This had led to the emergence of learning organization whose foundation lies in the belief that learning and change are closely intertwined. The basic principle of learning organization is that these organizations help people and organizations to cope with change.

LEADERSHIP

Leadership can be referred to as an attribute of a person or as a social process involving influence and persuasion. In the past, many theories were developed to determine leader effectiveness. Those theories considered leaders as heroes who made all the decisions. The present dynamic scenario calls for a

different kind of leadership as compared to the traditional leadership roles. To lead the present day workforce and organizations which are faced with a rapidly changing environment requires a leader who brings out the best in followers, leadership which is more adaptive and flexible. They are transformational leaders who go beyond rewards, they create and communicate a vision, empower employees to perform beyond expectation (Bass and Avolio, 1994).

TRANSFORMATIONAL LEADERSHIP DEFINED

For the purpose of this discussion, transformational leaders have been considered as change agents. The definition adopted for this discussion is the one provided by Tichy and Devanna (1990) and Tichy and Ulrich (1984). They have considered transformational leaders as change agents who implement a vision, realign the values and norms of their organization, and when necessary, accommodate and promote both internal and external change.

TRANSFORMATIONAL LEADERSHIP AND FOLLOWER OUTCOMES

Across many contexts, various empirical studies have been conducted to study the effect of transformational leadership behavior on follower outcomes and these studies have reported that transformational leadership has been significantly and positively related to various follower outcomes. Transformational leaders through idealized influence and inspirational motivation encourage followers to perform beyond expectation and thus create followers who are capable of handling challenges on their own. Dvir et. al. (2002) and Hetland and Sandal (2003) showed work motivation, or willingness to exert extra effort, is the outcome variable that is best predicted by transformational leadership.

By raising followers' social identification with the work unit or organization, transformational leaders empower employees by connecting them to the bigger entity, the organization, and raising their self-concept (self-esteem and self-efficacy) (Kark et. al., 2003; Dvir et. al., 2002). One important outcome of transformational leaders is that followers do not resist self-development and demonstrate enhanced commitment to their job, coworker and the organization (Avolio et. al., 1991).

LEADERSHIP AND LEARNING ORGANIZATION

The learning organization "will remain a distant vision until leadership capabilities they demand are developed" (Senge, 1990). Johnson (1998) examines leadership in the context of learning organizations. He identified three themes from the literature: visioning, empowerment and leader's role in learning, as the crucial skills for leaders of learning organization. Peter Senge (1994) who popularized the concept of a Learning Organization has identified a different role for leaders in learning organization as compared to leaders in traditional organization. He suggested that "leaders in learning organizations are responsible for building organizations where individuals continually expand their capabilities to understand complexity, clarify vision, and improve shared mental models- that is they are responsible for learning". Senge further identified three leadership roles that are important for building a learning organization. "Leaders as designers" who design the social architecture, in which others operate, build a shared vision and foster an environment where learning can flourish. "Leaders as teachers" who conceptualize and articulate the reality so that followers perform at a higher level of performance. "Leaders as stewards" who develop their sense of purpose and set an example to the followers.

In the literature, leadership has been identified as one of the most important factor that influences the development of learning organization. Learning organizations are in a state of transforming from a traditional organization which order and guide human activity towards the attainment of organizational goals that emphasize the accomplishment of task to ones that are guided by a quality based purpose, clear

mission and goals that are flexible and dynamic (Knutson and Miranda, 2000). They rely on individuals who are self-managed and collaborative and who engage in continuous learning. Therefore, learning organizations require the leadership of a transformational leader as these leaders shape organizational vision and transform assumptions and mental models by performing the role of “designer,” “teacher” and “steward”.

Environmental uncertainties are stressful to followers, as they do not understand the direction of change, the potential impact of the change, and the success of a particular response. Learning organizations are also operating under conditions of environmental uncertainty hence transformational leadership plays an important role to enable organizational members to understand and cope with change.

CONCLUSION

Accelerating change in the global economy has given birth to a new organizational form known as learning organization. These organizations are designed to enable people and organizations to be adaptive to the environment and responsive to change.

Despite the wide acceptance among scholars that leadership is a key contributor to the development of learning organization this relationship has been relatively understudied. This study highlights the important role transformational leadership plays in the development of learning organization.

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BIOGRAPHY

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INNOVATION PROCESS IN CANADIAN AND US HOTELS

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ABSTRACT

This study explores the innovation (NSD) process in hotels. We review the existing NSD models and investigate if they explain the innovation process in hotels both in Canada and the US. Six new services are identified and examined closely. Based on the results we find distinct differences in the innovation process in hotels from other service industries and propose an activity based innovation process model for hotels. The study also attempts to understand if the development process is an informal or a formal one and reveals that it is as much systematic as it is creative. The study provides a guideline for managers to adopt, in implementing an NSD process. The case study methodology is used.

INTRODUCTION

The innovation and new product development literature is rich with numerous studies spanning the last four decades. However, the attention has always been on the manufacturing sector. Studies of the same in the service sector to date are sparse (Stevens and Dimitriadis, 2005; Alam and Perry, 2002; Edvardsson and Olsson, 1996; de Brentani, 1993). It is now recognized that the service sector is clearly growing at an explosive rate, particularly in comparison to manufacturing (Atuahene-Gima, 1996) and that it accounts for 70% of the GNP and of the employment in most developed countries (Stevens and Dimitriadis 2005). Furthermore, the value of innovation has been clearly recognized as a vital strategic tool for competitive advantage (Bowers 1989) making a study of the new service development (NSD) process of major importance for both academics and practitioners.

Tourism is considered a core service industry and has become one of the major international trade categories. The export income generated by international tourism ranks fourth; after fuels, chemicals and automotive products. From 1950 to 2007, international tourist arrivals grew from 25 million to 903 million according to the UNWTO 2008 edition of tourism highlights report. The global hotel, restaurants and leisure industry generated total revenues of \$2.3 trillion in 2007 according to the Datamonitor industry market research (2008)

The overall export income generated by these arrivals (international tourism receipts and passengers transport) grew at a similar pace, outgrowing the world economy, exceeding US\$ 1 trillion in 2007, or almost US\$ 3 billion a day. North America accounts for 95.3 million international travelers (UNWTO, 2008). According to the Canadian Tourism Commission's 2007 annual report the total tourism revenue in 2007 reached \$70.2 billion for Canada. Hotels and lodging plays a pivotal part in the tourism industry we find it necessary to study the sector from the innovation perspective. Of the studies to date in service innovation process the emphasis has been mostly on the financial sector. Given the turbulent nature of the industry (Ottenbacher and Gnoth, 2005) the firms in the industry are continuously forced to innovate in all aspects of operation.

This study reviews the existing models that explain the NSD process (NSD Process and Innovation process are used interchangeably in this study) and applies the two models that Alam and Perry (2002) propose based on case studies of twelve financial institutions to hotels. The case study methodology is used to ascertain the transferability of either model to hotels.

In this study we briefly discuss the existing new service development models followed by the methodology. We then discuss the NSD case study in two independent hotels one in Canada and the other in the United States, leading to the NSD model. In the last section we provide conclusions and managerial implications.

EXISTING NSD MODELS

Some attempts have been made to develop a NSD model (Bowers, 1989; Scheuing and Johnson, 1989) based on the product development format (Booz et al., 1982) and its subsequent application to the hospitality industry (Jones 1995; 1996). Bowers proposed a normative model of new service development with eight distinct stages, namely; (1) Develop a Business Strategy, (2) Develop a New Service Strategy, (3) Idea Generation, (4) Concept Development and Evaluation, (5) Business Analysis, (6) Service Development and Evaluation, (7) Market Testing and (8) Commercialization.

The empirical study based on banks, hospitals and insurance companies, concludes that the responding firms in the study tend not to engage in formalized idea generation (stage 3), market testing (stage 7) or product development and testing as outlined by Booz *et al.*, (1982). The study suggests that service organizations employ a process of new service development that is not open to market influences and concludes that the path to developing better new products lies in a systematic process of NSD that is sensitive to external changes and incorporates consumer reaction and criticism.

Table 1: Scheuing and Johnson Model

Formulation	Objectives and strategy Structure
Development	Idea generation and screening Concept development Concept testing Business analysis Project Authorization
Testing	Product or service design testing Process and system design testing Marketing-program and design testing Personnel training
Evaluation	Product or service testing Test-marketing Launch Post Launch review

Scheuing and Johnson (1989) proposed a 15-step innovation process for NSD (Table 1) and their study of the financial sector revealed NSD was undeveloped and unsystematic (Scheuing and Johnson 1989). Jones (1995) also observes that the NSD was undeveloped and unsystematic when he tested the model on the flight catering sector. Subsequently he applied the same model to the hospitality industry, studying four cases. He recommends the 15-step process be used as a checklist rather than a script. He also concludes that the innovation process is unsystematic in general and least systematic for smaller firms in the hospitality industry. The choice of firms in the study - although part of the hospitality industry - does not fall into the lodging industry, namely hotels.

The literature presents another model, that is cyclic in nature, (Johnson et al., 2000), represented in Table 2, describing the NSD sequence that identifies four broad stages and 13 tasks that must be conducted to launch a new service as well as the components of the organization, which are involved in the process.

Table 2: NSD Cyclic Model (Johnson *et al.* 2000)

STAGES	TASKS
Design	Formulation of new services objectives/strategy
	Idea generation
	Concept development and testing
Analysis	Business analysis
	Project authorization
Development	Service design and testing
	Process & system design & testing
	Marketing program design and testing
	Personnel training
Full Launch	Service testing and pilot run
	Test marketing
	Full-scale launch
	Post-launch review

Some academics (Menor *et al.* 2002) observe that the NSD process cycle represents a progression of planning, analysis and execution activities and that the cyclic nature is meant to suggest the highly iterative and non-linear process typically employed in most NSD efforts. In their study of new service development and proposing new research opportunities the authors opine that the NSD process cycle recognizes the fundamental NSD stages revolve around the design and configuration of service concept elements and that resources such as development teams and tools play an enabling function in the development process.

Alam and Perry (2002) in their study argue the need for customer interaction in the NSD process and proceed to develop NSD models for new financial service development that included various stages in the NSD process. Based on twelve case studies in the financial sector the authors suggest two models applicable for small and large firms. The models (Figure 1) identify ten stages with one being linear and containing some concurrent stages. The authors refer to the two models evident in the literature – both the eight-stage model (Bower, 1989) and the 15-stage model (Scheuing and Johnson, 1989) – and observe that the ten stages they report are found in one form or another in the existing service development studies.

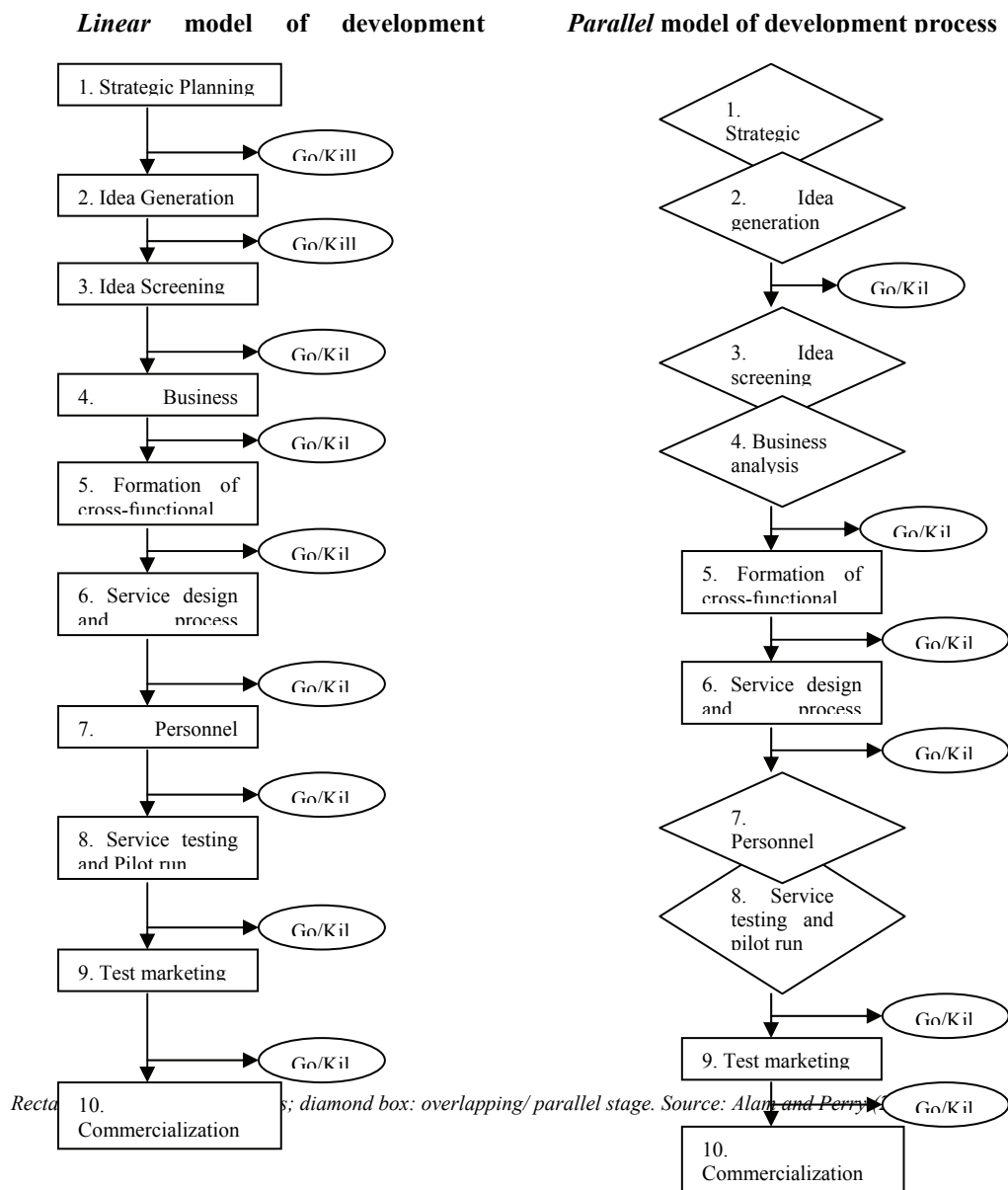
Our search has not revealed the application of any of the aforementioned models in the context of hotels. It appears that there is limited research in new service development process in hotels. The purpose of this study is to explore the NSD process with an objective to identify the activities involved in the development of new service in independent hotels. The study will also ascertain if the innovation process is systematic or creative in nature. We are also motivated to learn if the process amongst different size hotels in Canada and the United States. We adopt the case study approach to understand the process.

Given that there is a dearth of material in this field and with no grounded theory to date to which we can refer to; leads us to employ the qualitative technique. Academics (Westgren and Zering 1998) draw on Yin's (1994) argument that case research and survey methods are better suited than other techniques for analyzing contemporary events. Westgren and Zering (1998) opine that case research is superior to survey methods at answering the “whys” and the “hows” because case analysis can delve more deeply into motivations and actions than structured surveys.

As decision making and initiative is invariably from senior managers we used the “elite” interview method to understand the process. All interviews were recorded and transcribed.

For our Canadian hotel we identified an independent resort style hotel with conference and convention facilities that was recognized and rated by the CAA (Canadian Automobile Association) in a major Canadian metropolitan city. The criteria for our selection were also based on, independence of property from any chain affiliation, introduction of new services in the past three years and the willingness of key executives to provide detailed information regarding the NSD process.

Figure 1: Two Models of New Service Development



METHODOLOGY

The property has an average daily rate (ADR) of C\$99.00, 88 rooms with one restaurant and convention facilities to accommodate 150 guests. The restaurant offers fine dining and Canadian Heritage Cuisine. Our first round of interviews was to identify the new services that were introduced in the past three years. Our primary contact was with the Director Sales and Marketing (DSM). After a detailed discussion with the DSM and the Director Food and Beverage (DFB) we learnt of three new services that were introduced at the Canadian Hotel and Resort. All three services (Table 3) were introduced after the DFB joined the property 3 years earlier. Detailed discussions led to clear identification of the services and an overview of the activities taken during the NSD process.

The second hotel of our study is located in a major city in the US. The property is styled as a hotel and spa with 234 rooms with an ADR of US\$132 (printed rates US \$179- \$189). The hotel has one restaurant and a conference center with a capacity of 250 people and three breakout rooms. The hotel also has a nine-hole golf course. It is independently owned, with a management company operating it. The restaurant offers fine dining with a wide selection of wine. We conducted our interview with the DSM who had first hand information for most of the services. Our initial interview was conducted over the phone and we were able to identify three new services that were introduced in the past three years.

In our second round of interviews we gathered information using a structured questionnaire and open-ended questions. We outlined all possible NSD process steps (fifteen) identified in the literature with detailed explanation of each, as defined by Scheuing and Johnson (1989) in their study and asked key executives to indicate the steps taken for each new service. We chose to employ all the 15 steps to ensure the list was exhaustive. We also sought the sequence of steps taken and comments regarding activities for each step. One key open-ended question we asked was if any of the steps were taken concurrently. Following this, we prepared a schematic representation of the NSD process based on the information received and discussed the steps in our third round of interviews with the key executives. We discussed each step and once the key executives were satisfied of the exact representation of the process we concluded our fieldwork.

With the US hotel we had asked for blueprints, memos, and any other relevant information relating to the development of the new services during our phone interview. The DSM was able to gather all relevant information for all three services. She was prepared with description, facts and figures related to the three services. She had gathered all relevant information from various sources to provide a complete picture of the innovation process. During the interview, she was able to call other members of management involved in the innovation process for clarification. At one point, another member of management joined the interview and provided us with some data. We did not conduct a third round interview with the US hotel as we were able to show a schematic representation of the NSD process, sometime after the interview, based on the information we received.

CASE INVESTIGATION

Table 3 represents the new services that were introduced at the two properties. We have also indicated the time taken from idea to launch as well as the level of success as determined by the managers. We were not able to collect any figures on the costs associated with the new services at the Canadian Hotel and resort as the hotel did not maintain exact records of expenses directly associated with each new service.

Table 3: The New Services Offered

The New Service	Description	Department Responsible	Time from Idea to Launch	Level of Success
1. Dinner and Dance with live music, well known performer in the city (a).	Fixed dinner menu, live band, celebrated local singer, Friday and Sunday nights. 150 seating capacity with additional 100 patio seating in summer.	Food and Beverage (F&B)	18 months	- increased revenue in F&B - enhanced image - market awareness
2. La Bodega Restaurant	Fine Dining and Canadian Heritage Cuisine (CHC) with largest contingent of Canadian wine	Food and Beverage	10 weeks	- VQA award - Increase in rating by CAA (in process) - created public awareness in CHC and Canadian products - recognition and support from government - increased revenue - greater guest appreciation - added feature to resort style property
3. Gondola Rides	Rides on the historic Rideau River	Front Office and Administration (Gondolas outsourced from local firm)	6 months	
4. Spa (b)	Convert 10 rooms to install a spa	Spearheaded by GM with support from owner, Sales and Marketing actively involved.	2 years	- After the first year, increased revenue. - Increase in ADR from \$126 to \$132 - Increase in demand, needs to add two more treatment rooms. - Improvement in overall image - Occupancy rate increased from 59% to 65%
5. Wireless	Introduce wireless connection service throughout the hotel.	IT	6 months	- Improved service for guests - Met guests' requirements in keeping with current standard hotel service
6. Website Optimization	Improve the hotel website to include online reservation and offer online store to sell hotel gift cards.	Sales & Marketing	6 months	Online reservation increased by 27%

(a) Services 1-3 were introduced at the Canadian Hotel and Resort

(b) Services 4-6 were introduced at the US hotel and Spa

Canadian Hotel and Resort

Dinner and Dance: The dinner and dance with live music was an extension of the earlier version the hotel had only during summer on their patio. The idea was to introduce a service that would be available throughout the year and cater to a niche market. The hotel's primary research indicated a need for an exclusive dance club for the 40-65 year old age group. No testing of the concept was necessary as such, as the hotel felt it had correctly identified a market and could exclusively cater to them. One senior manager informed "we went about it instinctively, we knew it would work". They then contracted a local singer with his own radio program who had a 50,000 plus listening audience that were of the identified target group. Part of the agreement with the entertainer was that he would promote the dinner-dance offering of the hotel on his show. Once the business analysis was completed the Director Food and Beverage (DFB) who was leading the effort took authorization from the GM. Operational details of the service including the delivery process, menus (sit down dinner), appropriate selection of wine were worked out. Staffs were provided with training, particularly on wine as this was an item that they would have to sell during the evening. The entire process was then tested. Appropriate marketing strategies were outlined and implemented, including offering free dinners, gift vouchers, etc. on the entertainer's radio show. Guests and clients were invited to experience the evening as guest of the General Manager and Director Food and

Beverage. When satisfied with all aspects of the service it was launched. The service is continuously reviewed based on sales data and feedback from guests.

La Bodega: La Bodega in Spanish means “Wine Cellar” and the idea generated at the time of introducing the Dinner and Dance concept when the hotel was introducing fine cuisine. The idea was to convert the existing cellar to a restaurant that would offer a large selection of wine complemented with Canadian Heritage Cuisine (CHC). CHC is defined as consisting of all foodstuff of Canadian origin. The DFB while searching for a Master Sommelier to train the staff learnt about a government grant that provided free training for promoting Canadian products in the Tourism industry. This also led to including 65% of over 100 different types of wine to be of Canadian origin.

The initial screening of the new service was simply a discussion with other senior members of management. The site for the restaurant required renovation in keeping with the style and theme of the restaurant. Staff received training from the Executive Chef for the food, delivery process and such as well as from the Master Sommelier on wine. Prior to officially launching the restaurant a pilot run was conducted by offering the service to local elite and guests to experience the full concept.

Gondola Rides: The hotel is located along the banks of the Rideau River on five acres of land and the management thought it appropriate to introduce Gondola rides. It is the only hotel in the city that offers this service. A local company was contracted to provide the Gondolas and the hotel built a dock as well as implemented a system of making reservations and ensuring a smooth operation of the service for the guests. The service was not to generate revenue but to maintain the image of a resort that the hotel identified itself with. The service was offered on the hotel’s webpage and promotional materials were developed for in-house guests. The service was first offered when the hotel held a reception to celebrate the 15th anniversary.

US Hotel and Spa

Spa: The area in which the hotel is located is considered an upscale area of the city with a number of spas catering to the needs of the locals. The owners conducted extensive market research, conducted over eighteen months, on spas in the area and the findings suggested an additional revenue stream should they introduce it in the hotel. Thus, they converted ten rooms on the second floor to construct the spa. The hotel hired a spa director who was an expert in the field, the general manager took the lead on the project and the DSM was actively involved throughout the process. Construction took about four months and it took a total of two years from the time of conception till launch. In terms of “killing” the project that was a possibility after the business analysis was conducted. However, after further review and analysis of the figures and with the financial support secured from the bank the project was revived.

During the process they have sought feedback from their employees, customers, senior members of management and their family members at different stages of the innovation process. The hotel went on a “phone blitz” to reach customers to introduce the service. They also targeted their customers with advertising and promotion on both electronic and print media. Billboards were strategically placed to ensure visibility. The introduction of the spa resulted in changing the name of the hotel from a “Lodge” to a “Hotel and Spa”. The post launch review is an ongoing process and they are currently considering adding two more treatment rooms. The DSM attributes the increase in ADR from US\$126 to US\$132 and the increase in occupancy rate from 59% to 65% to the introduction of the spa. The initial cost estimate was US\$750, 000 and eventually they had spent US\$1.5 million. First year revenue was about US\$ 0.5 million and by the third year, revenue increased to US\$650,000.

Wireless: In keeping with the times and the need for guests to stay “connected” the hotel felt it was necessary to introduce wireless connection throughout the property. “It is one of the new services that was never a No-Go, although the business analysis stage is when we would normally decide if we are to continue, shelve for now or discontinue ” states the DSM. It cost the hotel US\$46,000 to introduce the service and fully installed in six months.

The wireless service was added phase wise to each floor and took six to eight weeks to complete all rooms. Thus no full scale launch as such was conducted. The service was available as soon as the installation in the area was complete. The service provider selected in a major company catering to hotels all over the United States. In order to provide better service the guests could call a 1-800 number to reach customer support to ensure quality service with the wireless connection.

Website Optimization: In their bid to offer new services in keeping with current guests’ needs the hotel thought it necessary to improve the website. The website optimization was introduced to provide easier access to reservation. The online reservation option has led to an increase of over 27% in bookings. The website also introduced an option for guests to buy gift cards that were redeemable for any service the hotel provides. The DSM was the lead member of management for this service. The website was included in all marketing and promotional materials, including prominent mention on the hotel’s radio advertisements.

RESULTING MODEL OF NSD

In all cases it was pointed out to us that the strategic planning stage is part of the overall hotel strategy. The distinct stage from which the service development process began was with the idea. In all these cases the ideas were generated by the members of management. It was also pointed out that the initial idea screening, which consisted of brainstorming with other members of management, took place at the same time and was almost inseparable from the idea generation. The testing of the concept was not necessary according to the managers as they went about it instinctively. Business analysis consisted of some basic and rudimentary calculations such as approximate overhead cost and breakeven.

The only deviation from that, was with the introduction of the spa at the US hotel where extensive financial and market analysis was conducted. This was necessary as it involved a substantial amount of investment and essential for securing bank financing. Authorization came from the General Manager or owners of the property. It is at this stage that the “Go/Kill” decision is made. There was a possibility of “killing” the spa project had the business analysis suggested poor ROI. Design of the delivery system was not in any formal format. Most of it took place in the form of verbal communication and interoffice memorandums. For the marketing strategy, pricing and promotion strategies were the main focus. Competitive pricing was used for the spa at the US Hotel and price of entrée at La Bodega ranged from \$19 to \$36. Promotion at the US hotel entailed print and electronic advertising, telemarketing and billboards. The hotel’s website was included in all marketing and promotional materials, including prominent mention on the hotel’s radio advertisements.

At the Canadian hotel promotion involved in-house advertising for all services, outside signage as property was on a major road in the city. Dinner dance was also promoted through Entertainer on his radio show. The pilot runs akin to “soft opening” were also used as a promotional tool as clients, elite of the society, and loyal guests were entertained by senior members of management. After launch the sales and guest comments are tracked and continuously reviewed.

As one senior manager, in the beginning of the interview emphasized, NSD to be an instinctive and creative process we asked at the end of our interview how they felt about the process we had outlined. They were of the opinion the process was just as much systematic as it was creative. The steps identified

are more activities than stages that were carried out in the overall operation of the hotel. The only critical point when the project is “killed” is if the authorization is not approved. One argument for the steps that were identified in the NSD process was that it was just the normal course of operation in the hotel that they never labeled in the past. Figure 2 below provides the activities that took place in the development of new services in the hotels we investigated.

MANAGERIAL IMPLICATIONS AND SUMMARY

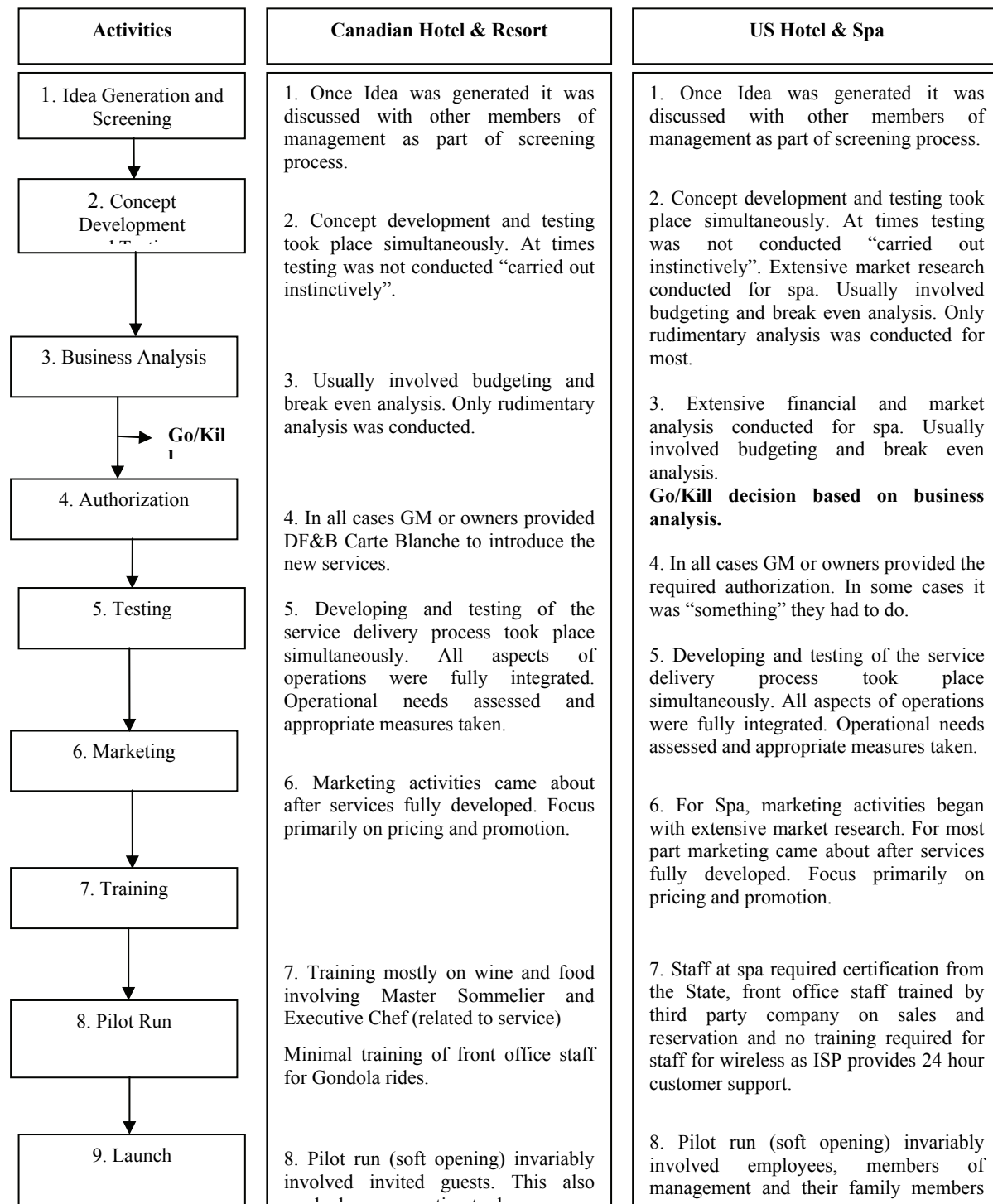
Although this study is subject to further testing and refinement, it does however, have implications for the managers. Hoteliers may find this systematic process of new service development to yield better results, remain competitive and be recognized as an innovative property in the market. Implementation of a NSD process will motivate and aid the manager to periodically introduce new services. The activities outlined here are a guideline for managers to adopt. It can be used as a checklist when developing a new service.

This study suggests that NSD process is both a combination of structured steps as well as one that involves a creative process. Although we are unable to generalize the findings based on our study, we find distinct differences in the NSD in hotels from other service industries. We have used both the linear and parallel models to compare and understand, and find that they are not transferable. Although some steps were taken simultaneously we find the activities involved were more or less linear in approach. We also find the “go/kill” decision as only a one time critical decision. Thus, once the new service idea and concept is approved it is seen to fruition.

The only exception is when the investment for the new service is substantial and may require financing as was evident in the introduction of the spa. The study reveals that the pilot run is also a means to promote the new service. Clients are selected and invited based on loyalty and prospective business value to sample the new services. The study also reveals that the process is the same for both Canadian and US hotels and that the size or class of the property did not have an effect.

We find that this exploratory study has provided us with some insights to further test our findings on other hotels of varying size and class, leading to an acceptable NSD process model.

Figure 2: Activity Based Innovation Process in Hotels



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THE RELATIONSHIP BETWEEN TRANSFORMATIONAL LEADERSHIP STYLES AND

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ABSTRACT

This study examined how transformational leadership styles affect marketed orientation culture in the Taiwanese hotel industry. A model of the relationship was created based on earlier research and used Bass and Avolio's Multi-Factor Leadership Questionnaire along with questions to assess a multi-dimensional construct for marketed orientation. Bass (1998) identified four components of transformational leadership which are (1) Idealized Influence, (2) Inspirational Motivation, (3) Intellectual Stimulation, and (4) Individualized Consideration. On the other hand, Jaworski and Kohli (1993) classified four components of marketed orientation culture which are (1) Intelligence Generation, (2) Intelligence Dissemination, (3) Response Design, and (4) Response Implementation. The model was tested and modified using structural equation modeling. The results generally support a positive relationship between transformational leadership styles and the marketed orientation culture. Finally, conclusions with a discussion of the implications of this study for theory and practice, highlighting the importance of this avenue of research were provided.

CORPORATE DISCLOSURES AFTER THE 9/11 TERRORIST ATTACKS

John Shon, Fordham University

ABSTRACT

We examine the actions that insurance firms take to reduce information asymmetries in the period immediately after the 9/11 terrorist attacks. 35% of the firms in our sample report losses explicitly related to the 9/11 attacks. However, 44% make 9/11-related disclosures, suggesting that many unaffected firms make disclosures of the “non-event”, perhaps to separate themselves from affected firms, lest they be pooled together. Of those that incur insurance losses, firms with larger losses make a higher level of disclosures. Moreover, we find that conditioning on the need for external financing further increases disclosure behavior. Specifically, the interaction of 9/11-related losses and liquidity is positively related to disclosures. Lastly, we find some weak evidence that the existence (though not magnitude) of a 9/11-related loss increases information asymmetries in the three-day period when the market opens. However, we do not find that voluntary disclosures that firms make before the market opens on 9/17 have an effect on bid-ask spreads, perhaps because of the uncertainty surrounding the extreme nature of the attacks. The study sheds light on the reactions of management during crisis events and the effect (or lack thereof) such actions have on firms’ information environment.

WHY DO DEBTHOLDERS ALLOW FIRMS TO ENTER INTO NEGATIVE BOOK VALUE STATUS?

John Shon, Fordham University

ABSTRACT

Compared to their liquidated peers, I find that negative book value (NEG-BV) firms exhibit higher levels of asset specificity. This result is consistent with my prediction that NEG-BV firms exhibit more bargaining power (arising from their highly specific assets) vis-à-vis debtholders, which better enables such firms to eschew liquidation proceedings. I also find some mixed evidence that NEG-BV firms exhibit higher levels unconditional accounting conservatism, suggesting that debtholders may make non-GAAP adjustments to “add back” a portion of uncaptured assets the balance sheet. Lastly, I utilize a hazard model to estimate failure rates (i.e., likelihood of liquidation) for firms subsequent to entering NEG-BV status, and find that these NEG-BV firms continue to wield bargaining power derived from their asset specificity, further reducing the probability of being liquidated.

AN ANALYSIS OF KOREAN FDI IN ADVANCED COUNTRIES

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ABSTRACT

Korean multinationals have been playing a significant role in making foreign direct investment (FDI) in many advanced economies including the US and the European countries. There has been a growing interest in the rise of multinationals from the mid income economies such as Korea. Those Korean multinationals including Samsung, LG, Hyundai Motors have now emerged in many manufacturing industries of the global economy. The size of their foreign operations has increased, and the sophistication of activities has greatly increased. The paper analyzes dynamic patterns and performance of the Korean outward foreign direct investment in advanced countries. It compares and analyzes the FDI strategies of Korean multinational corporations (MNCs) in various advanced countries. Findings presented are highlighted by comparing two regional areas: North America and Europe. Discussions on performance of the subsidiaries are also made focusing on electronics and automobiles. There are two main objectives of this paper. The first is to understand the recent characteristics and patterns of Korean FDI in advanced countries. The second is to examine the relationship between Korean FDI and its performance at the host country level. Specifically, it attempts to empirically analyze both financial and operational performance of the manufacturing subsidiaries. The results will provide many interesting insights as to their characteristics of Korean FDI. It also sheds some light on the understanding of the globalization pattern and the performance of the MNCs from the developing economy in general.

PUBLIC SECTOR REFORMS OR BUILDING A STRONG CASE FOR BUREAUCRACY IN THE PUBLIC SECTOR?

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 Prabha Ramseook-Munhurrin, University of Technology, Mauritius
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ABSTRACT

Over the years, considerable research with regards to the public sector has focused on what model would be suiting this sector the most in terms of reducing the problems of lethargy, red tapism and lack accountability among others. Research carried out has been three fold, in the sense that there has been a first debate about the inefficiency of bureaucracy then the shift to public sector administration. The 20th century saw a riveting issue, that of new public sector management. However, at the turn of the 21st century, even the new public sector management does not seem to be achieving its purpose in the public sector. This paper therefore probes into the different eras that the public sector has gone through and tries to shed some light on two major aspects that seem to be particular to the public sector, but which have also unfortunately impeded, to a large extent, the rise and success of new public sector management. As a conclusion, the paper makes a case for the need of, surprisingly, bureaucracy and administration rather than management for the public sector.

INTRODUCTION

“For a decade, public administration and management literature has featured a riveting story: the transformation of the field’s orientation from an old paradigm to a new one. While many doubt claims concerning a new paradigm- a New Public Management – few question that there was an old one. An ingrained and narrowly focused pattern of thought: a “bureaucratic paradigm” is routinely attributed to public administrations’ traditional literature. A careful reading of that literature reveals however, that, the bureaucratic paradigm is, at best , a caricature , and at worst , a demonstrable distortion of traditional thought that exhibited more respect for law, politics, citizens, than the new, customer oriented managerialism and its variants.” (Budd 2007:536)

This quotation from Budd brings back the lingering question of the 21st century:” What has and is actually taking place in the public sector? “. While we do acknowledge that the exact nature of public sector varies over time and across the world (Fryer et al., 2007), since the early 19th century, throughout the world, bureaucracy, administration and/or management in and of the public sector have been attracting considerable research, but unfortunately with no concrete, clear cut answers. The analysis of literature in the field of public sector portrays that research concerning change in these areas has been three fold, in the sense that there was a first debate about the bureaucracy therein, then about administration and further, public sector management. However, till now, there does not seem to be a perfect agreement among researchers in this area about what has actually taken place in the public sector with respect to coping with the changes through , what public sector researchers have called , ‘reforms’. As put forward by Morley & Vilkinas (1997), the reform process would mean adopting management methods used by the private sector in the public sector. Although it is agreed that ‘reforms movements vary in depth, scope and success’(Kaboolian 1998: 190), which reforms have actually taken place and how far have these reforms helped in bringing some change in terms of effectiveness & efficiency in the functioning of the public sector has still remained unanswered to a large extent. With the so called reforms that have taken place, have the way that things are done in the public sector witnessed any changes? Although contradictory in themselves, this paper therefore revisits the different eras that the public sector has supposedly lived, namely bureaucracy, administration and new public sector management. An in depth analysis of work

reported by various authors and researches in the field of public sector reforms clearly show the divergent opinions and confusion that always existed as to what is happening the public sector. A fundamental question that arises after analysis is whether we would be totally wrong to say that an amalgam of bureaucracy and administration are still going strong and meeting the needs of 21st century government as opposed to the modern concept of New Public Sector Management?

FROM BUREAUCRACY TO PUBLIC SECTOR MANAGEMENT

Bureaucracy and the politics involved therein were the words within which the public sector or government, as it was called, was evolving in the early 1900's. As per Sarker (2006:180), the government was interventionist in style and was mostly engaged 'in production, provision and regulatory activities'. At that point in time, government was equated to politics and the wishes of those that were elected had to be fulfilled by those working in the public sector, who was called bureaucrats. According to this system, 'rule based administration, meritocracy, career system, impersonality, division of labour and hierarchy' were the key factors that made government work (Peters 1996 in Sarker (2006:181). This same system was also heavily characterised by the influence of politics, where "everything was treated as if they were the actions of the minister" Barberis 1988 (in Stark 2002:140), The Westminster model of government, referred to this as being 'neutrality', where bureaucrats ensured that they carried out the will of their political masters, regardless of their own beliefs (Stark 2002). In other words, although bureaucrats had to "account for every penny" (Garofalo, 2000:96) spent, their personal opinions had no consequences. This is what was also called the 'politics/administration dichotomy' (Stark 2002:141, Sarker 2006). In such a system, the civil servant was just 'an anonymous being in a huge administration' (Hondegheem & Vandermeulen 2000:343) and his major task was to implement what had been decided in cabinet. One of the critical aspects of bureaucracy was also 'permanence' (Garofalo 2000, Stark 2002), that is, once a government had implemented something, it had to remain in permanence and be included in the political process. This permanence aspect has been accused of being responsible for detaching the acts of public servants from their consequences, which in turn was thought to have aggravated the performance of the public sector since bureaucrats were not held accountable for what went wrong. This style of government or traditional bureaucracy was characterised as being very rigid, inflexible, unresponsive and unaccountable which led to a severe dissatisfaction among its various stakeholders, mainly its customers.

However, as early as in the middle 1900's, there were already some divergent views as to how government was actually perceived. Contrary to all the above, Dixon (1994), in his analysis of the public sector, clearly mentioned that, thinking of this sector as mostly centralised and only responsible for policy administration was a complete misconception. He believed that the public sector was already an organisation wherein some different forms of "coordination, control and implementation mechanisms" were being made to operate. In the same vein, even Hirschman 1991(in Dixon 1994:70) opined that the public sector "has long been the victim of the rhetoric's of intransigence" inferring that, what was being talked about in the public sector was not really what was happening therein. At around the same time, considerable researches cropped up with respect to various models of a new type of government. These took the form of the participative model, the flexible government model and the deregulated government model(Ott & Goodman1998).However, the market model as characterised by Osborne & Gaebler 1992 (in Spicer 2004), gained a lot of attention. Their inclination was more towards the flourishing of a 'creative and administrative talent of the individuals working in the public sector' and according to them, this would minimise or even remove structures of existing authority in government. They also mentioned that, through the market model, the private and public sectors will be less distinguishable and that regardless of the inherited administrative history that government has, this new model will be applicable universally (Idris & Eldridge1997). However, this model was based on certain assumptions as reported by Ott & Goodman (1998):

- (i) Monopoly is the principal source of traditional government, therefore for reforms to work; there should be an attempt to break monopoly of the government.
- (ii) Structurally decentralised government is preferable
- (iii) Management can be improved through pay for performance and other private sector techniques and incentives
- (iv) Policy making is accomplished through internal markets and market incentives; and
- (v) This model's primary public benefit is less costly, less intrusive government.

Similarly, Bezzina (1994) put forward that the public sector would be able to meet the challenges of the 21st century only if it could set apart its traditional way of administration and bring about creativity and commitment.

However, by the late 1990's Ott & Goodman (*Eds*1998:540) finally reverted back to make it clear that "traditional bureaucracy is not an adequate form of governmental organisation" and they termed this as being "all but an unquestioned truth" of the century. According to them, bureaucracy amplified, among other things, the lethargy with which governmental organisations were operating because of the existing thickened layers of the hierarchy involved therein and also claimed that nothing could be done to avoid same; therefore government would need a 'complete haul' (pg 542). But, government, based on the nature of its services, had not only to function, but to perform as well (Ferlie *et al.*, 2005). By that time, although the market model and 'reinventing government' (Spicer 2004: 354) movement was gaining popularity, the challenge at the turn of the 20th century was what model would suit the public sector best to eradicate the existing lethargy, rigidity and permanence that it was facing. However, there were fundamental questions that also came along:

- (i) Should the proposed solution abandon the bureaucratic model and adopt a completely different model of the public sector?
- (ii) Should the burden of policies and procedures from public sector employees be removed and should they be empowered to act with expectations of reward?

Amongst these debates, came the new term, which was perceived to be able to bring considerable improvements in the public sector in the name of 'administration'. Newland (1997: ii) emphasised that 'public administration was born as a movement for political reform' and later, Spicer (2004:357), characterised this concept as being 'the elimination of red tape, holding administrators accountable for measuring results, emphasising customer satisfaction in agency dealings with the public, empowering front line managers to make their own decisions, contracting out whenever possible with the private sector for public service delivery, and so forth. Kettl (2000:8) on his part acknowledged that public administration was indeed to improve the 'way the political system worked' and also acknowledged that "bold policies cannot go far without solid implementation" and came with an idea for those elected to reinvent or reform their existing bureaucracies. According to him, public administration had a "self evident importance", based on the Wilsonian school of thought (1987) which portrayed that the effectiveness of government firmly depended on the effectiveness of its administration. According to Flynn (1997:2), public administration would mean "the orderly arrangement of resources to follow previously defined procedures and rules". This would ensure that irrespective of the elected official, things would have to be done through existing procedures and policies.

However, slightly later in the same decade, Osborne & Mc. Laughing 2002 (in Sarker 2006 : 183) put forward that "the public sector could no longer be defined solely in relation to the presence of the government as a planner or service provider. Rather, the planning, management and provision of public services is seen as something to be negotiated between a number of actors, including government, the civil society organisations and private sector". This gave a strong indication therefore that government would not mean only carrying out the will of political masters. Other stakeholders also came into play.

This brought another school of thought from Common (1998) around the same time, who put forward that the public sector was in an era of post bureaucracy which stressed managerial rather than administrative values. The terminology that was used to couple and explain all these together, was that of 'reinventing government', whose key functions as per its proponents consisted of being 'customer focus, employee empowerment, managing for results, outsourcing, performance management, public entrepreneurship' (Rosenbloom & Kravchuk 2002 in Spicer 2004: 354). As per the advocates of this movement (Osborne & Gaebler 1992 in Sarker 2006), reinventing government would enable the public sector to steer rather than row, thing that was much needed in government. At that point in time, the emphasis in government was therefore more on managing rather than implementing. Moreover, by this time, the word civil servant was replaced by the term 'public manager', but, who, as per Kaboolian (1998:190), had to also engage in 'constitutive activities'. Also, as confirmed by Noordegraaf 2000 in Willcocks (2002:275), these public managers also had to possess 'political competency' for the smooth running of government. Flynn shared the same opinion and called this process as 'managing in a political context' (1997:231).

But, at that point in time, there was yet no consensus about what really the public sector needed: was it a completely different model of managing government or a new way of administration which involved only some changes? As made clear by Ingraham (1997), as far as administrative reforms were concerned; one size would not fit all. Each nation would have to realise what is best for its government. Other major debates included the fact that whether politics could be removed from government? (Flynn 1997). And coming back to what was put forward by Spicer (2004), could red tapism be removed from the public sector while maintaining accountability? More so, if administrators are empowered to take their own decisions and held accountable for measuring results, what will happen to the political wills of the politicians? After all, it is the politicians who give legitimacy to public officers in government (Flynn 1997). As put forward by Kettl (2000:9), at that time, the scientific approach to public administration saw virtually no barrier to its ability to improve government if, government administrators could be protected from political meddling".

This gave a clear indication that a shift from traditional bureaucracy to public administration did not lead to any improvements as far as the public sector was concerned. The Madisonian school of thought saw that it was political power rather than administrative efficiency that was still at the centre of government activity. So much so, that public sector researchers in the 20th century still characterised it as being the 'large vessel, difficult to steer, cumbersome to turn, and surrounded by a strong sea of currents which restrict its room for manoeuvre' (Talbot 2001:299). Further, at the turn of the century, after so much efforts put in public sector reforms, Garofalo (2000 :96) clearly states that "government has not performed" and adds that "it is sick and in desperate need of treatment" (2000:171). Kettl (2000:7) clearly puts forward that 'at the beginning of the new millennium, public administration sits squarely in an historical paradox' making it clear that the public sector had not been able to deliver what was really expected. At that point in time, he even mentioned that 'government has no choice but to remain bureaucratic' (pg 104).

Although the debate around bureaucracy and administration in the public sector remained unsolved, even by the mid 20th century, the reinventing government movement, however, as put forward by (Spicer 2004:354), helped the emergence of something like "a new orthodoxy within public administration, what has been termed the New Public Sector Management(NPM) . This, is said, to have "dominated a great deal of administrative thinking and practice". The two terms that have been used interchangeably to denote yet this new phase in government; were public sector management and new public sector management. Put in the words of Bevir et al. 2003 (in Hagen & Liddle 2007:330), "NPM refers to a focus on management, not policy, and on performance appraisal and efficiency, disagreeing public bureaucracies into agencies which deal with each other on a user pay basis; the use of quasi markets and of contracting out to foster competition; cost cutting; and style of management that emphasises, among

other things, outputs, targets, limited term contracts, monetary incentives and freedom to manage”. Sarker (2006:181) primarily explains the causes of emergence of new public management as being the size of the public sector which consumed too many resources and the extent to which the government was involved in various activities that could be outsourced. He also speaks of costs involved in bureaucracies because of the intervention of the state. As an advocate to NPM, he also puts forward the inefficiency, costs, rigidity, corruption, unaccountability and unsuitability of the existing administration in the public sector. Wise (2002) on his part, identified three main drivers of public management reforms. These were: social equity which would mean justice for fair treatment of all recipients of government goods and services, democratisation, that is, increased access to power, influence and decision making coupled with employee empowerment and finally, humanisation, meaning the focusing on the employee as an individual who has specific needs for growth, development and needs to accommodate his family & personal life. Pollit 2001(in Sarker 2006) also puts forward more or less the same points to justify the existence of NPM, but also adds that a partnership or ‘blurring’ between the public and private sectors had become necessary to help the public sector perform.

He also raised the issue of ‘individualism’ that was needed as compared to the public servant who was still an anonymous being in government and believed that the doctrines of NPM would help in achieving same. NPM has also been portrayed as being in line with the market model of government by Budd (2007) and in turn claims that this model will also help the public sector in being more competitive as far as the market point of view is concerned. Moreover, Berg (2006: 563) also opined that ‘NPM initiatives challenge professional independence as well as traditional concepts’ that exist in the public sector. Put in the words of Hood and Peters (2004: 271), public management reforms was a replacement of “rules based, process driven and processual controls “ by “post evaluation results, creating more discretionary space for managers to add value to public services.”

However, not surprisingly, even NPM portrayed as being closer and more beneficial to the customers, the market and the civil servant, did not seem to be meeting the needs of 21st century government. The debate of this decade is not only about the basic characteristics of the term itself, but the *raison d’être* of NPM in terms of what new has there been in it as a model brought to the public sector in terms of making it work , let alone improving it. While Ferlie *et al.*, (1996) in their book , *The New public Management in action* give 4 descriptions of NPM, each of them with different characteristics and salient features, Stark (2002) voices out more forcefully to say that there is no evident definition of what NPM really is while Sozen & Shaw (2002: 475) clearly voice out that ‘there is little new about NPM’. The above again confirm the existing divergence among researchers concerning what NPM really is. As per Wise (2002:555), ‘many activities fall under the umbrella of NPM, but no consensus on the meaning of the construct can be claimed’, drawing his thought from what had been said before by public sector scholars (for example Ferlie *et al.* 1996, Hood 1996, Pollit 1995). Put in the words of Hood & Peters (2004:268) , ‘(...) like most divinities, NPM turned out to be somewhat mystical in essence as no two authors (...) listed exactly the same features in enumerating its traits’. This also shows that what is actually happening or what has happened in the public sector has been explained by many and in many different ways , the true meaning and difference of NPM vis a vis other public sector construct remains therefore unsolved. So much so that Dunleavy *et al.* (2005:469) prefer terming NPM as a ‘slippery label’ and finally the big question that was raised by Laurence & Lynn (1998) as reported after a workshop on International Public Management Network , what was exactly meant by new, public and management in NPM?

On one side, as analysis of literature makes it clear and evident that there is no agreed definition of what really this term means, even a decade after the proclamation of this new term in government, on the other side, the major question that arises is the aspect of its purpose: has NPM helped government in doing better? In other words, as the advocates of NPM had put forward, has NPM helped in increasing efficiency, improving the lethargy within which government was operating, enhanced accountability

within the sector and be cost effective? As we compare and contrast literature and research done in this respect, few comments as laid below seem to become obvious:

MANAGEMENT V/S ACCOUNTABILITY

Pollit (2001) (in Sarker 2006) puts forward a number of features of the public sector and claims the acceptance of many commentators about same. For example she speaks about the shift towards management that should be brought in government rather than focussing on processes and inputs. However, to what extent has this been possible until now? In a cross national study carried out by Pollit and his colleagues (as reported in Hood & Peters 2004), they found for example, that, evaluation and audit of public bureaucracies had largely remained processual and were compliant to existing policies. How can we therefore say that public managers have been able to use their 'discretionary space (...) to add value ' (Osborne & Gaebler 1992 in Hood & Peters 2004 : 271) to the way government works? The paradox over here lies in the management v/s accountability debate quite often raised by researches in the field of public sector. It has always been and is still widely agreed that Government should be accountable as to how things are done (Glynn & Murphy 1996, Hagen & Liddle 2007).

However, the question that should be asked is that can government afford to be accountable while at the same time give the freedom to public servants to manage as NPM actually recognises? Managing in the public sector, as put forward by Flynn (1997: 2) would involve "discretion in the management of resources to achieve a set of objectives". It has already been said that management in the public sector would also imply breaking the restrictions that exists as far as burdensome policies and procedures to which the civil servant should adhere to, are concerned. If we go on how Stark (2002) has explained NPM, we see that he does so in two languages; namely in the public administration language and the other one in that of strategic management language. Coming to the public administration language, he mentions that it is a compromise to the Westminster style, where public servants enjoy anonymity and permanence, but no merit nor neutrality. That is, while the public servants have the liberty to do their jobs as they wish, but being in the public service they will not be directly held responsible for the task they have done irrespective of the way in which it has been done. More so, even if they are not performing, public servants still enjoy life long tenure in the sense that they cannot be fired. This has been beautifully explained by Ott & Goodman (Eds) 1998 : 541 as quoted below :

"No one unit or individual can be held accountable for poor analysis or misinformation... no one can be held for lack of action.... No one actor can be held culpable for decisions made on someone else's watch.. no one can be held liable when problems do not get solved.. no one can be blamed for lack of risk taking or creativity...(and) no one can be held answerable for the slow decline in government's human capital... the thickening of government may mean that no one anywhere in government is accountable for what goes right or wrong".

These issues of permanence and anonymity straightforwardly outright the NPM doctrine of accountability. How can someone be asked to be accountable without holding him responsible for his doings or without taking necessary action against him in times of needs, more so without giving any incentives for rewards in recognition of his good work done? This shows a clear contradiction between the much needed accountability in the public sector as compared to the desired management therein. The fundamental question that we can ask here is about how can government expect management in the public sector when it still cannot separate itself from being traditionally accountable? More so, considering for example what Drucker (in Garofalo :2000) had put forward, the extent to which those involved in legislations, political appointees and elected officials in government are keen to adopt private sector management practices in the public sector has not been dealt with as such in literature. It is known that government is regarded as a forum for 'locus of power' (Ingraham 1997: 325), and therefore the adoption of private sector practices would mean foregoing some sort of power that government appointed officials

enjoy. He thus questions the extent to which freedom to manage is compatible with existing political control and accountability in the public sector. In the same piece of work, Lynn also argued that ‘reinvention’ in this respect should be considered as being just a symbolic issue in government until and unless it can be shown that it is a coherent part of the existing government model. He therefore argues that the coming up of a construct as NPM has rather blurred its conception as compared to its older counterpart.

DIFFERENCE BETWEEN PRIVATE SECTOR DEBATE

The next contradiction regarding NPM lies in the portraying of it being able to bring the public sector as being less distinguishable from the private sector as put forward by Osborne & Gaebler (in Idris & Eldridge, 1997). According to them, irrespective of the inherited administrative roots of the public sector, management therein would enable it to break free the shackles of burdensome administrative processes and operate in the same way as in the private (pg133). However, this can be largely contradicted by what has been said by Ingraham (1997: 325) who opined, as mentioned even before, that there exists a bare reality within public sector organisations that serve as ‘locus of power’. Can private sector principles fit therefore in there? In the same vein, Lawrence & Lynn (1998: 232) speak about government as being ‘the distribution of and exercise of political power and the enactment of administrative states responsive to that power administration’. The emphasis is yet very much on political power and administration rather than management per se. Moreover, speaking in the context of competencies required by public managers to cope with the changes in the public sector, Virtanen (2000) clearly states an obvious competency as being political competencies. He also acknowledges this competency to be of prime importance for public sector managers. While Boyne 2002 (in Haggan & Liddle 2007:331) claims that ‘the debate remains unsolved regarding the extent to which the public sector is uniquely different or similar to the private sector or indeed a hybrid of both’, Fryer et al (2007) have more than one reason why they say that the public sector cannot be equated or even compared to the public sector. Among these are the lack of clarity about whom public sector customers are, as debated before, then the range of stakeholders that it has and also attribute the distinctiveness to the degree of interference that the government has in the public sector as compared to the private sector. For these authors, the public sector is very much distinct to the private sector despite some degree of privatisation brought in the public sector. Furthermore, (Ferlie *et al.*, 2005: pg 90) have charted out a long list of factors that make the public sector distinctively different from the private sector. Some of these factors have been summarised in the table below:

Table 1: Charactericstis Public Sector

Factors	Characteristics of/in the Public Sector
Environmental	<ul style="list-style-type: none"> • Lower incentives to achieve effectiveness & efficiency • Less reliance on market indicators & information • No freedom / ability to allocate resource • Work under constrained domains of operations/managerial procedures • Work under the authority of multiple formal authorities & influences • Diversity and intensity of external informal political influences • Greater need for political support for action
Organisation–environment transactions	<ul style="list-style-type: none"> • Involved in the production of public goods • Activities are coercive, monopolistic, or unavoidable • Under greater public scrutiny • Stronger expectations of fairness, responsiveness, honesty , openness& public accountability
Organisational roles, structure & processes	<ul style="list-style-type: none"> • Goal ambiguity , multiplicity & conflict • Distinctive features of managerial goals (more political, expository role, involving more meetings and crisis management • More red tape elaborate bureaucratic structures.

Brief summary of some of the characteristics of the public sector making it distinct form the private sector

As clearly shown above, there are enough grounds to say that the public sector is unique in itself in various aspects and that the characteristics of this public sector show evidence of being highly imbedded in the system. Not only this, but these characteristics are enabling the public sector to some extent, achieve one of its most important functions, that of being accountable.

CONCLUSION

Taking all the issues discussed above into consideration, should we not agree to what Ferlie et al. 1996, Hood 1996, Pollit 1995, Stark 2002 (in Wise 2002: 555) have put forward in describing NPM as ‘...not clearly defined and not a useful construct’. More so as put forward by Page (2005), it is agreed among many that the basic principles that underlie NPM are merely part of the old public administration and that a clear distinction between management and administration is still difficult to make (Ferlie *et al.*, 2005). Better still, as put forward by Goodsell (2006:634) recently “public administration is being asked to see itself as a major contributor to democratic life” in government. He also adds that not only is it high time for public administration to assert itself both “conceptually and normatively” (pg 634) but goes further to say that if this is not done the importance of public administration, despite its significance and contribution, will slowly diminish and this will be at the disadvantage of one and all. Even Riccucci (2001), is of the opinion that it is public administration that has shown to be meeting the needs of government in terms of showing more responsiveness towards democratic values. Moreover, as put forward by Ferlie *et al.*, (2005), the nature of the tasks of government being large will remain so even in the 21st century and it is bureaucracy that will help the government achieve these tasks. In the same vein, while they agree that many researchers think of bureaucracy to be dead, these authors convincingly put forward that bureaucracy will flourish in the present century! (pg 51).

Leaving apart that no two authors have described New Public Sector Management in the same way, this concept, instead of bringing answers to lingering questions about the efficiency of government, has on the contrary put in more questions concerning the functioning of government. This makes it therefore clear that, private sector management doctrines, as partly existing in NPM, will not be working in government. Moreover, many reasons can still be put forward to explain the inherited administrative characteristic of the public sector will remain so, but of prime importance being the omnipresence of procedures and policies which should form part of government. These help the government in being accountable. It has also been shown that public sector officers should be accountable to the government in what and how they do things, but are unfortunately not rewarded for what they have done (Ferlie *et al.*, 2005). Why should they therefore be creative and add value to what they do? They prefer to adhere to the burdensome procedures and policies in exchange of the neutrality, anonymity and permanent positions they enjoy in government. These issues and the debates put forward in the course of this article make it even clearer that it is proper administration that the public sector needs rather than a new model of management in the public sector. As stated by Garofalo (2000: 195), “government is not a doer, but a decision maker”. Government should ensure that policy issues are being implemented. An analysis of what has been taking place in the public sector from the mid 1900s till now, gives a strong indication that it is proper administration that has not been taking place which gave the impression that government was not functioning properly. However, reading between the lines, one gets the true feeling that comes up after analysis, makes clear cut what (Hood & Peters, 2004 :273) stated; ‘the public sector is in a phase of *santé* and *malade imaginaire*’. In fact, administration in the public sector can be said to have been only inadequate rather than unsuccessful in coping with the changes that have taken place over the years. So therefore, rather than trying to reach the doctrines of NPM that seem difficult to achieve because of not only one reason, but much more than that, it would be wise for this body to consider improving its functioning through proper, adequate administration rather than struggling to adopt a new model altogether. As it has been said more than once, that the presence of administration in the public sector is a basic necessity.

So therefore, based on all the arguments put forward, and if we agree with Stark 2002 (pg 149) that NPM is just the squaring of a circle, why should we try to square a circle that has the potential to roll out? Better still, why do we have to think about steering before we are able to row properly?

At the turn of this challenging century where government is still in a state of contradiction, let us therefore acknowledge the legitimacy that government is an ‘implementer rather than a doer’ and that its major role is to ‘prevent arbitrary exercise of power’ rather than ‘promoting efficiency and effectiveness’ Drucker (in Garofalo 2000: 101) and therefore find ways and means to enhance its administration rather than expecting it to manage.

“If bureaucracy cannot achieve either accountability or responsiveness, as Light concludes in his book Thickening, if too many conflicting reforms erode previous reforms without first allowing them to “take hold”, as Light argues in Tides, and if the four most favoured alternatives to bureaucracy currently sacrifice accountability and equity as Peters conclude The future of Governing, where does this leave us?”

Ott & Goodman (Eds) 1998 : 541

After all, let’s agree to what Garofalo (2000:96) said at the beginning of the century ‘Government has no choice, but to *be bureaucratic*’.

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THE IMAGE OF MAURITIUS AS A CULTURAL TOURISM DESTINATION

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ABSTRACT

Mauritius has forged a strong reputation as a Sun, Sea and Sand (3S) destination which is the core product being marketed to international tourists. However, due to intense competition among existing and emerging destinations, there is the need for Mauritius to offer a unique combination of appealing features to attract and satisfy tourists. Cultural tourism has been viewed as a unique and enriching experience for visitors. The objective of the study is to investigate the image of Mauritius as a cultural tourism destination. Though not having powerful iconic cultural features like other countries to be promoted solely as a cultural tourism destination, Mauritius features unique cultural elements. Cultural tourism is viewed as an added value to the 3S product and helps to strengthen the overall image of the destination.

INTRODUCTION

The tourism industry is highly competitive and this results in the difficulty for small developing islands to secure a strong position on the international tourism map. Since tourism development is permeating various small developing countries, competition is becoming a threat to many of these destinations. Additionally, consumers have a multitude of destinations to choose from which shows that it is essential for destination marketers to differentiate by offering an attractive portfolio of tourism products and services. The urgency is even more present for tropical islands as their marketing strategies lay emphasis on the Sun, Sea and Sand (3S) being the main product being marketed. To enhance a destination's tourism appeal, there are other niche markets which should be developed and marketed in order to gain competitive advantage over other destinations and also minimise pressure on the 3S. Cultural tourism has been identified as a diversified form of tourism and a unique product to be used by destinations who attempt to seek and secure a niche position in the international tourism environment.

OVERVIEW OF MAURITIUS

An increasing number of small island destinations have chosen tourism as a strategic sector for local development and Mauritius is no exception. Mauritius is situated in the Indian Ocean and its population is around 1.2 million. Mauritius has been able to forge a solid reputation on the international tourism market due to its Sun Sand and Sea (3S) core product. Since 1987 there has been an annual rise in tourists coming to Mauritius and the latest figure shows that there were 906, 670 tourist arrivals recorded in 2007 (CSO, 2008).

Despite the growing body of work on cultural tourism, no study was found on the image of cultural tourism in Mauritius. Therefore, the purpose of this paper is to investigate the image of Mauritius as a cultural tourism destination.

LITERATURE REVIEW

Destination Image

Reynolds (1965, p. 69) describes an image as a “mental construct developed by the consumer on the basis of a few selected impressions among the flood of total impressions; it comes into being through a creative process in which these selected impressions are elaborated, embellished and ordered.” The traveller creates an image by processing information about a destination from various sources over time. This information is organized into a mental construct that in some way is meaningful to the individual. Crompton (1979) contends that destination image comprises of beliefs, ideas and impressions that a tourist has of a destination. Ahmed (1991) uses the term tourist image to define the tourists’ mental picture of a destination through a representation of what they ‘see’ and ‘feel’ (Ahmed, 1991). Image is of utmost importance since through a strong image, a destination may attempt to achieve several objectives. These may include a number of the following such as achieving competitive edge through creating or consolidating a strong position in the market place, attracting tourists to increase revenue and augmenting the amount of foreign investments. With a strong image, companies [destination] are able to position their products/services and directly appeal to the needs of their customers (Aaker, 1991). When there are several destinations that appear to be the same, image distinguishes one destination from another and can easily influence the consumer decision-making process of individuals in the selected target market (Baloglu and Brindberg, 1997). A strong and clear image can increase consumer confidence and convince consumers to purchase (Ahmed 1991). In tourism literature, image has been identified as a key component for consumers in selecting a destination (Baloglu and McCleary, 1999). A destination that portrays a powerful image is most likely to attract many visitors.

Cultural Tourism

Recently Smith (2003) has given a new dimension to the existing categories of cultural attractions as she finds 12 ‘forms’ of cultural tourism. Table 1 shows the 12 different forms of cultural tourism according to Smith (2003). She has supported them with examples.

Table 1: Different forms of cultural tourism

Forms of cultural tourism	Examples
1 Heritage sites	Archaeological sites, whole towns, monuments, museums
2 Performing arts venues	Theatres, concert halls, cultural centres
3 Visual arts	galleries, photography museums, architecture
4 Festivals and special events	Music festivals, sporting events, carnivals
5 Religious sites	Cathedrals, temples, pilgrimage destinations, spiritual retreats
6 Rural environment	Villages, farms, national parks,
7 Indigenous communities and traditions	Tribal people, ethnic groups, minority cultures
8 Arts and crafts	Textiles, pottery, painting, sculpture
9 Language	Learning or practice
10 Gastronomy	Wine tasting, food sampling, cookery courses
11 Modern popular culture	Pop music, shopping, fashion, media
12 Special interest activities	Painting, photography, weaving

(Source: Smith 2003, p. 31)

The classification of Smith (2003) can be useful tools to categorize a destination’s cultural elements. A destination can regroup its cultural attractions so its marketing can be more effective and the appropriate target markets can be identified.

The literature reveals that there are different terms which have been used to define image such as destination image, tourist image and perceived image. In this study the similarity of the three terms are acknowledged and these terms are used interchangeably.

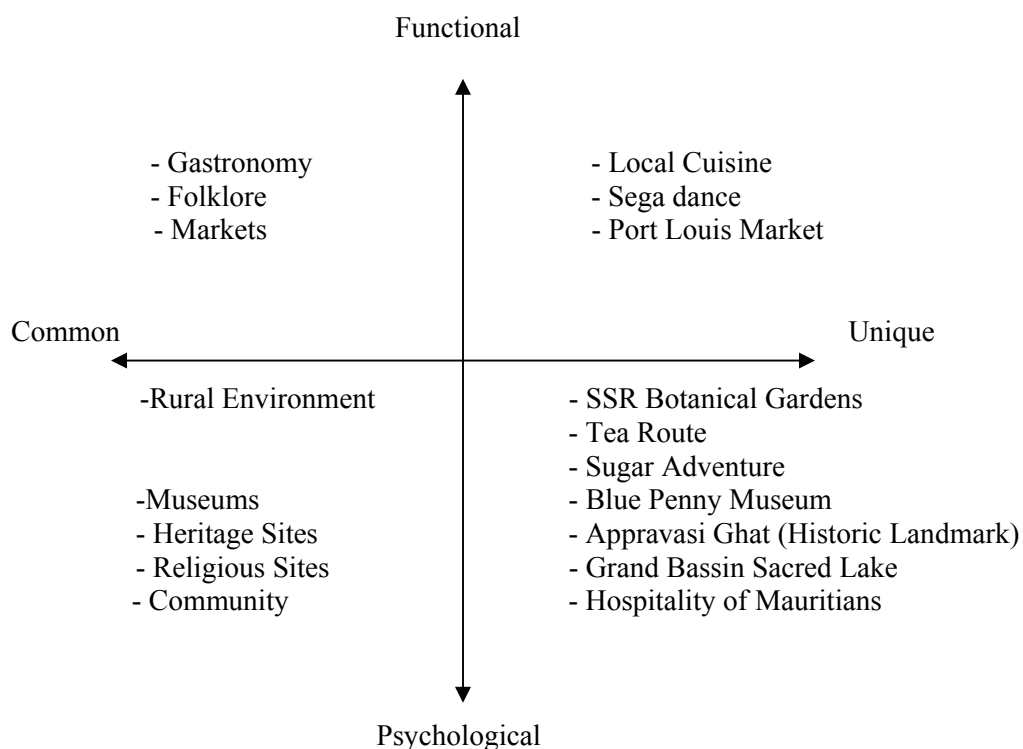
METHODOLOGY

An exploratory study was chosen to investigate issues pertaining to the image of cultural tourism in Mauritius. Research in this area is limited and therefore to gauge relevant issues, a qualitative methodology was chosen as it is concerned with understanding the social phenomena from the participants' perspective. The individual face to face interview was identified as the most appropriate way to elucidate the issue. 50 tourists were targeted for this study and the technique used was convenience sampling as tourists were approached in 2 popular shopping malls and well-known public beaches for interviews. Only those who were above 18 were selected as it was believed that they had the maturity to respond to the questions. They were asked the images that came to their minds when they thought about Mauritius as a cultural tourism destination. Moreover the tourists approached were in Mauritius since a minimum of 5 days to increase the likelihood of visiting some cultural sites because usually the first 24 or 48 hours at the destination are devoted to some rest after the trip.

RESULTS

The cultural attributes were captured using Echtner and Ritchie's (1991) model which is originally used to assess general image attributes of a destination (non-specific image attributes, i.e. quality, price, climate). In the current study, this model is applied to assessing image attributes specific to cultural tourism. The model is presented using functional and psychological attributes, where functional deals with the more physical attributes related to cultural tourism, whereas the psychological attributes relate to the elements of cultural tourism which results in the tourists' emotional attachment to the destination (Figure 1). The common attributes are those that can be present in any destination, whereas the unique attributes are those which only exist in the destination under scrutiny.

Figure 1: Cultural Image Attributes of Mauritius



The interview reveals that the important cultural functional attributes are gastronomy and folklore. However these common elements could also be present in other destinations. Hence, the unique attributes which differentiates Mauritius are the local cuisine and the Sega dance. The important cultural psychological attributes were Rural Environment with unique features expressed through the Sir Seewoosagar Ramgoolam (SSR) Botanical Gardens, The Tea Route and The Sugar Adventure. In terms of other psychological attributes, the common and unique attributes were Museums (Blue Penny Museum), Heritage Sites (Appravasi Ghat), Religious Sites (Grand Bassin Sacred Lake) and the Community reflected through the hospitality of the local inhabitants.

Respondents were asked to rate the most impressive cultural experience and sites visited in Mauritius. Among the cultural experiences and sites visited, the SSR Botanical Gardens, Grand Bassin sacred, the Port Louis Market, Tea Route and Sugar Adventure were found to be most impressive. The tourists also were requested to give their opinions regarding the improvement of cultural sites. The respondents suggested that accessibility to the sites should be improved as they faced some difficulties before reaching the sites. Many suggested that road signage and conditions of roads should be improved. Places of interest such as Port-Louis market are often pinpointed by tourists as being dirty and unwelcoming. This problem is due to the frequency of tourists as well as local people. Additionally, they commented that more professional guides should be available and that there should be a reduction in the number of visitors to certain sites.

CONCLUSIONS

The study reveals that cultural attributes are present in the image of Mauritius as a tourism destination. However, there are also a list of other cultural sites at the destination which seem to be unknown by the tourists or which have left the tourists unimpressed. Therefore, Destination Marketing Organisations (DMO) and marketers of cultural attractions should enforce uplift the existing cultural attractions and enforce or enhance the promotion of these sites as they can become valuable elements in the portfolio of cultural products that can be marketed and available to tourists.

DMO could focus on additional categories of cultural tourism such as performing arts, festivals, arts and crafts (Smith 2003) to cater for the diverse needs of tourists. With more available attractions, there will be less pressure on the currently visited sites. Moreover, the trip to Mauritius will be more interesting for repeat visitors as they can visit other sites instead of visiting the same site each time they come to Mauritius although there are some tourists who find enjoyment in visiting the same site each time they come to Mauritius.

It is important to enhance the image of Mauritius as a cultural tourism destination as this strategy complies with the actual trend in the international tourism industry where there is an increased number of adventurous tourists who do not consumer the stereotyped 3S package holidays. It is hence important that those tourists are offered activities which are unique to Mauritius. Hence the objective is not to create an image only based on cultural tourism since Mauritius does not possess world known iconic such as the Taj Mahal or the pyramid from Egypt. Cultural Tourism can be used as a valuable asset to complement the core tourism product that is the 3S. For a small tropical island like Mauritius it is hoped that this strategy will act as a competitive advantage and distinguish the destination from competitors such as the Seychelles and Maldives.

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A THEORETICAL REVIEW OF SERVICE QUALITY MEASUREMENT AND SATISFACTION

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ABSTRACT

The service literature has demonstrated that customers are becoming more and more sensitive to service elements and the overall quality delivered by an organization. This paper outlines some of the persisting debates affecting the measurement of service quality from the perspective of the two schools of thought. The North American school is largely dependent on empirical studies, while the Nordic European school is mainly dependent on theoretical arguments. The paper further discusses the conceptual arguments of perceived service quality and satisfaction that have generally been conceptualized to be two distinct constructs however their relationship is still not clear.

INTRODUCTION

The service industry has become the dominant element of the economy, and studies have revealed that service quality is a prerequisite for success and survival in today's competitive environment (Ghobadian, Speller and Jones, 1994; Yavas and Yasin, 2001; Snoj and Mumel, 2002; Fitzsimmons and Fitzsimmons, 2004) as service quality plays a critical role in the long-term success for most service firms. Despite the fact that academics and practitioners have increasingly acknowledged the importance of service quality in organizations, a common understanding and agreement on the definition of service quality has not yet been reached. The conceptualization and measurement of service quality perceptions have been considered as the most debated and controversial topic in services marketing literature (Brady and Cronin, 2001). Consequently, it is still an unclear and unresolved issue in the research of service quality whether customer satisfaction leads to service quality, or vice versa. For example, Cronin and Taylor (1992, p. 56) state that "This distinction is important to managers and researchers alike because service providers need to know whether their objective should be to have consumers who are 'satisfied' with their performance or to deliver the maximum level of 'perceived service quality'". Therefore greater understanding of perceived service quality and customer satisfaction is needed. The aim of this paper is to identify common threads among researchers and their approaches to defining service quality and customer satisfaction. The following sections thus review the service quality and customer satisfaction concepts from the two schools of thought and assess the relationship between these two constructs.

SERVICE QUALITY CONCEPTS

In the service context, mistakes are unavoidable since the service delivery process is complicated by changing customer expectations, simultaneous production and consumption, and high human involvement in the manufacture as well as the distribution and consumption of the service (Patterson, Cowley and Prasongsukarn, 2006). Researchers in the service-marketing field argue that because of the unique characteristics of services, a distinctive approach to defining and measuring service quality is required. Service quality continues to receive a lot of interest from practitioners and academicians as it is believed that service quality concepts are not well developed (Ghobadian *et al.*, 1994; Johnson, Tsiros and Lancioni, 1995; Yulsel, 2002) and empirical research to this effect is still limited. Thus the unique features of services such as heterogeneity, inseparability of production and consumption, perishability and intangibility make it difficult to define and measure service quality. Service quality can be defined as an overall judgment similar to "attitude towards the service" (Parasuraman, Zeithaml and Berry, 1988). It is

associated with an attitude representing a long-term, overall evaluation, whereas overall customer satisfaction represents a short-term, transaction-specific judgment of the whole service process (Cronin and Taylor, 1994). However, customers evaluate more than just the general result of the service that they experience. They may evaluate a service prior to experiencing it based on word-of-mouth and/or advertisement, during and immediately after a service experience, or after several experiences with a given service. This interactive nature of the service process may result in customers' evaluation of quality immediately after the provision and performance of that service.

SERVICE QUALITY MEASUREMENT

The service literature has demonstrated that customers are becoming more and more sensitive to service elements and the overall quality of organization output (Parasuraman, Zeithaml and Berry, 1990). It is particularly important for academicians and practitioners alike to understand service quality attributes that drive positive service outcomes at different stages of the consumption process and ultimately, establish methods for improving quality to achieve competitive advantage and building and sustaining customer satisfaction (Sprend and Machoy, 1996; Zeithaml *et al.*, 2000). Various researches have developed alternative concepts for service quality, like the Nordics (Grönroos, 1982, 1984; Lehtinen and Lehtinen, 1991) and the American schools of thought (Parasuraman *et al.*, 1985, 1988).

The earliest research on service quality dimensions was done by Grönroos (1984). Grönroos found that the perceived quality of a service is affected by the experience that the customer went through for a service. He argued that customers' overall evaluations of service quality are a result of their assessment of two dimensions: (1) functional quality; (2) technical quality. The technical dimension refers to the outcome or what is delivered or what the customer gets from the service, while functional quality refers to the manner in which the service is delivered or how it is delivered. Failure in either dimensions will likely lead to lowered customers' perceptions of service quality. Together, the technical and functional quality dimensions thus form the primary constituents of corporate image (that is, how consumers see the service organization), which is claimed to be the third dimension of the model. A strong image can be established through these dimensions due to the fact that consumers can see and participate in service delivery processes.

Similarly, Lehtinen and Lehtinen (1991) state that service quality has three dimension, physical, corporate and interactive quality. Physical quality includes items such as the condition of building and enabling equipment, while corporate quality refers to organization image and profile and interactive quality is derived from the interaction between service personnel and the customer as well as the interaction between customers. The authors argue that in examining the determinants of quality it is necessary to differentiate between the quality associated with the process of service delivery and the quality associated with the outcome of the service. They suggest that the dimensions influence each other as the process affects the results of the service.

In later years, Parasuraman, Zeithaml and Berry's (1985, 1988), Parasuraman, Berry and Zeithaml (1991) and Zeithaml, Berry and Parasuraman (1988, 1993) proposed that service quality may be evaluated on the functional dimension and their work has led to the identification of service quality dimensions. The authors focused their discussion of service quality on what Grönroos (1984) labeled as functional quality. One of the important issues related to service quality is the measurement of service quality and the measurement tool, SERVQUAL, developed by Parasuraman *et al.* (1985). SERVQUAL is designed to measure service quality as perceived by the customer. SERVQUAL is one of the most widely used instruments as the aim of this model is to help service managers diagnose and improve the quality of services under their control. The model was then refined in 1988 and 1991. Based on a qualitative research after an extensive study of both customers and executives of different organizations, Parasuraman *et al.* (1985) identified 97 items to measure service quality and they argued that customers

used similar criteria irrespective of the type of service in measuring service quality. They then group these criteria into ten key dimensions which were reliability, responsiveness, competence, access, courtesy, communication, credibility, security, understanding/ knowing the customer and tangibles. Later Parasuraman *et al.* (1988) refined the ten dimensions which then collapsed to five dimensions: reliability, responsiveness, assurance, tangibles, and empathy that have been widely used in service industry. The model on which SERVQUAL is based proposes that customers evaluate the quality of a service on five distinct dimensions:

- Reliability: The ability to perform the promised service dependably and accurately
- Responsiveness: The willingness to help customers and provide prompt service
- Assurance: The knowledge and courtesy of employees and their ability to inspire trust and confidence
- Empathy: The caring, individualized attention the firm provides to its customers
- Tangibles: The appearance of physical facilities, equipment, appearance of personnel, and communication materials

In order to operationalize this model, the SERVQUAL questionnaire is structured into three sections. The first and third sections propose 22 questions for the evaluation of expectations and perceptions respectively. The second section asks the customer for the importance of each service quality dimension. Service quality evaluation is obtained by comparing expectations and perceptions values.

THE EXPECTATION-PERCEPTION GAP

Evaluations of service quality involve a comparison of customer expectations with their perceptions of actual service performance (Parasuraman, Zeithaml and Berry, 1985, 1988, 1991). Researchers proposed that service quality is a function of pre-purchased customer expectations, perceived process quality and perceived output quality. Based on this statement, Parasuraman *et al.* (1988) then suggest that service quality is determined by the expectancy-disconfirmation paradigm with positive disconfirmation resulting in perceptions of high service quality and negative disconfirmation leading to perceptions of low service quality. Parasuraman *et al.*'s (1985) measure of service quality was based on Oliver's (1980) disconfirmation model. While Oliver (1980) proposed that satisfaction is a function of the disconfirmation of performance from expectation, Parasuraman *et al.* (1985) proposed that service quality is a function of the differences between expectation and performance along the quality dimensions. Service quality modeled as an expectation–performance gap conceptualizes the overall attitude of the customer's encounters with the service provider (Parasuraman, Zeithaml and Berry, 1994). Service perceptions can be defined as a customer's global judgments or attitudes, which relate to the superiority of a service (Oliver, 1981; Parasuraman *et al.*, 1988). Perceived service quality reflects how well the service delivery matches or exceeds a customer's expectations (Parasuraman, Zeithaml and Berry, 1985; Brady and Cronin, 2001). It was argued that expectation is dynamic in nature and may change according to customers' experiences and consumption situations. The Gap Model based on the five key dimensions, consists of five gaps (Parasuraman *et al.*, 1985) and incorporates the interacting interests of customer, service organization and customer-contact employees. The gaps are generally defined as (Zeithaml *et al.*, 1990):

- Gap 1 (the positioning gap) pertains to managers' perception of consumers' expectations and the relative importance consumers attach to the quality dimensions.
- Gap 2 (the specification gap) is concerned with the difference between what management believes the consumer wants and what the consumers expect the business to provide.
- Gap 3 (the delivery gap) is concerned with the difference between the service provided by the employee of the business and the specifications set by management.
- Gap 4 (the communication gap) exists when the promises communicated by the business to the consumer do not match the consumers' expectations of those external promises.

- Gap 5 (the perception gap) is the difference between the consumers internal perception and expectation of the services.

The model enables management to identify systematically service quality shortfalls, by identifying the gaps between the variables affecting the quality of the offering. This model is externally focused and assists management to identify the pertinent service quality factors from the perspective of the customer. Models of service quality employ various comparison standards for the evaluation and measurement of service quality, but these studies have produced mixed results and therefore some of the conclusions were inconsistent. Expectations are always at the heart of these practices. The next section aims to outline the nature of expectations and their role in the measurement of service quality.

THE ROLE OF EXPECTATION IN SERVICE QUALITY

The concept of expectation has been emphasized as a key variable in the evaluation of service quality as it is the basis of customer judgments for most future service encounters (Oliver, 1980; Grönroos, 1984; Parasuraman *et al.*, 1988; Rust *et al.*, 1999) and is often the means by which the actual performance of a business is gauged. In fact, before the actual consumption experience, customers enter service encounters with certain expectations about the various aspects of a service, such as speed of service, politeness of employees and cleanliness of the service outlet. Customers experience disappointment when the delivery of the service does not match up to their prior expectations. Therefore expectations are the customer's anticipated beliefs about a product or service prior to the interaction and they are formed from a variety of sources such as the customer's personal needs and wishes (Edvardsson *et al.*, 1994), the customer's personal philosophy about a particular service, by promises (staff, advertising and other communications), by implicit service promises (such as price and the tangibles associated with the service), by word-of-mouth communication (with other customers, friends, family and experts), as well as by past experience of that service (Zeithaml and Bitner, 1996). Thus customers' evaluation of the service quality that they receive is conceptualized as being influenced by their prior expectations. Service quality literature stresses the benefits of high product quality and meeting and/or exceeding customer expectations (Parasuraman *et al.*, 1985). Only one measurement instrument, SERVQUAL has been devised to measure expectations and perceptions quality (Parasuraman *et al.*, 1988), an approach which has been widely operationalized but also heavily criticized (Teas, 1993; Cronin and Taylor, 1994). Regarding the customers' expectation judgment, Parasuraman *et al.* (1994) identify two norms for this service standard: desired service and adequate service, known as the zone of tolerance theory. However, more confusion arose when expectations fail to predict customer satisfaction in different applications. LaTour and Peat (1979) contended that customers can still be satisfied with products, although the product does not meet their expectations, for example, when the product is better than anything else currently available. Only one measurement instrument, SERVQUAL has been devised to measure expectations and perceptions quality (Parasuraman *et al.*, 1988), an approach which has been widely operationalized but also heavily criticized (Teas, 1993; Cronin and Taylor, 1994).

CRITIQUES OF THE SERVQUAL MODEL

Over the last 20 years, researchers have used the SERVQUAL scale to measure service quality in a wide selection of industries with varying success. The primary emphasis of these studies has been to test whether SERVQUAL is an appropriate measure of service quality in varying contexts and to determine the antecedents and consequences of delivering superior service quality. While the SERVQUAL instrument has been widely used, the instrument has been subjected to a number of criticisms regarding the (i) operationalization of expectations, (ii) the reliability and validity of the instrument's difference score formulation and (iii) the difficulty in replicating the its dimensions (Carman, 1990; Cronin and Taylor, 1992; Teas, 1993; Baker and Crompton, 2000; Sureshchandar *et al.*, 2001). Teas (1993) and Cronin and Taylor (1994) have demonstrated that the measurement of perceptions of service quality are

sufficient with the impact of expectations making a negligible contribution to the overall evaluation. Similarly, Boulding, Karla, Stealin and Zeithaml (1993) rejected the use of expectation as a comparison standard for the measurement of service quality and suggested that a performance-only measurement would be sufficient. Cronin and Taylor (1992) state that there is no real evidence to support the concept of performance minus expectations gap as a basis for measuring service quality. The author proposed a method called SERVPERF and it focuses on customers' perceptions. It is argued that performance-only (SERVPERF) measure explains more of the variance in an overall measure of service quality than SERVQUAL instrument (Cronin and Taylor, 1994; Yuksel and Rimmington, 1998). The latter argued that the expectation may not reflect reality, and may be based on a lack of information and unfair comparisons. It is also observed that the use of expectation and performance statements may be too time-consuming to administer (Carman, 1990; Babakus and Boller, 1992).

Further, while expectations are important in assessing service quality, the current method of asking consumers about their expectations after they have consumed the service is biased since expectations should be measured prior to service consumption (Carman, 1990). In another empirical work, Teas (1993) investigate the conceptual and operational issues associated with the 'perceptions-minus-expectations, (P-E)' service quality model. He argued that the SERVQUAL scale of expectations induces several different types of expectations and the subjects are not able to differentiate among the different types of expectation when they provide evaluations. In his exploratory study, respondents exhibited considerable confusion concerning the actual question being asked, some respondents stated as if the expectations question involves an importance measure, while others understood the question to relate other factors other than the 'should be' measure discussed by Parasuraman *et al.* (1991). Subsequently, Parasuraman *et al.* (1994) responded to the concerns of Cronin and Taylor (1992) and Teas (1993) and established both theoretically and empirically superiority of the gap model over the other proposed measures as they argued that their actual analysis did correctly account for the intercorrelations among the five constructs. Parasuraman *et al.* (1994) further asserted that the expectation measures can assist management in identifying those areas which require immediate attention. However, most recently Dabholkar *et al.* (1996) and Brady and Cronin (2001) also discarded expectations in favor of performance-only measures when modeling service quality perceptions.

Empirical studies indicate the lack of discriminant validity, and in addition some content validity studies also gave discouraging results regarding the conceptual definitions of service quality dimensions as they seem to overlap (Buttle, 1996; Lehtinen, Ojasalo and Ojasalo, 1996). In an attempt to bring the ideas of the two schools of thought together, Lapierre and Filiatrault (1996) argued that the contents of the two dimensions, empathy and reliability are confusing for the evaluation of professional services. Furthermore, they advocated that the operational definition of the SERVQUAL reliability dimension is inadequate because its items overlap with the conceptual definition of technical quality dimension offered by Grönroos (1988). As a result, they suggested the concept of reliability should be split into the technical and functional quality dimensions. On the other hand, Grönroos noted that reliability is a functional quality-related dimension rather than functional.

Another criticism is that several studies carried out on different service activities show that the five dimensions proposed by SERVQUAL do not replicate. SERVQUAL focuses on the service delivery process and does not address the service encounter outcomes (Grönroos, 1990; Mangold and Babakus, 1991). The instrument does not include any measure of the technical quality dimension, thus earlier, this perspective does not account for additional dimensions of service quality. It is generally agreed that service quality is a multi-dimensional or multi-attribute construct (Cronin and Taylor, 1992, 1994; Babakus and Boller, 1992; Llosa, Chandan and Orsingher, 1998). The authors argued that there is a need to amend the dimensions to suit specific services especially as services are becoming more diffuse. Babakus and Boller (1992) maintain that the dimensionality of service quality may depend on the type of services under study. While Cronin and Taylor (1992), and Brown *et al.* (1993) suggest unidimensionality

of SERVQUAL, the number of dimensions found in other replications vary from three to five (McDougal and Levesque, 1992; Llosa *et al.*, 1998) and ten (Carman, 1990). Similarly, Brady and Cronin (2001) suggest that service quality comprises the dimensions of interpersonal quality, outcome quality and environment quality. Carman (1990) findings in four settings (a dental school patient clinic, a business school placement centre, a tyre store and an acute care hospital) led him to conclude that the SERVQUAL dimensions are not generic. He further suggests that the number and type of dimensions could be different according to the services being evaluated. In line with this view, Cronin and Taylor (1992) stated that SERVQUAL could not be a generic measure that could be applied to any service.

Babakus and Boller (1992) used the SERVQUAL scale to measure service quality in an electric and gas utility company. They found that the proposed five-factor structure of SERVQUAL is problematic and doubted the suitability of the SERVQUAL scale for measuring quality across a wide range of services. They argued that the number of relevant service quality dimensions is dependent on the nature of the services being evaluated. In addition, as Edvardsson (1997, p. 491) states that “to be able to study quality in service companies, one must first be aware of the characteristic features of services and service production”. Service industry settings often require emphasis on more specific elements of the service delivery process, because of the highly specialized nature of the service environment. Getty and Thompson (1994) identified reliability as one of the three dimensions of service quality in the lodging industry. However, they also showed that the dimension of tangibles is generic, but that assurance, responsiveness, and empathy merge in a single dimension called contact. In fact, Parasuraman, Zeithaml and Berry’s (1994) empirical findings when they tested the original SERVQUAL scale and eventually found a three-dimensional rather than a five-dimensional model in retailing.

Limitations have also been noted from the Nordics school of thought. Moore (1994) argued that the sample used to test the model is biased because the sample was specific to a single group containing only Swedish service firm executives who had participated in service-marketing seminars and the results can not be generalized to other service industries. Moreover, the work of did not discuss the relationship between perception and expectation and how expectation influences service quality. The Nordic European school of thought remains on a theoretical level. It tends to focus on the theory of service quality rather than providing strong empirical evidence for the validity of their model and dimensions. However, a recent empirical study by Kang and James (2004) reveal that the European perspective, that is, the Grönroos’ model, suggesting that service quality consists of three dimensions, technical, functional and image, and that image functions as a filter in service quality perception. The results from a cell phone service sample revealed that Grönroos’ model is a more appropriate representation of service quality than the American perspective with its limited concentration on the dimension of functional quality.

The concerns in measuring expectations are topics for ongoing debates among researchers (Oh, 1999). However, the measurement of performance perceptions-only has not undergone the same criticism. Brady and Cronin (2001) suggest that researchers generally adopt one of two conceptualizations in their work, the European or the American perspective.

THE CONCEPTS OF PERCEIVED SERVICE QUALITY AND SATISFACTION

Oliver (1993) argued that ensuring consumer satisfaction should be of great interest in service marketing because satisfaction links purchase/consumption to post-purchase phenomena such as attitude change, repeat purchase, positive word-of-mouth, and loyalty. Thus satisfaction judgments are seen as moderating the quality attitude and purchase intention relationship (Taylor and Baker, 1994), indicating the need to investigate satisfaction and perceived service quality as two separate constructs. Therefore customer satisfaction is imperative for service organizations because of the positive correlation it has with future attitudes, intentions and behaviors of customers (Taylor and Baker, 1994; Dawes and Rowley, 1996;

Mattila, 2000). The concept of satisfaction has been the subject of much academic as well as practical research.

This conceptualization has received the greatest support as customer dis/satisfaction is generally interpreted to be the post-consumption judgment of a product or service (Churchill and Surprenant, 1982). The latter defines customer satisfaction as an outcome of purchase and use results from the customers' comparison of the rewards and costs of the purchase in relation to the anticipated consequences. The author's conceptualization recognizes that satisfaction is determined by a cognitive process of comparing what customers receive (rewards) against what they give up to acquire the service (costs) whereas Westbrook (1987) views satisfaction as an emotional feeling resulting from the evaluative of a service. Customers commonly use expectations and perceptions of a particular service encounter to help determine their level of satisfaction. The customer's experience within the service process is an important determinant of his/her satisfaction with the service and facilitates his/her assessment of service quality (Parasuraman *et al.*, 1985; Bitner, 1990; Bitner *et al.*, 1990).

Bitner and Hubbert (1994) pointed out that satisfaction can be considered at two levels: the individual transaction or encounter level and the overall satisfaction with a product or service. Overall satisfaction is defined as customers' cumulative satisfaction with all previous exchanges, including the most recent one (Maxham and Netemeyer, 2002) or satisfaction that accumulates across a series of transaction or service encounters (Oliver, 1997). Overall satisfaction, theoretically founded by Johnson and Fornell (1991) developed into cumulative satisfaction as a distinction from transaction specific research (Johnson, Anderson and Fornell, 1995).

However, customer satisfaction is most commonly measured as a transaction-specific evaluation (Oliver, 1981; Oh and Parks, 1997) resulting from a specific transaction expectation of what will happen compared with transaction-specific performance. Customer satisfaction in service industries has been approached in two ways; satisfaction as a function of disconfirmation, and as a function of perception (Davis and Heineke, 1998). The confirmation/disconfirmation paradigm views customer satisfaction judgments as the result of consumer perceptions of the gap between their expectation and perception of actual performance (Churchill and Surprenant, 1982; Oliver, 1981; Parasuraman *et al.*, 1994). More specifically, it has been defined as the difference between the customer's perceptions of the experience and his or her expectations that the customer brings to the service encounter (Zeithaml *et al.*, 1990, Zeithaml, Berry and Parasuraman, 1996). When the actual performance of the service equals initial expectations, confirmation results. When the actual performance exceeds or falls short of expectations, then positive or negative disconfirmation occurs. Positive disconfirmation leads to satisfaction, while negative disconfirmation leads to dissatisfaction. One advantage of transaction-specific measures is that they capture the complex psychological reactions that customers have to a product's or service provider's performance on a given occasion or over a given time period (Oliver, 1997). The author further argues that they allow organizations to better track changes in performance that result from internal changes and/or quality improvements.

Nevertheless, the disconfirmation theory has been increasingly criticized by many marketing scholars (Churchill and Surprenant, 1982; Teas, 1994). In particular, the latter argued that the different definitions of expectations and the difficulties with measurement operationalization have undermined these models which used expectation concepts. Thus, there was no consistency in operationalizing the expectation part of customer satisfaction in the literature. Similarly, Arnould and Price (1993) state that satisfaction might have little or nothing to do with expectations and Bowen (2001) adds that the performance is considered to have the greatest effect on customer dis/satisfaction. Johnston (1995) believes that the expectation may not reflect reality and may be based on a lack of information and unfair comparisons. Some authors have argued that neither disconfirmation nor expectation had any effect on customer satisfaction (Churchill and Surprenant, 1982; Cronin and Taylor, 1994). In fact Petrick (2004) argues that one problem with the

disconfirmation of expectations model is that if one's expectations are decreased, their satisfaction must surely increase. Thus, the model would suggest that customers who expect and receive poor performance will be satisfied.

PERCEIVED SERVICE QUALITY AND CUSTOMER SATISFACTION

However, criticism of the gap model (Teas, 1994; Cronin and Taylor, 1994) led to the emergence of the link between service quality and customer satisfaction. Despite the fact that SERVQUAL authors describe themselves as service quality scholars, there is no clear evidence as to how their study differs from that of customer satisfaction studies (Cronin and Taylor, 1992). The literature supports the view that service quality and customer satisfaction are different variables, although closely related (Taylor and Baker, 1994; Spreng and Mackoy, 1996) but not equivalent (Snoj and Mumel, 2002). The two schools of thought have provided no clear insights into the relationship between service quality and customer satisfaction. Thus there are no universally accepted definitions of customer satisfaction and service quality and, therefore, no commonly accepted method of either modeling the relationship between or measuring the two constructs (Oh, 1999; Yulsel, 2002). One of the conceptual differences proposed between these two constructs is that service quality is multidimensional, whereas customer satisfaction is unidimensional. Thus, while service quality is an overall construct of perceptions about an organization's service provision, satisfaction is based on an individual service encounter (Boulding, Kalra, Staelin and Zeithaml, 1993). Several studies (Oliver, 1993; Patterson and Johnson, 1993; Rust and Oliver, 1994; Taylor and Baker, 1994; Petrick, 2004) have come to the conclusion that customers must have experienced a particular service in order to achieve satisfaction, while the perceived service quality is not necessarily the result of any one service encounter.

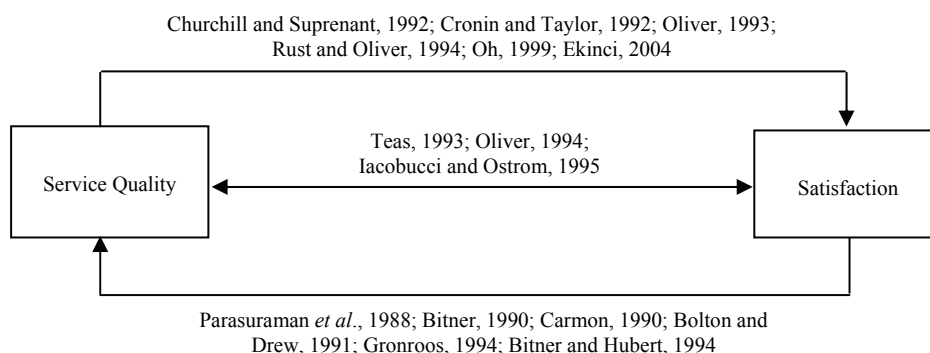
Service quality is associated with an attitude representing a long-term, overall evaluation, whereas satisfaction represents a more short-term, transaction-specific judgment (Parasuraman et al., 1988; Cronin and Taylor, 1994) and focuses on a personal and emotional reaction to service. Satisfaction is also referred to the outcome of a discrete service encounter, whereas service quality is the customer's overall impression of the relative inferiority/superiority of the organization and its services (Bitner and Hubbert, 1994; Johnston, 1995). Based on these conceptualizations, they posited that incidents of satisfaction over time result in perceptions of service quality. Zeithaml (1993) adds that satisfaction is thought to be the result from the comparison between predicted service and perceived service, whereas service quality refers to the comparison between desired service and perceived service. When an experience is better than the customer expected, there is thought to be positive disconfirmation of the expectation, and a favorable customer evaluation is predicted. Service quality is defined similarly, as a comparative function between consumer expectations and actual service performance (Parasuraman *et al.*, 1985). Therefore in the customer satisfaction literature, this model is referred to as the "Disconfirmation Paradigm" and in the service quality literature, it is referred to as the "Gap Model". Hence, the two schools of thought have provided no clear insights into the relationship between service quality and customer satisfaction.

Furthermore, the causality relationship between service quality and customer satisfaction is still unclear and has been the subject of extensive debate. Some researchers supported the argument that customer satisfaction leads to service quality (Carman, 1990; Bitner, 1990; Bolton and Drew, 1991; Patterson and Johnson, 1993; Parasuraman *et al.*, 1994). For example, Bitner (1990) developed a model of service encounter evaluation and she pointed out that the customer's satisfaction is related to a specific service transaction, while service quality is a general attitude relating to the overall excellence or superiority of the service. She thus empirically supported the effect of satisfaction on service quality (Figure 2).

Other studies contradict this claim and argue that service quality is an antecedent of satisfaction (Churchill and Suprenant, 1992; Cronin and Taylor, 1992; Oliver, 1993; Rust and Oliver, 1994; Spreng and Mackoy, 1996; Oh, 1999; Ekinci, 2004). Cronin and Taylor (1992) reported that all coefficients in the

path service quality satisfaction purchasing intentions were significant while those in the path satisfaction service quality purchasing intentions were not. Spreng and MacKoy (1996) also studied the relationship between service quality and satisfaction based on their modified Oliver's (1993) satisfaction/service quality model. Their modified model fitted the data well where service quality was hypothesized to influence satisfaction (Figure 2).

Figure 2: Relationships between Service Quality and Satisfaction



Another line of argument is that the distinction between service quality and customer satisfaction is unclear, especially in situations of frequently delivered services (Bolton and Drew, 1991). Teas (1993) explained that the confusion as to the causal relationship between satisfaction and perceived service quality is due to the lack of consensus on the definition and operationalizations of the two constructs. He pointed out that perceived service quality has been viewed as a global judgment in most service quality research, in contrast to the transaction-specific focus of most customer satisfaction research. Perceived service quality can be viewed at the level of both the transactional perspective and the global perspective (Teas, 1993; Oliver, 1993; Parasuraman *et al.*, 1994). At the transaction level, perceived transaction-specific quality will influence customer satisfaction, and at the global level, the overall perception of an organization's service quality is based on customers' cumulative transaction-specific satisfaction with the service. Therefore an alternative conceptualization imagines perceived quality as both an antecedent and a consequence of satisfaction (Teas, 1993; Oliver, 1994; Iacobucci and Ostrom, 1995). Despite the clear differences between quality and satisfaction, their relationship still remains complex.

CONCLUSION

Although, there has been quite a lot of published material about measuring service quality and customer satisfaction, research in this area still demonstrates some limitations (Swan and Bowers, 1998; Oh, 1999; Yuksel, 2002). The two schools of thought have provided no clear insights into the relationship between service quality and customer satisfaction. Academicians and practitioners are, therefore, interested in understanding what drives customer satisfaction because satisfaction is a very important concept in the marketing literature due to its influence on retention and loyalty (Reichheld, 1996; Maxham and Netemeyer, 2002; Karatepe, 2006). Finally the Nordic school of thought remains on a theoretical level as it tends to focus on the theory of service quality rather than providing strong empirical evidence for the validity of their model and dimensions. In spite of such limitations, the Nordic school of thought has made a substantial contribution to service quality research, in particular, recognizing the existence of output quality and image dimensions as different from the North American school.

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MEASURING SERVICE QUALITY IN THE MAURITIAN PUBLIC SERVICE

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ABSTRACT

The purpose of this paper is to obtain a better understanding of the extent to which service quality is delivered within the Mauritian public service by drawing on front-line employees (FLE) and customer perceptions of service quality. The paper investigates how closely customer expectations of service and FLE perceptions of customer expectations matched. SERVQUAL is used to measure service quality amongst FLE and customers in a major public sector department in Mauritius. The survey captures customers' expectations of an excellent public service and compares these with their perceptions of the service delivered by a particular public service department in Mauritius. The paper also reports on a parallel SERVQUAL survey of FLE to examine how well they understand their customers' expectations and how well its internal processes support the delivery of top quality public services. The findings reveal that while there is a significant shortfall in meeting customer expectations, the FLE appears to have a good understanding of what these expectations actually are. The FLE should focus on those dimensions which receive lowest ratings and attributes with high gap scores. This research adds to the body of knowledge relating to public service quality management. It will also be of interest to strategic and operational public service managers and to academics investigating the reliability and value of service quality assessment tools. The study addresses key relationships between service dimensions and service quality within the Mauritian public service.

INTRODUCTION

The service industry plays an increasingly important role in the economy of many countries. In today's global competitive environment delivering quality service is considered as an essential strategy for success and survival (Parasuraman, Zeithaml and Berry, 1985; Reichheld and Sasser, 1990; Zeithaml, Parasuraman and Berry, 1990). Even the public sector organizations have come under increasing pressure to deliver quality services (Randall and Senior, 1994) and improve efficiencies (Robinson, 2003). Customer needs and expectations are changing when it comes to governmental services and their quality requirements. However, service quality practices in public sector organizations is slow and is further exacerbated by difficulties in measuring outcomes, greater scrutiny from the public and press, a lack of freedom to act in an arbitrary fashion and a requirement for decisions to be based in law (Teicher *et al.*, 2002).

Since Mauritius has gained independence in 1968, the public sector has undergone a number of transformations. In 2006, the government has introduced the Public Service Excellence Award to that public department who excel in all spheres of its operations in order to increase productivity and efficiency (Government of Mauritius, 2006). The public sector is under increasing pressure to demonstrate that their services are customer-focused and that continuous performance improvement is being delivered. The purpose of this paper is thus to examine the service quality concepts and their application in the public service sector in Mauritius. The study uses the SERVQUAL approach to examine the gap between customers' general expectations of a service and their perceptions of the service received by a specific service provider. This paper investigates how closely customer expectations of service and FLE perceptions of customer expectations matched. This approach has been used extensively

to assess the quality of private sector services but fewer applications of the approach have been reported for public services.

This paper is organized as follows. The introductory section gives a brief description of the service quality and some background of the Mauritian public service sector. This is followed by relevant literature review and the development of related hypotheses. The methodology of the research paper is explained, followed by the results of the empirical analysis. Finally, conclusion and managerial implications are noted, and limitations and future direction are discussed. Finally, recommendations for improving service quality within the public service sector of Mauritius based on the findings of the study will be provided.

LITERATURE REVIEW

According to Parasuraman, Zeithaml and Berry (1988), service quality can be defined as an overall judgment similar to attitude towards the service and generally accepted as antecedent of overall customer satisfaction (Zeithaml and Bitner, 1996). Christopher *et al.* (1993) have defined service quality as the ability of the organization to meet or exceed customer expectations. It is the difference between customer expectations of service and perceived service (Zeithaml *et al.*, 1990). Perceived service quality results from comparisons by customers of expectations with their perceptions of service delivered by the suppliers (Zeithaml *et al.*, 1990). If expectations are greater than performance, then perceived quality is less than satisfactory and hence customer dissatisfaction occurs (Parasuraman *et al.*, 1985; Lewis and Mitchell, 1990).

Services unlike tangible products are produced and consumed at the same time in the presence of the customer and the service producer. The presence of the human element during the service delivery process greatly increases the probability of error on the part of employees and customers. This error is due to intangible behavioral processes that cannot be easily monitored or controlled (Bowen, 1986). However, although a substantial amount of service quality research has focused on service customers' perceived service quality (Parasuraman *et al.*, 1988; Babakus and Mangold, 1989; Carman, 1990; Parasuraman *et al.*, 1991; Babakus and Boller, 1992; Cronin and Taylor, 1992), relatively little attention has been paid to exploring what factors impact on service employees' behavior with regard to delivering service quality, and to articulating the relationship of motivators of employee behavior to service quality perception.

More than two decades ago, Surprenant and Solomon (1987) stated that service encounters are human interactions. They suggested that customers and service providers have roles to play during and possibly after service encounters and that these roles are based on "interpersonal interactions" between organisations and customers. Service quality in all service encounters is thus intrinsically affected by the perspectives of both the service provider and the service receiver. Similarly, Czepiel (1990) concluded that research on service quality must always include the perspectives of both the provider and the receiver. However, most research on the service quality construct has been restricted to one perspective: that of the service receiver (Parasuraman *et al.*, 1988; Guerrier and Deery, 1998). A few have applied dual perspectives and considered interactive features of service quality in service encounters (Tam and Wong, 2001; Chow-Chua and Komaran, 2002; Dedeke, 2003; Svensson, 2004, 2006).

Because service delivery occurs during interaction between contact employees and customers, attitudes and behaviors of the contact employees can influence customers' perceptions of service quality (Bowen and Schneider, 1985). Moreover, Beatson (2008) found that perceived employee satisfaction, perceived employee loyalty, and perceived employee commitment had a sizable impact on perceived product quality and on perceived service quality. According to Zeithaml and Bitner (1996), contact employees represent the organization and can directly influence customer satisfaction, they perform the role of marketers. Whether acknowledged or not, service employees perform marketing functions. They can perform these

functions well, to the organization's advantage, or poorly, to the organization's detriment. The front-line service provider has the opportunity to tailor in real-time not only the services the firm offers, but also the way in which those services are delivered. Customer actions, reactions and other characteristics can have a profound influence on the actions and mannerisms of front-line service personnel (Matzler *et al.*, 2004). Therefore, customers largely base their impressions of the organization on their encounters with front-line employees. Research has established a positive correlation between the attitudes of employees and those of customers, including employee and customer perceptions of service quality (Schneider and Bowen, 1985). Employees involved in the delivery of service can provide valuable information for improving service. These front-line employees have knowledge from their contact with customers that they themselves can use in delivering customer service, and they have knowledge that can be used by the organization for making decisions (Bitner, Booms and Mohr, 1994). In their research identifying employee and customer satisfaction and dissatisfaction with customer service encounters, Bitner *et al.* (1994) found strong similarities between the two groups. Similarly, Schneider and Bowen (1985) found that employees and customers actually had common perceptions of the quality of the service provided in for profit organizations.

THE SERVQUAL MODEL

The model on which SERVQUAL is based proposes that customers evaluate the quality of a service on five distinct dimensions: reliability, responsiveness, assurance, empathy, and tangibles. The SERVQUAL instrument consists of 22 statements for assessing consumer perceptions and expectations regarding the quality of a service. Perceived service quality results from comparisons by consumers of expectations with their perceptions of service delivered by the service providers (Zeithaml *et al.*, 1990). It can be argued that the underpinning of delivering good perceived service quality is actually meeting the expectations of the customers. Thus, excellent service quality will be exceeding the customers' expectations. Zeithaml and Bitner (2000) suggested that customer expectations are beliefs about a service that serve as standards against which service performance is judged.

Parasuraman *et al.* (1988) suggested that customer expectations are what the customers think a service should offer rather than what might be on offer. Zeithaml *et al.* (1990) identified four factors that influence customers' expectations: word-of-mouth communications; personal needs; past experience; and external communications. A gap is created when the perception of the delivered service is not as per the expectation of the customer. This gap is addressed by identifying and implementing strategies that affect perceptions, or expectations, or both (Parasuraman *et al.*, 1985; Zeithaml *et al.*, 1990). Parasuraman *et al.* (1988) stated that SERVQUAL had been designed to be "applicable across a broad spectrum of services" and the format could be adapted to fit specific needs, and that it would be most valuable when used to track service quality trends periodically. They proposed that the SERVQUAL model could be extended to measure gaps in quality and could therefore be used as a diagnostic tool to enable management to identify service quality shortfalls. The gap score is calculated by the perception statements being deducted from the expectation statements. If any gap scores turn out to be positive then this implies that expectations are actually being exceeded. This allows service managers to review whether they need to re-deploy resources to areas of under performance (Wisniewski, 2001). The SERVQUAL instrument ascertains the level of service quality based on the five key dimensions and also identifies where gaps in service exist and to what extent. The gaps are generally defined as (Zeithmal *et al.*, 1990):

- Gap 1 (the positioning gap) pertains to managers' perception of consumers' expectations and the relative importance consumers attach to the quality dimensions.
- Gap 2 (the specification gap) is concerned with the difference between what management believes the consumer wants and what the consumers expect the business to provide.
- Gap 3 (the delivery gap) is concerned with the difference between the service provided by the employee of the business and the specifications set by management.

- Gap 4 (the communication gap) exists when the promises communicated by the business to the consumer do not match the consumers' expectations of those external promises.
- Gap 5 (the perception gap) is the difference between the consumers internal perception and expectation of the services.

The lower the mean score, the larger the gap in service quality and conversely the higher the mean score, the smaller the gap. Gaps 1 to 4 are within the control of an organization and need to be analyzed to determine the cause or causes and changes to be implemented which can reduce or even eliminate Gap 5. The surveying of employees can help to measure the extent of Gaps 2 to 4 (Zeithmal *et al.*, 1990). This may reveal a difference in perception as to what creates possible gaps.

CRITISMS OF SERVQUAL

The SERVQUAL instrument for measuring service quality has been subjected to a number of criticisms. Most research studies do not support the five-factor structure of SERVQUAL put forward by Parasuraman *et al.* (1988), and administering expectation items is also considered unnecessary (Carman, 1990; Babakus and Boller, 1992). In addition, Cronin and Taylor (1992) have developed their own performance-based measure, the SERVPERF. In fact, the SERVPERF scale is the unweighted perceptions components of SERVQUAL, which consists of 22 perception items thus excluding any consideration of expectations. In their empirical work in four industries, Cronin and Taylor (1992) found that unweighted SERVPERF measure (performance-only) performs better than any other measure of service quality, and that it has the ability to provide an accurate service quality score than SERVQUAL. They argue that current performance best reflects a customer's perception of service quality, and that expectations are not part of this concept. Despite the criticism, SERVQUAL has been used to measure service quality in a variety of contexts, including hospitals (Bakar *et al.*, 2008), universities (Galloway, 1998), police services (Donnelly *et al.*, 2006), banks (Kangis and Passa, 1997), travel agencies (Luk, 1997) and public utilities (Babakus and Boller, 1992). The wide array of application of such an instrument as SERVQUAL spells confidence in its utilization as a technique for measuring service quality in various business sectors and service industries.

Although some studies did fail to support its structure, Parasuraman *et al.* (1993) defended the use of the different dimensions used, based on conceptual and practical grounds. Parasuraman *et al.* (1988) noted that even if it may be necessary to reword or modify some of the items, yet the SERVQUAL scale is applicable in a wide range of business services. However, Parasuraman *et al.* (1991) cautioned that the addition/deletion of items and/or dimensions may result in the loss of the scale's integrity.

SERVICE QUALITY IN PUBLIC SERVICE

Public sector services are responsible and accountable to citizens and communities as well as to its customers. Several researchers have dealt with service quality in public services (Wisniewski and Donnelly, 1996; Rowley, 1998; Wisniewski, 2001; Brysland and Curry, 2001). Brysland and Curry (2001) stated that the literature clearly supported the use of SERVQUAL in the public sector. According to Gowan *et al.* (2001), service provision is more complex in the public sector because it is not simply a matter of meeting expressed needs, but of finding out unexpressed needs, setting priorities, allocating resources and publicly justifying and accounting for what has been done. In addition, Caron and Giaque (2006) point out that public sector employees are currently confronted with new professional challenges arising from the introduction of new principles and tools inspired by the shift to new public management.

Anderson (1995) also measured the quality of service provided by a public university health clinic. Using a-15 statements representing the five-dimensions of SERVQUAL (Parasuraman *et al.*, 1988), she

assessed the quality of service provided by the clinic at the University of Houston Health Center. Patients were found to be generally dissatisfied with the five dimensions of SERVQUAL. The highest dissatisfaction was felt with assurance. On the other hand, tangibles and empathy exhibited the lowest level of dissatisfaction. Using the SERVQUAL approach, Wisniewski (2001) carried out a study to assess customer satisfaction with public sector services across a range of Scottish Councils services. In the library service, the analysis of gap scores revealed that tangibles and reliability had negative gaps which indicate that customer expectations were not met. On the other hand, responsiveness and assurance were positive implying that customer expectations were actually exceeded by the service provided. Furthermore, Donnelly, Kerr, Rimmer and Shui (2006) carried out a study to explore the application of SERVQUAL approach to assess the quality of service of Strathclyde Police in Scotland. The survey captures customers' expectations of an excellent police service and compares these with their perceptions of the service delivered by Strathclyde Police. The paper also reports on a parallel SERVQUAL survey of police officers in Strathclyde to examine how well the force understands its customers' expectations and how well its internal processes support the delivery of top quality policing services. It was found that Strathclyde Police appears to have a good understanding of the service quality expectations of their customers as represented by the responses of elected councilors in the area covered by the force. There is room for improvement in service quality performance both from the viewpoint of the customer and through police force attention to the definition of, and compliance with, service quality standards. Agus, Barker and Kandampully (2007) carried out a research to identify management and customer perceptions of service-quality practices in the Malaysian Public sector. It is important to note that whereas the SERVQUAL model focused on identifying "gaps" between expectations and actual delivery, their model focuses only on perceptions of actual service delivery. They used nine of the ten service dimensions identified by Parasuraman *et al.* (1985). Their study looked at the perceptions of management and customers, thereby excluding the views of frontline staff.

Most of the studies to date, have concentrated on service quality in US and European public service sector. While some more recent studies have looked at service quality in developing countries (Agus, Barker and Kandampully, 2007), this study is unique in that it looks at a developed country.

RESEARCH METHODOLOGY

The SERVQUAL instrument was adopted to measure the quality of customer service as the "gap" between the customers' expectations and the perception of FLE of the customers' expectations. The survey questionnaire was thus administered to these two distinct groups of respondents. Each group had a disparate view of the quality of service. The questionnaire used in this study comprised of two parts: Part A contained questions about personal profiles of the respondents including gender, educational level and age. Part B included expectations (E) and perceptions (P) of respondents according to five dimensions and these were tangibles, reliability, responsiveness, assurance and empathy. The items in the questionnaire were measured on a five-point scale ranging from "1 = strongly disagree" to "5 = strongly agree" and the respondents were asked to rate their expectations and perceptions of the various items for the public service. The developed questionnaire was pilot-tested by 15 customers and 5 FLE. It was observed that respondents were confused with the wording of some questions and two questions were repeated. Given that the SERVQUAL instrument can be modified to fit a specific research needs, some wordings were changed and the 22 statements were shortened to 20. Question 5 and question 8, as "promise to do something by a certain time" and "provide its services at the time it promises" have more or less the same meaning, therefore the former one was omitted. Also, statement 18 and 20, as "individual" and "personal" means the same thing, hence, statement 18 was removed.

The survey questionnaire was self-completed by the customers, with assistance available if required. A total of 250 customers were randomly approached over a one-week period in the month of August 2008 for completing the questionnaire. 202 questionnaires from the customers were judged usable for data

analysis for this study, giving a response rate of 81%. Furthermore, following a discussion with the staff as to the purpose of the research, FLE were given the same survey questionnaire as the customers for self-completion on an individual basis. Of the 30 FLE, 28 returned completed and usable questionnaires for a response rate of 93%. The Statistical Package for the Social Sciences version 14.0 was employed to analyze the data. Descriptive statistics analysis was used to measure respondents' expectation and perception scores. Paired t-test was carried out to test the significant difference between the two means of expectations and perceptions. To compare customers' expectations with their perceptions of the service delivered by the public FLE, a gap score analysis was performed, thus revealing important managerial issues.

FINDINGS AND DISCUSSION

The findings of the survey reveal that the sample of customers consisted of 77% of male and 23% of female. More than 57% of the respondents were between the ages of 26-41. Approximately 67% have either School Certificate or Higher School Certificate as highest level of education.

The sample of front line employees shows that the gender distribution was 43% of males and 57% of females. With respect to age, the highest proportion of the respondents (43%) fell into the 26-33 year age group, followed by the 18-25 year age group. The question on the educational level of employees showed that 54% of the respondents hold a Higher School Certificate and regarding the employees' year of service, 71% have been in service for less than 5 years.

RELIABILITY ASSESSMENT

To test the reliability of the SERVQUAL scale and the internal consistencies of the five dimensions as suggested by Parasuraman *et al.* (1988), the research instrument were analyzed using Cronbach's α values for each dimension using data on perceptions, expectations and the differences between the perceptions and expectations. The reliability scores for the public service department customers and its employees are shown in Table 1. Thus, the SERVQUAL instrument is reasonably satisfactory to be used for the public service department, as Nunally (1967) suggested that a modest reliability range from 0.5 to 0.6 would suffice. The result of Cronbach's α values ranging from 0.515 to 0.929 for customers and 0.437 to 0.855 for FLE fulfils the minimum requirement level of reliability. Therefore the values of the Cronbach's α show that these measures are reliable.

Table 1: Reliability Scores of SERVQUAL Scale for Customers and Employees

Dimensions	Customers			FLE		
	Perception (P)	Expectation (E)	Gap (P - E)	Perception (P)	Expectation (E)	Gap (P - E)
Tangibles	0.695	0.584	0.648	0.772	0.793	0.752
Reliability	0.836	0.515	0.777	0.659	0.521	0.517
Responsiveness	0.864	0.716	0.855	0.458	0.574	0.437
Assurance	0.680	0.575	0.642	0.581	0.585	0.544
Empathy	0.749	0.713	0.710	0.614	0.691	0.566
Overall (20 items)	0.929	0.851	0.915	0.855	0.539	0.735

Table 2 displays the gap scores for each service quality attribute of the customers and FLE using the public service department. The table contains the mean ratings, corresponding standard deviations and the t-test results that indicate the level of agreement among customers and FLE, for each attribute. The gap scores for each attribute were calculated by subtracting the expectation means from the perception means. A negative service quality gap indicates customer expectations are greater than their perceptions, based

on the service provided. Positive service quality gaps result when customer perceptions exceed customer expectations. In this study all service quality gaps were found to be negative and they were statistically significant at 5 percent levels. Knowing what consumers expect is an essential process in delivering quality service at any level of an operation. Any differences between customer expectations and the organization's perception of customer expectations of quality are important to identify and determine the level and quality of service provided.

Table 2: Gaps between Perceptions and Expectations (P-E) for Customers and Employees

Statements	Customers' Gap Scores (P-E)		FLE' Gap Scores	
	Mean	t-value	Mean	t-value
Tangibles				
Have up-to-date equipment	-1.36 (1.49)	12.98	-2.00 (1.36)	7.78
Physical facilities are visually appealing	-1.81 (1.41)	18.17	-1.79 (1.45)	6.52
Employees are well dressed and neat in appearance	-1.17 (1.46)	11.40	-0.86 (0.80)	5.65
Visually appealing materials associated with the service	-1.68 (1.30)	18.46	-1.50 (1.17)	6.78
Reliability				
Show sincere interest in solving customers' problems	-1.98 (1.29)	21.81	-1.75 (1.04)	8.90
Performs the service right the first time	-2.11 (1.29)	23.22	-1.71 (0.94)	9.68
Provides services at the time promised	-2.28 (1.23)	26.21	-2.04 (1.14)	9.47
Maintains error-free records	-1.92 (1.32)	20.67	-1.68 (0.90)	9.82
Responsiveness				
Inform customers when services will be performed	-1.86 (1.34)	19.75	-1.79 (0.96)	9.88
Offers prompt services to customers	-2.09 (1.28)	23.33	-1.89 (0.96)	10.48
Always willing to help customers	-1.85 (1.24)	21.19	-1.79 (1.03)	9.16
Readily respond to customers' request	-1.77 (1.35)	18.61	-1.46 (1.10)	7.01
Assurance				
Able to instill confidence in customers	-1.68 (1.23)	19.33	-1.57 (1.26)	6.60
Customers feel safe in their transactions	-1.43 (1.21)	16.77	-1.46 (0.74)	10.41
Employees are courteous at all times	-1.58 (1.19)	18.91	-1.71 (0.98)	9.30
Have the knowledge to answer customers' questions	-1.70 (1.15)	21.03	-1.82 (0.72)	13.33
Empathy				
Have convenient operating hours to all	-1.19 (1.52)	11.10	-1.21 (1.03)	6.23
Employees given personal attention to all	-1.58 (1.46)	15.45	-1.61 (0.79)	10.82
Employees have customers best interests at heart	-1.68 (1.32)	18.13	-1.64 (0.78)	11.14
Employees understanding customers' needs	-1.81 (1.29)	19.94	-1.71 (1.05)	8.65

Note: the value in parentheses indicate the standard deviations for each attributes; all the attributes indicate significance at 5 percent levels

From Table 2, the highest average gap between customer perceptions and expectations exists in the reliability dimension. Among the four items in the reliability dimension, customer responses indicated that the greatest gap existed in the area of employees 'Provide services at the promised time'. Customers perceived a gap in this area measured at -2.28, the biggest gap among all items. The next greatest gap existed in the area of 'Perform the services right the first time'. The third largest gap was observed in the area of 'Show sincere interest in solving customers' problems', followed by 'Maintain error-free records'. The employees, on the other hand, have a slightly similar perspective. They indicated that the greatest gap in their view was in the area of 'Provides services at the time promised', followed by 'Show sincere interest in solving customers' problems', 'Performs the service right the first time' and 'Maintains error-free records'. These similarities in opinion indicate that it is advisable for the public service department to

conduct surveys among its customers and employees to identify the most important areas for improvement. If an organization is not aware of its customers' and employees' requirements, it cannot devote resources effectively to improving those areas that may have the most significant impact on customer satisfaction. Therefore to reduce these gaps, the public service department therefore needs to make improvements in these areas.

According to customer opinion, the second largest gap existed in the responsiveness dimension, even for employees this dimension has resulted in negative gaps. Among the four items in the responsiveness dimension, both customers and employees indicated the greatest gap was related to whether the 'Offers prompt services to customers'. Employees perceived a gap in this area measured at -2.04, the biggest gap among all items. This clearly shows that this public department needs to provide more support to front-line employees in order that they can improve the quality of the services they are required to provide to customers. The second largest gap was found to be in the area of 'Inform customers when services will be performed' for the customers and employees; the second most important gap for employees was also observed for 'Always willing to help customers'. The third most important gap perceived by customers was in the area of 'Always willing to help customers'.

For assurance, the greatest gaps perceived by both employees and customers were in relation to the statement 'Have the knowledge to answer customers' questions'. The second customers' largest gap was related to 'Able to instill confidence in customers', the third most important gap for employees. The third largest gap for customers was in the area of 'Employees are courteous at all times', the second most important gap for employees. It was very interesting to note that the employees themselves knew that they were not being courteous enough to customers. Therefore this is another important aspect that can be improved upon.

According to customer opinion, the fourth largest gap existed in the tangible dimension. Among the four items in the tangibles dimension, customers indicated the greatest gap was related to whether the 'Physical facilities are visually appealing', however second largest gap for employees. The second largest gap was found to be in the area of 'Visually appealing materials associated with the service' for the customers; the third most important gap for employees. The most important gap perceived by employees was in the area of 'Have up-to-date equipment' and the third largest gap for customers. However, both customers and employees perceived 'employees are well dressed and neat in appearance' to be the area of least importance.

Both the customer and employees perceived negative gaps for empathy. Surprisingly among the four items for empathy, the customers as well as the employees have the largest gap for 'Employees understanding customers' needs', followed by 'Employees have customers best interests at heart', 'Employees given personal attention to all' and 'Have convenient operating hours to all'. This shows that employees do not understand customers' needs and are able to respond to those needs.

Given that all the gap scores were negative indicate a shortfall in meeting customers' expectations across all dimensions.

Table 3 depicts the service provider gaps based on FLE perceptions and customer expectations. Service provider gaps were calculated by subtracting customer expectations from employee perceptions on each of the individual service dimensions. Previous researchers (Berry *et al.*, 1988; Parasuraman *et al.*, 1988, 1990) have successfully used this method of calculating difference scores. A negative service provider gap indicates that customer expectations are higher than employees perceive them to be. A positive service provider gap indicates that customer expectations are lower than employees perceive them to be. In this study all the service provider gaps were found to be negative and they were statistically significant at 5 percent. Customers rated the importance of the attributes as reliability, assurance, responsiveness,

tangibles and empathy, while the FLE ranked the importance of the attributes as assurance, tangibles, empathy, reliability and responsiveness. Knowing what customers expect is an essential process in delivering quality service at any level of an operation. Any differences between customer expectations and the organization's perception of customer expectations of quality are important to identify and determine the level and quality of service provided. Management needs to recognize the importance of the behavioral aspects of service as customers place great emphasis on FLE response to their needs that can differ according to the occasion or purpose for the service. Management needs to ensure that appropriate selection and training of service FLE so that they are able to perform and display the qualities of responsiveness and reliability regarded by the customer as being important.

Table 3: Employees Perceptions and Customers Expectations of Service Dimensions

Dimensions	FLE Perceptions	Customer expectations	Service Provider Gap	t-value
Tangibles	2.87 (0.88)	4.44 (0.45)	-1.42 (1.02)	-7.36
Reliability	2.85 (0.62)	4.74 (0.37)	-1.88 (0.76)	-13.18
Responsiveness	2.82 (0.50)	4.66 (0.44)	-1.79 (0.66)	-14.27
Assurance	2.97 (0.49)	4.70 (0.35)	-1.63 (0.77)	-11.11
Empathy	2.87 (0.41)	4.40 (0.57)	-1.56 (0.67)	-12.43

Note: all dimensions are significant at 5 percent levels

CONCLUSIONS

The service quality gaps indicated that the public service department was failing to meet the expectations of their customers. The results of this analysis provide evidence that service provider gaps must be reduced as organizations attempt to minimize service quality gaps. An important step in minimizing service provider gaps is to measure customer expectations and communicate these expectations to employees. If employees do not fully understand the needs of consumers, they cannot be expected to meet or exceed these needs. The public service department needs to provide more training to their front-line employees to enhance their customer service skills. The training should focus on FLE ability to help customers resolve their queries and problems quickly. In the process of resolving such problems, they should show a caring and courteous attitude and a sincere interest in helping customers. Furthermore, FLE should improve their knowledge and skills so that they can provide a fast and dependable service to their customers. When they promise to do something for the customer within a certain time, they must fulfill that promise. More importantly, service enhancement through customer orientation will provide the public sector with an opportunity to gain confidence from the tax-paying public.

Parasuraman *et al.*'s original argument that SERVQUAL's five dimensions are transportable to other service sectors remains to be verified in the other Mauritian public sector. Using the SERVQUAL instrument, this study was able to help a public service department in Mauritius identify important areas for improvement in its operations. The study also found that employees and customers have significant differences in opinion in terms of the gaps between their perceptions and expectations of that service operations. This study was therefore able to highlight how important it is for an organization, be it a public sector organization, to conduct a survey of and consider the opinions of its customers, in particular, and its employees, in identifying areas for service quality improvements. It is therefore very important for them to know how customers evaluate service quality and what they can do to measure and improve service quality. Further research in the area of service quality will in these circumstances be soon in great demand. Therefore, to exceed customer expectations, it is necessary for even a public sector organization to continually improve the quality of service provided to its customers.

There were limitations in this study that need to be acknowledged. First, the study was limited to one public sector department, therefore the reliability of the results restrict the extent to which the findings can be generalized across the Mauritian public service. Secondly, this study looked at the perceptions of FLE and customers, thereby excluding the views of management. Given the financial and resource constraints under which public sector organizations operate, it can be argued that management perceptions of organizational service quality practices is crucial to measure so that they also understand customer expectations. Such information will then assist management in identifying cost-effective ways of closing service quality gaps and of prioritizing which gaps to focus on, a critical decision given scarce resources.

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ANALYZING DIFFERENCES BETWEEN CONSUMERS' EVALUATIONS OF EUROPEAN CITIES

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ABSTRACT

The discovery of cities as important destinations for tourism is a popular issue nowadays. Cities are very attractive tourism destinations by offering various facilities to consumers. Thus, understanding consumers evaluations of cities as tourism destinations can provide valuable insights to set right positioning strategies. The purpose of the study is to analyze the images of three European cities -Paris, Rome and Prague- as tourism destinations. Data was collected from 904 Turkish consumers interested in tourism. Manova was conducted to identify the differences between consumers' image perceptions and their behavioral intentions. Significant differences were found between consumers' evaluations of Paris, Rome and Prague.

Keywords: Destination image, Behavioral intention, European cities, Turkish consumers, Manova.

INTRODUCTION

A considerable attention has given to destination image during last decades. With the increasing importance of marketing efforts in conjunction with the growing importance of tourism as an economic force, understanding destination images may provide destination managers with greater opportunities to more effectively position their destinations (Baloglu and McCleary, 1999; Echtner and Ritchie, 1991).

Destination image has had a significant impact on consumers' selection of the places to visit. Consumers travel to various destinations and evaluate them by their perceptions and experiences. Consumers' views about a particular destination are not only constructed from their own memories but their perceptions about that destination. Destination image has therefore crucial both for practitioners engaged in positioning destination images and for academics trying to gain a deeper understanding of the destination image construct.

In the literature, a lot of qualitative and quantitative studies were made to explore consumers' evaluations of country images as tourism destination. Only, few image studies to date have focused specifically on city's image. Thus, the city as a destination and its image evaluations were considered in this study.

LITERATURE REVIEW

Destination Image

A destination's image is defined as the sum of beliefs, ideas and impressions that people have of a place or destination. Doswell (2000) defines "destination image" as the feelings, ideas and reactions which the name of a place evokes. Whereas, Mossberg and Hallberg (1999) prefer to define "destination image" as the 'tourist's mental picture of a specific destination.

Destination image is a valuable concept in understanding the destination selection process of tourists and destination positioning strategy (Goodrich, 1978; Scott, Schewe and Frederich, 1978; Stringer, 1984; Woodside and Lysonski, 1989). Because of the intangible nature of tourism, individuals purchase tourism products based on destination images developed from previous experience or available

information. The creation of a distinctive and unique destination in the tourism industry plays a vital role in positioning the destination in the consumer's mind and holds the key to destination differentiation (Watkins, Hassanien and Dale, 2006). An important step in the destination management process is an understanding of the attitudes of tourists and potential tourists of a destination (Deslandes, 2006). So, tourist destination images are important because they influence both the decision-making behavior of potential tourists and the levels of satisfaction regarding the tourist experience (Jenkins, 1999). An accurate assessment of destination image is a prerequisite to designing an effective marketing strategy and helps the destination marketer to offer what its tourists are expecting and create more realistic expectations if necessary. Destination images are a major factor forming the link between an individual's motivations and destination selection process (Watkins et al., 2006).

In the last three decades tourism researchers as well as industry practitioners and destination marketers have been very interested in measuring a destination's image. In addition, the proper methodology for measuring a destination's image has been the subject of many travel and tourism studies. A destination's image may be analyzed from different perspectives, and composed of a variety of individual perceptions relating to various product/service attributes (Kozak, 2001).

The majority of published destination image studies have focused on measuring the image of a particular country. There is even less literature that evaluates the image effects of more subtle city imaging. Recently, the general scarcity of research raises questions about the cities' image. Cities are now competing on a "global catwalk" for tourists' attention (Degen, 2003). As Landry and Bianchini (1995) state, this competition is based less on natural resources, location or past reputation and more on the ability develop attractive images and symbols that project these effectively (Smith, 2006). Due to the rise of urban tourism destinations at global scale, the assessment and development of an appropriate image for cities has become increasingly important. Thus, destination image becoming weapon for tourism is also a necessary item for the city.

Behavioral Intention

Behavioral or purchase intentions have been widely used in the literature as a predictor of subsequent purchase (Grewal, Krishnan, Baker and Borin, 1998). In the literature, there is extant evidence about the relationship between behavioral intentions and behavior.

Behavioral intentions are personal action tendencies relating to the product / brand (Bagozzi, 1979; Ostrom, 1969). It represents the person's motivation in the sense of his / her conscious plan to exert effort to carry out a behavior (Eagly and Chaiken 1993).

A concise definition of behavioral intentions for destination management may be as an individual's conscious plan to make an effort to visit a destination. This is critical to building the right destination marketing strategies since repeat visitation is highly desirable within this industry (Deslandes, 2006).

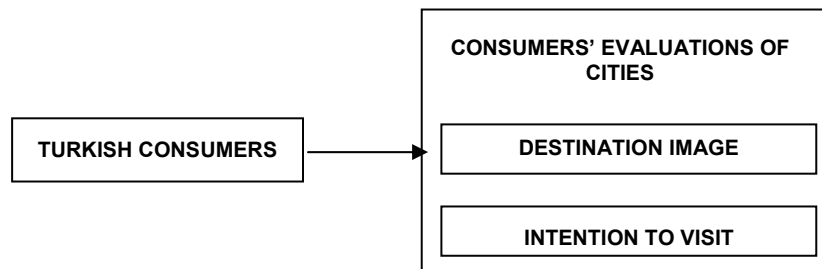
METHODOLOGY

Previous research on destination image has concluded that different factors have an influence on consumers' destination choice. The destination choice process might therefore be related to consumers' perceptions of destination images and their behavioral intentions. The main purpose of this study is to identify Turkish consumers' evaluations of European cities' images in terms of their perceptions and behavioral intentions. Thus, the objectives of the study are to;

1. Identify Turkish consumers' destination image evaluations of Paris, Rome and Prague.
2. Determine differences between Turkish consumers' perceptions of Paris, Rome and Prague.

3. Determine differences between Turkish consumers' behavioral intentions of Paris, Rome and Prague.

Figure 1: Research Model



In this study, it is aimed to find the differences between consumers' evaluations of Paris, Rome and Prague. The following hypotheses were tested:

H₁: There is significant difference between the consumers' evaluations of Paris, Rome and Prague.

H_{1a}: There is significant difference between the consumers' destination image perceptions of Paris, Rome and Prague.

H_{1b}: There is significant difference between consumers' behavioral intentions of Paris, Rome and Prague.

Hypothesis Testing

Due to the rise of urban tourism destinations at global scale, the assessment and development of an appropriate image for European cities has become increasingly important. Besides, Turkish consumers are one of the most important and attractive markets for the European cities because of its location. Thus, the population of the study was Turkish consumers interested in travel and tourism.

The sample consists of 904 Turkish consumers expressing their evaluations of Paris, Rome and Prague as tourism destinations. The research was conducted via internet survey on 16-23 January 2008.

The respondents were asked to provide information about their destination image perceptions and behavioral intentions. 22 Likert statements used to measure the consumers' perceptions of destination images were derived from the study of Echnter and Ritchie (1993) and Choi, Chan and Wu (1999). And, behavioral intentions were measured using a three-item scale developed by Dodds, Monroe and Grewal (1998) and Sirohi, McLaughlin and Wittink (1998). Five point Likert scales ranging from strongly agree (1) to strongly disagree (5) were used in the study.

Respondents' Profile

Out of 904 respondents surveyed, males constitute of 71.1% and females constitute of 28.9%. The majority of respondents belong to 26-35 years age group (47.3%), followed by the 18-25 years age group (23.6%). Of the respondents, 61.4% had at least finished university degree and another 28.8% finished high school. Some 65.9% of the respondents were married and 34.1% were single. Most of the respondents were merchant or workers with low income level. Family size was mostly four people with 36.4%. The demographic characteristics of respondents are presented in Table 1.

Table 1: Demographic Characteristics of Respondents

Income	Frequency	Percent	Education	Frequency	Percent
1000 YTL or less	219	24.2	Primary School	7	.8
1001 YTL-2000 YTL	400	44.2	Secondary School	14	1.5
2001 YTL-3000 YTL	150	16.6	High School	260	28.8
3001 YTL-4000 YTL	60	6.6	University	555	61.4
4001 YTL- 5000 YTL	31	3.4	MS/Doctorate	68	7.5
5001 YTL-6000 YTL	22	2.4	Total	904	100.0
6001 YTL-7000 YTL	3	0.3			
7001 YTL-8000 YTL	4	0.4	Occupation	Frequency	Percent
8001 YTL - 9000 YTL	6	0.7	Self employed	53	5.9
9001 YTL or more	9	1.0	Civil Servant	15	1.7
Total	904	100.0	Merchant	308	34.1
Family Size	Frequency	Percent	Worker	251	27.8
1 person	21	2.3	Employee	14	1.5
2 people	110	12.2	Retired	13	1.4
3 people	202	22.3	Housewife	111	12.3
4 people	329	36.4	Student	139	15.4
5 people and over	242	26.8	Total	904	100.0
Total	904	100.0			
Age	Frequency	Percent	Gender	Frequency	Percent
18-25	213	23.6	Male	643	71.1
26-35	428	47.3	Female	261	28.9
36-45	203	22.5	Total	904	100.0
46-55	53	5.9	Marital Status	Frequency	Percent
56-65	6	0.7	Single	308	34.1
66 and over	1	0.1	Married	596	65.9
Total	904	100.0	Total	904	100.0

DATA ANALYSIS

The consumers' perceptions of cities' destination images and their behavioral intentions were explored by principal component factor analysis with Varimax rotation. The internal consistency of items was measured by using Cronbach's alpha tests. To further analyze the differences between consumers' evaluations of cities, Manova was performed.

Results of Factor Analyses

Factor analysis was applied to determine the underlying dimensions of Paris, Rome and Prague's destination images and behavioral intentions of consumers. Five factors namely environmental beauty and convenience, city's citizens, local culture and cuisine, shopping and tourist accommodation place and architectural structure determined from the factor analysis related to destination image.

The reliability of each construct scale was assessed by computing Cronbach's coefficient alpha. Cronbach's alpha measures of Paris are 0.849 for city's environmental beauty and convenience, 0.817 for city's citizens, 0.837 for local culture and cuisine, 0.735 for shopping and tourist accommodation and 0.713 for place and architectural structure. Cronbach's alpha measures of Rome are 0.880 for city's environmental beauty and convenience, 0.859 for city's citizens, 0.838 for local culture and cuisine, 0.780 for shopping and tourist accommodation and 0.793 for place and architectural structure. Cronbach's alpha measures of Prague are 0.890 for city's environmental beauty and convenience, 0.892 for city's citizens, 0.876 for local culture and cuisine, 0.827 for shopping and tourist accommodation and 0.865 for place and architectural structure. To sum up, the Cronbach's alpha coefficients of all destination image factors for Paris, Rome and Prague are over 0.70 which is the general accepted level of Cronbach's alpha coefficient (Nunnally, 1978; Hair, Anderson, Tatham and Black, 2005).

The items formed five factors that explained 60.488 percent variance for Paris, 65.176 percent of the variance for Rome and 69.360 percent variance for Prague. The items included in each factor and the factor loadings were reported in Table 2.

Table 2: Results of Factor Analysis for Destination Image

	Paris	Rome	Prague
Environmental Beauty & Convenience (8)			
There are many gardens and parks in this city.	0.738	0.752	0.709
This city has well-developed transport system.	0.731	0.754	0.816
Highways and roads are in good condition in this city.	0.687	0.676	0.614
It is easy to get good service in restaurants and hotels in this city.	0.650	0.601	0.624
This city is clean and green.	0.647	0.709	0.679
This city is an orderly city.	0.636	0.638	0.665
This city is a safe place to visit.	0.591	0.712	0.747
This city is a progressive city.	0.489	0.543	0.49
Cronbach's Alpha	0.849	0.880	0.890
City's Citizens (4)			
The local people are courteous.	0.740	0.800	0.809
The local people are honest.	0.735	0.776	0.761
The local people are friendly.	0.734	0.616	0.755
The local people are hardworking.	0.701	0.806	0.778
Cronbach's Alpha	0.817	0.859	0.892
Local Culture & Cuisine (3)			
The lifestyles and customs in this city are similar to those in my city.	0.874	0.865	0.886
The architectural styles of the buildings are similar to those in my city.	0.826	0.821	0.854
The food in this city is similar to ours.	0.787	0.759	0.792
Cronbach's Alpha	0.837	0.838	0.876
Shopping & Tourist Accommodation (4)			
This city is a good place to shop.	0.761	0.771	0.755
Good quality of products are available.	0.697	0.692	0.721
Food is varied and exotic in this city.	0.620	0.585	0.630
There are a wide variety of products available in this city.	0.555	0.611	0.724
Cronbach's Alpha	0.735	0.780	0.827
Place & Architectural Structure (3)			
There are many interesting places in this city.	0.767	0.813	0.848
There are many restful and relaxing places in this city.	0.758	0.796	0.837
There are lots of natural scenic beauties in this city.	0.733	0.760	0.813
Cronbach's Alpha	0.713	0.793	0.865
KMO	0.898	0.905	0.910
Total Variance Explained	%60.488	%65.176	%69.36

Besides, in order to assess the dimensionality of behavioral intention scale, factor analysis was also performed and three items formed one factor.

The reliability of behavioral intention scale was also assessed by computing Cronbach's coefficient alpha. Cronbach's alpha measure for Paris is 0.919, for Rome is 0.929 and for Prague is 0.926. Cronbach's alpha coefficients of intention to visit scale for Paris, Rome and Prague are also above the accepted level of 0.70 (Nunnally, 1978; Hair, Anderson, Tatham and Black, 2005).

The behavioral intention scale explained 86.064 percent variance for Paris, 87.517 percent of the variance for Rome and 87.124 percent variance for Prague. The factor loadings of items can be seen in Table 3.

Table 3: Results of Factor Analysis for Behavioral Intention

	Paris	Rome	Prague
Behavioral Intention (3)			
I want to visit this city in the future.	0.940	0.950	0.943
This city is one of the preferred destinations to visit.	0.928	0.931	0.930
I recommend this city to friends.	0.915	0.926	0.926
Cronbach's Alpha	0.919	0.929	0.926
KMO	0.754	0.755	0.760
Total Variance Explained	%86.064	%87.517	%87.124

Results of Manova

Manova was conducted in order to identify significant differences between consumers' destination image perceptions and their behavioral intentions. In Table 4, Manova results revealed that the statistical power of analysis was high by the value of 0.957. Thus, it can be interpreted that Manova is powerful and appropriate analysis for the study.

Table 4: Manova Results

Effect	Value	F Value	Sig.	Statistical Power
City				
Pillai's Trace	0.957	9917.054	.000	.957
Wilks' Lambda	0.043	9917.054	.000	.957
Hotelling's Trace	22.013	9917.054	.000	.957
Roy's Largest Root	22.013	9917.054	.000	.957

In Table 5, it is found that there were significant differences between consumers' evaluations of Paris, Rome and Prague. Manova results showed that there were significant differences between consumers' destination image perceptions and behavioral intentions to visit Paris, Rome and Prague, thus both H_{1a} H_{1b} were accepted.

Table 5: Tests of Between-Subjects Effects

Source	Dependent Variable	Type III Sum of Squares	df	Mean Square	F	Sig.
City	Environmental Beauty & Convenience	31.147	2	15.574	39.926	.000
	City's Citizens	23.461	2	11.731	21.509	.000
	Local Culture & Cuisine	47.470	2	23.735	24.047	.000
	Shopping & Tourist Accommodation	50.667	2	25.333	46.195	.000
	Place & Architectural Structure	36.623	2	18.312	34.052	.000
	Intention to Visit	41.312	2	20.656	26.538	.000

Table 6 shows the mean values of dependent variables as environmental beauty and convenience, city's citizens, local culture and cuisine, shopping and tourist accommodation and place and architectural structure dimensions of destination image and behavioral intentions. Respondents perceived that environmental beauty and convenience image of Paris was higher with the mean of 2.167 than Rome and Prague. Respondents also perceived that city's citizens image of Prague was higher than Rome and Paris with the mean of 2.711. Local culture and cuisine dimension of destination image of Rome was higher than Paris and Prague by 3.146. Shopping and tourist accommodation dimension was higher for Paris compared to Rome and Prague. Place and architectural structure dimension of destination image of Rome was also higher than Paris and Prague. Consumers' behavioral intention of Paris was higher than their behavioral intention of Rome and Prague.

Table 6: Mean Values of Dependent Variables

Dependent Variable		Mean	Std. Error	95% Confidence Interval	
				Lower Bound	Upper Bound
Environmental Beauty & Convenience	Paris	2,167	,021	2,126	2,208
	Rome	2,275	,021	2,235	2,316
	Prague	2,428	,021	2,388	2,469
City's Citizens	Paris	2,911	,025	2,863	2,959
	Rome	2,715	,025	2,667	2,763
	Prague	2,712	,025	2,664	2,760
Local Culture & Cuisine	Paris	3,453	,033	3,388	3,518
	Rome	3,146	,033	3,082	3,211
	Prague	3,209	,033	3,145	3,274
Shopping & Tourist Accommodation	Paris	2,303	,025	2,255	2,351
	Rome	2,421	,025	2,373	2,469
	Prague	2,633	,025	2,585	2,682
Place & Architectural Structure	Paris	2,056	,024	2,009	2,104
	Rome	1,820	,024	1,772	1,868
	Prague	2,076	,024	2,028	2,123
Behavioral Intention	Paris	1,775	,029	1,718	1,833
	Rome	1,814	,029	1,756	1,871
	Prague	2,054	,029	1,997	2,112

Then, multiple comparison analysis was conducted to explore the significant differences in the destination image perceptions and behavioral intentions of Turkish consumers. Table 7 shows the mean differences of consumers' destination image perceptions and behavioral intentions of Paris, Rome and Prague. Significant differences were found between Paris, Rome and Prague in "environmental beauty and convenience" image of cities. On the other hand, there were significant differences between Paris and Rome, Paris and Prague in their "citizens' image". But, there was no significant difference in the "city's citizens" image of Rome and Prague. In addition, there were significant differences between Paris and Rome and also between Paris and Prague in "local culture and cuisine" image but, there was no significant difference in the "local culture and cuisine" image of Rome and Prague. Significant differences were found between Paris, Rome and Prague in "shopping and tourist accommodation" image of cities. Lastly, there were significant differences between Paris and Rome and also between Rome and Prague in "place and architectural structure" image but, there was no significant difference in the "place and architectural structure" image of Paris and Prague.

The mean differences between consumers' behavioral intentions of Paris were higher than behavioral intentions of Prague and there were also significant differences between behavioral intentions of Rome and Prague whereas there were no significant differences between behavioral intentions of Paris and Rome.

Table 7: Multiple Comparisons

Dependent Variable			(I)	(J)	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
								Lower Bound	Upper Bound
Environmental Beauty & Convenience			Paris	Rome	-,1082(*)	,02938	,001	-,1802	-,0363
				Prague	-,2613(*)	,02938	,000	-,3333	-,1893
			Rome	Paris	,1082(*)	,02938	,001	,0363	,1802
				Prague	-,1531(*)	,02938	,000	-,2250	-,0811
			Prague	Paris	,2613(*)	,02938	,000	,1893	,3333
City's Citizens			Rome	Paris	,1531(*)	,02938	,000	,0811	,2250
				Prague	,1957(*)	,03475	,000	,1106	,2808
			Paris	Rome	-,1957(*)	,03475	,000	-,2808	-,1106
				Prague	,0033	,03474	,995	-,0818	,0884
			Prague	Paris	-,1990(*)	,03475	,000	-,2841	-,1139
Local Culture & Cuisine			Rome	Paris	-,0033	,03474	,995	-,0884	,0818
				Rome	,3069(*)	,04674	,000	,1924	,4214
			Paris	Prague	,2439(*)	,04674	,000	,1294	,3583
				Prague	-,3069(*)	,04674	,000	-,4214	-,1924
			Prague	Paris	-,0631	,04673	,403	-,1775	,0514
Shopping & Tourist Accommodation			Paris	Prague	-,2439(*)	,04674	,000	-,3583	-,1294
				Rome	,0631	,04673	,403	-,0514	,1775
			Rome	Paris	-,1180(*)	,03484	,003	-,2034	-,0327
				Prague	-,3304(*)	,03484	,000	-,4157	-,2451
			Prague	Paris	,1180(*)	,03484	,003	,0327	,2034
Place & Architectural Structure			Paris	Prague	-,2124(*)	,03483	,000	-,2977	-,1271
				Prague	,3304(*)	,03484	,000	,2451	,4157
			Rome	Paris	,2124(*)	,03483	,000	,1271	,2977
				Rome	,2364(*)	,03450	,000	,1519	,3209
			Prague	Paris	-,0191	,03450	,858	-,1036	,0654
Behavioral Intention			Rome	Paris	-,2364(*)	,03450	,000	-,3209	-,1519
				Prague	-,2555(*)	,03449	,000	-,3400	-,1711
			Prague	Paris	,0191	,03450	,858	-,0654	,1036
				Rome	,2555(*)	,03449	,000	,1711	,3400
			Paris	Rome	-,0386	,04151	,649	-,1403	,0631
			Paris	Prague	-,2790(*)	,04151	,000	-,3807	-,1774
				Prague	,0386	,04151	,649	-,0631	,1403
			Rome	Paris	-,2404(*)	,04150	,000	-,3420	-,1388
				Prague	,2790(*)	,04151	,000	,1774	,3807
			Prague	Rome	,2404(*)	,04150	,000	,1388	,3420

CONCLUSION

This research was conducted with an aim to identify Turkish consumers' evaluation of European cities as destination images. Consumers' evaluations of European cities were assessed in terms of destination image perceptions and behavioral intentions. The destination image scale was reduced into five dimensions namely "environmental beauty and convenience", "city's citizens", "local culture and cuisine", "shopping and tourist accommodation" and "place and architectural structure" and behavioral intention scale comprised of one dimension by factor analyses. Manova was conducted in order to find differences in consumers' destination image perceptions and behavioral intentions.

In the study, it is found that city images' means were strongly different from "environmental beauty and convenience" and "shopping and tourist accommodation" dimensions but somewhat different from "city's citizens", "local culture and cuisine" and "place and architectural structure" dimensions of destination image.

This research showed that destination image of Paris stand out with "environmental beauty and convenience", "shopping and tourist accommodation" dimensions, whereas Rome's "place and architectural structure" and "local culture and cuisine" dimensions are the mostly accepted dimensions by

Turkish people. Besides, “city’s citizens” dimension of Prague’s destination image is perceived better than other two European cities by Turkish people.

According to research results, consumers’ behavioral intentions of Paris and Rome were similar but they were higher than Prague. It showed that Turkish consumers’ evaluations of European cities in terms of destination image perceptions and behavioral intentions differ from one destination to another.

Thus, efforts to understand the factors pushing Turkish consumers’ to visit a city may help destination management and tourism agencies targeting Turkish consumers to set right marketing strategies. As this study tried to identify the differences in consumers’ evaluations of European cities in terms of destination image perceptions and behavioral intentions both the methodology and the findings could be helpful for other researchers who will probably undertake similar research in the future.

LIMITATIONS AND IMPLICATIONS FOR FUTURE RESEARCH

As many other research studies, the current study has some theoretical and methodological limitations. Firstly, the research was carried out in Turkey and therefore the findings were culturally bound and are likely to have limited application to other destinations, regions or cities. Secondly, only Paris, Rome and Prague were taken as European cities. So, the findings were limited upon those cities studied. Although, the study has some limitations, it is hoped that it will stimulate further research on destination image in the tourism industry to provide valuable insights for both academics and practitioners.

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THE FAIR VALUE AGAINST THE HISTORICAL COST

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ABSTRACT

The accountancy has as essential finality the economic value-control of a company. From here comes out also the dependence of users' decisions on then quality of the accountancy information and also the necessity that those have to reflect a real image upon the company's patrimony, based on the actual market- prices. To this adds the fact that the accountancy-write regards an economic medium without frontiers, where the accountancy information can be compared between the states and can be useful to all international users such as such her. It can be seen that the accountancy information has a more and more international character and the users are more and more sophisticated. Given this controversy about the use of fair values or the historical cost, this paper examines, in fact, require the use of fair values for the measurement of assets and liabilities. Given this controversy about the use of fair values or the historical cost, this paper examines, in fact, require the use of fair values for the measurement of assets and liabilities.

INTRODUCTION

The well known evolution of the multinational companies during the last years, which affected all most every state, govern and person, the complexity of the business-management above the national frontiers (from the financial point of view, connecting to the reporting), means a dynamic change, with complex processes in different branches of a society and of course in book-keeping too.

The variety of the book-keeping practices, of the financial auditor, of the fiscal norms and rules, can have a negative impact, not only on the companies' ability in furnishing the needed and true financial information to the creditors and investors, but also on the capacity to analyze the future investment opportunities, which are vital for the economic increment.

The implementation of International Financial Reporting Standards (IFRS) has led to frequent comments that its present 'fair value-based standards'. While IFRS have long required the use of fair value to measure the cost of assets or liabilities (in other words, the consideration paid or assumed), the IASB has begun to require that assets and liabilities should be measured at initial recognition at fair value even when this amount differs from cost (i.e. the fair value of the consideration given or received). So, some specialists bring into question the understanding and application of existing national GAAP and historical cost accounting.

The assurance of the accountancy information quality, in the context of accountancy convergence, has on base the followings:

1. in the last period, there was manifested more and more less confidence into the financial measurements;
2. the need of the uniformization of the accountancy information, for the capability of answering to the requests of globalization;
3. the accountancy appears much more as a social game, in which the actors could be interpreted by the theory, norms and state- interests or by the tax liability at a given moment;
4. in most of the times the practice can't hold the rhythm with the accountancy rules.

The accountancy of the XXI -st century requests a unique value. A solution for the amelioration of the accountancy information could be, after some of the specialist, the real value. This instrument was introduced by the accountancy-shapers as answer to degradation of the confidence into the financial measurements and regards a new system of evaluation for the assets and the debts of the entity.

This major objective of the financial accountancy, earning a real image of it, can be assured by the real value. The appliance of this concept impose the outlining of it's utility, the knowledge of attaining techniques, assures much better than the historical cost the qualitative accountancy information and gives a plus to the user's certainty, because these one will be able to avoid the negative aspects, referring to the interest-evaluations and reliability of a patrimonial entity.

Furthermore, the use of fair values, with a small number of exceptions, mirrors long-standing requirements of UK GAAP. UK GAAP has long required the use of fair values for the initial measurement of assets and liabilities or the allocation of the cost of the acquisition in a business combination to the acquired assets and liabilities. The options to measure property, plant and equipment and investment property at fair value at each balance sheet date are long-standing UK treatments that have been incorporated into IFRS. More significantly, the extensive use of historical cost-based amounts, in particular for the measurement of many financial assets, and financial liabilities and as the dominating practice for tangible and intangible assets, is common to both UK GAAP and IFRS.

Practical, IFRS use the term 'fair value' as a generic term that may be applied to all assets, liabilities and equity instruments irrespective of whether they are quoted or traded on active markets. In other words, IFRS use market value as a subset of fair value - it is fair value as determined in an active market.

The adoption of IFRS has introduced the use of fair values for the measurement at each balance sheet date of derivatives and some other financial assets and financial liabilities. It has also introduced the requirement to measure share-based payments to employees at fair value. In both cases, these are changes from existing UK practice but the lack of any accounting standards for such items was a significant deficiency in UK GAAP.

The definitions that are attachable to the concept of the real value are not much different from a theorist to another. The first definitions were concentrated on the market value. This adjunction has its origins in the patrimonial element, which demanded in the accountancy the evaluation of another value instead of that from the entrance in the patrimony.

Because the nature, the using mood inside the entity and their specific market conditions were different, it was demonstrated that it was not possible anymore to follow the properly value on the market.

Under IFRS, the value in use of an asset and the current value of the expected future payments required to settle a liability are based on estimates of future cash flows discounted at current market rates of interest. Therefore, the amounts are indicative of the amounts that rational, willing and knowledgeable parties would take into account when considering the exchange of the asset or equity instrument or settlement of the liability. These amounts may therefore approximate fair values but they should not be presumed to be fair values. They are not described in IFRS as fair values.

More than that, as it is determined inside the gauge, even in the regard conditions of a market value, the real value obtained in accountancy interest has to become a much larger concept than the market value.

The adherents of the real value consider the historical cost as the cause of the degradation of confidence on financial measurements. Their arguments start from the practice implications of the historical cost principle, which consists in conservation of the entrance values, at the level of the balancing structures, so

that these become historical values. These values are corrected, when the case is, with the amount of the amortizations or of the provisions for degradation. Based on the hypothesis of stable money unit, the historical cost principle consists in respecting the nominal currency value, without taking in consideration the fluctuation of its buying power.

The most important slash for using of the historical cost is the absence of pertinence with consequences on editing the real financial information image. That's why the users wish information about the real value.

However, the specialty literature doesn't present the evaluation of patrimonial elements in the real value, as sufficient source- information.

In practice, it was observed, that the advantages of using the real value are growing up, because of the positive influence for the quality of the accountancy information, as following:

- the superior accuracy for the result and for the cash-flow of the company;
- relevance, transparency and utility of the presented information into the financial measurements.

More and more, the basic representations of the accountancy evaluations, excepting the historical cost, are real values.

But the process doesn't stop here. After getting the accountancy information it must be furnished to the interested one and has to be interpreted in the scope to take decisions. Look, there is obtained accountancy information, based on the concept of real value, with the destination of evaluating the interest and solvability of a patrimonial entity.

Because of the high variety of information, that are requested by the users or furnished from the patrimonial entity, there are some qualitative characteristics of the financial measurements that are strictly limited. Even with an understanding of the definition and what is and what is not fair value, IFRS are unclear whether fair value should be based on an entry price or an exit price of an asset, liability or equity instrument.

According to the evaluation criterions of the determined accountancy information quality, inside the concept of IASB, we can speak about followings:

- Clearness – represents an essential quality in the mean that the accountancy information has to be understood easy by the user. In this purpose, there is taken the assumption that the user has enough knowledge about business management and economic activity;
- Pertinence – in which measure does it help the user?
- Liability – real image of the transactions, prevalence on the form, prudence. For displaying the information of the events and transactions in a credible mood, it is necessary to put them into the accountancy in accordance to their fond and economic reality, not only in their legal form. The accountancy information has to be neutral, without influence and has to represent in a real mood the events.
- Comparability – has to be the most evident: it presumes to be the necessity that the user might compare the information from a financial measurement of a company, during a time, with the purpose to identify the tendency and performance in the financial positions. The concordance to the International Standards of Accountancy, also to the Accountancy Policy, helps in the elaboration of the accountancy.
- Relevance - represent their capacity to be useful to the users for taking decisions. The accountancy information is relevant when there is an influence on the economic decision of the user, by helping him to evaluate the passed, present or future events, with confirmations or corrections on his anterior evaluations.

In the process of evaluating the real value, a significant contribution has the experts, which are involved in the accountancy evaluation. The quality of the accountancy information depends on the mood how it was calculated.

Although many of the authors are presenting the advantages of the real value, there are voices which contest this concept, because of its volatility and the tendency of subjectivism, of the manipulation of used models for the evaluation.

Among the advantages of the real value there can be named: Utility, relevance, transparency and superior accuracy of the results and cash-flow of the company, it brings more clearance to the financial statements, it does a total accounting of the comparable value and it gives more liability to the manager.

The credibility regards a reasonable evaluation, the using of market information in all possible situations for evaluating and justifying the subjective arguments. The neutrality presumes evaluations that were done in an adequate context and without a selective presentation.

From this presentation there can be retained the idea that every evaluation might have no signification for medium or long term. The performance analyze can be done only on base of the significant account values from the present, which tomorrow can't be anymore useful. But on long term, the evaluation in historical cost will retain its validity. Starting from these concepts, the users of the accountancy information had demanded the elaborating of a model for a general appliance of the real value.

The use of fair values in IFRS financial statements is nowhere near as extensive as many simply. In particular' it is not true to say that IFRS require that all assets and liabilities should be measured at fair value. It is also far from true to say that IFRS require all financial assets and financial liabilities to be measured at fair value. The reality is that the use of fair values in IFRS for the subsequent measurement of assets and liabilities is very limited - both in theory and in practice.

It is true to say that IFRS are placing much more emphasis on the use of fair values to record transactions and to allocate the initial amount of transactions among its constituent parts. This process began almost twenty-five years ago and reflects the practice in many national standards. The growth in such requirements also reflects the increasing complexity of many business transactions as well as the IASB's desire (and that of business entities and their auditors) to ensure that IFRS deal with a large proportion of these transactions. Fair values, or some other estimates of value, must be used; otherwise non-cash transactions will be omitted from the financial statements and compound transactions will not be disaggregated. If the use of fair values in such circumstances is new, the previous financial statements lacked relevant information.

One obvious conclusion that may be drawn is that the definition of fair value in IFRS has remained unchanged for almost twenty-five years. It is therefore surprising that there is some uncertainty about its meaning and some confusion about what amounts are, and what are not, fair values. Another obvious conclusion is that, as explained in more detail below, the primary use of fair value has been for the measurement of transactions or the components of transactions on initial recognition.

So, is likely that the IASB will continue to use fair values as the means of ensuring that transactions are represented faithfully in the financial statements and in impairment testing. Any significant extension of the use of fair values for the subsequent measurement of assets and liabilities is likely to meet strong resistance both in the IASB itself as well as its constituency. Those who resist, however, should bear in mind that the current reliance on historical cost-based amounts provides less relevant information and omits some assets and, possibly, liabilities from the financial statements. And those who criticize the limited use of fair values in IFRS should question their application of national GAAP and whether previous financial statements really had the qualities they claimed.

The conclusions refer to possible areas in which the IASB might provide further clarifications and guidance or extend the use of fair values.

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NEW LEADERSHIP THEORIES AND THEIR APPLICATION TO TODAY'S BUSINESS ENVIRONMENT

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ABSTRACT

In light of the current economic crises, one question to ask is what is the most effective form of leadership for today's manager? This paper explores three prominent theories on leadership, analyzing the factors that provide the most effective avenues for leadership. Transactional leaders has been defined as those leaders who guide their employees in the direction of established goals by clarifying role and task requirements (Robbins and Judge, 2008) and offers a practical, but albeit sterile approach to approaching leadership employees. In contrast, charismatic leaders have been defined as leaders who exemplify heroic or extraordinary leadership abilities when followers observe certain behaviors (Robbins and Judge, 2008) and offers a sometimes superfluous focus on the leader. That may not provide practical implications for the followers. Finally, transformational leaders are defined as those who inspire their followers to transcend their own self-interests and who are capable of having a profound and extraordinary effect on followers (Robbins and Judge, 2008) and offers a perfect and somewhat utopian solution that at times may seem impractical. The theories – transactional leadership, charismatic and transformational leadership are compared and contrasted to assess what aspects of each theory is most applicable to solving the ills that affect organizations today.

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QUALIFICATIONS AND CRITERIONS REQUIRED BY PUBLIC AUDITORS: THE CASE OF JORDAN - AN EMPIRICAL STUDY

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ABSTRACT

The objective of this study is to identify the qualifications and criterions that must be possessed by the public auditors so as to facilitate their work and make it effective and more objective. In order to achieve this objective, a questionnaire was developed and distributed to a sample of chief controls departments in the Audit Bureau (AB) and financial managers and accountants in governments whose activities are subject to the AB's audit. Descriptive statistics were used in the analysis. The study concluded that auditors must possess the following qualifications and criterions. First, the auditors must possess autonomy at their personnel and governmental levels. Second, the auditors must possess an appropriate academic and professional qualifications. Third, the auditors must apply personnel ethics in managing and preparing audit reports. Fourth, the auditors must possess the ability to evaluate internal control systems, data analysis and audits using computers. Fifth, the auditors must possess the necessary communication skills and cooperation with chief controls and employees of governmental departments. The study recommended that the necessity to increase the amount of autonomy and freedom given to public auditors in dealing with their financial and administrative matters. Second, the necessity to prepare a comprehensive audit and control standards that organized job control. Third, the necessity to promote the role of auditors in conducting feasibility studies. Finally, the necessity to maintain strong relations of auditors with local, regional and international institutions.

ALIGNING ORGANIZATIONAL STRUCTURES AND BUSINESS STRATEGIES: REVIEW OF SYNERGY'S HORIZONTAL INTEGRATION APPROACH

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ABSTRACT

This paper is based upon a research study to determine the significance of managerial leadership practices in a corporation's transformation during the period from 2004 to 2008. The study attempted to discover how managerial leadership practices effectively advance horizontal integration of an inclusive and collaborative organization. The study was grounded on propositions involving organizational development roles, IT governance, and collaborative organizations. Triangulated inquiry from peer-reviewed documents and a survey of 24 participants who included 2 women and 22 men comprising a chief information officer, 7 functional managers, 8 project managers, and 8 engineers of a corporation in the Northeastern United States confirmed the propositions. The findings indicated that horizontal integration has begun in transition from being separate toward becoming collaborative. This paper will reveal how disparate images that are subculture bound could be enhanced by the Full Spectrum Leadership model involving collaborative and integrative leadership practices.

KEYWORDS: Collaborative Organizations, Horizontal Integration, Full Spectrum Leadership, IT Governance, Managerial Leadership, and Organizational Development Roles

HOW DOES THE CANADIAN STOCK MARKET REACT TO THE U.S. FED'S POLICY WITHIN NAFTA?

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ABSTRACT

This study examines how the Canadian stock market reacts to the Fed's policy within NAFTA. Although many research studies have measured the bilateral correlation among national stock markets, rarely have they investigated this correlation within a free trade zone. We use a Vector Error Correction Model (VECM) accounting for monetary and exchange rate policies to measure the long-term elasticity of the Canadian stock market not only to the Fed's policy, changing the Federal Fund Rate (FFR), but also to the parity of the Canadian-U.S. dollar exchange rate. The results suggest that the Toronto Stock Exchange (TSE) is extremely sensitive to the FFR, the exchange rate, and the U.S. stock market. These results help us to forecast the Canadian stock market performance in response to different shocks.

KEYWORDS: Stock market integrity, monetary transmission mechanism, North America Free Trade Agreement (NAFTA), Federal Fund Rate (FFR), Vector Error Correction Model (VECM).

INTRODUCTION

The last two decades have witnessed rapid international capital mobility in the form of direct and indirect investment because of increasing interaction among the world economies. The co-movements of the world's national equity market indices have long been a popular research topic in the finance literature. Indeed, the integration of global stock markets has important policy implications for trade, exchange rate, and monetary policies. Although these co-movements of the world's major stock markets have been studied extensively, co-movements of stock markets within a Free Trade Zone (FTZ) or a monetary union have rarely received sufficient attention.

As the Canadian-U.S. stock markets' integration seems to have been intensified due to higher amount of trade within NAFTA, we try to capture the correlation between these two stock markets using macroeconomic variables. Since many Canadians remain concerned as to whether the U.S. financial turmoil could spill over into Canada's stock market, this paper tries to cast light on the issue by using a Vector Error Correction Model (VECM) to measure the long-term elasticity of the Canadian stock market to the U.S. stock market, to FFR shocks, and to the exchange rate behavior. Since many Canadians remain concerned that whether the U.S. financial turmoil could spill over into Canada's stock market, this paper tries to cast light on this issue by measuring the TSE's elasticity in response to different shocks.

NAFTA

Greater integration of the Canadian, Mexican, and U.S. markets has been one of the key developments in North America since the implementation of the Canada-U.S. Free Trade Agreement (CUSTA) in 1989 and its successor accord, the North American Free Trade Agreement (NAFTA) signed on December 17, 1992. This agreement between the U.S., Canada, and Mexico created the world's biggest single market by eliminating all trade and investment barriers among these countries. Taking effect on January 1, 1994, NAFTA immediately lifted tariffs on the majority of goods produced by the three nations. All NAFTA countries have a free market economy. The United States has the largest economy of these three; the U.S.

GDP is more than 10 times greater than both Canada and Mexico and has the largest growth rate. Therefore, it is expected that the U.S. trade and monetary policy play an important role in the two other economies.

Trade relations among Canada, Mexico, and the United States have broadened substantially since NAFTA's implementation, although experts disagree over the extent to which this expansion is a direct result of the deal. According to data from the office of the U.S. Trade Representative (USTR), the overall value of intra-North American trade has more than tripled since the agreement's implementation. Canada and the United States are the largest markets for one another's goods. Total cross-border trade has increased almost fivefold since 1980—when a series of Canadian-U.S. tariff reduction agreements began—and now amounts to almost USD \$500 billion annually, according to the U.S. State Department. The integration of the two economies has blossomed Canadians' concerns about becoming overwhelmed by the U.S. economy. Indeed, the same fears that have driven down U.S. shares have also taken their toll on stocks of America's trading partners. Although Canadians have greatly benefited from NAFTA as 86% of Canada's exports head to the United States, the integration of the two economies may also have adverse effects for Canada since May 2005 due to the sharply weakened U.S. dollar. The contagion from the U.S. stock market turmoil may spill over to Canada. We will try to address this issue by capturing the elasticity of TSE not only to the Fed's policy, but also to the parity of the Canadian-U.S. dollar exchange rate.

LITERATURE REVIEW

Studying the co-movements of national stock markets has long been a popular research topic in finance (see Makridakis & Wheelwright, 1974; Joy et al., 1976; Hilliard, 1979; Maldonado & Saunders, 1981; Phillipatos et al., 1983). The relationship among various stock markets is a hot topic and has both micro and macroeconomic policy implications. Early studies by Ripley (1973), Lessard (1976), and Hilliard (1979) generally find low correlations among stock markets, which validate the benefits of diversifications in international portfolio management. However, after the U.S. stock market crash in October 1987, the trend was reversed. Lee and Kim (1994), among others, find that national stock markets became more interrelated after the crash. Applying a VAR and impulse response function analysts Jeon and Von-Furstenberg (1990) also show a stronger co-movement among international stock markets after the 1987 crash. Similar studies suggest that after the Asian financial crisis in 1998, stock markets became more integrated, showing evidence for the co-movement of U.S. and other world equity markets (see Eun & Shim, 1989). Cheung and Ng (1992) find that the U.S. stock market plays a dominant role for the Tokyo stock market from January 1985 through December 1989. However, not all the research studies support the integration among stock markets. Koop (1994) uses a Bayesian method to conclude that there are no common stochastic trends in stock prices across selected countries. Forbes and Rigobon (2002) claim that currency crisis lead to lower integration among stock markets.

Some recent studies have investigated the co-movements of national stock markets in a given geographical region. For example, Firedman and Shachmurove (1997) and Meric and Meric (1997) show that the correlation between the European stock markets has been decreasing during the time. Hashimoto and Ito (2004) analyze the co-movement of the exchange rates and the stock prices from the viewpoint of contagion among the eight countries in South East Asia during the period of Asian currency crisis, 1997–1999. In their study, contagion is defined among not only the exchange rates and stock prices separately but also between an exchange rate and a stock price of the same country or different countries. Their estimated results prove contagion between the exchange rate and stock price of the same country or different countries during the crisis period; stock prices are found to be higher under influence of exchange rates and stock prices of other countries.

Aggarwal and Kyaw (2005) examine the integration of the three participating equity markets before and after NAFTA based on daily, weekly, and monthly data. As expected, unit root tests for the overall period 1988–2001 and the two subperiods 1988–1993 (pre-NAFTA), and 1994–2001 (post-NAFTA) indicate that equity prices are cointegrated only for the post NAFTA period.

Chen, Lobo, and Wong (2005) examine the bilateral relations between three pairs of stock markets, namely India-U.S., India-China, and China-U.S. They use a Fractionally Integrated Vector Error Correction Model (FIVEC) to examine the cointegration among the three markets. By augmenting the FIVECM with a multivariate GARCH, they study the first and second moment spillover effects. Their results suggest that all three pairs of stock markets are fractionally co-integrated and that the U.S. stock market plays a dominant role in relations with the other two markets. Meric, Goldberg, Dunne, and Meric (2005) use the correlation analysis to study the time-varying correlation patterns between pairs of NAFTA stock. The Granger causality test is used to study the predictability and the weak-form efficiency of each stock market's weekly returns. Their results suggest that all three NAFTA stock markets are weak-form efficient; that is, the past returns of none of the three stock markets can be used to predict its future returns.

Gluster, Ratner, and Meric (2007) study the co-movements of the weekly index returns of the Egyptian, Israeli, Jordanian, Turkish, U.K., and U.S. stock markets between September 9, 1996, and September 11, 2006. They use correlation analysis to study the co-movements of the U.S. stock market with the Middle East stock markets. They also use the Principal Component Analysis (PCA) technique to study the co-movement patterns of the correlations among these markets. Their results indicate that there is a very low correlation among the Egyptian, Israeli, Jordanian, and Turkish stock markets. The rolling correlation analysis suggests that the most volatile correlation is between the Turkish and the U.S. stock markets, and the least volatile correlation appears between the Egyptian and the U.S. stock markets.

As it was sketched here, the influence of the U.S. economy and its stock market on global markets is pervasive and well documented in the literature. In addition, the dominant role of the U.S. dollar in the international monetary system has also strengthened the pivotal role of the U.S. stock market on the global stage. A novel feature of this study is that it tries to measure the long-term correlation between the Canadian and the U.S. stock markets within NAFTA and during the U.S. financial turmoil by using a VECM—including the monetary and exchange rate variables—to see how the TSE responds to FFR shocks and to the exchange rate movements based on a multivariate dynamic forecast technique.

The Canadian Stock Market

The existence of stock exchanges in Canada can be traced back more than 125 years. The Montreal Stock Exchange—now known as the Montreal Exchange or ME—was the first to incorporate in 1874, while the Toronto Stock Exchange (TSE) was founded in 1878. Other exchanges followed in the new millennium. By 1999, four main stock exchanges were operating in Canada—the ME, the TSE, the Alberta Stock Exchange (ASE), and the Vancouver Stock Exchange (VSE). The TSE has gradually established itself as Canada's principal market for equity trades and, in 1998, its share in the equity trading reached almost 90%. In March 1999, these four main stock exchanges announced an agreement to restructure the Canadian markets into areas of specialization. The agreement was implemented at the end of 1999 and early 2000. As a result, the trading of senior equities was consolidated on the TSE; derivatives were transferred to the ME, ASE, and the VSE, after merging to become the Canadian Venture Exchange (CDNX), which specialized in trading junior securities. The rationale behind the restructuring was a desire to strengthen the overall competitiveness of the Canadian exchanges by reducing fragmentation. At the time, this was seen as especially critical, given the increasing globalization of markets and the growing competition between traditional stock exchanges and new trading mechanisms. However, the

TSE is by far the largest exchange in Canada, and therefore, we will use the TSE monthly data in this study.

DATA AND METHODOLOGY

Hypothesis

Though the co-movements of the national stock markets in different regions and even within NAFTA has already received particular attention, researchers have generally ignored macroeconomic-monetary and exchange rate-policies. Therefore, in this study, we try to analyze the co-movements of the U.S. and Canada stock markets within NAFTA and during the U.S. financial turmoil to gauge whether there is a contagion effect between the two markets. Indeed, the aim of this paper is to investigate how the Canadian stock market reacts not only to the Fed's policy—changing the FFR—but also to the exchange rate movements between the two currencies. Put differently, the hypothesis in this study is to test whether the TSE is sensitive to the FFR and to the Canadian-U.S. dollar exchange rate.

Data Description

We use monthly data from January 1996 through April 2008. The data on the U.S. monetary and macroeconomic variables come from Federal Reserve Bank of St Louis and the Federal Reserve System. The data on the Canadian monetary variables are from Bank of Canada, and the monthly data for TSE come from Canada's National Statistical Agency.

The list of variables is as follows:

1. USM2: US Money Supply
2. FFR: Federal Fund Rate
3. USGDP: US Gross Domestic Product
4. USCPI: US Consumer Price Index
5. CGDP: Canada's Gross Domestic Product
6. EXCH: Canadian dollar parity versus the U.S. dollar
7. NASDAQ: U.S. Nasdaq industrial index
8. CINT: Canadian interest rate
9. TSE: Toronto Stock Exchange Index

The first step is to test the non-stationary of the involved series. We implement Augmented Dickey Fuller (ADF) unit root tests to see whether the series are stationary. The results contained in Table 2 suggest that all the variables in the logarithm forms are I (1) in accordance with the findings in the literature.

Methodology

To investigate the cointegration relation between stock indices, we employ a Granger two-step procedure. In the first step, we use the following ordinary least squared model (OLS) to the stock indices

$$y_{1t} = \alpha + \beta y_{2t} + \sum_{j=-p}^p w_j' \Delta y_{2t-j} + \eta_t \quad (1)$$

Where y_{1t}, y_{2t} are stock indices for the U.S. and Canada; the estimated β is shown by Stock and Watson (1993) to be consistent as well as efficient. Then the estimated cointegration residual is constructed as follows:

$$\hat{z}_t = y_{1t} - \hat{\beta} y_{2t} \quad (2)$$

In the second step, we use a VECM model to examine the long-term relationship between Canadian stock market index and the FFR and the exchange rate. The ordering of the variables in our VECM model is as follows:

$$\begin{bmatrix} USM2 \\ FFR \\ Nasdaq \\ EXCH \\ CINT \\ TSE \end{bmatrix}$$

We use USGDP and USCPI as exogenous variables in this model. The estimation results are presented in the next section. Finally, we use a multivariate dynamic forecast technique to examine how the TSE responds not only to the FFR shocks but also to changes in the parity value of the Canadian-U.S. dollar exchange rate.

EMPIRICAL RESULTS AND INTERPRETATIONS

Using the VEC model for the period January 1996 through April 2008, the estimated results, shown in Table 3, suggest that the long-term elasticity of the Canadian stock market to the FFR is almost -0.1%. In other words, a 1% deviation in the FFR decreases the TSE index by 0.1%, whereas the long-term elasticity of TSE to NASDAQ is -0.51%, highlighting the correlation of the two markets. Interestingly enough, the long-term elasticity of the TSE to domestic Canadian interest rate is 0.042%, much smaller than its elasticity to the FFR.

The variance decomposition technique for a period of 24 months indicates that the TSE is mainly affected by NASDAQ and the FFR; almost 20% of the variance of the TSE is attributable to the FFR and 68% to the changes in Industrial NASDAQ index. Although the NASDAQ has almost a stable contribution in explaining the Canadian stock market during the time, the role of FFR increases from 10% in the first month to 20% in the end of the period. In other words, the role of FFR increases during the time. The impulse response function is presented in Figure 1.

The estimated results also suggest that the long-term elasticity of the TSE with respect to the Canadian-U.S. dollar exchange rate amounts to -0.37%, emphasizing the importance of the parity rate on TSE; a weaker dollar leads to lower TSE, as expected in theory. Indeed, a weaker U.S. dollar leads to lower exports from Canada, lowering the TSE.

Based on the results of VECM, we use a multivariate dynamic forecast technique to capture the response of TSE to FFR shocks in two scenarios, as presented in Appendix 1. In the first scenario, the FFR is assumed constant at its level in May 2008, and in the second scenario, it is assumed that FFR changes according to its past six months' behaviour. The results as presented suggest that both scenarios capture the movements of TSE precisely. Similarly, the response of TSE to changes in the Canadian-U.S. dollar parity is presented in Appendix 2. The model predicts the TSE very strongly.

Table 1 Descriptive Statistics

Statistics	Mean	Median	No	Std Dev.	Skewness	Kurtosis
USM2	5481.537	5500.300	149	1197.66	0.087	1.74
USGDP	10629.93	10333.30	147	1912.77	0.28	1.96
USCPI	180.57	178.80	149	16.82	0.30	1.96
FFR	4.00	4.80	149	1.76	-0.53	1.76
NASDAQ	2101.32	2027.13	149	708.49	1.27	5.14
EXCH	1.35	1.38	149	0.17	-0.58	2.27
CINT	3.87	4.07	144	1.13	-0.02	1.68
CGDP	282320.40	285303.00	147	32407.40	-0.193	2.03
TSE	8651.31	7772.70	149	2593.78	0.749	2.48

Table 2 Unit Root Tests (Augmented Dickey Fuller ADF test)

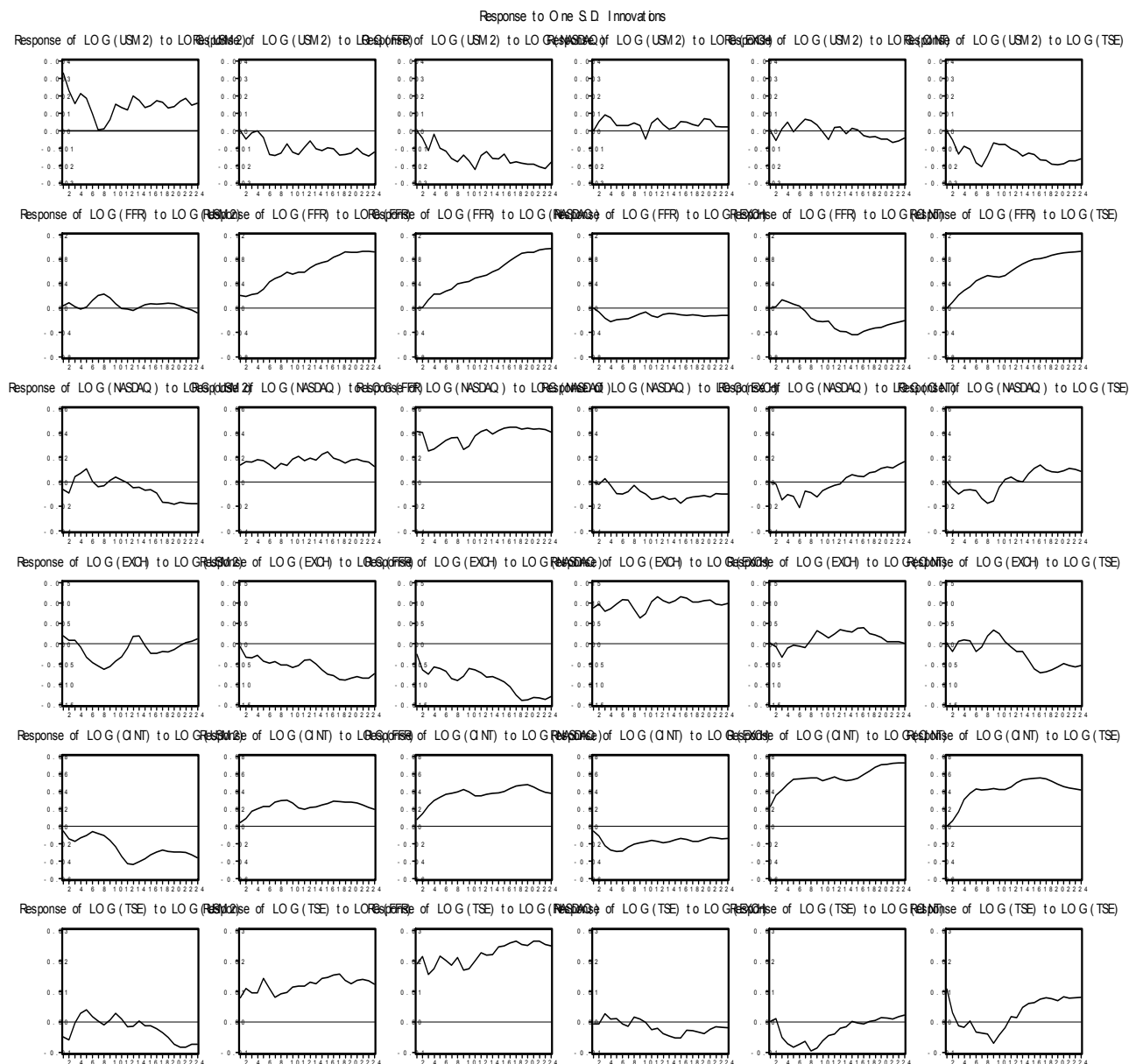
Variables	No. of Lagged Differences	Test Statistic	5% Critical Value	1% Critical Value
USM2	2	-0.622	-2.881	-3.476
USGDP	4	-0.356	-2.881	-3.477
USCPI	2	1.486	-2.881	-3.476
FFR	1	-1.192	-2.881	-3.476
NASDAQ	0	-2.109	-2.881	-3.476
EXCH	2	-1.158	-3.441	-4.023
CINT	2	-2.084	-2.881	-3.477
TSE	1	-0.979	-2.881	-3.475

Table 3: Vector Error Correction Estimates

List of Variables	CointEq1
USM2	1
FFR	0.099 (9.45)
NASDAQ	0.51 (8.26)
EXCH	0.37 (4.57)
CINT	-0.042 (-4.22)
TSE	-0.79 (-7.89)
Determinant Residual Covariance	3.29E-23
Log Likelihood	1459.09
Akaike information Criteria	-27.16
Schwarz Criteria	-17.96

Note. Numbers in parentheses are *t* statistics.

Figure 1. The Impulse Response Function Of The TSE To Different Shocks



CONCLUSIONS

This paper employs a VECM for the period January 1999 to April 2008 to measure the long-term elasticity of TSE to FFR shocks and to the Canadian-U.S. dollar exchange rate behaviour. The results suggest that the TSE and NASDAQ are closely integrated, emphasizing the dominance role of the U.S. stock market and its performance for the Canadian stock market. The results also suggest that TSE is significantly elastic with respect to FFR, highlighting the importance of Fed's policy to Canadian stock market. The results of variance decomposition technique indicate that the Fed's policy through changing the FFR has had the largest impact on TSE after the NASDAQ. While the contribution of NASDAQ on the TSE is almost constant within a period of two years—around 68%—the contribution of FFR increases from 10% in the first month to 20% at the end of the period.

The estimated results also suggest that the long-term elasticity of TSE with respect to the Canadian-U.S. dollar exchange rate amounts to -0.37%, emphasizing the importance of the parity rate on TSE; a weaker dollar leads to lower TSE, as expected in theory. Based on a multivariate dynamic forecast technique, we forecast the TSE in different scenarios, assuming the FFR and the exchange rate move according to their past six months' behaviour. These forecasts have important policy implications for the Canadian policymakers to avert the FFR shocks and the effects of a weaker dollar on their stock market.

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APPENDIX

Appendix 1

Scenario 1

Multivariate dynamic forecasts for the level of TSE assuming FFR will remain constant. 136 observations from 1996:9 to 2007:12, order of VAR = 8, chosen $r = 1$.

List of variables included in the cointegrating vector:

LTSE LUSM2 LNASDAQ LEXCH LCINT
LFFRD LUSGDPPOL LUSCPIPOL

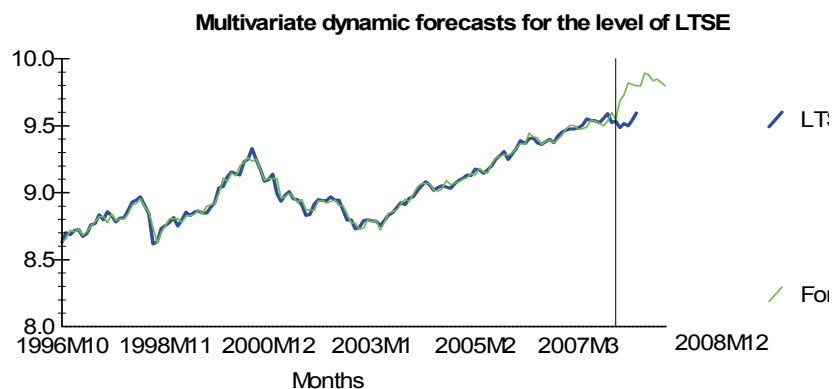
List of I (1) exogenous variables included in the VAR:

LFFRD LUSGDPPOL LUSCPIPOL

Observation	Actual	Prediction	Error
2008:1	9.4846	9.6819	-.19730
2008:2	9.5166	9.7275	-.21093
2008:3	9.4993	9.8162	-.31693
2008:4	9.5423	9.8094	-.26708
2008:5	9.5966	9.8066	-.20998
2008:6	*NONE*	9.8186	*NONE*
2008:7	*NONE*	9.9176	*NONE*
2008:8	*NONE*	9.9119	*NONE*
2008:9	*NONE*	9.8623	*NONE*
2008:10	*NONE*	9.8725	*NONE*
2008:11	*NONE*	9.8466	*NONE*
2008:12	*NONE*	9.8194	*NONE*

Summary Statistics for Residuals and Forecast Errors

	Estimation Period 1996:9 to 2007:12	Forecast Period 2008:1 to 2008:5
Mean	-.0000	-.24045
Mean Absolute	.022556	.24045
Mean Sum Squares	.9639E-3	.059859
Root Mean Sum Squares	.031047	.24466



Scenario 2

Multivariate dynamic forecasts for the level of LTSE assuming FFR continues its behaviour during 2007:12 to 2008:5.

136 observations from 1996:9 to 2007:12, order of VAR = 8, chosen $r = 1$.

List of variables included in the cointegrating vector:

LTSE LUSM2 LNASDAQ LEXCH LCINT
LFFRPOL LUSCIPOL LUSGDPPOL

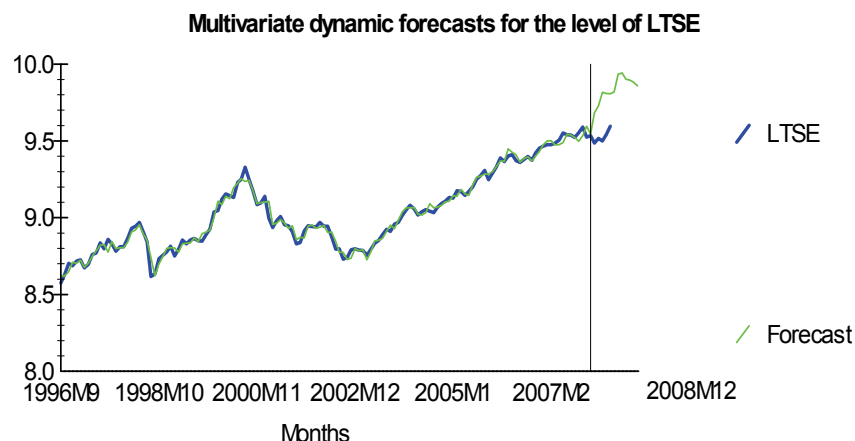
List of I (1) exogenous variables included in the VAR:

LFFRPOL LUSCIPOL LUSGDPPOL

Observation	Actual	Prediction	Error
2008:1	9.4846	9.6819	-.19730
2008:2	9.5166	9.7275	-.21093
2008:3	9.4993	9.8162	-.31693
2008:4	9.5423	9.8094	-.26708
2008:5	9.5966	9.8066	-.20998
2008:6	*NONE*	9.8186	*NONE*
2008:7	*NONE*	9.9346	*NONE*
2008:8	*NONE*	9.9415	*NONE*
2008:9	*NONE*	9.9005	*NONE*
2008:10	*NONE*	9.8946	*NONE*
2008:11	*NONE*	9.8814	*NONE*
2008:12	*NONE*	9.8585	*NONE*

Summary Statistics for Residuals and Forecast Errors

	Estimation Period 1996:9 to 2007:12	Forecast Period 2008:1 to 2008:5
Mean	.0000	-.24045
Mean Absolute	.022556	.24045
Mean Sum Squares	.9639E-3	.059859
Root Mean Sum Squares	.031047	.24466



Appendix 2

Multivariate dynamic forecasts for the level of LTSE assuming the exchange rate continues its behaviour during 2007:12 to 2008:5.

136 observations from 1996:9 to 2007:12, Order of VAR = 8, chosen $r=1$.

List of variables included in the cointegrating vector:

LTSE LCINT LUSM2 LNASDAQ LFFR

LEXCHPOL LUSCPIPOL LUSGDPPOL

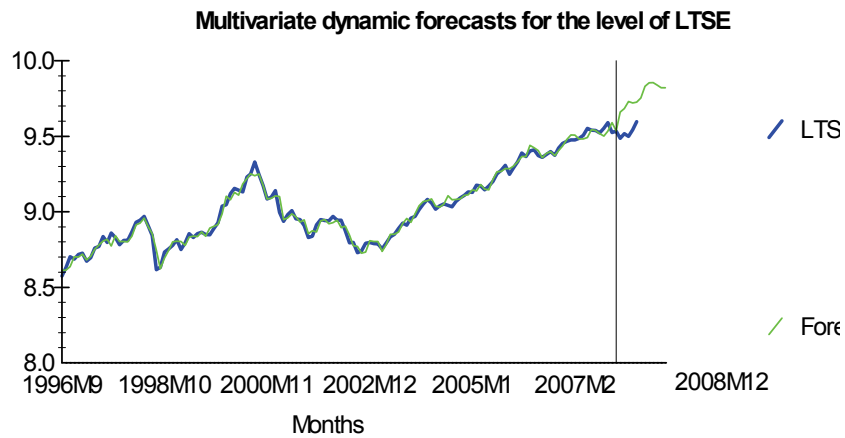
List of I (1) exogenous variables included in the VAR:

LEXCHPOL LUSCPIPOL LUSGDPPOL

Observation	Actual	Prediction	Error
2008:1	9.4846	9.6605	-.17590
2008:2	9.5166	9.6833	-.16674
2008:3	9.4993	9.7284	-.22910
2008:4	9.5423	9.7193	-.17697
2008:5	9.5966	9.7262	-.12960
2008:6	*NONE*	9.7522	*NONE*
2008:7	*NONE*	9.8291	*NONE*
2008:8	*NONE*	9.8532	*NONE*
2008:9	*NONE*	9.8547	*NONE*
2008:10	*NONE*	9.8368	*NONE*
2008:11	*NONE*	9.8203	*NONE*
2008:12	*NONE*	9.8195	*NONE*

Summary Statistics for Residuals and Forecast Errors

	Estimation Period 1996:9 to 2007:12	Forecast Period 2008:1 to 2008:5
Mean	-.0000	-.17566
Mean Absolute	.022996	.17566
Mean Sum Squares	.9903E-3	.031869
Root Mean Sum Squares	.031469	.17852



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STOCK SPAMS: AN EMPIRICAL STUDY ON PENNY STOCK MARKET

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ABSTRACT

Stock spam is a new technique used by the creators of undesirable mail. These messages, also named «pump and dump» are widely distributed and take the shape of non justified stock advices. In those e-mails, spammers are raising the level of false financial analysts in order to encourage potential investors to invest in some stocks. Unlike classic spam which has the subject of meetings, diet products, services of tourism...etc, stock spam permits to his author to win a lot of money in a short time, with a totally illegal way. Thus, the spammer wishing to become rich, buy the stocks whose prices is very low and will endeavor then to make it climb, and in order to push up the value of a stock, lies and manipulation are processes that have already proved his worth. Finally, he has only to pocket a comfortable increment.

A multiform phenomenon, stock spam has experienced these recent years an unprecedented development. According to Sophos, one of the biggest publisher's worldwide security solutions and computer control, this type of messages represents between 15% and 20% of all spam sent, against hardly 1% in 2005 (<http://www.01net.com/editorial/355829/les-spams-boursiers-nouveau-fleau-des-boites-a-lettres/?rss>).

It is henceforth interesting to wonder what is their impact on share prices. To do this, we will use the methodology of the event studies; it is a method that permits to analyze the reactions of a market to a given event. In the words of Rival (2006), event studies, originally, were implemented in motion to verify the theory of the efficiency of financial markets, and more precisely in its semi strong form. Then, they were quickly used for other purposes; today, this methodology is fluently used to test informational impact of different events, notably announcements of alliances or mergers and acquisitions [Hubler and Meschi (2000), Guards (2003), Woolridge and Snow (1990)], announcements of results [Walrus (1981), Bamber and Cheon (1995)], stock repurchase [May, Tchameni (2000)], etc...

Recently, a new event is added to the list: it's the event of stock spams. To our knowledge, only three studies have been conducted on this topic: Bohme and Holz (2006), Frieder and Zitterain (2007) and Bouraoui (2008). Frieder and Zitterain (2007) have focused instead on the working of this phenomenon and what can bring benefits and losses respectively for spammers and investors. Bouraoui (2008) has studied the evolution of volumes following the announcement of the event. When Bohme and Holz (2006), they tested the effect of this event on the market, but as while considering that the variance is constant over time. In other words, the arrival of new information does not modify the risk of the security in question. However, some works notably those of Brown and Warners (1985) and Ohlson and Penman (1985) show that the variance of the mean abnormal returns can be influenced by several factors such as the modification of stock's rhythm of transactions following the event. In order to raise this hypothesis, we propose a GARCH modelling that takes into account this fact and permits thus to calculate a variance for every day of the event window.

The object of this paper is to study the impact of stock spam on returns while taking into account the evolution of volatility over time through a GARCH modelling. We use the methodology of event studies on a sample of hundred ten firms of penny stocks over the period from February 2006 to June 2008.

Our results found on the basis of student test (parametric test) and rank test (non parametric test) reveal positive and significant mean abnormal returns during the first three days following the announcement of the event. The impact is mainly observed during the third day where the highest return is recorded. The stock spams affect the behaviour of financial actors who react favourably to information contained in the messages. Although it is constituted by corporations with low capitalization and very little known, we can affirm that penny stock market is efficient insofar as the integration of information operated in a fast way.

These results confirm those obtained by Bouraoui (2008) who also found positive and significant mean abnormal volumes following the sending of advertising messages speaking about stock exchange.

KEYWORDS: Stock spam, penny stock, event study, GARCH

JEL : C13, D84, G14

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DIVIDEND POLICY IN SAUDI ARABIA

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ABSTRACT

We examine dividend policy in a unique environment in Saudi Arabia, where (1) firms distribute almost 100% of their profits in dividends, (2) firms are highly levered mainly through bank loans, and (3) there are no income or capital gains taxes. We find that there are some common factors that determine dividend policy of both financial and non-financial firms and there are some factors that affect only non-financial firms. In particular, the common factors are profitability, size, and business risk. Government ownership, leverage, and age have a significant impact on the dividend policy of non-financial firms but no effect on financial firms. Our results also show that agency costs are not a critical driver of dividend policy of Saudi firms. We also find that the factors that influence the probability to pay dividends are the same factors that drive the amount of dividends paid for both financial and non-financial firms.

THE STRATEGIES WHICH INFLUENCE ONLINE-BANKING QUALITY IN THE COMMERCIAL BANK SECTOR IN CHINA

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ABSTRACT

In the global bank sector, the development in information technology has a huge effect on more flexible payment methods and more friendly banking services. Online-banking services are new technology; the development and diffusion of these technologies by financial corporations is expected to result in more efficient banking operations. In China, there are 130 commercial banks and most of these banks supply the online-banking service to their customers. The paper analyzed the factors that influence online-banking quality in the commercial bank sector in China. The research result will help financial organizations to formulate appropriate marketing strategies for online-banking, and it will help commercial banks to increase customer satisfaction. Based on the literature review, a research model was developed. Thirty-three factors were selected from nine areas in order to gain a better understanding of online-banking service quality. The author adopted multiple regressions to analyze data. Information analyses were done in accordance with the research questions and research model. This result shows that Internet accessibility, awareness, attitude towards change, computer and Internet access costs, trust in one's bank, security concerns, and ease of use and convenience are the major factors affecting the adoption of online-banking services in China. Furthermore, the fact that 20% of the sample respondents have already adopted the online-banking service is encouraging and is indicative of a bright future for virtual-banking in China.

KEYWORDS: Commercial bank, Online-banking quality, China, strategies, Northwestern Polytechnic University

INFORMATION THEORETICAL ANALYSIS OF THE PREDICTABILITY OF DAILY S&P500 STOCK RETURN

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ABSTRACT

Many researchers are studying the problem of using historical samples to predict future stock returns series, either in terms of mean, variance or other parameters of its distribution. However, little efforts are made in exploring the question on how to measure one of the intrinsic properties of a stock returns series: its predictability.

In this paper, we address this problem by strictly defining and establishing a measurement framework for "predictability" in terms of conditional entropy, a useful and widely-used concept from information theory. We further derive a closed-form formula for calculating the predictability of daily stock returns and apply it to US S&P 500 stocks. The ultimate goal in this work is to answer the question that how predictable a real stock return series could be, given a certain number of historical samples. In our derivation, we model a stock return series as a time series driven by a non-Gaussian distribution with non-zero skewness and kurtosis. We further approximate this distribution with Gram-Charlier series expansion and therefore obtain a theoretical result on the predictability by an information theoretical analysis. Our experiment show that for most stocks in S&P 500, the predictability of the stock time series is low and it is largely due to their large variances.

THE REAL EXCHANGE RATE VOLATILITY AND U.S. EXPORTS: AN EMPIRICAL INVESTIGATION

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John R. Ledgerwood, Embry-Riddle Aeronautical University
Sabrina D'Souza, Bethune-Cookman University

ABSTRACT

This paper investigates effects of exchange rate volatility on U.S. exports, using disaggregated sectoral data on U.S. exports to its major trading partners. In this paper, we use a generalized ARCH-type model (GARCH) to generate a measure of exchange rate volatility which is then tested in a model of U.S. exports. The analysis uses monthly trade data for the period from January 1990 through December 2007. Testing sectoral trade data allows us to detect whether the direction or magnitude of the impact of volatility differs depending on the types of goods that are traded. The results obtained in this paper suggest that the increase in the volatility of exchange rate exert a negative effect upon export demand in majority of the products: the study finds evidence for significant negative effects in six of ten export products, and significant positive effects in four products.

JEL: F14, F31

INTRODUCTION

The consequences of exchange rate volatility on real exports have long been at the center of debate among researchers. There has been a considerable research concerning the impact of exchange rate volatility on the volume of international trade since the advent of flexible exchange rates in 1973. The interest in this field was incited by two main developments: (a) both the real and nominal exchange rates have undergone periods of substantial volatility since 1973; and (b) during the same period, international trade declined significantly among industrialized countries. Despite the large number of studies conducted, no real consensus has emerged regarding the impact of exchange rate volatility on trade flows.

Exchange rate volatility may have a direct effect on trade through uncertainty and adjustment costs. Further, it may have an indirect effect through its effect on the structure of output and investment and on government policy. While the empirical research on the nexus between exchange rate volatility and volume of trade is inconclusive, a growing body of literature points towards exchange rate volatility causing a decline in trade. If exchange rate volatility tends to deter volume of exports, the volume of trade could be considerably higher in a more stable exchange rate setting. Those who argue that exchange rate volatility promotes exports point out that exchange rate volatility makes exporting more attractive.

In this paper, we investigate the effects of exchange rate volatility on top ten categories of exports by the United States to its top ten trading partners (Canada, China, Mexico, Japan, Germany, United Kingdom, South Korea, France, Netherlands, and Brazil), during the period from January 1990 to December 2007. Past studies on the impact of exchange rate volatility on the U.S. exports include Byrne, Darby, and MacDonald (2008), Choudhry (2005), Sukar and Hassan (2001), Arize (1995), Belanger, *et al.* (1992), Klein (1990), Lastrapes and Koray (1990), Koray and Lastrapes (1989), and Cushman (1988). The use of the U.S. monthly trade data is by no means unique to this paper as some previous studies have also used similar data. However, the methodology used in this study incorporates many of the recent developments in the literature which may help to uncover the nature of the relationship. For example, the study tests for the stationarity of the financial and macroeconomic time-series data used in the study and uses cointegration technique to establish a long-run relationship among variables and error-corrections models

to establish a short-run dynamics of the model. In addition, GARCH models are used to generate the exchange rate volatility variable which is used in the study.

The remainder of the paper is organized as follows: In Section 2, the empirical framework of the current study is set out by specifying model. Section 3 discusses the variable definitions and outlines the data sources. Empirical results of unit root tests, cointegration tests, and error-correction model estimates are presented in Section 4. Section 5 presents a summary and a brief conclusion as to the results obtained in this study.

MODEL SPECIFICATION

As indicated in the previous section, the main objective of this study is to assess the effects of exchange rate volatility on the disaggregated U.S. sectoral exports to its major trading partners. Previous studies that have investigated the influence of exchange rate volatility on exports have used a measure of exchange rate volatility (or risk) as an explanatory variable in aggregate export demand function.

Drawing on the existing empirical literature in this area, we specify a standard long-run export demand function for commodity i may take the following form (see, for example, Choudhry, 2005, 1993; Klaasses, 2004; Arize, 1998, 1995; Pozo, 1992; Asseery and Peel, 1991; Kenen and Rodrik (1986); and Goutor, 1985):

$$\ln X_{it} = \beta_0 + \beta_1 \ln Y_t + \beta_2 \ln P_{it} + \beta_3 \ln V_t + \varepsilon_t \quad (1)$$

where X_{it} is real export volume of commodity i in period t , Y_t is the real foreign income in period t , P_{it} is the relative price of exports of commodity i in period t , V_t is a measure of exchange rate volatility, and ε_t is a white-noise disturbance term.

DATA SOURCES AND VARIABLES

Monthly data for the period from January 1990 to December 2007 were used for estimation. The analysis focuses on top ten export products of the U.S. to major markets for U.S. exports, namely, Canada, China, Mexico, Japan, Germany, United Kingdom, South Korea, France, Netherlands, and Brazil. Monthly data on real export volume and prices were taken from the Global Trade Information Services, *World Trade Atlas Database*. Monthly data on real export volumes and prices were converted into export volume indices and export price indices with year 2000 as the base year. Thus the export volume index and export price index take the value of 100 in the base year. The study focuses on the top ten export commodities defined at the 2-digit Harmonized System (HS) codes level. They are: Machinery (HS 84); Electrical Machinery (HS 85); Passenger Vehicles (HS 87); Aircraft and Spacecraft (HS 88); Optical and Medical Instruments (HS 90); Plastic (HS 39); Mineral Fuel and Oil etc (HS 27); Precious Stones and Metals (HS 71); Organic Chemicals (HS 29); and Pharmaceutical Products (HS 30).

The real foreign income variable is proxied by the trade-weighted average of the industrial production indices (2000=100) of the U.S.'s major export partners was used. The underlying series were obtained from the International Monetary Fund's *International Financial Statistics database* and from the Organization for Economic Cooperation and Development (OECD)'s online database. The trade-weighted average of the industrial production index of the U.S.'s 10 major export partners was calculated as:

$$Y_t = \sum_{j=1}^{10} EX_{jt}^w \times Y_{jt} \quad (2)$$

where Y_t is the real foreign income at time t , EX_{jt}^w is a weight of U.S. exports to the j^{th} country at time t , and Y_{jt} is the industrial production index of the j^{th} country at time t . The top 10 export partner countries of the U.S. are: Canada, China, Mexico, Japan, Germany, United Kingdom, South Korea, France, Netherlands, and Brazil.

The relative price ratio for U.S. exports was calculated as the ratio of the export price index of each commodity to the world price level, which is proxied by a trade-weighted average of the consumer price index of the 10 major export partners of the United States. The consumer price indices for the major export trading partners were also obtained from the International Monetary Fund's *International Financial Statistics database*. The trade-weighted average of the consumer price index of the U.S.'s 10 major export partners was calculated as:

$$P_t^w = \sum_{j=1}^{10} EX_{jt}^w \times P_{jt} \quad (3)$$

where P_t^w is the world price level at time t , EX_{jt}^w is a weight of U.S. exports to the j^{th} country at time t , and P_{jt} is the consumer price index (2000=100) of the j^{th} country at time t . The trade-weighted average of the consumer price index was also converted into a new series with the base year 2000.

Following Sekkat and Varoudakis (2000), the trade-weighted real exchange rate, RER_t , was constructed as,

$$RER_t = \sum_{j=1}^{10} EX_{jt}^w \times \left(\frac{ER_{jt} \times P_{jt}}{P_t^{US}} \right) \quad (4)$$

where RER_t is the real exchange rate, ER_{jt} is the bilateral nominal exchange rate (the home currency price of a unit of foreign currency, for example, the number of Japanese Yens per US \$) with country j at time t , and EX_{jt}^w is a weight of U.S. exports to the j^{th} country at time t , P_{jt} is the consumer price index (2000=100) of the j^{th} country at time t , and P_t^{US} is the consumer price index (2000=100) of the U.S. The monthly data on nominal exchange rates were taken from the IMF, *International Financial Statistics database*.

Finally, the series of exchange rate volatility were obtained using the estimated GARCH(1,1) model. We make use of real as opposed to nominal exchange rates in the measurement. As Choudhry (2005) points out, unlike other measures of exchange rate volatility which can potentially ignore information on the stochastic processes by which exchange rates are generated, ARCH-type models capture the time-varying conditional variance as a parameter generated from a time-series model of the conditional mean and variance of the growth rate, and thus are very useful in describing volatility clustering.

The GARCH(1,1) model we estimate is based on an autoregressive model of order 2 (AR(2)) of the first difference of the real exchange rate and it takes the following form:

$$\ln RER_t = \beta_0 + \beta_1 \ln RER_{t-1} + \beta_2 \ln RER_{t-2} + e_t, \quad \text{where } e_t \sim N(0, u_t^2) \quad (5)$$

$$u_t^2 = \alpha_0 + \alpha_1 e_{t-1}^2 + \alpha_2 u_{t-1}^2 \quad (6)$$

The estimated conditional variance (u_t^2) from Equation (7) is used as our measure of exchange rate volatility.

EMPIRICAL RESULTS

We first estimate Equations (5) and (6) for the period January 1990-December 2007, and the results are shown in Table 1. These findings show that the estimated coefficients of e_{t-1}^2 and u_{t-1}^2 are statistically significant at the 10% and 1% levels, respectively. Therefore, significant ARCH and GARCH effects appear to exist in the data. The predicted value of Equation (6) provides a measure of real exchange rate volatility.

Table 1. Estimation of Real Exchange Rate Variance as a GARCH (1, 1) Process

$$\ln RER_t = -0.00107 + 0.44051 \ln RER_{t-1} + 0.24243 \ln RER_{t-2}$$

(-0.200) (6.411)* (3.001)*

$$u_t^2 = 0.00089 + 0.07792 e_{t-1}^2 + 0.78092 u_{t-1}^2$$

(1.301) (1.850)** (7.489)*

$$\text{Log } L = 242.77 \quad N = 213$$

*The figures in parentheses are t-statistics. * and ** indicate the statistical significance at the 1% and 10% level, respectively.*

Before we estimate equation (1), all the variables must be tested for the presence of unit roots. We use the Augmented Dickey-Fuller (ADF) test suggested by Fuller (1976) and Dickey and Fuller (1981) to test for unit roots. The ADF test was performed on the time series of $\ln X$, $\ln Y$, $\ln P$ and $\ln V$. The ADF test was conducted on both the level and the first difference of the variables. The results show that all the variables have unit roots. However, the $\ln V$ variable is stationary at levels.

Having tested for unit roots, we then performed the trace test and the maximum eigenvalue test for the presence of cointegrating vectors for each model specification. Both the trace test and the maximum eigenvalue test indicate that there is at least one cointegrating vector in each case. All the specifications yielded correct signs for the coefficients. All of the coefficients are statistically significant either at 1% or 5% level of significance. Hence, we interpret these specifications as the long-run export demand relationships for the United States for the period covered in this study. Of the ten products, six of them have negative signs for the exchange rate volatility variable indicating that exchange rate volatility tends to deter exports in the long-run, for these six products.

The results of the estimated error-correction models indicate that in all ten cases the error-correction term has the appropriate (negative) sign and is statistically significant. This result confirms the validity of an equilibrium relationship among the variables in the cointegrating equation and implies that the underlying dynamic structure of the model would have misspecified if the cointegration among the variables were overlooked. The speed of adjustment term (α_1) varies from -0.139 for HS 85 to -0.938 for HS 84, indicating that adjustment ranges from about 13.9% for HS 85 to 93.8% for HS 84 toward the long-run equilibrium. In general, estimated models for all ten products provide satisfactory results.

The estimated coefficients on exchange rate volatility variable have the expected negative sign in the majority of the cases. Further, it is statistically significant in seven out of ten products. Thus, in general, it appears that the measure of exchange rate volatility has a significant and negative impact on exports of

United States at either the 5% or 1% level of significance. For all products, except for HS 84, HS 85, HS 87, and HS 88, exchange rate volatility has a significantly negative impact on exports.

SUMMARY AND CONCLUSIONS

In this paper we have examined the dynamic relationship between exports and exchange rate volatility in United States in the context of a multivariate error-correction model. Estimates of the long-run export demand functions were obtained by employing Johansen and Juselius maximum likelihood cointegration technique to quarterly data for the period 1990-2007.

The cointegration results clearly show that there exists a long-run equilibrium relationship between real exports and real foreign economic activity, real exchange rate, and real exchange rate volatility, in all ten commodities selected. The error-correction results indicate that exchange rate volatility has a significantly negative impact on exports of United States in six of the ten products.

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FREE SPIRITS TO FREE MARKETS TO FREE BUYING BEHAVIORS: THE FRAGMENTATION OF HOUSEHOLD CONSUMER MARKETS IN THE 21ST CENTURY

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ABSTRACT

Today's consumers have been influenced by the individual rights era of the 1960s and have had the advantage of free global markets. Their buying decision-making has changed with more fragmentation. This paper analyzes household purchase decision roles – husbands, housewives, working wives, joint. Findings indicate each has unique buying characteristics. Propositions are established from select literature and the conclusion with branding implications in the 21st century.

INTRODUCTION

Free has been defined as: “not under the control or power of another,” “having liberty,” “independent,” “having civil and political liberty,” “able to move in any direction,” “not confined to the usual rules,” “clear of obstructions” (*Webster's New World College Dictionary*, 1996, p. 537). For the past five decades, “free” has been used and experienced in these terms, and more. During the 1960s, it was the “free spirits” movements in the United States; the 1980s witnessed the beginning of new “free markets” internationally; and now, the 2000s, there are diverse, fragmented “free buying behaviors” in many counties.

The decade of the 1960s was one of advancing an individual's rights. As examples, President John Kennedy led the successful effort to enact the Consumers' Bill of Rights (consumer protection) and Martin Luther King had “I Have a Dream” (civil liberties). There were other significant movements. Women's liberation (equality, not “being at home and baking cookies”) and anti-Vietnam War (peace, “make love, not war”) activists were having great, lasting influences and impacts as to what societal norms should be. These “free spirits” and several other movements were based on fairness, independent thinking by means other than “the usual rules” that was viewed at the time as anti-establishment.

The 1980s was one with more democratic governments and free markets. Germany again became one country (with the “fall of the Berlin Wall”), not East and West. Poland and other eastern bloc countries had free governments and entered into free, international commerce for the first time in many decades. Entrepreneurs from within and outside these countries appeared. The impact of the western, free world was found in stores and the media. With this, their consumers' product selections and lifestyles changed greatly. These new “free markets” were no longer “under the control or power” of and had “obstructions” from central governments but rather being “independent” for people and products “to move in any direction.”

Being near the end of the first decade of the 21st century, the “liberty” advanced from the 1960s and 1980s have impacted the way the world lives, works, and spend their time and money. Great Britain has had a female Prime Minister and now a female Chancellor for all of Germany. The United States has its first black presidential candidate (and now President-elect). Women, blacks and other minorities have risen (breaking the “glass ceiling”) to lead as CEOs and other senior executive positions for some of the largest global organizations.

With this freedom and independence, consumers' buying behavior has changed, or evolved greatly in the past decades. Women entering the workforce continue to increase. Due to employment expectations for men and women, e.g., time at work, travel, and more members in households (including children) working, time is at a premium. As a result, time saving goods and services have prospered. The affluence of individuals and households has made what were luxury products and expensive brands (pre-1960s) affordable. These are just some of the factors that have changed what is purchased, and which brands, who the purchaser is, and who the actual consumer and/or user are, and why it is purchased. Consumers have gained freedoms – not under the control or power of the seller, independent to make a purchase decision, able to move to many competitors internationally, not confined to the usual market rules, clear of any specific product, brand, time or place obstructions – and as such has “free buying behavior.” Indications are that these trends for the long term will continue.

CONSUMER TRENDS

What have been highly competitive consumer markets, have now reached greater intensiveness from competitors not only down the streets but also from across the borders. Technology coupled with consumer expectations have shortened product life cycles from years to months. Reaching the “free consumers” has many challenges – from attempting to break through the clutter to dealing with TiVos – with marketing communications. Economic recession that began in 2008 has financially impacted firms as to how business is conducted and consumers by which purchase decisions are made (or postponed or not at all made) that is likely to have a lasting effect in the United States and globally.

Furthermore, the United States markets have experienced during the past several decades changing socio-demographic characteristics, e.g., family structure. While to some degree, more women entered the workforce following World War II than prior to it, working women and female careers proliferated from the 1960s (U.S. Bureau of the Census, 2000, 2007). Since 1970, “the proportion of the population made up by married couples with children decreased, and the proportion of single mothers increased, while the median age at first marriage grew over time” (American's Families and Living Arrangements, 2001, p. 1).

The traditional family and other socio-demographics have fragmented with many smaller segments. For example, total households have almost doubled (to 116 million) and non-married households more than tripled (to 57 million) since 1970 while married households increased by only 31% (to 58 million). See Table 1. Today, there are now a similar number of married and non-married households. The unmarried male households have increased from 5.3 million to 22.4 million and single female households from 13.4 million to 34.7 million (U.S. Bureau of the Census, 2000, 2007).

Of particular interest are the married households. In 1970, there were approximately 2.5 married households to every one non-married household. By 2007, that had become a one-to-one ration (Table 1). Adult employment within these households has changed and shown a continuing trend of greater appearance of working wives. In 1980, 28.5 million married females, or 58% of the wives, were

Table 1 Married and Non-Married Households in the United States – 1970 to 2007 (in thousands)

	2007	2000	1990	1980	1970
Households	116,011	104,705	93,347	80,776	63,401
Married	58,945	55,310	52,316	49,112	44,728
Non-Married	57,066	49,395	41,031	31,664	18,673
Male	22,401	18,669	14,490	10,540	5,291
Female	34,665	30,726	26,541	21,124	13,382

This tables shows the married and non-marries household trends from 1970 to 2007.

Source: U.S. Bureau of the Census, 2000, 2007

Table 2 Married Households and Employment in the United States – 1970 to 2007 (in thousands)

	2007	2000	1990	1980	1970
Married Households	58,945	55,310	52,316	49,112	44,728
Husband Employed	46,448 (78.8%)	43,971 (79.5%)	42,409 (83.0%)	40,780 (83.0%)	NA
Wife Employed	38,141 (64.7%)	35,822 (64.8%)	33,459 (63.0%)	28,475 (58.0%)	NA
Average	1.44	1.44	1.45	1.41	NA

This table presents married households and the employment of the husband and the wife.

Source: U.S. Bureau of the Census, 2000, 2007

employed. See Table 2. This trend continued through the following decades to the present where there are 38.1 million working wives, or 64.7% of married females, were employed in 2007. In comparison, the reverse trend has occurred for employed husbands. In 1980, 8.3 out of every 10 married males were employed. This ratio has steadily declined during the following decades with only 7.9 out of every 10 husbands working in 2007 (U.S. Bureau of the Census, 2000, 2007). During the period between 1980 and 2007, the percentage of working wives increased at a faster rate than the declines of working husbands. As shown in Table 2, in 1980 there was an average of 1.41 spouses employed in married households. By 2007, this had increased to 1.44.

These and other trends challenge businesses in the 21st century. The legacies of the “free spirits” have proliferated from the baby boomers to other generations. As a result, marketers are faced with understanding more segments as to why, where, when, who, what and how consumers purchase with very different and independent behaviors. Married households remain a huge market (U.S. Bureau of the Census, 2007) but within this consumer unit there has been shifts in employment and other factors, e.g., less appearances of children (American’s Families and Living Arrangements, 2001).

The purpose of this study is to analyze and assess prior research of household purchasing to gain a better understanding of the “free buying behavior” that is occurring in the 21st century. While non-married households have shown greater growth, married households have at least two consumers and an average of 1.44 wage earners. However, while a non-married household may have only one purchaser, a married couple has two and is more complex with three combinations – husbands, wives and joint – of decision makers (Davis and Rigaux, 1974, 1976). Furthermore, with an increasing rate of employed wives, the analysis includes two segments for the female spouse – housewife and working wife (Zeithaml, 1985). Therefore, this research attempts to determine, what are the purchasing characteristics and behavior of married households that influence brand choice?

This paper examines prior research in terms of theories and empirical studies of household purchasing decisions. The focus is on husbands, wives (housewives and working wives), and joint (husbands and wives) purchasing. This paper then concludes from these studies with the behavior and branding implications for marketers.

HOUSEHOLD CONSUMER BUYING BEHAVIOR

Ironically, at the time of the “free spirits” awareness of and interest in consumer behavior research began in the late 1950s and further developed in the 1960s with lifestyle and activity, interest and opinion (AIO) studies (Berkman and Gilson, 1974). Theories and models were advanced that focused on individual consumer brand choices (Howard and Sheth, 1969) and decision-making processes (Engel, Kollat, and Blackwell, 1968). However, these models focused on individuals rather than other influences, e.g., family members, until several years later, e.g., family consumption (Sheth, 1974).

The decision-making process model has evolved from just the individual buyer’s basic steps in purchasing to one reflecting various influences. The model currently includes seven steps in the buying

process, five environmental influences, and five individual differences (Blackwell, Miniard and Engel, 2006). First, the steps have been extended to include: (1) need recognition, (2) search for information, (3) pre-purchase evaluation of alternatives, (4) purchase, (5) consumption, (6) post-consumption evaluation and (7) divestment. Second, the environmental influences are: (1) family, (2) situation, (3) personal influences, (4) social class and (5) culture. Third, individual differences are: (1) consumer resources, (2) motivation, (3) knowledge, (4) attitudes and (5) personality, values and lifestyle.

Household purchasing is structured in terms of the husband, wife and joint decision-making roles. Grounded in sociology and psychology, role theory has been applied to organizational and buying behavior (Dwyer and Tanner, 2006) and consumer behavior (Davis and Rigaux, 1974) studies. In a study of Belgian married households, Davis and Rigaux (1974) theorized that the decision-making roles changes between spouses in each of three phases (problem recognition, search, decision) of the buying process. The empirical results determined that there were changes and established the decisions by (1) automatic, (2) husband-dominated, (3) wife-dominated, and (4) joint (syncratic) roles.

Furthermore, these roles have implications to branding and brand selections. Branding includes (1) brand loyalty, (2) brand awareness, (3) perceived quality and (4) brand association dimensions (Aaker, 1991; Keller, 1993). For example, one spouse shopping (buyer) for the other (user) knows the brand preference (Jacoby, 1975) and satisfaction (loyalty) (Andreassen, 1984) of the user. Or with time constraints (and the associated stress) of both spouses working increases the likelihood of brand purchase (perceived quality) (Mathur, Moschis, and Lee, 2003) that reduces purchase risk (Sheth and Venkatesan, 1968). Therefore, this research is within the framework of the consumer decision making process (Blackwell, et al., 2006) and married household buying roles (Davis and Rigaux, 1974) as to the implications to brand purchase (Aaker, 1991; Keller, 1993).

Husband-Dominated Purchase Behavior

A consumer – husband or wife – may play one of three different roles in a market transaction (Sheth and Mittal, 2004). First, the role of user is a spouse, e.g., husband or wife that consumes or uses the product (good or service). Second, the payor is the person who funds the transaction. Finally, the buyer takes the role of procuring the product. The husband, wife or both may carry out each role. These roles can be automatic, husband-dominated, wife-dominated, or joint purchase decisions (Davis, 1976; Kaur and Singh, 2004), influenced by a situation, e.g., family (Lavin, 1993) or culture, e.g., consumers from different countries (Green, Leonard, Chandon, Cunningham, Verhage and Strazzieri, 1983; Kaur and Singh, 2004), and results from individual differences, e.g., lifestyle changes, stress (Mathur, et al., 2003). Furthermore, the husband's (or wife's) buying role may change during the purchasing steps or stages (Davis and Rigaux, 1974).

A husband-dominated purchase decision results from having primary influence and being a buyer, user and/or payor. The focus of these decisions is on the process and outcomes. For example, “husbands wear ties, underwear and socks; yet the purchase of these products is often made by wives” (Davis, 1976, p. 241) and by husbands telling wives “what brand ... to buy for (them)” (Jacoby, 1975, p. 485). Moreover, a specific product decision may change between the husband and wife at different stages in the purchase process, e.g., need recognition, information search, purchase. Davis and Rigaux (1974) found in a United States study that in the need recognition stage, life and other insurance were the only husband-dominated products of the 25 considered. At the information search stage, a car purchase was included as husband-dominated. However, at the purchase stage life and other insurance were again the only products being husband-dominated and the car became a syncratic (joint) decision between the husband and wife. Hence, there appears the husbands' role takes on one that may result from expertise, availability of time or other causes for expensive, less frequently purchased products, e.g., cars. In a five country (Canada, Guatemala, Turkey, U.S. Vietnam) study, Harcar, Spillan and Kucukemiroglu (2005) found that the

“what, when, where and how” for car decisions were similar in each country and consistently made by husbands.

The purchase decision process has an impact from environmental influences and individual differences (Blackwell et al., 2006). In a study of the baby boomer generation of family (environmental) influence, husbands were only willing to shop for and purchase male-dominated products but will shop with wives for both male- and female-dominated products (Lavin, 1993). Lavin (1993) attributes these results from baby boomers having dual-income households in which husbands are willing to share purchasing roles and being “purchasing agents” for wives. Culture, another environmental influence, may explain husband-dominated purchase decisions. Green and Cunningham (1980) identified Venezuelan husbands dominated family purchase decisions, but culturally different U.S. husbands participated in joint decisions with wives. In addition, husband-dominated purchases are associated with less developed country households, whereas joint (husband and wives) dominated are more likely in developed country households (Green et al., 1983). Consumer lifestyle and resources, individual differences of the purchase decision process, effects husband-dominated purchases. Mathur, et al. (2003) found that life events, lifestyle and stress influence brand preference changes. In a U.S. study, changes in brand preferences occurred more frequently in households that experienced job changes and a lessening in financial status. Therefore, with more dual-income households changes in income (financial resources) and lifestyle (use of financial and time resources) along with the resulting additional stress, purchase decisions and brand preferences (and switching) increases.

Husbands appear to be more willing to make purchase decisions if (1) his wife is employed, (2) having product knowledge or expertise, (3) higher price categories, (4) older, (5) in a more masculine culture, and (6) greater resources. We purpose:

- P₁ Husband-dominated purchase decisions are positively associated with the wife employment status, product knowledge, price, age, culture and resources.

Wife-Dominated Purchase Behavior

The wife-dominated purchasing differs from husband and joint buying and varies in each stage of the process. Davis and Rigaux (1974) found in a 25-product survey that there were six in the need recognition, seven in the information search and five in the purchase stages as being wife-dominated. Across the three stages, cleaning products, kitchenware, and child and wife clothing remained wife-dominated. However, other furnishings were in the wife’s domain through the first two stages (need recognition and information search) before becoming autonomic in the purchase stage. Cosmetics became wife-dominated in the information search before returning to the autonomic group in the purchase stage. Interesting that those most basic needs products (food and clothing) were more associated with the wife domain – under her watch and control.

The five-decade trend of wives entering the workforce and pursuing careers have had an impact on shopping and buying decisions (McCall, 1977; Zeithaml, 1985; Soberon-Ferrer and Dardis, 1991; Harcar, et al., 2005) and their brand selections (Mathur, et al., 2003). However, in a recent survey (Fewer Mothers Prefer Full-time Work, 2007) working mothers are becoming more interested in working part-time and less preference to working full-time. Of the mothers surveyed, 60% in 2007 stated that it was an ideal situation, an environmental influence on the purchase decision process (Blackwell et al., 2006), to work part-time, an increase from 48% in 1997; only 21% in 2007 wanted to work full-time, a decrease from 32% in 1997. There was generally no change in the surveys of mothers not working between 1997 and 2007, remaining about 20%. On the other hand, at-home mothers not wanting to work increased to 48% of those surveyed in 2007 as compared to only 39% in 1997. Clearly, there may be a shift, based on working and at-home mothers, of less full-time employed mothers. This could lead to a more traditional

role of this demographic segment. For example, other furnishings and cosmetics (Davis and Rigaux, 1974) may remain in all three stages of the purchasing process due to more time away from work to make these purchases rather than “purchasing agents,” e.g., husbands. In addition, with having more time the part-time working wife may have enough time for information search that could result in changing brand preference, e.g., brand switching (Mathur, et al., 2003).

In the United States during 2007, only 35.3% of the wives were not employed as compared to 42.0% in 1980 (U.S. Bureau of the Census, 2007). Shopping roles and purchasing decisions are expected to be different between at-home and working wives. Female spouses, who do not work visit more stores, plan their purchases more, use information to a greater extent, and economize and purchase less amounts than working wives (Zeithaml, 1985). Furthermore, motivation is an individual difference that affects the purchasing process (Blackwell et al., 2006). Housewives find that “shopping is fun” and “shopping is an important task,” while working wives do not feel shopping is fun or an important activity (Zeithaml, 1985).

The lack of working wives shopping motivation is a result of time constraints (Jacoby, Szybillo and Berning, 1976) and has a greater reliance on services (Soberon-Ferrer and Dardis, 1991) that results in autonomic or husband-dominated decisions (Kaur and Singh, 2004). Furthermore, the stress of work and home responsibilities (Andreasen, 1984; Mathur et al., 2003) may affect not only motivation but other individual influences, e.g., product knowledge, attitudes, personality, values and lifestyle, as well as environmental differences, e.g., family, situation, culture, in their shopping behavior (Blackwell et al., 2006). For example of cultural differences, a comparative study between housewives and working wives in the U.S. and the Netherlands found differences between U.S. and Dutch wives rather than employment status (Green, Verhage and Cunningham, 1981). In the two-country groups U.S. wives made many more purchase decisions than those in the Netherlands do. Significantly more Dutch wives made grocery decisions. U.S. wives made more decisions concerning furniture, major appliances, life insurance, automobiles, vacations, housing, physicians and financial matters. In addition, a study found that U.S. wives shopped more in supermarkets and made greater number of convenience products purchases, e.g., frozen and pre-prepared meals, than French wives (Douglas, 1976).

Housewives appear to (1) have an important role in household purchases, (2) shop frequently per week, (3) aware and have product knowledge, (4) be more price sensitive, (5) plan their shopping activities and (6) purchase fewer products, (7) enjoy shopping and (8) view shopping as an important responsibility. Therefore, we purpose:

- P₂ Housewives-dominated purchase decisions are positively associated with having a major buying role in the household, shopping frequently, having an awareness of products, price sensitivity, having detailed shopping plans, purchasing fewer products, and looking forward to and accepting the importance of their shopping responsibilities.

Working wives, on the other hand, want time that is more available, e.g., work part-time to have needed time for other, non-work related activities. These wives have less time available for planning and doing the shopping. Working wives appear to (1) have little interest and a lesser role in household purchases (except maybe for basic need products), (2) shop infrequently per week, (3) have less product knowledge, (4) not be price sensitive, (5) be more likely to shop at superstores (to save time and have available product assortment) and as a result (6) purchase more products or spend more money. Therefore, we purpose:

- P₃ Working wives-dominated purchase decisions are associated with their part- or full-time work status as to the level of household buying involvement, shopping infrequently,

having less product awareness, not being price conscience, being more likely to shop at superstores and purchasing more products.

Joint Purchase Behavior

Syncratic (joint) decisions are those that “spouses jointly decide about the purchase” (Kaur and Singh, 2004) in which “husbands and wives act together to contribute their knowledge and skills to the acquisition of goods and services that touch on areas of mutual interest and authority” (Lavin, 1993). While their knowledge and skills, or specializations (Davis and Rigaux, 1974) are factors, there are others that influence joint purchase decisions, e.g., family income, education (Kaur and Singh, 2004), cost of the product, frequency of purchase (Lavin, 1993), time pressures (Strober and Weinberg, 1980), amount of purchase (Applebaum, 1951), what, when, where to purchase and how much to pay (Harcar et al., 2005) and consumers culture (Green and Cunningham, 1980).

In a landmark study, Davis and Rigaux (1974) found that for the 25-product consideration joint decisions were made for seven products in the need recognition stage, six during information search and a huge increase to 13 for the actual purchase decision. It is apparent that the purchase stage for household products is the most important as compared to prior stages. Only living room furniture, children’s toys, outside entertainment, housing, vacation and school were joint decisions through all three stages. Television/stereo was a joint decision during the first (need recognition) and last (purchase) stages. However, appliances, husband’s clothing, housing upkeep, saving objectives, form of savings, and car only became a joint decision at the purchase decision stage.

Kaur and Singh (2004) found that joint decisions were more likely in high family income households and low family income households with low education level of the husband. Products that have greater financial risks (product cost) and infrequently purchased involve joint decisions (Lavin, 1993). Time pressures lead to purchases of labor saving services and durable goods (Strober and Weinberg, 1980) that are joint decisions, e.g., housing upkeep (services) and appliances (durables) (Davis and Rigaux, 1974). Applebaum observed, “Couples shopping in supermarkets buy more per transaction than does a woman or man shopping alone” (1951, p. 175).

In a five-country study (Canada, Guatemala, Turkey, U.S., Vietnam), what, when and where to buy and how much to pay for furniture and savings were fully joint decisions in each country (Harcar et al., 2005). Vacations were too, except when to buy that was consistently a husband decision. In a comparative study between Venezuelan and United States household decisions, the U.S. spouses were much more likely to make joint decisions (Green and Cunningham, 1980). Significant differences were found in the U.S. household with joint purchase decisions for furniture, major appliances, life insurance, automobiles, vacations and housing. The only differences for joint Venezuelan decisions were for physician services.

Joint decisions appear important when there are (1) a lack of product knowledge and/or skills, (2) high or low household income, (3) low education level of the husband, (4) expensive products, (5) infrequently purchased products, (6) time pressures on decision maker(s), (7) influences of spending more and (8) differences in culture or countries. Therefore, we purpose:

- P₄ Joint purchase decisions are associated with product knowledge and/or skills, household income, education level, cost of products, frequency of purchase, time pressures, spending amounts and home country of the spouses.

IMPLICATIONS

Consumer behavior research and marketing practices have moved from focusing on the individual brand choice (Howard and Sheth, 1969) and decision-making processes (Engel, et al., 1968) to a more complete, comprehensive, inclusive model of environmental influences and individual differences (Sheth and Mittal, 2004; Blackwell et al., 2006). During this timeframe, generations, e.g., free spirits of the 1960s, markets, e.g., free or open markets of the 1980s, and married household situations, e.g., one- and two-spouse working family trends in the past five decades (U.S. Bureau of the Census, 2000, 2007), has changed why, where, when, who, what and how consumers purchase. Furthermore, an argument is made that these changes have brand value and branding strategy implications. Brand equity is the strength of loyalty, awareness, perceived quality and association of a brand (Aaker, 1991) from a consumer perspective (Keller, 1993). We have differentiated this study by four perspectives – husbands, housewives, working wives and joint (husbands and wives) (Davis and Rigaux, 1974; Zeithaml, 1985) – and have posit, based on the literature, relationship influences and conditions for each household buying role.

First, husband-dominated purchase decisions are positively associated with the wife's employment status. The husband becomes a greater player if his wife is employed (Lavin, 1993). Husbands are not as much of an economizer as wives. Hence, it is important to make particular brand appeals to this potentially more profitable segment. Husbands would be more responsive to masculine packaging and point-of-purchase (POP) displays (Zeithaml, 1985) to build brand loyalty and awareness rather than any attempt to lower prices, e.g., use of coupons, sales promotions.

Second, housewife-dominated purchase decisions are positively associated with having a major buying role in the household, shopping frequently, having an awareness of products, price sensitive, purchasing fewer products and having detailed shopping plans. These astute shoppers buy value and view promotions differently than their husbands and their female counterpart, working wives. This group seeks and uses information, e.g., advertisements, to a greater extent than the others use. They would also be more responsive to coupons, price promotions (Zeithaml, 1985) and promotional premiums that appeal to value and build brand awareness and short-term brand loyalty. Housewives would be responsive to store loyalty cards that reduce the purchase price rather than other, non-monetary benefits.

Third, working wife-dominated purchase decisions are associated with varying levels of household buying involvement, shopping infrequently, having less product awareness, not being price conscience and being more likely to shop at superstores and purchasing more products. This time constraint segment seeks to conserve time in planning and shopping at stores (Berry, 1979) that would respond to the appeal of one-stop shopping, e.g., superstores, and express lanes, e.g., using loyalty and credit cards for self-checkout. With two-spouse households, income is higher but available, discretionary time is less. Therefore, a brand appeal of perceived quality should be successful that targets marketing communication messages to avoid the time and hassle of more frequent store visits resulting from short product life or low dependability of lesser quality products (merchandise returns). As a result, a more upscale superstore with higher quality products, e.g., Costco, rather than less quality merchandisers, e.g., Wal-Mart, would succeed by targeting this more affluent and potentially more profitable segment.

Finally, joint purchase decisions are associated with product knowledge and/or skills, household income, cost of products, frequency of purchase and time pressures. Strategies for this group should focus on helpful, supportive activities that develops trust and creates a helpful, informative experience. Joint decisions are for more expensive, less frequent purchased products. Therefore, brand association would be important to building brand for joint purchase decisions. In-store product experts, e.g., sales representatives, would be a means to inform the less knowledgeable couples about infrequently purchased products. Best Buy with its in-store electronic sales experts and its in-home Geek Squad to install

products purchased is an example. IKEA also would appeal to this segment with its product assortment and alternatives of in-box take home products or assembled home-delivered options.

Consumer trends have occurred during the last five decades – free spirits to free markets to free buying behavior. Spouse decisions have changed greatly. Married households with more working spouses continue to increase family income but with much less discretionary time. However, it remains challenging to identify, reach and influence these decision makers. The rich, important married household consumer behavior studies in the 1970s have not continued, at least not to that level. This is as important today as it was then, e.g., changing trends in percentage of these households, increasing number of working wives. Branding has become an even more important and dynamic aspect, be it for the value conscience or value prestige married shopper. We have identified certain relationships for the husband and/or wife shoppers that offer alternatives in building brand equity in a competitive, global marketplace.

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AFRO-BRAZILIAN WOMEN ENTREPRENEURS: CHARACTERISTICS, CRITICAL ISSUES AND CURRENT COMMENTS

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ABSTRACT

The burgeoning development of entrepreneurship studies in general and women entrepreneurship studies in particular has provided access to an increasing amount of scholarly work exploring issues of entrepreneurship from many perspectives (De Lourdes, 1994; Gilbertson, 1995; Godody et al, 2000; Heriot and Campbell, 2003; Peterson, 1995; Robles, 2004). The current dynamics for women entrepreneurs from various backgrounds requires that their stories be told from individualistic perspectives, allowing each set of women's unique contribution in their own society to be represented. Telling the story of women entrepreneurs en masse using a broad brush to sweep across women entrepreneurs from various countries and assume a common set of characteristics to all, is not appropriate or indicative of the true picture that exists (Reynolds et al, 2002; Allen et al, 2008). This chapter is thus important at this pivotal period, as it represents a contribution to the literature from the perspective of South American, albeit Brazilian women entrepreneurs.

Brazil has made great strides since its independence in 1822 (Alvarez, 1990; Dias, 1995), which sought to achieve among other things, advancement for women in various sectors of the society. While during the 1940s women represented only 13% of the labor force in Brazil, their participation increased to 21% during the 70s rising to 42% during the 90s. In 2001 53% of Brazilian women were economically active (Madalozzo and Martins, 2007). Today, Brazil is seen as a fertile and viable option to study entrepreneurship in general and women entrepreneurship in particular, since in addition to being seen as a leader in entrepreneurship (Allen et al, 2006), it is also described as having the world's fourth largest economy with a Gross Domestic Product (GDP) of 812 billion dollars (Allen et al, 2006). The Total Entrepreneurial Activity (TEA) is said to be approximately 13.4 % of the population with almost half (46%) of this number being women (Allen et al, 2006). It is ranked very high on the Global Entrepreneurship Model (GEM) list of countries with the highest entrepreneurial activity. An international study by Babson college shows that 19.95% of the women in that population are business owners, with 25.4 3% of the males in the country being business owners (Allen et al, 2008). However, South American countries such as Brazil are still primarily patricahial structures (Moghadam, 2005; Patai, 1988). In fact, while the wage differential between the genders has decreased in Brazil over the last few decades, recent research shows that a wage gap (see Jacobsen, 1998) still exists and that it is highest for women in higher educational and income levels (Madalozzo and Martins, 2007). Thus, any look at the position of women in such an environment has to be examined with this backdrop in mind. To this send, this paper analyzes the characteristics of Afro- Brazilian women entrepreneurs in Brazil, delving into the suppositions of why some characteristics are displayed by the women entrepreneurs and how these impact their economic success.

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RETURN-FREE FILING: WHAT IS IT, AND HOW WILL IT AFFECT THE TAX PREPARER PROFESSION AND TAXPAYERS IN GENERAL?

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ABSTRACT

This paper investigates what return-free filing is and how, if it is implemented in the United States, it will affect the tax preparer profession and taxpayers. In this paper we look at two systems, currently in use in other countries, which have been evaluated by the IRS: exact withholding system and the tax agency reconciliation system. Either system, if implemented, will most likely affect only the simplest returns, as anyone who has capital gains, certain credits, business income, etc. will still be required to file a return. The effects of such a system will vary greatly depending on the individual situations. The effects of the implementation of a return-free filing system on the tax preparer profession is more difficult to judge since there will still be many people who will want their returns prepared by professional tax preparers.

KEYWORDS: Return-free filing, tax preparer, taxpayer

INTRODUCTION

Imagine with me if you will, a serene day in the home of an American family. It's early in the evening, and the young couple relax in rocking chairs on the front porch, the husband is busy texting on his Blackberry and the wife listens to music on her iPod Nano, (oh, how times have changed). Both have settled in after arriving home from work, and the rest of the evening holds little to do except drifting away to sleep. Now imagine this is April 15, and the couple has yet to file a tax return or an extension.

This far-fetched (especially if kids are involved) and slightly implausible example is what certain groups would have you believe "Tax-day", as April 15 has come to be called, would be like for a large percentage of the tax-paying population if a new return-free filing system was adopted by the Internal Revenue Service. It has been touted as a way of simplifying the complicated process of collecting and reporting taxes, not only for the taxpayers, but for the agencies collecting the tax as well. The movement is motivated by any number of reform groups, with a desire to simplify the operation, compliance, and administration of the tax system (Gale and Holtzblatt, 1997). This proposal was one of several reforms recently under consideration by The President's Advisory Panel on Tax Reform. The panel decided to go in a different direction, opting to try and simplify the existing tax code rather than completely overhauling it and imposing a new system (Russell, 2005b). Those calling for a return-free system might not go quietly into the night, however, so the question is presented, is a return-free filing system the answer to the problems that seem to plague the way in which we report our tax? This paper will discuss exactly what is entailed in a return-free filing system, and how this system, if implemented, would affect the tax preparer profession and taxpayers in general.

What is Return-Free Filing?

The concept of a return-free system is not new, nor is it a recent proposal for implementation in the U.S. Scott Schmedel wrote in the Wall Street Journal in 1992 that "the IRS rejects it as infeasible; the General Accounting Office is urging a closer look; no one knows what filers think". So what is this system that seems to have caused a commotion with so many groups and agencies? At its core, the return-free filing

system is exactly as it sounds, certain taxpayers would not have to submit income tax returns. This type of tax organization can take several forms. The common element in many such proposals is that the requirement to submit a tax return is eliminated and replaced by some other form of revenue collection. There are two different return-free systems that have been evaluated: the exact withholding system (which is in use in over thirty countries around the world, including the United Kingdom, Germany and Japan) and the tax agency reconciliation system (used in Denmark and Sweden).

In the exact withholding system, every effort is made to withhold the correct tax liability so at the end of the year, it is not necessary to file an income tax return. Information about the individual such as name, address, social security number, marital status, and matching information for the individual's spouse (when applicable) is reported to an employer or to the tax authorities. The tax authorities in the U.S. could be the federal (Internal Revenue Service) or state taxing agencies. The employer or tax authorities take this information and calculate withholding allowances, which are used as the tax collecting device. If the tax authorities do this calculation they would then inform the employer of the withholding amount. Under certain situation changes, such as retiring, getting married, or having a child, the information has to be updated. Otherwise, there would most likely be an annual or semi-annual requirement to confirm previous information. The taxpayers potentially affected by this system include those individuals in the lowest tax bracket who earn wages, have no itemized deductions, and no credits except the child tax credit. According to Treasury Department data, 17 percent of taxpayers in 1999 would have been able to use the exact withholding system (Russell, 2005a).

The exact withholding system can actually be broken down further into two separate components. Cumulative systems are designed to withhold the exact amount of tax liability continuously throughout the year; final withholding systems adjust the last paycheck issued to the individual, at year-end. These exact withholding systems apply a "pay-as-you-earn" tax withholding plan for wage income. This basically means the more you earn, the more you end up paying in tax. Interest and dividend income are either rendered exempt or are taxed at the source at a flat rate (Gale and Holtzblatt, 1997).

As mentioned earlier, this system would effectively eliminate filing for a percentage of the population, however there would obviously be exceptions even for those who normally would not have to file. In certain countries where these systems have been implemented, individuals that have self-employment income or capital gains are still required to file a return. In other countries, a return is required if the individual has more than one wage-earning job, or if certain tax-related circumstances change during the year.

The other approach is the tax agency reconciliation system (TAR). In this system the ultimate tax liability is computed by the tax agency based on information received from third parties. This information includes but is not limited to W-2s and Form 1099s. According to Gale and Holtzblatt (1997), this process occurs in four steps. Step one, those individuals who are interested (this would be a voluntary system) supply the tax agency with basic information, much like in the exact withholding system. In step two, the tax agency gathers information from third parties such as employers, financial institutions, and other payers, and computes a tax liability. The third step is nothing more than the individual reviewing the amount and disputing it if deemed necessary. The fourth and final step is the payment or refund being issued (Gale and Holtzblatt, 1997). If however, the individual does not agree with the given calculation and does not choose to dispute it, then a return can be filed instead. This obviously defeats the purpose of what the system is designed to do, but it is a necessary safeguard against discrepancies or mistakes. Using data from the Treasury Department again, the number of potential taxpayers who would have been able to use this system in 1999 jumps significantly to 50 percent (Russell, 2005b).

Besides the obvious differences, this system would be better suited to applying a progressive tax structure in situations where an individual has a combination of income obtained from several different sources

(Gale and Holtzblatt, 1997). The TAR system would have a dual effect on businesses because on one hand, it would reduce the responsibility of the employers since the withholding would not have to be exact. On the other hand, it would actually add a little pressure to report the information as close to the end of the year as possible so that the refunds or the payments could be prepared in a timely manner. Another drawback would be that it places much of the responsibility on the tax agency. Considering they would be collecting, preparing, and reviewing the information, it would create a conflict of interest that many taxpayers would not feel comfortable with.

HOW WOULD THIS SYSTEM AFFECT TAXPAYERS IN GENERAL?

In order to effectively predict how return-free filing would affect American taxpayers, it must first be determined whether your opinion is that this system would be advantageous or a burden to the general population. Austan Goolsbee in Forbes magazine obviously chooses the former. He says “The best way to reduce the tax burden for the poor, without costing the government much money, would be to make it so that as many people as possible don’t have to file tax returns at all” (Goolsbee, 2003). TaxBrain.com, however, issues a stern warning saying “the recently announced ‘Return Free’ initiative from the IRS could sink low income taxpayers in a bureaucratic swamp of red tape and identity theft nightmares” (TaxBrain.com). For the purposes of this paper, both advantages and disadvantages will be discussed in an attempt to cover several aspects of the system’s predicted effects.

An obvious advantage to the return-free filing system is just that, it is tax return gratis. As long as the taxpayer falls within certain parameters, he or she will not have to file an income tax return for that calendar year. In an effort to help those with lower incomes, instead of lowering their tax rates, (which, on the contrary, sometimes benefits those individuals in higher tax brackets instead), make it so they don’t have to file returns. This would not only save them the amount of money spent to have their tax return prepared, but also the time spent in gathering documents, preparing forms and reading instructions. Such time savings are evident by reviewing Table 1 (below):

Table 1: Estimated Average Taxpayer Burden (Hours) for Individuals

Major Form Filed	Percentage of Returns	Total Time	Record Keeping	Tax Planning	Form Completion	Form Submission	All Other
All Taxpayers	100	26.4	15.1	4.6	3.4	0.6	2.8
Form 1040	71	32.7	19.3	5.7	3.7	0.6	3.4
Form 1040 A & 1040EZ	29	10.6	4.5	1.8	2.6	0.5	1.4

Source: IRS Estimates as of November 4, 2008: 1040, 2008 Instructions, p.89.

Ironically, because of the requirement of businesses and financial institutions to send copies of W-2s and 1099s to the recipient as well as to the IRS, the IRS already has most of this information on file. Joel Slemrod at the University of Michigan performed a calculation which concluded that Americans spend approximately \$80 billion dollars a year in tax preparation (Goolsbee, 2003). When you compare that dollar amount to the previously mentioned 50 percent of the population that would not have been required to file in 1999, it will result in significant savings.

The lower income individuals are the ones most commonly affected by this return-free system, so the proportion of savings is even greater. Let’s say the average tax return costs \$150 to prepare (Goolsbee,

2003). According to the U.S. Census Bureau, the average American income in 2002 was \$43,318 (U.S. Census Bureau, 2005). That means the \$150 is equivalent to saving 0.35% of their income. Compare that with a wealthier taxpayer, someone at the threshold of, or in, the highest tax bracket. In 2002 that would be approximately \$300,000. The savings for that individual would only be 0.05% of their income. Theoretically, an individual with higher income probably has a more complicated tax return and would probably pay more. Even if the preparation fee was four times as much, it still only saves the wealthier individual 0.2% of their income. Following this logic, the return-free system would seem to benefit a large amount of people by being easier to operate and to the extent that they would face a “basic” marginal tax rate (Gale and Holtzblatt, 1997).

Conversely, those who oppose the return-free system do so because they say that the time and money supposedly saved by not having to file returns are not, in fact, saved at all. Return-free detractors note that individuals who apply a return-free system would still have to have their tax return prepared (Russell, 2005b). Because the information would have to be independently verified in order to check for mistakes or omissions, there would be some time and money involved. Granted, the process would most likely be less invasive, and probably less expensive, but the fact remains that some work would still have to be done.

Another point brought up by opponents of the return-free system is the conflict of interest that is created by making the tax collector and the tax preparer the same entity. Moreover, the individual taxpayer, and not the IRS, would still be held liable for mistakes on the returns (TaxBrain.com). These groups speculate that direct contact by the IRS, whether it concerns a liability notice or a refund, will be very intimidating, particularly for seniors, low-income and non-English speaking citizens (Russell, 2005b). They go so far as to predict that many people will pay the given proposal even if they find fault, for fear it will lead to even more scrutiny, not knowing that if they happen to underpay, there could be the possibility of investigation for tax evasion (Russell, 2005b).

TaxBrain.com discusses another potentially detrimental situation. If the IRS is preparing and mailing millions of refunds, they will be less likely to take the time to make sure the address for the recipient is accurate and current. “If intensely personal information is mailed to an invalid address, the new recipient could simply sign the return and mail it back to the IRS. A few weeks later a check for several thousand dollars shows up in the non-taxpayers hands” (TaxBrain.com). They go on to explain that the taxpayers with the least amount of tax system knowledge would be the most vulnerable because they would be the least likely to examine their information or speak up if they do find an error.

Other potential, “untraditional” concerns exist as well. The simple fact is, most taxpayers enjoy receiving refunds at the end of the tax year (Gale and Holtzblatt, 1997). Whether they take pleasure in the idea of getting a big check (even though the money is actually theirs to begin with) or they just like the fact the IRS is holding onto their money, interest free, for a few months, many people would not be willing to give this up. Return-free filing, and more specifically, the exact withholding system, would force them to do just that. Another unconventional concern is that if taxpayers are no longer filing tax returns and keeping up with tax laws and codes, they will become less informed of the consequences existing within those laws and codes. Most taxpayers would find the obvious problems (like no refunds) more alarming, but that does not mean the idea of increased numbers of uninformed taxpayers is any less concerning. Realistically, these problems would not occur as often as is portrayed by these naysayers. This is evidenced by the return-free system that has been in use in the United Kingdom since just after World War II.

How Would This System Affect the Tax Preparer Profession?

It is actually more difficult than one would think to predict how this system would affect the profession as a whole. On one hand, it would obviously hurt those preparers, such as H&R Block, who earn a considerable amount of their revenue from low income individuals who have relatively simple tax returns but lack the required knowledge to complete it without any assistance. On the other hand, if the focus of a tax preparer is higher income clients, audit or review engagements, or corporation and partnership tax returns, then the effect would probably be minimal. And let's not forget about all the software companies who make millions targeting the taxpayers who prefer to prepare their own tax returns.

The non-CPA tax businesses that focus on tax return preparation for individuals would obviously take the hardest hit if a return-free system was implemented in this country. However, given some of the information addressed earlier, such as individuals that would still have to prepare their returns to check for errors, the cumulative effect might not be as distressing as one might think. In Roger Russell's article, Chuck McCabe, chief executive officer of Richmond, VA-based Peoples Income Tax is quoted as saying "It (return-free filing) wouldn't work for anything but the most basic returns. Even the low-end returns can get fairly complicated, with the Earned Income Tax Credit and the Child Credit". Preparers could shift their revenue strategy to accommodate those individuals who were trying to have the return prepared from the beginning as opposed to those who were only trying to review the work done by the IRS.

Most CPA firms will probably only experience moderate changes. The majority of firms do not focus solely on individual tax preparation. Return-free systems would only apply to individuals, not the businesses that they run. For the most part, if a CPA or accountant prepares a person's business return, that person will engage them to prepare the personal return as well.

Moreover, this change would not affect state income taxes since each individual state government is able to decide how and even if they want to tax on that level. Unless state income taxes were also shifted to a no-return system, preparers would still be needed to complete state tax returns because in many cases, the state laws are harder to follow than the federal laws. In certain cases, the effects of a return-free filing system could actually increase revenue. If a CPA firm generates most of its revenue in audit and review engagements, but prepares tax returns as an alternative revenue source, the extra time saved not having to prepare the returns would mean more time working on larger, more lucrative endeavors, thus increasing efficiency and profits. The bottom line is, even if a return-free system is implemented in the United States, enough tax-related commerce will still exist to keep tax preparers in business.

In administrative terms, a return-free tax system is most likely to work for people who lead simple and stable lives, with an emphasis on simple, especially pertaining to their finances. Taxpayers must be willing to allow authorities to calculate their taxes and, to a certain degree, trust the results of those calculations. In the exact withholding system, employers must have a system in place to calculate the correct withholding amounts, and do so efficiently. The IRS must possess the resources to operate the system in a timely and accurate manner (Gale and Holtzblatt, 1997). Given these parameters, it seems likely that tax returns will be around for the foreseeable future. However, in the event that a return-free system is put into place, future tax preparers should take solace in remembering that there are only two things that are certain in life, death and taxes. Hopefully, the solace is a result of the taxes.

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EVIDENCE OF IMPAIRED COMPLIANCE AND REGULATION IN IFRS-BASED FINANCIAL REPORTING

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ABSTRACT

The transition to IFRS based reporting has resulted in fundamental departures from many of the long accepted norms embedded in indigenous GAAP systems now superseded in IFRS adopting jurisdictions. The rules relating to goodwill accounting, measurement and reporting represent an excellent case in point, the traditionally dominant capitalise and amortise regime having been disposed of in favour of an impairment testing regime pursuant to which periodic amortisation charges are no longer required. There has been much criticism of this new impairment testing regime, principally along the lines that it results in an increased potential for opportunism in financial statement preparation due to the subjective and unverifiable nature of a range of judgements necessary to the execution of the impairment testing process. In this paper, we add to the extant literature's catalogue of concerns by documenting systematic non compliance with the disclosure requirements of AASB 136 – Impairment of Assets. We argue that a key problem resulting from this phenomenon is a decline in financial statement comparability. At the policy level, we raise questions as to the implications of the complexity of the IFRS based impairment testing regime both from the preparer and audit perspective.

KEYWORDS: Goodwill, Impairment, Financial reporting, Creative accounting

INTRODUCTION

Julius Caesar may not have been the first to make the observation, but it is he who is immortalised as stating that men are nearly always willing to believe what they wish – *fere libenter homines id quod volunt credun*. In like fashion, the exposition of a basis for the justification of moving from one long established reporting practice to another perhaps radically different alternative must ultimately rest on a belief or series of beliefs. In the context of reporting standards falling under the aegis of the IASB umbrella, the belief in question is likely traceable to a central tenet of that organisation's framework for the presentation and preparation of financial statements, namely that the promulgation of reporting rules is a process whose intent is to enhance the decision usefulness of general purpose financial reports aimed at participants in capital markets (IASB, 1989).

Given the central importance of financial disclosures as a means of keeping investors informed, evaluation of whether a belief about the likely outcome of the implementation of a reporting rule may be substantiated with reference to a sound empirical foundation or may be better seen as referable to a wish represents a matter of material concern. The history of reporting and measurement rules pertaining to goodwill, replete as it has been with fitful dalliances with a long cast of often entirely inconsistent ideas, represents an excellent case study of the consequences attendant to the failure to identify beliefs founded on no more than wishes. Thus goodwill has been at turns the courtesan, hidden from view through the obscuring veils of pooling and other devices and at others the celebrated bride promised undiminished prominence through preservation from the vicissitudes of amortisation.

So, the transition to IFRS represents the latest episode of goodwill's often turbulent story. One striking feature of this framework for goodwill measurement and reporting is its order magnitude increase in complexity compared to typical prior practice. Application of this system requires navigation through

several layers of difficult and potentially contestable choices. It is for this reason in particular that much of the recent literature relating to this issue focuses on the incentive compatibility problems which may be associated with the implementation of impairment based approaches to goodwill measurement and reporting (e.g; Beatty & Weber, 2006; Hayn & Hughes, 2006). Without derogating from the importance of these findings, the focus of this paper is squarely cast on a different issue, the degree to which firms actually comply with the formal precepts of the standards governing impairment testing regimes. Prior studies appear to have been constructed on the tacit assumption of systematic standards compliance on the part of financial statement preparers.

However, at least in the case of large Australian reporting entities adopting IFRS for the first time, we present strong evidence that this assumption does not hold true. This in turn places a different complexion on the evaluation of evidence relating to the operation of impairment based reporting regimes, a possibility we explore and discuss throughout the body of the paper, which is structured as follows. Section 2 of the paper provides some relevant background and discusses a selection of contributions to the literature pertaining to the conceptual foundation of goodwill and to goodwill impairment testing regimes. Section 3 provides an overview of the sample, data and methodology we employ for the purposes of this study. Section 4 comprises a discussion of the key empirical results, while in Section 5 we offer our conclusions and some thoughts on potential avenues for future research in this area.

SOME RELEVANT LITERATURE AND IMPLICATIONS

Goodwill inhabits an unruly and unsettled domain. Accounting theorists have long debated and rarely agreed on its nature and source. In the process they have generated a tangled collection of mostly irreconcilable explanations. An early example is the annuity theory favoured by More (1891). According to this approach, goodwill may be thought of as the value of an annuity stream of future profits which accrue to a new owner upon acquiring another entity.

Another approach favoured by authors including Leake (1914) has come to be known as the excess or super profits theory of goodwill. On this approach, goodwill is to be thought of as the present value of profits earned in excess of those required to provide normal rates of return on the identifiable assets of the firm. Writing in 1929, Canning advanced what has been termed the master valuation account theory of goodwill. On this approach, goodwill may be approximated as the difference between the purchase consideration paid upon acquisition and the net value of identifiable assets received. In the early 1950s, Nelson's momentum theory enjoyed brief prominence. The essential thrust of this theorem is that goodwill may be thought of as the initial momentum or "push" which accrues to an acquiring firm at the point of acquisition. It was thought that acquisition transactions ought generally confer greater business momentum on acquiring parties than they had previously enjoyed due to the favourable characteristics of the newly acquired entity.

According to Sands (1963), goodwill represented the value capable of being generated by an organisation as a consequence of facing less than competition in the markets in which it operated. On the other hand, Gynther (1969) proposed that goodwill came into being as a consequence of the existence of a range of factors which while favourable to the economic position and performance of a firm were not capable of being measured and recognised individually. Notably, the conceptual confusion relating to goodwill is not limited to the accounting literature. Legal conceptions of goodwill as expounded by the courts have also shown considerable variation over time, and often varied substantially from those accepted at various points in time in the accounting and commercial domains. From the early 17th century onwards, a string of cases have been decided in which courts have attempted to define the term goodwill, and to determine the circumstances in which it might arise, and what it might attach to were it to arise.

Early cases adopted a simple and relatively narrow conceptualization of the phenomenon. For example, in *Broad v Jollyfe* the court took the view that goodwill represents but the selling of a man's custom, leaving another to gain it. A later and better known case is that of *Crutwell v Lye* in which Lord Chancellor Eldon offered his famous formulation that goodwill is "nothing more than the probability that the old customers will return to the old place." This definition places strong emphasis on what may be termed "force of custom" as the basis for the existence of goodwill. On this approach, goodwill only comes into existence by virtue of those distinguishing characteristics of a particular business which increase the likelihood of repeat business, thus increasing enterprise value.

However, the force of custom approach has been by no means the only basis upon which courts have constructed definitions of goodwill. Thus, in *Churton v Douglas* Vice Chancellor Wood said:

Goodwill must mean every advantage that has been acquired by the old firm, whether connected with the premises in which the business was previously carried on, or with the name of the firm, or with any other matter carrying with it the benefit of the business.

In *Commissioner of Inland Revenue v Muller & Co's Margarine* Lord Linley held that:

Goodwill regarded as property has no meaning, except in connection with some trade, business or calling. In that connection, I understand the word to include whatever adds value to a business by reason of situation, name, reputation, connection, introduction to old customers and agreed absence of competition or any of these things, and there may be others which do not occur to me.

In both these formulations, a wide range of other matters could be relevant to determining the existence or otherwise of goodwill. These dicta appear to invite a broader approach to defining goodwill than one focused principally on the idea of goodwill as an attractor of custom. Nonetheless, the tension between the attraction of custom idea and the broader "commercial" approach is still evident in contemporary dicta pertaining to the conceptualisation of goodwill

It can come as no surprise given these uncertain conceptual foundations that the domain of practise as it relates to goodwill has also exhibited considerable turmoil over time. Controversies relating to the improper use of the pooling of interests approach to acquisition accounting in order to avoid goodwill recognition, excessive in-process research & development (IPR&D) allocations and immediate post acquisition write-offs, the use of aggressive expense deferral amortisation techniques such as the inverse sum of the years' digits (ISOYD) represent a small sample of the challenges which have arisen over time (Carlin *et al.*, 2007; Carnegie & Gibson, 1987, 1992; Gibson & Francis, 1975; Wines & Ferguson, 1993).

Similarly, when contemplating the current preference on the part of standards setters for impairment testing based regimes for goodwill, it is useful to recognise that formulations for goodwill reporting based on a rejection of the classic capitalise and amortise regime are not new. Over a century ago, Dicksee opined that it was not necessary or appropriate to "depreciate" goodwill and that under normal circumstances it was appropriate to continue to hold it on the balance sheet at cost (Dicksee, 1906).

The shift to the IFRS "capitalise and test for impairment" approach and its analogues in US GAAP should therefore not be seen as a transition to an inherently new or superior technology. This much has already been made clear in a growing body of literature critical of both the conceptual foundations and practical consequences of the IFRS and US GAAP goodwill impairment testing regimes. Watts (2003) represents an early and high profile example of some of the criticisms which have been levelled at this approach. He characterises the FASB's decision to opt for an impairment testing based regime in SFAS142 as an error in judgement likely to leave open the pathway to aggressive earnings management and systematic asset

value over statements. Other commentators, including Massoud & Rayborn (2003) have expressed similar sentiments, and questioned the desirability of a reporting framework so reliant on subjective judgements without appropriate verification checks and balances. Others have asserted the existence of obvious technical flaws in the manner in which asset impairment standards have been drafted (Haswell & Langfield-Smith, 2008). Consistent with the concerns raised in these conceptual contributions, evidence is accumulating in the empirical literature of an array of problems associated with impairment testing regimes.

These include a lack of evidence that earnings numbers derived under the present regime are more value relevant than those generated under the previous capitalise and amortise regime (e.g Chen *et al.*, 2006); evidence that write off timing is consistent with managerial opportunism (Anantharaman, 2007); evidence of undue delays in recognising impairment losses (Henning *et al.*, 2004; Hayn & Hughes, 2006; Ramanna & Watts, 2007) and evidence of gaming in the manner in which goodwill is allocated between reporting units in a bid to minimise the chance of forced impairment losses (Zhang & Zhang, 2007). Contributions to the literature by practitioners have also expressed strong concerns about the operation and effect of the impairment based regime for goodwill reporting, one author recently offering the view that the IFRS impairment framework is likely to yield misleading results at odds with any discernible thread of logic or principle (Lonergan, 2007). All of these authors express concerns, for varying reasons, about the quality of the information product emanating from the impairment testing framework for goodwill measurement and reporting. Yet in expressing their concerns, these contributors to the literature appear to have neglected the question of compliance.

That is, researchers appear to have assumed that preparers of financial statements systematically comply with the technical requirements of the accounting standards which embody the impairment testing framework and that the information quality deficiencies which are attributed to the operation of the framework result from factors such as the opportunistic exercise of discretion. While not equating technical compliance with reporting standards and the quality or serviceability of the resulting disclosures (following Clarke, Dean & Oliver 1997; Schuetze, 1992), the degree to which firms adhere to the requirements of applicable standards must nonetheless be viewed as a matter which has the capacity to materially influence and in cases of non compliance detract from the decision usefulness of financial statements. Fraudulent deviation from required reporting norms and standards represents one well recognised species of financial reporting pathogen. The opportunistic exercise of discretion allowable within reporting frameworks represents another frequently researched problem. The degree of compliance with the technical architecture of the applicable reporting framework arguably represents a separate species of pathogen, differentiable from the former two on the basis of motivational foundation.

Specifically, whereas the motivations for fraudulent and legal but opportunistic reporting choices can typically be explained with reference to the wealth transfer effects of such behaviour, no such blanket explanation can be offered in relation to the degree of technical compliance. Arguably, the possible causal factors for this particular species of reporting pathogen may be far broader, including lack of understanding of reporting frameworks by preparers, lack of resources to fully implement the requirements of applicable standards on the part of preparers and lack of understanding and resources on the part of auditors, as examples. Equally, the policy implications of systematic (but not fraudulently or opportunistically motivated) deviations from the precepts of mandatory reporting frameworks differ materially from those raised in cases of fraud or by dint of excessive manoeuvre space within the boundaries (or at the intersection of the boundaries) of reporting standards.

Yet, as argued above, the compliance degree question has thus far been overlooked in the context of research on impairment testing, even though the impairment testing procedures mandated under IFRS are highly complex and represent a substantial compliance challenge. Consequently it is this matter which

constitutes the principal focus of the research reported in this paper. Section 3 below sets out details of the methodology employed and data drawn upon for the purposes of investigating this question.

DATA AND METHODOLOGY

A-IFRS came into effect in Australia for firms with reporting periods on or after 1 January 2005. Consequently, a subset of listed Australian companies reported pursuant to IFRS in that year. However, since the only organisations to do so were those with a balance date of 31 December, and since this group represents a relatively small subset of the Australian listed firm population, it was necessary to construct our data sample based on 2006 data, being the first year in which IFRS was the default reporting regime for essentially all Australian listed entities. In light of this, the research reported in this paper focuses on data drawn from a sample of 200 large Australian listed corporations which reported goodwill as comprising an element of their asset base in their 2006 consolidated financial statements.

Each of the 200 firms which comprised our final research sample was a constituent firm within the All Ordinaries Index as at December 2006. The All Ordinaries index was created, with a base date of December 31 1979, replacing the regional indices, which were independently run out of the Sydney and Melbourne stock exchanges. Administered since 2000 by Standard & Poor's, in partnership with the Australian Stock Exchange, the All Ordinaries Index is the most extensive index covering the Australian stock market comprising a maximum of 500 of the largest companies listed on the Australian Stock Exchange. While the All Ordinaries Index is no longer an institutional benchmark index, having been superseded by a more concentrated series of benchmark indices, the index has the largest coverage of all Australian equities indices and typically represents more than 95% of the market capitalisation for Australia.

The month end market capitalisation of the Australian stock market at December 2006, was approximately \$1.390 trillion and comprised 1,908 listed companies and listed managed investments with tradeable equities. The month end market capitalisation of the All Ordinaries Index at December 2006 was approximately \$1.358 trillion (97.7% of the market capitalisation for Australia) and comprised 498 listed companies and listed managed investments with tradeable equities. The final research sample of 200 firms was selected using the following process. Commencing with the largest (by market capitalisation) and moving to each successively smaller firm, organisations were included in the research sample if they had reported under A-IFRS for 2006, and had goodwill as a component of their asset base. In constructing the final sample of 200 firms, a total of 17 firms with a combined market capitalisation of \$212.8 billion were excluded because they reported under a framework other than IFRS or in a currency other than Australian dollars.

A further 56 firms with a combined market capitalisation of \$98.1 billion were excluded because they were listed asset holding vehicles or managed investments vehicles rather than trading enterprises. Finally, 139 firms were excluded from the sampling frame by reason of having no goodwill. Details of the 200 constituent firms comprising the final research sample, their market capitalisation and the value of their goodwill balances are set out in Appendix A. The combined market capitalisation of the final research sample was \$882.1 billion representing 63.5% of total Australian equity market capitalisation as at December 2006. In undertaking the process of sample compilation, the audited financial statements for a total of 412 listed firms were screened. These firms had a combined market capitalisation of \$1.350 trillion which represented 97.12% of the total Australian equity market capitalisation as at December 2006.

For the purposes of analysis, the 200 constituent firms were arranged by their GICS industry group classification and subsequently divided into 15 groups comprising organisations with related principal lines of business. At the date of sampling, the 200 firms included in the final sample controlled assets

valued at \$2,341,892 million, which included goodwill of \$77,874 million. An overview of the research sample broken down by assigned sector, the dollar value of firm assets within the sector, and the dollar value of goodwill for each sector is shown in Table 1, below.

Table 1– Overview of Research Sample

<i>Sector</i>	<i>Total (\$ million)</i>	<i>Assets Total (\$ million)</i>	<i>Goodwill</i>	<i>Goodwill as % of Total Assets</i>
Banks & Insurance (n=12)	1,927,443		22,868	1.19%
Capital Goods (n=18)	15,599		1,646	10.55%
Commercial Services & Supplies (n=20)	10,894		2,090	19.19%
Consumer Services (n=8)	12,420		4,223	34.00%
Diversified Financials (n=20)	36,468		2,431	6.67%
Energy (n=4)	15,308		1,624	10.61%
Food, Beverage & Staples (n=15)	62,163		10,983	17.67%
Health Care (n=14)	20,119		6,291	31.27%
Materials (n=17)	50,738		5,874	11.58%
Media (n=13)	24,566		1,855	7.55%
Real Estate (n=11)	40,219		2,409	5.99%
Retailing (n=18)	11,138		1,607	14.43%
Software & Services (n=13)	3,519		1,957	55.60%
Technology & Telecommunication (n=8)	38,276		2,767	7.23%
Utilities & Transportation (n=9)	73,022		9,250	12.67%
TOTAL (n=200)	2,341,892		77,874	3.33%

In approaching the research question, a two layered comparative/evaluative methodology was employed. The first layer of the methodology requires a comparison to be made between the content of a firm's impairment testing disclosure and a checklist of requirements derived from the text of AASB 136. This allows disclosures to be categorised according to a bi-modal "comply" or "non-comply" taxonomy.

The second layer of the methodology looks beyond distribution of disclosures into the basic categories of "comply" and "non-comply" and recognises that within the "comply" category of disclosures there is a gradation of quality. Thus, as discussed below, an additional element of the methodology employed is the construction of multi-category disclosure quality taxonomies which provide a more nuanced perspective on disclosure practice than simple "comply" versus "non-comply" categorisations. Bearing this in mind, several dimensions of the A-IFRS goodwill reporting regime are of potential interest and can be investigated by dint of required disclosures under AASB 136. The first relates to the role of cash generating units (henceforth CGUs) as the crucible within which the impairment testing process transpires.

Paragraph 80 of AASB 136 requires that for the purpose of impairment testing, goodwill is to be allocated to each of the reporting entity's CGUs (or groups of CGUs) expected to benefit from the goodwill. To avoid the creation of an excessive reporting systems burden, this allocation is only required down to CGUs or groups of CGUs which represent the lowest level at which goodwill is monitored for internal management purposes. However, to guard against inappropriate aggregation, paragraph 80 stipulates that the CGUs (or groups thereof) should not be larger than segments defined for the purpose of segment reporting. This is important, because the number of CGUs to which goodwill is allocated for the purposes of impairment testing itself has the capacity to impact on the likelihood of an impairment loss being recognised. Where elements of a group enterprise whose cashflows are imperfectly correlated and whose risk profiles differ are fused as one CGU rather than two or more, the excess "headroom" between the

estimated fair value and book value of the assets of better performing units serves as a shock absorber for the riskier or more poorly performing elements. Were these elements disaggregated, the shock absorber effect would be removed, and the surplus of fair value over book value embedded in the less risky or stronger performing business elements could not foil deficiencies in riskier or weaker performing business elements, removing the capacity to avoid impairment writedowns. Thus, in coming to understand the characteristics of the goodwill reporting regime, developing an image of the apparent level of “aggregation” of CGUs as defined by reporting entities is of prime significance. This is pursued by comparing the number of reported controlled subsidiary entities, business segments and defined cash generating units for each firm in our sample.

The completeness and quality of disclosures relating to goodwill at the CGU level is also assessed by examining the extent to which each sample firm’s total goodwill balance can be reconciled with the sum of disclosed CGU goodwill allocations. Where the total disclosed goodwill of the firm does not reconcile to the total value of goodwill allocated to CGUs, the quality and completeness of disclosure is judged to be lower than where complete reconciliation is possible. Having examined the aggregation issue, attention is turned to manner in which recoverable amount of CGU assets has been estimated. This requires reference to fair value or value in use, and disclosure which of these reference bases has been adopted. While it is likely that in most circumstances recoverable value will be determined by reference to value in use, the possibility that the fair (market) value of certain asset classes may be reliably determinable, for example, by dint of the existence of active markets for assets of the class in question, means that it will on some occasions be feasible to determine recoverable amount on a fair value basis.

AASB 136 stipulates that adoption of a fair value approach to the determination of recoverable amount is not dependent on the existence of an active market for the assets in question, but also makes clear the need for some reasonable basis for making a reliable estimate of the amount obtainable from the disposal of assets in arm’s length transactions between knowledgeable and willing parties as a prerequisite to the adoption of this method. Consequently, the circumstances in which this choice is exercised also represent an object of potential research interest, and the frequency with which sample firms resorted to either method is reported in section four of the paper.

While AASB 136 calls for limited disclosure of the assumptions and processes used by an organisation which has elected to use fair value as the benchmark for impairment testing, several specific and detailed disclosures are called for in the event that value in use is the basis adopted for the determination of recoverable amount. These appear designed to assist financial statements users to assess the robustness of the discounted cashflow modelling process used to estimate recoverable amount, and include;

- (i) a description of each key assumption on which management has based its cash flow projections for the period covered by the most recent budgets/forecasts. Key assumptions are those to which the unit’s (group of units’) recoverable amount is most sensitive;
- (ii) a description of management’s approach to determining the value(s) assigned to each key assumption, whether those value(s) reflect past experience or, if appropriate, are consistent with external sources of information, and, if not, how and why they differ from past experience or external sources of information;
- (iii) the period over which management has projected cash flows based on financial budgets/forecasts approved by management and, when a period greater than five years is used for a cash-generating unit (group of units), an explanation of why that longer period is justified;

- (iv) the growth rate used to extrapolate cash flow projections beyond the period covered by the most recent budgets/forecasts, and the justification for using any growth rate that exceeds the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market to which the unit (group of units) is dedicated; and
- (v) the discount rate(s) applied to the cash flow projections.

Inspection of the assumptions made in relation to key factors such as discount rates, growth rates, forecast periods and terminal value periods supports the development of a more nuanced comprehension of the degree of conservatism or aggression inherent in the development of value in use estimates, meaning that these are also of primary interest in developing an understanding of the operation of the goodwill reporting regime. Consequently, an assessment of the disclosures relating to both discount rates and growth assumptions made by sample firms pursuant to AASB 136 is reported in section four, below.

In order to generate quality assessments, it was necessary to develop a compliance and disclosure quality taxonomy for both discount rate and growth rate based disclosures. In relation to discount rate disclosures, the taxonomy applied required the allocation of each sample firm to one of four dimensions being “multiple explicit discount rates”, “single explicit discount rates”, “range of discount rates” and “no effective disclosure”. Allocation of a firm to the first of these categories indicated that the firm was fully compliant with the requirements of AASB 136 in relation to discount rate disclosures, and that the degree of transparency inherent in its disclosures was sufficient to allow an external analyst to develop meaningful insights into the process of impairment testing employed by the sample firm. Firms assigned to this category provided details of the specific discount rate used to discount cashflows for the purpose of impairment testing for each defined CGU, and used varying discount rates as the risk characteristics of CGUs varied.

Firms were assigned to the second category “single explicit discount rate” where they provided details of a specific discount rate for each CGU, but there was no observed variation in discount rates assigned to CGUs, even though CGU risk levels were arguably different. The quality of compliance and disclosure for firms in this category was assessed as lower than that of firms in the first category. Firms were assigned to the third category “range of discount rates”, where they provided details of discount rates employed for the purpose of recoverable amount modelling and impairment testing, but rather than specifying a particular discount rate used in the context of testing for impairment in a particular CGU, simply provided details of a range of discount rates used across a range of CGUs. It is questionable whether this practice fulfils the disclosure requirements stipulated under AASB 136, and it is clear that the quality of this form of disclosure is lower than in categories one and two, above.

Finally, where the degree of information provided in relation to discount rates was so limited that it would not sustain any meaningful external evaluation, firms were assigned to a fourth category, labelled “no effective disclosure”. These firms were judged not to have complied with the relevant requirements of AASB 136, and the quality of their disclosures was poor. In contemplating the quality of disclosures relating to growth rates as required under AASB 136, a similar methodology was employed, with firms also characterised according to a four point taxonomy, anchored at the high quality end by the category “multiple explicit growth rates” for each CGU and “no effective disclosure” at the low quality end. Two intermediate categories “range of growth rates” and “single growth rate” for all CGUs” (in that order of assessed quality) filled out the scale. In relation to the disclosures pertaining to the length of the forecast periods, “multiple explicit forecast period” sat at the high quality end, and “no effective disclosure” at the low quality end, with “single explicit forecast period” as the intermediate category. The results of the analytical procedures employed for the purposes of the study are reported in section 4, below.

RESULTS AND DISCUSSION

The first group of analytical procedures performed on the data gathered for this study focused on the use of CGUs as an element of the impairment testing process. A threshold question of interest was the degree to which the total reported value of each sample firm's goodwill could be completely reconciled to the sum of the goodwill values disclosed as having been allocated that firm's defined CGUs. Inspection of the financial reports of the two hundred firms comprising the final research sample revealed three distinct clusters of practice. The first and dominant cluster comprised 164 firms for which a reconciliation of the type described above was possible. These were assessed as being fully compliant with the relevant disclosure requirements of AASB 136. The second cluster comprised 4 firms in relation to which all goodwill bar an immaterial portion had been allocated to a CGU. These firms were assessed as being ostensibly compliant with the disclosure requirements of AASB 136. The third cluster comprised 32 firms where it was not possible in any meaningful way to draw a link between the value of reported goodwill and any of the firm's defined CGUs. These firms were assessed not to have complied with the requirements of AASB 136. These details are set out in Table 2, below.

Table 2 –CGU Allocation Compliance by Sector

<i>Sector</i>	<i>Fully compliant (number of firms)</i>	<i>Ostensibly compliant (number of firms)</i>	<i>Non-compliant (number of firms)</i>
Banks & Insurance (n=12)	9	-	3
Capital Goods (n=18)	15	-	3
Commercial Services & Supplies (n=20)	18	-	2
Consumer Services (n=8)	7	-	1
Diversified Financials (n=20)	14	-	6
Energy (n=4)	2	-	2
Food, Beverage & Staples (n=15)	14	1	-
Health Care (n=14)	14	-	-
Materials (n=17)	14	-	3
Media (n=13)	9	2	2
Real Estate (n=11)	9	-	2
Retailing (n=18)	14	-	4
Software & Services (n=13)	10	-	3
Technology & Telecommunication (n=8)	7	-	1
Utilities & Transportation (n=9)	8	-	1
TOTAL (n=200)	164	3	33

In contemplating the results in Table 2, it is notable that slightly in excess of 15% of the sample (a group of firms reporting some \$5.2 billion in goodwill) failed to provide details of the manner in which they had allocated goodwill between CGUs for the purpose of impairment testing. This is contrary to the requirements of paragraph 80 of AASB 136. More than representing a mere technical breach, failure to provide details in relation to CGUs creates fundamental difficulties for financial statement users wishing to undertake independent evaluation of the robustness of valuations ascribed to goodwill by reporting entities. An obvious problem which arises where this information is not provided is the lack of capacity on the part of the financial statement user to understand how goodwill is distributed across a business, where it is concentrated and what types of underlying business activities it is principally associated with. This results in a diminished capacity on the part of financial statement users to develop detailed reporting entity impairment risk profiles.

Potentially valuable information is also lost in the presence of the CGU aggregation problem. By defining too few CGUs relative to the true number of operating units within the organisation which generate independent streams of cashflows and with which at least some goodwill is associated, the level of

disclosure transparency achieved falls, and the risk that impairment losses which should be recognised in a given period are not recognised in that period rises. In order to gain insight into the degree to which this problem afflicts the quality of impairment testing and disclosures pursuant to AASB 136, we gathered and analysed data pertaining to the number of entities controlled by each of the firms in our sample, the number of business segments those firms reported and (where possible), the number of CGUs defined by each of the firms in our sample. Given the expectation set out in AASB 136 that CGUs should be no larger than the related business segments defined by a reporting entity, we treat the relationship between the number of defined business segments and the number of defined CGUs as being of particular interest.

It is entirely possible that an individual firm may have more defined business segments than CGUs with which goodwill is associated. For example, a firm may have grown and diversified principally through organic means and made acquisitions only in a narrow component of its business. Under these circumstances, it would likely be the case that there would be more defined business segments than CGUs with goodwill. Of course, an individual firm's story may also have been defined by sequential acquisition activity. Particularly where acquired subsidiaries are not tightly integrated post acquisition, it would be natural under these circumstances to expect the existence of a greater number of CGUs than business segments. When contemplating the likely relationship between the number of defined business segments and defined CGUs across a significant sample, there seems little reason upon which to form an *a priori* expectation that either of these "stories" would dominate. Consequently if upon analysis of sample based data it appeared that there was a tendency on the part of reporting entities to define fewer rather than more CGUs, this could be interpreted as evidence pointing to the existence of CGU aggregation.

As the summary data in Table 3 shows, the evidence appears consistent with this proposition. Of the 171 firms in the sample which provided sufficient disclosures to permit identification of their CGUs, 71% defined the same number or fewer CGUs than business segments, while only 29% of firms defined more CGUs than segments. Examined on an industry by industry basis, it is clear that CGU aggregation risk is not evenly distributed. For example firms in the food & beverages industry segment were far more likely than average to define fewer CGUs than business segments, as were media firms and utility & transportation firms. On the other hand, firms in the commercial services segment tended to define more CGUs. Similarly, it is evident from the data that failure to fulfil basic disclosure requirements is not an evenly distributed phenomenon, with banks and financial services firms being over represented amongst the ranks of non effective disclosers.

A more granular means of achieving insights into the potential CGU aggregation problem involves construction of mean defined CGU to defined segment ratios on an industry by industry basis. The results of this analysis are set out in Table 4, and confirm the patterns evident in Table 3. Across the sample as a whole, firms defined 0.91 CGUs for each defined business segment. Allowing for differences in industry based growth and internal reporting patterns, this suggests that on balance, CGU aggregation is a device being used by reporting entities to manage the risk and timing of goodwill impairment losses. The consequences of this type of activity could extend to overstatements of earnings and net assets, understatements of leverage and reduced reporting transparency.

The issue of CGU aggregation is not the only key choice preparers wield with consequences for reporting transparency. Another choice required to be made in the process of impairment testing relates to the methodology adopted for the purpose of determining the fair value of CGU assets. Either a value in use or fair value methodology may be adopted. As the data in Table 5 makes clear, the dominant method adopted by large Australian listed reporting entities is the value in use approach, pursuant to which the recoverable value of CGU net assets is estimated via the construction of a discounted cashflow model of CGU pre-tax cashflows. As noted in section 3, this choice has consequences for the nature and content of disclosures firms are required to make in relation to the process of impairment testing.

Table 3 – Business Segments and CGU Aggregation by Segment

<i>Sector</i>	<i>No. CGUs > No. Segments</i>	<i>No. CGUs = No. Segments</i>	<i>No. CGUs < No. Segments</i>	<i>No Effective Disclosure</i>
Banks & Insurance (n=12)	3	1	5	3
Capital Goods (n=18)	7	6	3	2
Commercial Services & Supplies (n=20)	10	4	4	2
Consumer Services (n=8)	3	3	1	1
Diversified Financials (n=20)	2	4	8	6
Energy (n=4)	-	2	1	1
Food, Beverage & Staples (n=15)	3	4	8	-
Health Care (n=14)	4	5	5	-
Materials (n=17)	2	5	8	2
Media (n=13)	3	2	6	2
Real Estate (n=11)	2	3	4	2
Retailing (n=18)	6	4	4	4
Software & Services (n=13)	2	6	3	2
Technology & Telecommunication (n=8)	2	5	-	1
Utilities & Transportation (n=9)	2	1	5	1
TOTAL (n=200)	51	55	65	29

Table 4 –Analysis of Controlled Entities, Segments and CGUs

<i>Sector</i>	<i>Avg No. Controlled Entities</i>	<i>Avg No. Business Segments</i>	<i>Avg No. CGUs</i>	<i>Avg value Goodwill (\$ million)</i>	<i>Avg Goodwill per CGU (\$ million)</i>	<i>Ratio CGUs to Segments</i>
Banks & Insurance (n=12)	87.25	4.58	4.11	1,905.66	463.54	0.90 : 1
Capital Goods (n=18)	26.72	2.61	3.25	91.42	28.13	1.24 : 1
Commercial Services & Supplies (n=20)	35.85	3.15	4.00	104.51	26.13	1.27 : 1
Consumer Services (n=8)	36.50	3.00	4.57	527.92	115.48	1.52 : 1
Diversified Financials (n=20)	27.50	2.85	2.36	121.57	51.58	0.83 : 1
Energy (n=4)	75.50	3.75	3.00	406.06	135.35	0.80 : 1
Food, Beverage & Staples (n=15)	85.53	4.13	3.47	732.17	211.20	0.84 : 1
Health Care (n=14)	55.36	2.86	3.36	449.33	133.84	1.18 : 1
Materials (n=17)	58.06	3.41	3.87	345.53	89.36	1.13 : 1
Media (n=13)	64.15	3.62	3.00	142.73	47.58	0.83 : 1
Real Estate (n=11)	59.73	3.36	3.11	218.99	70.39	0.92 : 1
Retailing (n=18)	63.06	3.11	3.21	89.28	27.78	1.03 : 1
Software & Services (n=13)	21.54	2.46	4.00	150.50	37.63	1.63 : 1
Technology & Telecommunication (n=8)	37.25	2.13	3.43	345.86	100.87	1.61 : 1
Utilities & Transportation (n=9)	67.11	3.78	2.13	1,027.76	483.65	0.56 : 1
TOTAL (n=200)	51.15	3.22	3.41	389.37	133.57	0.91 : 1

In particular, they are required to provide detailed disclosures relating to discount rates, growth rates and the time horizon over which cashflows are explicitly forecast in the valuation models used to support the impairment assessment exercise. Each of these factors conveys potentially useful information. Discount rate disclosures provide strong signals in relation to management's assessment of the risk profile of the various cash generating elements of the enterprise. Growth forecasts signal the degree of optimism or pessimism around future business prospects, while insight into cashflow forecast horizons assists with the development of an understanding of the robustness of the modelling exercise and the likelihood that the terminal value component dominates the estimate of the present value of total CGU cashflows.

By way of contrast, firms choosing to adopt the fair value approach to impairment testing face a lower required disclosure burden and avoid the obligation to provide details such as discount rates and assumed growth rates. The challenge presented as a consequence of the decision to adopt the fair value approach to goodwill impairment testing is to find an appropriate benchmark asset portfolio, a current price for which can be reliably observed. Given the limited classes of assets for which liquid markets exist or in relation to which current reference transactions are observable, perhaps the greatest surprise in the data set out in Table 5 is that 17 firms exclusively based their impairment assessments on this approach, with a further 7 disclosing that they made some use of the technique. We discuss the factors surrounding and consequences of this choice in detail elsewhere (see Carlin & Finch, 2008), but note here the potential for this choice to be exercised opportunistically to the detriment of disclosure quality.

Table 5 –Method Employed to Determine Recoverable Amount

<i>Sector</i>	<i>Fair Value Method</i>	<i>Value-in-use Method</i>	<i>Mixed Method</i>	Method not Disclosed
Banks & Insurance (<i>n</i> =12)	4	6	1	1
Capital Goods (<i>n</i> =18)	-	17	-	1
Commercial Services & Supplies (<i>n</i> =20)	-	18	1	1
Consumer Services (<i>n</i> =8)	-	8	-	-
Diversified Financials (<i>n</i> =20)	2	12	1	5
Energy (<i>n</i> =4)	-	3	-	1
Food, Beverage & Staples (<i>n</i> =15)	1	13	-	1
Health Care (<i>n</i> =14)	1	13	-	-
Materials (<i>n</i> =17)	-	15	1	1
Media (<i>n</i> =13)	2	9	1	1
Real Estate (<i>n</i> =11)	2	6	1	2
Retailing (<i>n</i> =18)	2	13	-	3
Software & Services (<i>n</i> =13)	1	11	1	-
Technology & Telecommunication (<i>n</i> =8)	1	6	-	1
Utilities & Transportation (<i>n</i> =9)	1	7	-	1
TOTAL (<i>n</i>=200)	17	157	7	19

Discount rate disclosures are central requirements in cases where firms adopt value in use as their approach to impairment evaluation. AASB 136 requires that firms disclose the discount rate(s) used in the process of modelling CGU asset portfolio recoverable value, and that the discount rates applied be referable to the risks associated with the assets within each CGU. This information is of fundamental value to financial statement users wishing to independently evaluate the robustness of the impairment testing process applied by a firm. However, as the data in Table 6 demonstrates, disclosure practices in relation to discount rates leave much to be desired.

One striking feature of the data is the infrequency with which firms adopting the value in use approach select and explicitly disclose different discount rates for each of their defined CGUs. Instead, the most common practice is to define a single discount rate and apply this on a blanket basis to all CGUs. Given that it is most unlikely that all CGUs within these firms have substantially the same risk profile, it appears defensible to conclude that inappropriate discount rates are being used in a substantial number of impairment testing procedures. It is also notable that approximately a fifth of those firms which disclosed that they had adopted a value in use approach to impairment testing failed to provide any meaningful disclosures in relation to the discount rates applied in the testing process, either because they were wholly silent on the question of discount rates, or because they stipulated a range of discount rates applied in the testing process, leaving financial statement users at a loss when attempting to understand the level of discount rates applied to particular CGUs.

A further notable feature of the data is the wide range of discount rates applied by firms within each defined industry grouping. In some cases, defined discount rates appeared to be inexplicably low – for example the firm in the commercial services and supplies segment which disclosed the use of a pre-tax discount rate of 5.7% - a rate lower than common estimates of the long run risk free rate. In another case, a firm disclosed that it had not discounted cashflows (despite the requirement to do so), meaning that the effective discount rate it had applied was 0%.

The consequence of this substantial variation is that the discount rates employed by the firms studied ranged between 0% at the low end and 40% at the upper end, with an arithmetic mean pre-tax discount rate of 12.3% but high dispersion around the mean.

Table 6 – Discount Rate Disclosures (Value in Use and Mixed Method Firms Only)

<i>Sector</i>	<i>Multiple Explicit Discount Rate (no. of firms)</i>	<i>Range of Discount Rates (no. of firms)</i>	<i>Single Explicit Discount Rate (no. of firms)</i>	<i>No Effective Disclosure (no. of firms)</i>	<i>Minimum Discount Rate (pre-tax)</i>	<i>Maximum Discount Rate (pre-tax)</i>	<i>Average Discount Rate (pre-tax)</i>
Banks & Insurance (<i>n</i> =7)	1	1	2	3	10.5%	18.5%	13.6%
Capital Goods (<i>n</i> =17)	1	-	11	5	8.5%	17.7%	11.7%
Commercial Services & Supplies (<i>n</i> =19)	5	-	13	1	5.7%	20.1%	12.4%
Consumer Services (<i>n</i> =8)	3	1	3	1	9.5%	18.6%	12.9%
Diversified Financials (<i>n</i> =13)	1	-	8	4	6.0%	13.6%	9.9%
Energy (<i>n</i> =3)	-	1	2	-	11.7%	18.9%	14.2%
Food, Beverage & Staples (<i>n</i> =13)	1	1	10	1	8.7%	13.6%	11.2%
Health Care (<i>n</i> =13)	1	-	10	2	8.9%	17.1%	11.6%
Materials (<i>n</i> =16)	-	2	11	3	7.0%	19.0%	11.5%
Media (<i>n</i> =10)	3	3	2	2	7.7%	20.0%	12.6%
Real Estate (<i>n</i> =7)	1	-	5	1	7.5%	18.0%	10.9%
Retailing (<i>n</i> =13)	2	-	11	-	10.4%	16.6%	13.1%
Software & Services (<i>n</i> =12)	-	1	10	1	10.3%	17.0%	14.1%
Technology & Telecommunication (<i>n</i> =6)	1	1	3	1	9.0%	40.0%	19.2%
Utilities & Transportation (<i>n</i> =7)	1	-	6	-	0.0%	13.0%	9.1%
TOTAL (<i>n</i>=164)	21	11	107	25	0.0%	40.0%	12.3%

Overall, three key themes emerge in relation to the discount rate issue. First, the non compliance rate with the basic requirement to disclose discount rates is surprisingly high. Second, most firms appear to be undertaking their impairment testing procedures using blanket whole of firm discount rates when what is required in order for the results of the impairment testing process to be robust is the application of CGU specific risk adjusted discount rates. Third, there is some evidence of the use of aggressively low discount rates, with the result that CGU asset portfolio recoverable values will have been overestimated and potential goodwill impairment losses deferred or avoided.

In addition to the problems encountered in relation to discount rate disclosures, difficulties in relation to growth assumption disclosures were also evident. The most profound of these was the very high level of non compliance with basic disclosure requirements pertaining to growth assumptions embedded into value in use discounted cashflow models. As the data in Table 7 starkly demonstrate, in excess of 70% of firms failed to make any disclosure in relation to assumed growth rates, despite the clear and explicit requirement that they do so.

Just as the dispersion of discount rates was notable, so too is the wide dispersion in assumed growth rates within industry groupings a notable feature – with surprisingly high assumed growth rates exhibiting in certain instances in “legacy” industries such as capital goods, without adequate explanation. Indeed, the lack of explanation of growth rates in cases where any disclosure in relation to assumed growth rates was made substantially lowered the quality of the information set, and represented a further deviation from the requirements of AASB 136.

Further, just as many firms appeared to employ inappropriate whole of enterprise discount rates, so too most firms which made meaningful disclosures in relation to growth rates used a standard whole of firm growth rate in their cashflow modelling, despite the likelihood that growth prospects vary substantially even within the various elements of an individual firm. Again, this raises questions not only about the level and nature of compliance with the precepts of accounting standards but also with the technical reliability and robustness of the impairment testing process undertaken by the firms in our sample. Table 7 is set out below.

Table 7 – Growth Rate Disclosures (Value in Use and Mixed Method Firms Only)

<i>Sector</i>	<i>Multiple Explicit Growth Rate (no. of firms)</i>	<i>Range of Growth Rate (no. of firms)</i>	<i>Single Explicit Growth Rate (no. of firms)</i>	<i>No Effective Disclosure (no. of firms)</i>	<i>Minimum Growth Rate</i>	<i>Maximum Growth Rate</i>	<i>Average Growth Rate</i>
Banks & Insurance (<i>n</i> =7)	-	-	-	7	<i>n/d</i>	<i>n/d</i>	<i>n/d</i>
Capital Goods (<i>n</i> =17)	-	-	3	14	2.0%	10.0%	5.67%
Commercial Services & Supplies (<i>n</i> =19)	3	-	6	10	0.0%	25.0%	5.19%
Consumer Services (<i>n</i> =8)	1	-	-	7	2.5%	4.0%	3.25%
Diversified Financials (<i>n</i> =13)	2	-	1	10	1.0%	6.0%	3.66%
Energy (<i>n</i> =3)	-	1	1	1	0.0%	10.0%	3.75%
Food, Beverage & Staples (<i>n</i> =13)	-	-	3	10	2.0%	3.0%	2.66%
Health Care (<i>n</i> =13)	-	1	5	7	2.0%	7.0%	4.68%
Materials (<i>n</i> =16)	-	1	7	8	-24.0%	10.0%	1.56%
Media (<i>n</i> =10)	-	3	1	6	0.0%	10.0%	4.20%
Real Estate (<i>n</i> =7)	-	-	1	6	<i>n/d</i>	<i>n/d</i>	<i>n/d</i>
Retailing (<i>n</i> =13)	-	1	6	6	0.0%	10.0%	3.28%
Software & Services (<i>n</i> =12)	-	1	2	9	2.0%	20.0%	5.33%
Technology & Telecommunication (<i>n</i> =6)	1	1	-	4	2.0%	15.0%	8.00%
Utilities & Transportation (<i>n</i> =7)	-	-	1	6	<i>n/d</i>	<i>n/d</i>	<i>n/d</i>
TOTAL (<i>n</i>=164)	7	9	37	111	-24.0%	25.0%	4.05%

The final matter we reviewed in the case of firms which adopted the value in use approach related to disclosures made about the explicit cashflow forecast horizon used in their value modelling processes. Again, some 15% of firms failed to provide any meaningful information about this matter, despite the express requirement to do so under AASB 136. Though the rate of non compliance with this information requirement was substantially lower than in the case of the growth rate disclosure requirements discussed

above, it is nonetheless surprisingly high given the size, access to resources and sophistication of the firms in the research sample. The data suggest that the structure of the discounted cashflow models used by firms as tools for the estimation of CGU asset portfolio recoverable value tended to be simple, as evidenced by the dominant selection of a single explicit cashflow forecast horizon, followed by a terminal value perpetuity component. As Table 8 shows, 127 of 164 firms (77.5%) constructed their models in this way.

Table 8 – Disclosure of Forecast Period by Sector

<i>Sector</i>	<i>Multiple explicit forecast period (no. of firms)</i>	<i>Single explicit forecast period (no. of firms)</i>	<i>No Effective Disclosure (no. of firms)</i>	<i>Minimum Forecast Period (years)</i>	<i>Maximum Forecast Period (years)</i>	<i>Average Forecast Period (years)</i>
Banks & Insurance (n=7)	1	5	1	3	5	4.0
Capital Goods (n=17)	1	13	3	3	10	5.2
Commercial Services & Supplies (n=19)	1	17	1	2	19	5.2
Consumer Services (n=8)	1	6	1	3	5	4.9
Diversified Financials (n=13)	1	10	2	3	30	6.9
Energy (n=3)	-	2	1	5	10	7.5
Food, Beverage & Staples (n=13)	-	10	3	3	10	5.1
Health Care (n=13)	1	10	2	3	20	6.9
Materials (n=16)	1	12	3	3	30	9.5
Media (n=10)	2	7	1	3	5	4.7
Real Estate (n=7)	-	7	-	2	5	4.5
Retailing (n=13)	1	7	5	4	10	5.1
Software & Services (n=12)	-	11	1	5	15	7.2
Technology & Telecommunication (n=6)	1	4	1	5	10	5.5
Utilities & Transportation (n=7)	1	6	-	1	20	6.1
TOTAL (n=164)	12	127	25	1	30	6.0

Only a small number of firms (12 of 164) used more sophisticated step forecast models which have the capacity to better incorporate and reflect variations in prospective business conditions than the single phase models most firms selected. Again, this raises questions about the reliability and robustness of the models used by firms to generate critical value in use estimates and hence drive impairment assessments.

This is of particular concern when consideration is given to the nature of a range of the businesses included in the final research sample. As an example, retailing (particularly discretionary retailing) is generally viewed as an industry subject to strong cyclical forces. Yet reflection of the potential impact of these forces on enterprise (and by extension CGU) value is difficult to achieve in single step models except through the adoption of blunt devices such as modifications to discount rates or assumed growth to perpetuity rates. Nonetheless, in that industry grouping, single step models were the norm.

A review of the data also revealed a number of instances where the explicit cashflow forecast period adopted by firms was surprisingly short, suggesting that a number of valuation models used by firms are likely to suffer from the terminal value dominance problem so often warned against in authoritative sources on valuation methodology (e.g Copeland *et al.*, 2000 p. 273). Indeed, the average explicit forecast period used by firms in the research sample was 6 years, substantially shorter than the recommended explicit forecast period in much of the valuation literature, largely because of the terminal value dominance problem (Ferris & Pettitt, 2002; Stewart 1990).

CONCLUSION

Our results provide evidence of systematic non compliance with the disclosure requirements of the IFRS goodwill impairment testing regime on the part of large listed Australian firms. Our results also suggest deficiencies in the technical procedures used by firms as they subject their goodwill balances to impairment assessments. Both insights advance the state of knowledge of goodwill impairment testing regimes as expounded in the extant research literature.

In a sense however, these results raise more questions than they answer. For example, is poor compliance a feature associated only with AASB 136, or a more endemic feature of the financial reporting landscape? Given the relative lack of literature on compliance levels, this seems to be an open question, though given the high complexity of accounting standards focused on matters such as business combinations, financial instruments as well as provisions and contingent liabilities (complexity being a feature these areas share in common with impairment testing), it would seem brave indeed to simply assume robust compliance levels as a matter of course. Another pertinent question relates to whether our results may be explained as idiosyncratic artefacts of an initial implementation period. This is possible. However even if this explanation is ultimately borne out through the accumulation of additional empirical evidence showing material improvements in compliance standards in future periods, the results relating to the implementation period still offer potentially useful policy insights.

For example, the results at very least provide insight into the level of difficulty experienced by large, sophisticated and well resourced organisations in confronting the challenges associated with changing their financial reporting practices. This may be a result relevant to standard setters and regulators as they contemplate the configuration of transitional arrangements they see fit to make around the introduction of new reporting requirements. It may also assist them to form more balanced expectations as to the technical capabilities of reporting entities faced with complex change. Of course, if our results point to a deeper problem than initial year teething difficulties, much more challenging questions arise. Given that compliance with the accounting standards is mandated at law, evidence of non compliance coupled with a lack of evidence of obvious enforcement action would represent a basis for substantial concern about the efficacy of the financial regulatory framework operating in Australia, including the role and impact of financial statement audits and by extension throw up the spectre of similar difficulties in other jurisdictions.

Even viewing the problem through this lens the point of enquiry logically returns to questions pertaining to motivation. Holding aside the concerns associated with the character and efficacy of regulatory responses, the question of why systematic non compliance manifests to begin with must be of concern. Could this be a manifestation of inadequate competence or of stubborn unwillingness to yield to the precepts of the mandated reporting framework – comforted by a sense that meaningful rebuke is unlikely? Could this be a signal that policy makers have promulgated standards so complex, unwieldy and conceptually challenged that any hope of systematic compliance, still less the production of serviceable information via their application is no more than a mirage - a false impossible shore? For researchers at least, these puzzles are ripe with challenges we hope will not go long unanswered.

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FOOTNOTES, END NOTES AND APPENDIX

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THE DETERMINANT FACTORS OF INTERNET FINANCIAL REPORTING IN INDONESIA STOCK EXCHANGE

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ABSTRACT

Internet Financial Reporting (IFR) is voluntary in nature. With no specific regulations on IFR, there is a disparity of IFR practices among companies. Some companies disclose only partial financial statement using a low level of technology, while others disclose full sets of financial reports using sophistications of the web such as multimedia and analytical tools. The purpose of this study was to measure the quality of Internet Financial Reporting of the go public firms on the Jakarta Stock Exchange. An index was developed by basing closely on Davey and Homkajohn (2004). The additional purpose of this research was to examine financial variables that affect Internet Financial Reporting (IFR) in Indonesia Stock Exchange companies. The multiple regression used to examine variables that affect Internet Financial Reporting (IFR). The sample of this research is companies that listed in Indonesia Stock Exchange companies. The survey findings show that the nature of IFR disclosure varies considerably across the sample banks. The variation in the content of the websites suggests that firms had different reasons for establishing an Internet presence. The other finding of this research that firm size and return on equity as a determinant factor of internet financial reporting index in Indonesia.

KEYWORDS: internet financial reporting, website, traditional financial reporting, internet, financial statement, technology.

INTRODUCTION

Due to the dynamic business world, traditional paper-based corporate reporting is becoming less timely and thus less useful to decision makers. Firms must improve their communication strategy to be more efficient. With electronic-based reporting, the confines of the paper based reported are removed. The companies as the preparers can benefit from cost saving and improve their financial reporting strategies. The users can benefit by getting financial information in more breadth and dept. However, a significant benefit for the information consumers of Indonesian go public firms is that the users can obtain financial information more easily than before. The website gives new aspects as a medium of information presentation. The issues that relate to the website as a communication medium include the readability, usability and understanding of the information. These aspects relate to the nature of the information as well as the technical aspects of the medium of presentation itself. The website as a channel for communicating information faces aspects of quality control and security of the information presented. Website is a channel that allows the clock access to the information. It is the responsibility of the company to ensure the security of the financial information while it is presented via the channel. Financial information via website is more complicated than hardcopy channel because of the continuous exposure of information to unauthorized change on the website.

Some empirical studies examined corporate financial reporting on the internet in different countries (e.g., Budi and Almilia 2008b, Pirchegger and Wagenhofer 1999; Ismail 2002; Wagenhofer 2003). Pirchegger and Wagenhofer (1999), and Ismail (2002) analyze the use of the internet to present and the extent of financial information disclosed on the internet. Budi and Almilia 2008 examine the use of the websites of the banks and LQ-45 firms in Indonesia, it was shown that most go public banks and LQ-45 firms in the sample had websites and provided financial data on their sites. Davey and Homkajohn (2004) found that Thai companies provide financial information on the website as a complement to their traditional paper-

based annual reports. Indonesian Company Act 2007 has been arranged about obligation of company to report their sustainability activities (Undang-undang Perseroan Terbatas No. 40 Tahun 2007 or), firms are using internet to supplement their traditional corporate reporting practice. Indonesian security regulations currently do not require firms to disseminate financial information on the internet. Another issue is the lack of formal guidance and the huge differences in the nature and extent of reporting on the web are likely to raise issue concerning the comparability and reliability data. The national standards setters and regulators of accounting practices will not be able to continue to treat financial reporting on the internet as identical to traditional distribution channels of corporate data. The Indonesia government or other regulatory bodies should decide to introduce guidelines that provide both corporations and information users with a framework within which the exchange of data can take place with maximum of efficiency. Budi and Almilia (2008) show that not all of the firms listed in Indonesia stock exchange disclose sustainability reporting completely.

The analysis of such determinant of financial reporting on the net extends the theories and models that have been developed in voluntary disclosure through traditional media to the new corporate reporting environment created by the internet. Oyelere et al. (2003) indicate that firm size, liquidity, industrial sector and spread of shareholding are determinant of voluntary adoption of internet financial reporting (IFR). Abdelsalman et al. (2007) find that corporate internet reporting comprehensiveness of London listed companies associated with analyst following, director holding, director independence, and CEO duality. Ismail (2002) that firm assets, profitability, and leverage affecting the decision to disseminate financial information on the internet. The purpose of this study was to examine the determinant factors of Internet Financial Reporting of the go public firms on the Jakarta Stock Exchange. An index was developed by basing closely on the work of Davey and Homkajohn (2004) who had devised their framework from three stages of website financial reporting as identified by Lymer et al. (1999).

LITERATURE REVIEW

Voluntary Disclosure

Many studies have been conducted of voluntary disclosure and attempt to explain determinant factor of voluntary disclosure. Different theories have been used to explain voluntary disclosure. These theories include agency theory, signaling theory and cost-benefit analysis. Agency theory has been regarded as an important construct for understanding and analyzing financial reporting incentives. Agency theory proposes that, in the presence of information asymmetries, manager will choose a set of decisions required to maximize their usefulness. Several empirical research examine how agency problem can be mitigated through increased disclosure. Ball (2006) argues that increased transparency and disclosure will contribute a better convergence of the interests of managers with those of shareholders. In this sense, agency theory conceives voluntary disclosure as a mechanism to control the managers' performance and to reduce information asymmetry and agency cost monitoring.

Signaling theory might be used to predict that higher quality firms will use the internet to disseminate "old" accounting information. Gray and Roberts (1989) considered the cost and benefits of voluntary disclosure and investigated perceptions of costs and benefits empirically. Gray and Roberts (1989) found that for British multinationals, the most important perceived benefits of voluntary information disclosure were: (1) improved image/reputation of the company, (2) better investment decisions by investors, (3) improved accountability to shareholders, (4) more accurate risk assessment by investors, (5) fairer share prices. And the most important cost factors constraining voluntary information disclosure were: (1) cost of competitive disadvantage, (2) cost of data collection and processing.

Internet Financial Reporting

There have been a growing of empirical studies on IFR since 1995 reflecting the growth in this form of information dissemination. Several studies have examined the determinants of web-based disclosure policy (Pirchegger & Wagenhoffer, 1999; Budi and Almilia, 2008a). Several studies have investigated the nature and extent of financial reporting on corporate websites as an instrument for firms' stakeholder relation. Cheng, Lawrence and Coy (2000) developed a benchmark index to measure the quality of IFR disclosure of the Top 40 New Zealand companies. The results revealed that 32 (80%) on the companies in the sample had websites and 70% of the sample presented financial information on their websites. Of the 32 companies having websites, only 8 (25%) companies scored more than 50% on the index by virtue of having reasonably well-developed sites.

Deller, Stubenrath and Weber (1999) find that more US corporations (91%) used the internet for investor relation activities than UK (72%) and German (71%) corporations. In the USA, corporate reporting on the internet seems to be a standard feature of investor relation strategies. In contrast, Germany only about two-thirds of the corporations used the internet as an alternative way to distribute accounting information and UK corporations are more extensive users of the internet as an alternative distribution channel than German corporation. Rikhardsson, Andersen and Bang (2002) show that many of the GF500 companies publish social and environmental information on their websites (63% and 79%, respectively for that 481 websites that could be analyzed) and they do not use the technological possibilities of the internet to communicate environmental and social information to their stakeholders. Rikhardsson et al (2002) show that the most popular issued addressed regarding the environment are environmental policies, resources consumption, emissions and product performance. Regarding the social aspect, the most popular issued addressed are workplace performance, stakeholder relationship, and social policies.

Empirical research of internet financial reporting in Indonesia, done by Budi and Almilia (2008a). By measuring the IFR of the 19 go public banks in Indonesia it was shown that, while most go public banks in the sample had websites and provided financial data on their sites. The survey findings show that the nature of IFR disclosure varies considerably across the sample banks. The variations in the content of the websites suggests that firms had different reasons for establishing an Internet presence. Some banks' website contain only product and service advertising. Most financial reporting is confined to pdf, which looks exactly like the paper-based annual reports. Apart from the lower cost consideration, this may be because the firms would like to protect themselves from legal risk in the event of providing uncorrected financial data to the users. Most of the banks in the sample do not take full advantage of the computer technologies. Only one banks allow users to download financial information or provided analysis tool for users to make their own analyses. The common technology feature provided by the banks is the download plug-in spot, but none of the banks in the sample provided download plug-in spot. Another common feature is online feedback. None of the banks used advanced futures (XBRL) to create their websites. Almilia and Budi (2008) compare quality of banking industry and LQ-45 firms. Almilia and Budi (2008) using 19 banking industry and 35 LQ-45 firms as a samples. The statistic method used to compare internet financial reporting between banking sector and LQ 45 firms is independent sample t-test. The result show that banking sector have highest score on technology and user support component than LQ 45 firms.

DETERMINANT FACTORS OF INTERNET FINANCIAL REPORTING

Firm Size

Firm size is a important determinant of corporate disclosure. Results from prior studies frequently confirm a positive association between firm size and disclosure level (Meek, Roberts dan Gray, 1995; Zarzeski, 1996). There are several arguments that may explain this positive association. **Firstly**, because

of their more developed internal reporting systems, large companies may have the resources to produce information, and the cost of producing such information is also lower for these firms. Secondly, large firms have more incentives to disclose voluntary information, because they face higher political costs and pressures. Thirdly, smaller firms are more likely to hide crucial information because of their competitive disadvantage within their industry. Wallace, Naser and Mora (1997) provide evidence that the amount of detail in Spanish corporate annual reports and accounts is increasing in firms size. This explanation leads to the first hypothesis of this research:

H1: There is a positive association between the internet financial reporting index and firm size.

Profitability

Studies refer to profitability as an independent factor that may affect disclosure level. For example, Singhvi and Desai (1997) examine 500 large listed US firms, and found positive association between profitability and the quality of disclosure. Their results suggest that the firm profitability can be regarded as an indicator to good management, as management tends to disclose more information when the profitability is high. Based on this, it may be argued that profitable companies have extra financial resources to disseminate financial information voluntary or in compliance with additional regulations imposed, or they might have incentives to show the public and stakeholders that they are more profitable than their counterparts in the same industry. Oyelere, Laswad, and Fisher (2003) examine the voluntary adoption of the internet as a medium for transmitting financial reports and determinants of such voluntary practice by New Zealand companies. The result indicate the some determinants of traditional financial reporting such as firm size, liquidity, industrial sector and spread of shareholding are determinants of voluntary adoption of internet financial reporting (IFR). The other findings of this research show that the other firm characteristic such as leverage, profitability and internationalization do not explain the choice to use the internet as a medium for corporate financial reporting.

Ismail (2002) examine the extent of internet financial information by the Gulf Co-operation Council (GCC) countries. In this research using forward stepwise in logistic regression was undertaken to assess whether voluntary dissemination of financial information on the internet was related to firm size, leverage, and profitability. The result of this research show that the profitability of a firm to publish financial information on the internet does not only depend on Individual characteristic, but on a combination of interaction effects among firm characteristics (size, leverage, and profitability), industry type and country. Vance (1975) reported a negative association between social involvement and profitability, studies by Heinze (1976) and Bowman and Haire (1975) reported a positive association. Abbot and Monsen (1979) reported being socially involved does not appear to increase investors' total rate of return. This explanation leads to the first hypothesis of this research:

H2: There is a positive association between the internet financial reporting index and profitability.

Leverage

Agency theory could be explained the possible link between leverage and voluntary disclosure. According to this theory, highly leveraged firms have an incentive to voluntarily increase the level of corporate disclosure to such stakeholders through traditional financial statement, and other media, such as internet financial reporting (Jensen and Meckling, 1976). However, research in this relation has been mixed. Ismail (2002) found a positive relationship between internet financial reporting and the amount of leverage in firm's capital structure, whereas studies by Andrikopoulos and Diakidis (2007); Zeghal et al (2007) and Oyelere (2003) do not support this relationship, while Meek et al (1995) reported a significant negative relationship between leverage and voluntary disclosure for US, UK, and continental European multinational. This explanation leads to the first hypothesis of this research:

H3: *There is a positive association between the internet financial reporting index and leverage.***RESEARCH DESIGN**

This section describes the research design of the study including sample description, variable identification and data collection.

Sample

Sample of this research include banking sector and LQ-45 firms. Exploring banking sector is due to the fact that this fully regulated industry sector in Indonesia and LQ-45 firms are firms with highest stock trading. The screening of the corporate websites was carried out in November 2007 and February 2008.

Variable Identification

First of all, models have been developed to assess quality of corporate website like IRGlobalRanking.com or JungleRating.Com. In order to evaluate company websites a checklist of criteria has been developed. The criteria were used to construct an Internet Financial Reporting Index, which was used to assess company websites. Then, the index developed to favor the importance of technology rather than the content of information statements. Therefore, in order to add weight to content over technology enhancements, the index criteria were divided into four parts and assigned weights – content (40%), timeliness (20%), technology (20%) and user support (20%).

In terms of **Content**, this category includes the components of financial information from statement of financial position, cash flow through shareholder information and social responsibility disclosures. For example, financial information disclosed in html format scores higher (2 points) than disclosure in pdf format (1 point), since the former makes better use of the web technology and as a result it is easier for users to access effectively. A copy of the content index is attached as Appendix 1.

Timeliness, since the web can provide information in real time it is important to find out the extent to which this facility is utilized. These real time data include press release, unaudited latest quarterly results, vision/forward-looking statements, and charts of future profits forecast. For disclosure of press releases and stock quotes, there is an added score for the recently of information (on a scale from 0 to 3). Companies receive a score for disclosing unaudited quarterly results and vision statements and a score is also given for appropriate disclaimers. This is included since companies may face potential legal risk if they endorse the unaudited or forward-looking statements and omit meaningful cautionary disclaimers. A copy of the timeliness index is attached as Appendix 2.

Technology, these items related to enhancements that cannot be provided by printed reports. Those items that uphold the quality of the electronic financial reporting and facilitate communication with site users score highly on the index. The elements are download plug-in on spot, online feedback, use of presentation slides, use of multimedia technologies (audio and video clips), analysis tools (for example, Excel's Pivot Table), advanced features (such as implementing an "Intelligent Agent" or XBRL). A copy of the technology index is attached as Appendix 3.

User Support, users' computer skills are different. Some of them are experts and some are novice. Those who do not have state-of-the-art technology may find themselves unable to use a site at all. Companies score is higher if they implement tools that facilitate use of the internet reporting irrespective of computer skills. The tools scored in the index are: search and navigation tools (such as FAQ, links to homepage, site map, site search), number of clicks to get financial information (on a scale from 0 to 3), and consistency of web page design. A copy of the User Support index is attached as Appendix 4.

The Determinant factors of internet financial reporting in this research are accounting variables including firm size, profitability and leverage. Data for relevant variables in this research were collected from corporate websites for companies with internet financial report and Indonesia Capital Market Directory.

DATA ANALYSIS AND RESULT

Out of 58 listed companies, five banks were excluded because they did not have a website or inaccessible. Thus, 19 (82.61%) of the 23 listed banks were evaluated. The disclosure index scores ranged from a low of 22% to the highest score of 64.50% with average score of 44.34%. Only four banks (21.5%) scored more than 50%. The highest total score for banking sector is Kesawan Bank and the lowest total score for banking sector is Victoria Bank. The LQ-45 firms that are listed in Jakarta stock exchange are only 35 firms that are used in this research because the rest are already included in the banking sector. Thus 35 (77.78%) of the 45 listed firms were evaluated. The index scores ranged from a low of 12% to the highest score of 55.50% with average score of 39.98%. Only five firms (14.29%) scored more than 50%. The highest total score for LQ 45 firms is Telekomunikasi Indonesia firm and the lowest total score for LQ 45 Firms is Sumalindo Lestari Jaya firm. The current state of the 19 sample banks' and 35 sample LQ 45 firms web site is discussed, based upon the checklist, which is divided into 4 categories, namely, content, timeliness, technology and user support.

Table 1: Internet Disclosure Index Scores

<i>Score</i>	<i>Banks Sector</i>		<i>LQ 45 Firms</i>	
100	-		-	
90 – 99	-		-	
80 – 89	-		-	
70 – 79	-		-	
60 – 69	1	5.27%	-	
50 – 59	5	26.32%	5	14.29%
40 – 49	6	31.58%	15	42.86%
30 – 39	5	26.31%	11	31.43%
20 – 29	2	10.52%	2	5.71%
10 – 19	-		2	5.71%
0 – 9	-		-	
Total	19		35	

Content

All of the sample in the survey had financial reports on their websites, although these appear in very different forms. Of the 19 banks, 13 (68.42%) of them provided a complete set of period financial statement, namely annual reports and quarterly reports. Of the thirty five LQ-45 firms, 25 (71.43%) firms provide a complete set of period financial statement (namely annual reports and quarterly report) and 8 (22.85%) firms provide only annual reports and 2 (5.71%) firms not publish financial statement on the internet. All of banks use Indonesian version to inform their information and 11 banks (58%) use bilingual version (Indonesian and English version). Of the thirty-five LQ-45 firms, 26 (74.29%) use English version to inform their information and three (8.57%) firms use Indonesian version and six (17.14%) firms use bilingual version (Indonesian and English version).

The highest content score for banking sector is Kesawan Bank while the lowest content score for banking sector is Mayapada Bank. The highest content score for LQ 45 firms is Adhi Karya (Persero) firm while the lowest content score for LQ 45 Firms is Sumalindo Lestari Jaya firm. The number of banks and LQ 45 firms in the sample that provide complete content of financial reporting on their websites is shown in Table 2.

Table 2: Internet Content Disclosure Scores

<i>Score</i>	<i>No. of Sample</i>		<i>% of Sample</i>	
	Banks Sector	LQ 45 Firms	Banks Sector	LQ 45 Firms
41 - 50	-	-	-	-
31 - 40	1	8	5%	23%
21 - 30	11	16	58%	45%
11 - 20	7	8	37%	23%
0 - 10	-	3	-	9%
Total	19	35	100%	100%

Timeliness

The number of banks and LQ-45 firms in the sample that provided timely information on their website is shown in Table 3.

Table 3: Disclosure of Timely Information

<i>Timeliness</i> Sample	<i>No. of Sample</i>		<i>% of Sample</i>	
	Banks Sector	LQ 45 Firms	Banks Sector	LQ 45 Firms
Press releases	17	32	89%	91%
Unaudited Latest Quarterly Results	18	30	95%	86%
Stock Quote	8	21	42%	60%
Vision Statement				
Existence	18	28	95%	80%
Disclaimer	0	2	0%	6%
Charts	3	1	16%	3%

The most frequent item of disclosure on bank websites was the Unaudited Latest Quarterly Result, Press Release and Vision Statement, being disclosed in 89% - 95% of the websites. In addition, the most frequent item of disclosure on LQ 45 firm websites was the Unaudited Latest Quarterly Result, Press Release and Vision Statement, being disclosed in 80% - 91% of the websites. This was not particularly surprising since press releases are generally text – only document that can be added to the websites without alteration or format subject. The final item in the timeliness category is the vision statement. Most of banks and LQ 45 firms in the sample disclosed descriptive statement about future profit forecast or trends for the banks' performance.

Technology

As most banks in the sample provided their annual report in pdf format, it was not surprising that most banks allowed the users to download pdf files, so that they could obtain financial information of the banks without any trouble. The result showed that direct e-mail contact and mailing list were quite common – around 74% of the banks and 3% of the LQ 45 firm in the sample allowed the users send e-mails to the banks.

Table 4: Technology Provided on Bank Website

<i>Technology</i>	<i>Bank Website</i>		<i>LQ-45 firms Website</i>	
Download plug-in on spot	0	0%	0	0%
Online feedback	14	74%	1	3%
Presentation slides	3	16%	0	0%
Multimedia technology	1	5%	0	0%
Analysis tools	1	5%	0	0%
Advanced features (XBRL)	0	0%	0	0%

In terms of presentation slides, 3 (16%) banks used presentation slide to present their annual meetings or companies' profile. The audio or video presentation of annual meetings, press gatherings or analyst conferences was generally not available on the sample companies' websites. In only of few cases (1 or 5%) did banks in the sample offer selections of corporate presentations, speeches at annual general meetings or addresses from analyst conferences. Although the report in digital form provides investors with the opportunity to download files that can be used as input in computer-based analysis at very low cost, it is rather surprising that only 1 or 5% of the banks in sample provided analysis tools or allowed users to download data for analysis. One reason for the reluctance to allow users to create their own financial analyses may be an unwillingness to provide more information than can be found in the traditional paper-based reporting. In Table 4, it shows that LQ 45 firms do not use technology in the internet such as download plug-in on spot, presentation slides, multimedia technology, analysis tools and advanced features (XBRL). Although XBRL is emerging, and its benefits are obvious, such as shortening implementation times and alleviating errors, no companies in the sample were found to be using the XBRL format to create their website.

User Support

Table 5: User Support Provided on Bank Website

<i>Technology</i>	<i>Bank Website</i>		<i>LQ-45 firms website</i>	
Help & FAQ	14	74%	3	9%
Link to Home Page	19	100%	32	91%
Link to Top	14	74%	1	3%
Site Map	14	74%	19	54%
Site Search	14	74%	20	57%

The type and number of user support facilities on the banks' websites are shown in Table 5. Even though FAQ is useful for companies in reducing the number of incoming e-mails, there are 14 (74%) banks in the sample offered FAQ on their websites. In this category, links to homepage and links to top were assessed. All of the banks in the sample provide a link to homepage on their websites, there are 14 (74%) banks provided a link to the top. This may be because many companies present their annual report in pdf format, which is incompatible with this technology. A site map is very useful as it can show the structure of the website on just one page. However, there are 14 banks provide site maps on their websites. Relatively, most banks (74%) provided a site search instrument on their websites.

The type and number of user support facilities on the LQ 45 firms' websites are shown in table 5. Even though FAQ is useful for companies in reducing the number of incoming e-mails, there are 3 (9%) LQ 45 firms in the sample offered FAQ on their websites. In this category, links to homepage and links to top were assessed. There are 32 firms of the LQ 45 firms in the sample provide a link to homepage on their websites, and there are 1 (3%) firm provided a link to the top. This may be because many companies present their annual report in pdf format, which is incompatible with this technology. A site map is very useful as it can show the structure of the website on just one page. However, there are 19 firms provide site maps on their websites. Relatively most firms of LQ 45 firms (57%) provided a site search instrument on their websites.

Regression Analysis

Regression analysis used to test the hypothesis. The regression analysis result the following findings:

Table 6: Model Summary(b)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.476(a)	.226	.205	9.17606

a Predictors: (Constant), ROE, LEVERAGE, LNTA, ROA

b Dependent Variable: INDEKS

The Goodness of Fit test showed the value of adjusted $R^2 = 0.476$ which means that the value of the dependent variable can be explained by 47.6% of the independent variables. This value can be considered sufficient because internet financial reporting index is influenced by many factors besides firm size, profitability and leverage. The F test, as shown in table 7, indicates that firm size, leverage and profitability are very significantly associated with the internet financial reporting index.

Table 7 ANOVA(b)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3571.085	4	892.771	10.603	.000(a)
	Residual	12209.009	145	84.200		
	Total	15780.094	149			

a Predictors: (Constant), ROE, LEVERAGE, LNTA, ROA

b Dependent Variable: INDEKS

Table 8 indicates the significance of the relationship between the dependent variable and each of independent variables. As we can see from this table, firms size is significantly impact on internet financial reporting. The result shows that firm size has positive influence on internet financial reporting. The results indicate that firms with higher firm size would likewise disclose the financial reporting on the website than small firm size. Return on equity as a proxy of profitability have a significant impact on internet financial reporting. The result shows that more profitable the firm, tend to disclose more about financial reporting on their website. However, some variables namely: leverage and return on assets are not significantly impact on internet financial reporting index.

Table 8: Coefficients(a)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.752	9.227		-.081	.935
	LNTA	2.767	.545	.398	5.079	.000
	LEVERAGE	-.667	.781	-.070	-.855	.394
	ROA	-8.286	10.336	-.074	-.802	.424
	ROE	4.138	2.154	.169	1.921	.057

a Dependent Variable: INDEKS

The research finding consistent with Meek, Roberts dan Gray, 1995 and Zarzeski, 1996, because of their more developed internal reporting systems, large companies may have the resources to produce information, and the cost of producing such information is also lower for these firms. The large firms have more incentives to disclose voluntary information, because they face higher political costs and pressures. For profitability, this research finding consistent with Singhvi and Desai (1997) examine 500 large listed US firms, and found positive association between profitability and the quality of disclosure and support the research finding of Heinze (1976) and Bowman and Haire (1975), but not support Vance (1975). According to Agency theory, highly leveraged firms have an incentive to voluntary increase the level of corporate disclosure to such stakeholders through traditional financial statement, and other media,

such as internet financial reporting, but the result of this research not support agency theory and Jensen and Meckling (1976).

CONCLUSION

The technology revolution, in particular the advent of computer technology, has significantly impacted accounting practice and accounting communication. Many companies are now utilizing the advantages of the Web for disseminating financial information. Users of company information can benefit from cost savings in printing and distribution while broadening their disclosure. Users can benefit in a variety of ways depending on the extent to which the capabilities of the medium are exploited. Possibilities include enhanced timeliness, ease of access and search, and improved facilities for data extraction, automatic comparisons, and analysis. The ability of the medium to handle the reporting of greatly expanded information fits well with recent calls in accounting for increased disclosure of a broad range of information.

The purpose of this study was to measure the quality of Internet Financial Reporting of the banking sector and LQ-45 firms on the Indonesia Stock Exchange. An index was developed by basing on the work of Davey and Homkajohn (2004). The index criteria were divided into four parts and assigned weights – content (40%), timeliness (20%), technology (20%) and user support (20%). The sample consist of 19 banking sector and 35 LQ 45 firms. By measuring the IFR of the 19 go public banks and LQ 45 firms in Indonesia it was shown that, while most go public banks and LQ 45 firms in the sample had websites and provided financial data on their sites. The survey findings show that the nature of IFR disclosure varies considerably across the sample banks. The variations in the content of the websites suggests that firms had different reasons for establishing an Internet presence. Some website contain only product and service advertising. Most financial reporting is confined to pdf, which looks exactly like the paper-based annual reports. Apart from the lower cost consideration, this may be because the firms would like to protect themselves from legal risk in the event of providing uncorrected financial data to the users. The other finding of this research that firm size and return on equity as a determinant factor of internet financial reporting index in Indonesia. This findings support that the large firms have more incentives to disclose voluntary information, because they face higher political costs and pressures.

This study is restricted to the 19 go public banks and 35 LQ 45 firms listed on the Jakarta Stock Exchange in Indonesia during the study. So, conclusions at this stage should be restricted to go public banks and LQ 45 firms disclosure, and the same conclusion may not necessarily hold for the other sector not only in banking.

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APPENDIX

Appendix 1

The Content Index of Internet Disclosure Instruments

<i>Index Items</i>	<i>Explanations</i>	<i>Score</i>	<i>Multiplier</i>	<i>Max</i>
1. Component of Financial Information				
1.1. Statement of Financial Position				
<i>Pdf</i>	<i>1 = Yes, 0 = No</i>	<i>1</i>	<i>1</i>	1
<i>HTML</i>	<i>1 = Yes, 0 = No</i>	<i>1</i>	<i>2</i>	2
1.2. Statement of Financial Performance				
<i>Pdf</i>	<i>1 = Yes, 0 = No</i>	<i>1</i>	<i>1</i>	1
<i>HTML</i>	<i>1 = Yes, 0 = No</i>	<i>1</i>	<i>2</i>	2
1.3. Statement of Cash Flows				
<i>Pdf</i>	<i>1 = Yes, 0 = No</i>	<i>1</i>	<i>1</i>	1
<i>HTML</i>	<i>1 = Yes, 0 = No</i>	<i>1</i>	<i>2</i>	2
1.4. Statement of Movement in Equity				
<i>Pdf</i>	<i>1 = Yes, 0 = No</i>	<i>1</i>	<i>1</i>	1
<i>HTML</i>	<i>1 = Yes, 0 = No</i>	<i>1</i>	<i>2</i>	2
1.5. Notes to the Financial Statement				
<i>Pdf</i>	<i>1 = Yes, 0 = No</i>	<i>1</i>	<i>1</i>	1
<i>HTML</i>	<i>1 = Yes, 0 = No</i>	<i>1</i>	<i>2</i>	2
1.6. Disclosures of Quarterly Results				
<i>Pdf</i>	<i>1 = Yes, 0 = No</i>	<i>1</i>	<i>1</i>	1
<i>HTML</i>	<i>1 = Yes, 0 = No</i>	<i>1</i>	<i>2</i>	2
1.7. Financial Highlight/Year-in-Review				
<i>Pdf</i>	<i>1 = Yes, 0 = No</i>	<i>1</i>	<i>1</i>	1
<i>HTML</i>	<i>1 = Yes, 0 = No</i>	<i>1</i>	<i>2</i>	2
<i>Growth rate, ratios, charts</i>	<i>1 = Yes, 0 = No</i>	<i>1</i>	<i>2</i>	2
1.8. Chairman's Report				
<i>Pdf</i>	<i>1 = Yes, 0 = No</i>	<i>1</i>	<i>1</i>	1

HTML	1 = Yes, 0 = No	1	2	2
1.9. Auditors' Report				
Pdf	1 = Yes, 0 = No	1	1	1
HTML	1 = Yes, 0 = No	1	2	2
1.10. Stakeholder Information				
Pdf	1 = Yes, 0 = No	1	1	1
HTML	1 = Yes, 0 = No	1	2	2
1.11. Corporate Information				
Pdf	1 = Yes, 0 = No	1	1	1
HTML	1 = Yes, 0 = No	1	2	2
1.12. Social Responsibility				
Pdf	1 = Yes, 0 = No	1	1	1
HTML	1 = Yes, 0 = No	1	2	2
2. Number of years/quarters Shown				
Annual Report	No. of years	1	0.5	2
Quarterly Report	No. of quarters	1	0.5	2
3. Past Information (HTML Only)				
Annual Report	1 = yes, 0 = no	1	1	1
Quarterly Report	1 = yes, 0 = no	1	1	1
Graph of Share Price	1 = yes, 0 = no	1	2	2
4. Language				
English	1 = yes, 0 = no	1	2	2
Other than English or Indonesia	1 = yes, 0 = no	1	1	1
5. Address (HTML only)				
Company Address	1 = yes, 0 = no	1	1	1

Appendix 2

The Timeliness Index of Internet Disclosure Instruments

Index Items	Explanations	Score	Multiplier	Max	
1. Press Releases					
Existence	1 = Yes, 0 = No	1	2	2	
Number of days since last updated news	See note 1	1	1	3	Note 1: Press Release
2. Unaudited Latest Quarterly Result (3 = updated on the date of investigation)					
Existence	1 = Yes, 0 = No	1	2	2	2 = 1 week or less before the date of investigation
With proper disclaimer	1 = Yes, 0 = No	1	1	1	1 = 2 weeks or less before the date of investigation
3. Stock Quote (0 = news is updated more than 2 weeks ago)					
Existence	1 = Yes, 0 = No	1	2	2	
Updated in how many hours	See note 2	1	1	3	Note 2: Stock Quote
4. Vision Statement/Forward Looking Statement (3 = updated every hour or less)					
Existence	1 = Yes, 0 = No	1	2	2	2 = update every day or less
Proper disclaimer	1 = Yes, 0 = No	1	1	1	1 = updated every week or less
Charts of future profit forecasts/trends	1 = Yes, 0 = No	1	1	1	0 = updated every week or less

Appendix 3.

The Technology Index of Internet Disclosure Instruments

<i>Index Items</i>	<i>Explanations</i>	<i>Score</i>	<i>Multiplier</i>	<i>Max</i>
Download Plug-in On Spot	1 = Yes, 0 = No	1	2	2
Online Feedback	1 = Yes, 0 = No	1	2	2
Use of Presentation Slides	1 = Yes, 0 = No	1	2	2
Use of Multimedia Technology	1 = Yes, 0 = No	1	3	3
Analysis Tools	1 = Yes, 0 = No	1	4	4
Advance Features (XBRL)	1 = Yes, 0 = No	1	5	5

Appendix 4.

The User Support Index of Internet Disclosure Instruments

<i>Index Items</i>	<i>Explanations</i>	<i>Score</i>	<i>Multiplier</i>	<i>Max</i>
Help and Frequently Asked Questions	1 = Yes, 0 = No	1	2	2
Link to Home Page	1 = Yes, 0 = No	1	1	1
Link to Top	1 = Yes, 0 = No	1	1	1
Site Map	1 = Yes, 0 = No	1	2	2
Site Search	1 = Yes, 0 = No	1	2	2
Number of Clicks to get to Financial Info	See note 3	1	1	3
Consistency of Web Page Design	0 = poor, 1 = fair, 2 = good	1	2	4

Note 3: Number of Clicks to get to financial Info
3 = 1 clicks
2 = 2 clicks

SUSTAINABILITY AND GROWTH: A FRAMEWORK FOR CHANGE

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ABSTRACT

It is established that organizations need to continually change in order to survive and to grow. At the same time, there is a struggle to decide the elements and order of changes that would lead to a path of continued sustainability and growth. This struggle stems for the fact that at each phase of a decision making process, there are numerous nondeterministic choices and the certainty of success is influenced by many external factors. In this paper, we present the pressing need for change for organizations and the options available at each stage, and provide a definite framework leading to successful options. External factors affecting an organization include market forces such as, competition, user demand, suppliers, political forces, legal, and environmental changes. These in turn influence internal efficiencies of its components: divisions, product lines, and Strategic Business Units- grouped together as Value Components (VC). Our model is generic and applies to all industries. This paper elaborates on issues and knowledgebase required for critical VC of a corporation, and on understanding the limits of efficiencies that can be achieved. The conceptual framework that emerges from the model provides systematic guidelines for critical decision making and can be used for strategic planning.

INTRODUCTION

In general, organizations understand the market forces that include, competition, user demand, suppliers, political forces, legal, and environmental changes that affect them (Porter, 2008). This is not always the case when internal efficiencies of an organization's components, such as, departmental divisions, product lines, and Strategic Business Units (SBUs) are considered. In this paper, we will refer to all of these as Value Components (VCs). Added to the usual puzzle is the inconsistency between the components and their success stories. This paper provides a conceptual framework for progress of all the components of an organization: those that are successful as well as those failing in their goals. The failing VCs are most often attributed to either the lack of proper managerial skills or to outdated competencies. Other factors point to use of inefficient technologies by the division, incompetent staff, or simply a better product by a competitor. Additionally, complexities such as issues of pet divisions, preferred products, and proximity to executives hinder the management from recognizing its own shortcomings.

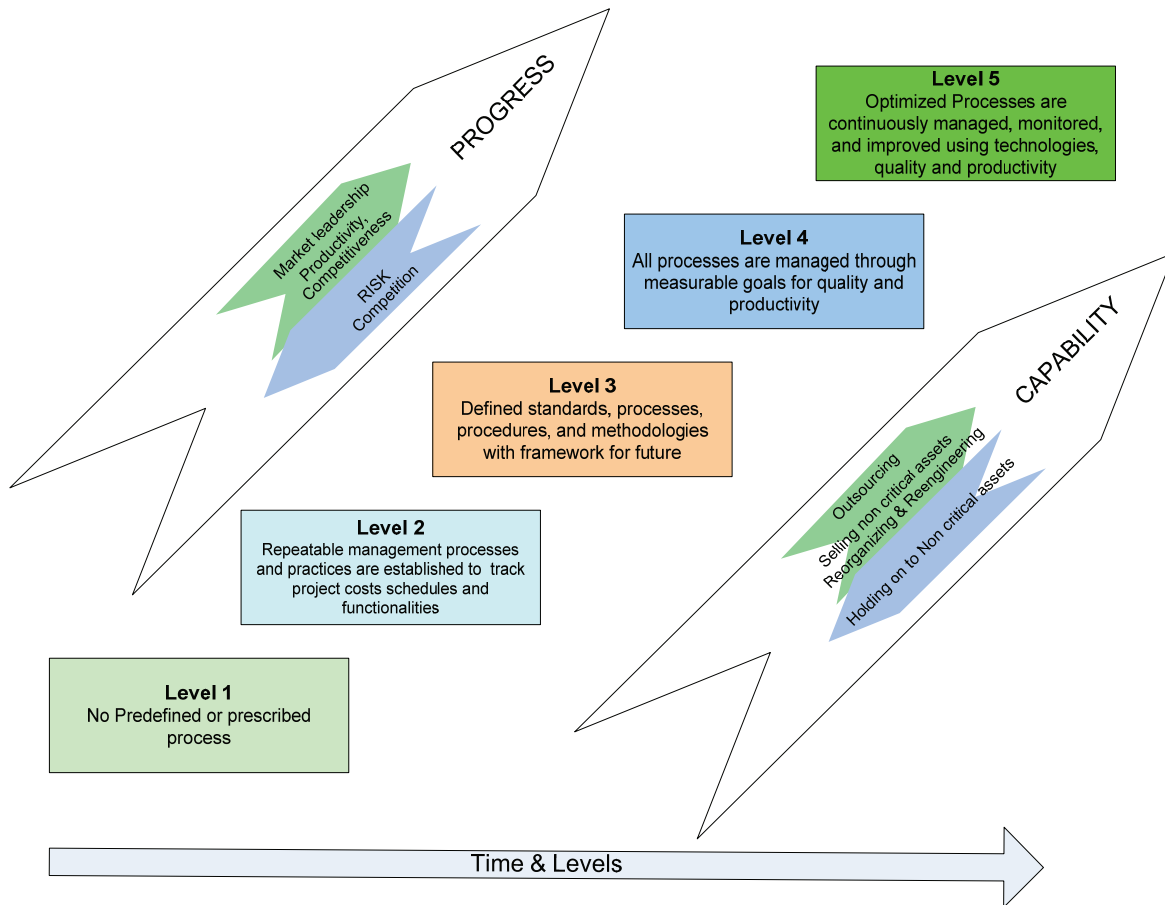
As a result of such complexities, often times, the VCs are not targeted for improvement or increased efficiencies. In other situations, after consistently failing to fix certain aspects of a process, an organization keeps the processes in-house, tolerates the failing process, and justifies it by naming it critical. It is not surprising that in such a scenario, a profit center turns into a cost center over time.

There are two central issues that underline the choice of competitive strategy (a) attractiveness of industry for long-term profitability and factors that determine it – failing and failed VCs are nothing but drag, and (b) relative competitive position within an industry (Michael E. Porter 1998). A failing VC does not add to operational effectiveness and operational effectiveness although necessary for superior performance, is not sufficient (Michael E. Porter, December 1996).

At a macro level, after scaling the VCs on success factors, all organizations have certain options to enhance growth: (a) to merge with another organization, (b) to sell nonperforming assets to other companies by flouting into smaller VCs, (c) to control costs by outsourcing non-critical functions,

or (d) to reorganize and reengineer critical functions for essential VCs. From a strategic point of view, we present a model that provides a conceptual framework for an organization to follow in order to survive, succeed, and to become an industry leader.

Figure 1: The Capability and Progress Model



THE CAPABILITY AND PROGRESS MODEL

We begin by presenting our model, “The Capability and Progress Model”, which introduces a concept that defines and categorizes capabilities of any given organization, a VC or a division. It also provides a snapshot of its location on the progress path vis-à-vis the top leadership in industry. Our model presents five levels of capability that can be applied to functions, processes, and competencies for any organization. Using this model, an organization can classify itself or its components anytime. Based on competencies, productivity, and market leadership the model begins by identifying where a process or a VC can be classified within the five defined levels of capabilities. Higher levels represent increasing competencies, productivity, and market leadership. In addition, progress to a higher level ensures lower risks and fewer competitors as compared to the lower levels. By applying this model, one can categorize capabilities of an entity within an organization and map the path to maintaining or enhancing competitive advantage. Strategically, it also defines the risk factor associated with each of the five levels.

We now identify the characteristics of each level that enable us to map five categories of organizational capabilities.

Level 1: A Startup, novice organization or division with new resources and products.

At this level, a new organization or a division has inadequate experience and limited procedures. Its experience is in people, that is, if the workers have had prior, similar experiences; otherwise it is an experimental undertaking. Organizations have the maximum risk at this stage since the outcomes are not definite. A major effort is put into establishing departments, products, and/or in creating its identity. Therefore, new methods and procedures are created and executed dynamically. Methodologies and procedural executions may vary among its workers. There is no practically defined separation or integration of duties and resources.

Level 2: An established organization or VC of a big organization.

At this level, having handled a set of situations, the workforce generally knows how to proceed, given a particular scenario. Not that there are no new challenges, but there is certainly some semblance of experience and familiarity to the current processes. At this stage a given organization starts to create a set of methods for tracking, costing, and scheduling of tasks. The processes are repetitive with no change. Any new processes and functions face challenges similar to the once in level 1. At this level, any integration is ad hoc and informal, with few or no ground rules laid down. Growth may be steady but often suffers from awkwardness in dealing with outsiders and from lack of internal coordination. Entrepreneurial skills are gradually replaced by more professional management techniques and skills.

Level 3: An adept organization or VC of a big organization.

At this level all known processes are defined with set standards in place. The methodologies are developed and are strictly adhered to, when resolving a problem or while mapping a solution. The methodologies provide guidelines and flexibilities to resolve unknowns and any new issues that may arise. There is cohesiveness between functional units that provides for aptness towards integrating the various units.

As the market forces notice the emerging competition, the environment and factors change for each player. Therefore an organization categorized in this level is, inherently, in a highly unstable state, and is truly volatile at any given instance in time. This stage requires careful analysis and support for growth and investment to move to next level. A good example of an organization in this stage would be The Chemical Bank as it was in the early 1990s. It evolved to a new level when its leadership took bold steps to acquire MHT and Chase Banks (J.P. Morgan Chase & Co. 2001).

Level 4: A Quality organization or VC of a big organization.

An organization categorized at this level has measurable goals and implementation of controls that lead to creation of products and/ or services that have the highest quality. Well established processes create the most efficient methods for productivity and quality gains. An organization at this level has mastered its environment and is serving the needs of its clients. Top teams in the industry are in control and have experienced leaders and processes in operation. At this level, external factors and organizational strategy play an essential role in staying ahead of the competition. The challenge is to learn, create, and adapt the strategy to withstand on going variations in the business environment and the rise of any new competition.

Level 5: A Leader organization or VC of a big organization.

At the leadership level, adapting and learning from measurements of level 4 are complete and a continuous improvement process for the most recently created and enhanced capabilities are instituted. Strategic changes are made as and when needed and operational-ized.

Being in the forefront creates its own risks. Even so, overall, the competitiveness of a company at this stage is unquestionable as an industry leader. To stay at this level, an organization needs to create, dissolve, and/or re-architect its capabilities incessantly. An ability to sustain a position as an industry leader depends on the organization's ability to invent and create new products, integrate these products with processes, realign process to meet the changing needs of the organization, as well as the capability of demonstrating sustentative and repeatable successes. The new products and processes define a competitive advantage and set a target for other organization to follow. The result is a creation of a leader in the industry. IBM and GE are prime examples of organizations that have carved a leadership role in their respective industries (The McKinsey Quarterly, August 2005). These organizations have advanced level of unit integration and knowledge bases that are extensively utilized.

In recent years, companies are managing their activities and relationships with suppliers as network, rather than production lines. By doing this, the companies have swapped their tightly coupled processes for loosely coupled ones, thereby, gaining much needed flexibility, and improving their performance in the bargain. The CPM framework once applied, and implemented will enable organizations to shortlist areas and processes that can be outsourced, sold, or reengineered, not only for survival, but also for sustained growth. As a recent trend in many sectors, organizations are making headway in the market place by combining the most usable and the best of VCs available from different suppliers. For example, organizations such as E*Trade, e-banking, and financial organizations without a banking infrastructure are have entered into the banking business. They have combined the power of special product-focused companies, such as Internet Service Providers, standalone ATMs, and credit cards.

THE CAPABILITY AND PROGRESS MODEL RESPONSES

(a) Which function should an organization outsource? And why?

An organization needs to evaluate its internal non-core functions in comparison with other companies that have those functions at the core. The organization should take a seriously look into outsourcing the non-core functions. Examples of such functions include, employee compensations such as salary, health insurance, retirement, benefits, and other HR related activities, that are essential and are required by all organizations. These functions are non-core for most organizations. As an explicit example, let us consider an organization like ADP that has these functions at its core. ADP proves to be a good example because it also leads the market with the widest range of HR related business process and management services that require extensive processing and recordkeeping. Once the organization decides to outsource its HR functions, for example, to ADP, the organization will gain productivity in that locale perhaps of level 4 or 5. ADP will bring to its customer (that is the said organization) its extensive experience, high productivity, use of latest technologies and best practices, and knowledge of regulatory requirements.

(b) When should a division or VC of an organization be sold or separated as an independent organization?

Successful organizations usually develop capabilities and expertise in areas that become an envy of others. If strategically speaking, the division is no longer at the core of the business and the CPM model suggests that it is at a low level of capability then this division/VC can be subdivided. This divided or separated division will get benefit, from unrestricted competition, exposure to different clients, higher volume, among other factors. Organizations can leverage certain to achieve the maximum benefit such as, selling to an other organization, or rolling out as a separate organization. Some examples of these kinds of transactions in the market place in recent years are:

- IBMs rolling out of its laptop business to Lenvo and,

- breaking up of AT&T into smaller bells.

(c) When must an organization buy another company to supplement its processes?

As is the case in selling non-core divisions, the organizations can also benefit by buying units of other organizations for improvement of its core functionalities. This will bring in extra business, expanded functionalities and improve workings by enhancing capabilities. Therefore organizations can this as a strategy to strengthen their core business. The CPM model can help in evaluating the stage of business being bought. For example, IBM has many well developed products such as Websphere and DB2 in its arsenal. These products are also at a very high level in the CPM ladder. IBM bought a DB company called Informix to gain added level of maturity in the RDBMS space, and supplement its cutting edge technology. Additionally, it provided IBM DB more marketability. (Analyst, Computerworld Website).

(d) When should an organization enter into strategic alliances for product development?

If a certain product is sought by more than one organization as a core for expansion and the organizations alone lack capabilities to produce such a product, it makes strategic sense for organizations to join together. This way the organizations can bring in their niche capabilities and create a better product at lower cost and better functionalities. For example in the computer industry, it is not uncommon for companies to collaborate in order to face a common competitor by creating a new line of product. As an example, IBM and SUN collaborated for creating the open standards for JAVA to challenge the supremacy of Microsoft products and the rise of .Net architecture (SUN-IBM press release, website).

(e) When should an organization enter into alliances to boost its chances of survival?

The CPM a facet for an organization can evaluate itself and devise strategies for survival. Making alliances is a powerful strategy that can be evaluated using CPM and allows companies to cooperate in producing certain products or combining their products to strengthen offerings. Among other things, a lack of, or a need of resources by organizations is usually one of the prime reasons for building alliances. In the Airline industry for example, small carriers have combined to form a number of worldwide alliances. In this case the alliances have given the organizations the look and feel of a bigger airline, with a larger number of routes, combined service desks, and single booking system. All this adds to a public perception of oneness (Star Alliance).

(f) Why should a processes or a VC be kept under an organization's wings?

The CPM model provides organizations a roadmap that answers its most strategic questions such as, how to evaluate its divisions and products and which ones of these should be nurtured grow, and which ones should be let go. Each of the divisions product lines need to be periodically evaluated by looking at the necessities, criticalities and functions. Ones evaluated, based on the market conditions, costs and availability, the results can point to the beneficial possibilities leading from outsourcing sale, or a possible spin-off (Gartner, Inc, 2003), (Martha Craumer, 2002), (Sidney J. Baxendale, 2004).

It is clear that the results originating from the CPM model can help organizations in creating and implementing corporate strategies.

CONCLUSIONS

Michael E. Porter, in his famous book, “Competitive Advantage: Creating and Sustaining Superior Performance”, notes that competition is at the core of the success or failure of firms. Competition determines the appropriateness of a firm’s activities such as, innovations, a cohesive culture, or implementing appropriate change and can contribute to its performance. This paper adds to the list of activities that can contribute to an organizations performance- having knowledge of, and keeping what is an important or a critical VC for a corporation, and understanding the limits of efficiencies that can be achieved. The strategy created by this will enhance an organization’s favorable competitive position in an industry. The implementation of the CPM framework will also help in establishing a profitable and sustainable position against the forces that determine industry competition. It will make the firm more attractive for long-term profitability as the risks are distributed and efficiencies are maximized.

As further work in this area, we will continue to develop implementation strategies for the CPM framework as well as measurement matrices for evaluation of different industries. As an extension, methodologies for execution of outcomes from our model can also be developed.

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BIOGRAPHIES

Mr. Sanjiv K Sharma: He has over 28 years of global professional experience working with major fortune 100 global organizations. He has developed and implemented successful business & technology strategies to improve operational efficiency, and has implemented complex business solutions for Financial, Media, Hospitality and Pharmaceutical Industries. Sanjiv is a management consultant and an adjunct professor at Fairleigh Dickinson University in New Jersey. He teaches courses in management, information systems, and e-commerce.

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THE ASSOCIATION BETWEEN MARKET DETERMINED AND ACCOUNTING DETERMINED RISK MEASURES AND INCOME REPORTING UNDER INTERNATIONAL GAAP

Mostafa A El Shamy, Kuwait University
Aisha Al Kandary, State Bureau of Accounting Kuwait
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ABSTRACT

This paper examines the association between the accounting determined and market determined measures of risk using a sample of Kuwaiti firms that follow the International GAAP in the preparation of their annual financial reports. The results revealed that: (1) variability in earnings, the ratio of working capital to total assets, and accounting beta, as measures of accounting risk, explain about 60 % of the variation in the company's market determined risk measured by beta. (2) The most significant variable that affects the market beta is the variability in operating income which explains 48% of the variation in the company's market determined risk. (3) Using operating income in measuring variability in earnings explains more of the variability of market determined risk than the use of net income. The results has an important implication for reporting income numbers under the revised IAS 1 that does not require the separation of operating income numbers from nonoperating numbers

PROFIT EFFICIENCY AND PRODUCTIVITY OF VIETNAMESE BANKS: A NEW INDEX APPROACH

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ABSTRACT

In this paper we attempt to bring profit-efficiency measures into line with the traditional index approach by introducing a method to incorporate directional distances into profit efficiency and productivity indices, that is, measures as a proportion of full efficiency. It develops the new method utilising the Euclidean distances in the input-output space. In particular, it firstly shows that the Euclidean distances are proportional to profit differences and constructs index number formulas measuring technical efficiency, allocative efficiency and profit efficiency. Unlike the Nerlovian approach, the allocative efficiency index is explicitly derived rather than implicitly determined. This new approach avoids the problem of negative profits, which is inherent in the widely used approach of normalising with a profit level, and it also provides measures that are bounded between 0 and 1 in line with the traditional concept of efficiency indices.

We also introduce a profit-oriented productivity index, in a ratio form, that is consistent with the new efficiency indices. It contrasts with the available Luenberger productivity indicator which is consistent with the Nerlovian efficiency measures. The productivity index is then decomposed into pure technical efficiency index, scale efficiency index and technology-change index. This new method is applied to the analysis of the profit efficiency of the Vietnamese banking sector. Importance of an efficiently operating banking sector to the health of the whole economy could never be over-emphasised for any country, but the Vietnamese banking sector is especially of interest since it has been undergoing a rapid reform process for the last two decades following the introduction of the reform package known as Doi Moi (renovation). It has been changing from virtual nonexistence where all financial matters were tightly controlled and operated by a single central bank (State Bank of Vietnam, SBV) to a two-tier system where commercial banking functions were transferred to a few state-owned commercial banks in the late 1980s, and then to a more liberalised and privatised banking sector since the early 1990s where tens of joint-stock commercial banks, that are jointly owned by the state and private owners, and foreign bank branches are operating.

The Asian financial crisis has provoked the introduction of further measures in the late 1990s and early 2000s, speeding up the reform process. So, it is about the right time to examine the effectiveness of the reform policies on the efficiency and productivity of banks and to review the policies with a view to possible adjustments. Given its importance, it is surprising to find that there exists only one study on the efficiency of the Vietnamese banking sector. Nguyen (2007) uses an input-oriented DEA model to analyse the cost efficiency of 13 banks over three-year period between 2001 and 2003. The present paper is different from Nguyen (2007) in two important aspects: one is that it analyses a more comprehensive data set covering a group of 56 banks (including 5 state-owned commercial banks, 30 joint stock commercial banks, 4 joint venture banks, and 17 foreign bank branches) over the seven-year period 2000-2006, and the other is that it uses a more advanced methodology to analyse profit efficiency using the directional distance function.

The analysis shows that the five largest state-owned banks are most technically and allocatively efficient, but their scale efficiency is the lowest among the different groups and it consistently deteriorates over the sample period. The most successful group, in terms of productivity improvement, appears to be the group of foreign banks. Their technical efficiency and the growth rate of technology are better than any other

groups except state-owned banks, resulting in the highest improvement in overall productivity over the sample period. For all groups, the main source of profit inefficiency is allocative inefficiency. When measured in terms of forgone profits, the effect of allocative inefficiency is more than sixteen times the effect of technical inefficiency. The effects of the two regulatory constraints are found to be insignificant both in size and statistical sense.

Policy implications of the findings are that i) Policies that would result in the expansion of the size of state-owned banks would lead to significant decrease in their productivity due to deteriorating scale efficiency; ii) To support the viability of small joint stock banks, measures should be directed towards promoting expansions of their business areas and sizes, possibly through mergers, so that both allocative efficiency and scale efficiency can be improved; iii) Main reasons for the poor performance of joint-venture banks, especially compared with foreign banks, should be carefully analysed and relevant measures should be taken to improve productivity; iv) The capital-adequacy constraint does not impose significant restriction on productivity, and hence it should be more strictly applied to enhance the stability of the financial system.

KEYWORDS: Efficiency, Productivity, Directional Distance, DEA, Banking

JEL: C43, G21

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BUSINESS ECONOMY PROFILES OF FINANCIAL DIFFICULTIES IN LOCAL ITALIAN CORPORATIONS: FROM DEFAULT TO FINANCIAL RENEWAL

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ABSTRACT

In the last few decades, the process of transforming the public sector into corporations has led, in the viewpoint of managerial renewal, towards the concept of economic responsibility and in the direction for the attainment of higher levels of quality and efficiency. The need to rationalize public spending has forced local corporations to provide themselves with the implements of planning and controlling management aimed at avoiding taking on expenses exceeding their available resources, and thus leading to situations of deficit with warning signs of financial difficulties. To that purpose, article 244 of the Legislative Decree 267-2000 provides that whosoever is in a state of financial difficulties, if the corporation, municipality, or province cannot guarantee the performance of the works and indispensable services, or there exists towards the local corporation an escrow, that it cannot be effectively met, neither by ordinary means of the restoration of the redressing of the balance, nor with the extraordinary acknowledgement of an unbalanced debt. The purpose of this work is to carry out an inquiry on the phenomenon of financial difficulties of local corporations in Italy, trying to individualize the causes and possible remedies.

INTRODUCTION

Every corporation, to reach its objectives and to guarantee its own survival, must orient its actions towards to attainment of an equal balance between costs incurred during the supply and transformation phases, and the proceeds obtained during the trading phase (Antoldi F., 2005). A balanced management, economically and financially, is not exclusively the prerogative of the private corporation, but is also indispensable for public corporations, because they can attain their objectives and endure in time only if they can reach and maintain a healthy balance between wealth consumed and wealth produced (Borgonovi E., 2006).

Therefore, even in Local Public Corporations, it is legitimate to affirm that the primary objective is the attainment and permanence over time of an economic balance, which is, in truth, often difficult to measure. The difficulty in clearly representing the condition of balance of local companies derives from the fact that public reality does not always have a direct compensation for the services supplied. The characteristics of public corporations are connected to the fact that the products of the activity of the public administration are yielded, in their entirety or in part, without a direct economic compensation (price), or behind compensation that is clearly inferior to that which would result from normal market negotiations (tariffs, political price). For said motives, one speaks of the placement of goods and of public services at political prices (Monteduro F., 2006).

The concept of economic balance does not have the same significance for public corporations and those for profit, inasmuch as it cannot be given as in the private sector exclusively from a cost-pay-off relationship, but must be supported by the creation of value understood like the capacity of the local company to satisfy the interests of the community administered (Jannelli R., 2007).

The activity of public administration is efficient if it is able to carry out a public service that is able to satisfy the demand in a quantitative and qualitative aspect, with short production times and with a territorial distribution of the service that corresponds to the location of the consumers.

With reference to the concept of effectiveness, there is a distinction between internal and external effectiveness. Public management has internal effectiveness, that is, relative to the processes of internal management, when results from the activity are accomplished that are consistent to pre-arranged objectives. External effectiveness, inasmuch as it is projected externally from the corporation, is defined as the correspondence between planned objectives and social needs. The concept of balance coincides with the capacity of the public corporation to satisfy the needs of the referential community. Financial balance is determined by the capacity for the corporation to fulfill their own financial commitments for the payment of debts with liquid financial means or with the collection of their own credits (Sargiacomo M., 2005).

THE FINANCIAL RECOVERY OF LOCAL PUBLIC CORPORATIONS

Article 244 of the Legislative Decree No. 267 of 2000 provides that whosoever is in a state of financial difficulties, if the corporation, municipality, or province cannot guarantee the performance of the works and indispensable services, or there exists towards the local public corporation an escrow, that it cannot be effectively met, neither by ordinary means of the restoration of the redressing of the balance [article 193 T.U.E.L (Consolidated Laws of Local Corporations) 267-2000)], nor with the extraordinary acknowledgement of an unbalanced debt (article 194).

In chapter II of title VIII of the Consolidated Law, all the norms that discipline the difficulties are followed to bring the corporation to financial recovery through the zeroing of prior debts (past debt is intended as the sum of the administration deficit from the final account of the last practice before the deficit and the debts over budget, accrued before the year regarding the deficit, recognizable for being accountable to the institutional aims of the public corporation), therefore returning to the condition of a "healthy" corporation. The various modifications brought forward during the years to the procedure of financial recovery of local public corporations have been finalized to move the difficulties closer to the exam procedures of a civic nature, even if, in the discipline in which it deals, the aims are different from for example bankruptcy, in which the need to carry out equal treatment between the creditors dominates. In cases of difficulty, as a matter of fact, even though the need to safeguard the creditors from the corporation is felt, one needs to always consider the necessity to reassure the continuity of business towards the municipality in spite of the grave state of crisis, inasmuch as the economic-financial imbalances that caused it cannot lead to a forced closure of the corporate activity (Cimbolini L., Moriconi A.M., 2008).

The local public corporation cannot cease to exist as a simple private company and, to be able to guarantee the administrative continuity, the declaration of difficulty creates a break between the past and the future. All that is relative to before, including active and passive surplus not already tied up, is extrapolated from the municipal budget and passed to the extraordinary liquidation management, which has the competence in relation to all the debts correlated to the acts and facts by the 31st of December of the previous year, to that of the estimate of a balanced budget, even though subsequently ascertained, even with judicial measures.

An appropriate body- composed of three members in corporations with more than 5000 inhabitants and of one member in those with less- appointed by decree by the President of the Republic, deals with the past and the present, for the ministerial approval of a plan of execution with which the pathological situation that created the difficulty is brought to zero. The corporation with a balance estimate starts a new financial and administrative life free from the burden of the past and with a renewed balance that corresponds to all the principles of a proper and efficient financial administration.

The corporation in difficulty is obliged to approve the new budget, assessed by the Ministry of the Interior, based on the elevation of their own revenue to the maximum level allowed by law, to be consolidated for the subsequent four budgets, on the contrast of evasion and on the containment of all the

expenses with the contextual enactment of available excess personnel certain parameters fixed by the law based on population and demographic range of affiliation. The local public corporation is moreover obliged to contribute to the honor of the liquidation in particularly with the alienation of the assets available not necessary for the enterprise in the institutional functions, the destination of the administrative surplus of five years starting from the year of the difficulty, and the reduction of a loan for which its own budget is responsible (Cavallini Cadeddu L., Gallo C.E., Giusti M., Ladu G., Lupò Avagliano M.V., 2004).

THE ACTIVITY OF THE LOCAL ADMINISTRATION FINALIZED TO FINANCIAL RECOVERY

Within three months of the enactment of the Decree of the President of the Republic, named the Extraordinary Body of Liquidation, the Corporation Council is obliged to deliberate and present to the Ministry of the Interior, a well-balanced budget estimate. The deadline of three months is peremptory and the lack of compliance is considered a serious violation of the law and as such sanctioned with the dissolution of the municipal council. For the corporations in which administrative elections have been called, the deadline for the presentation of the budget estimate is suspended from the date the election rally is called until the inauguration of the executive body. The budget estimate must refer to the financial year subsequent to that in the course of which the difficulty has been declared if, for said year, the budget plan has been effectively approved for the financial year.

Where the budget plan for the subsequent financial year has already been approved, the relative deliberation must be revoked. In such cases, instead, from the date of the declaration of difficulty, if the budget plan for the current financial year has not yet been effectively approved, the well-balanced budget estimate must refer to the current fiscal year. In this case, following the declaration of the difficulty, and until the enactment of the decree of approval of the well re-balanced budget estimate, the terms for the deliberation of the budget are suspended. It often happens that, as in the situations mentioned above, given the times technically necessary, the budget estimate is approved by the corporation at the end of the year, even sometimes during the subsequent financial year, constituting, in fact, more of a balance sheet than an estimated budget plan. Nevertheless, even in such cases, the estimate must refer to the financial year in which the budget plan has not already been approved, even if the actual effects of the re-balancing maneuver will fully reflect only on the budget of the subsequent financial year.

Therefore, it is particularly important that, in order to demonstrate the validity of the measures adopted, that an accurately edited estimate of a multi-year budget is also included with the estimate of the annual budget, including the structural and steady effects of the adopted maneuver. The corporations must, therefore, pay particular attention to the specification of the financial year referred to the estimated balance, these being the terms of reference for the definition of the responsibilities attributed to the Extraordinary Body of Liquidation, that, as is well-know, refers to the acts and facts of the management to be verified by the 31st of December of the preceding year to that of the well re-balanced budget estimate. From the year of the estimated budget, there passes a period of five years from the recovery of the corporation in financial difficulty, as in article 265 Comma 1 of the Consolidated Law.

The well re-balanced budget estimate edited on the base of a model budget plan, in respect to the same principles and equipped with the same planned inclusions for the budget plan, is called an "estimate" in that it must prove that the movements made on the income and of charges, carries out an effective re-balancing of the budget. On the basis of the definite estimate approved by a decree, the corporation will have to then approve the budget plan. The budget estimate carries out the re-balance through the activation of its own income and the reduction of current expenses (Danielli E.K., Pittalis M.G.).

In another financial factor of the financial management, the corporations in which claim transfers result under the mid range, request, with the presentation of the estimated budget, as provided for by article 259,

comma 4 of the Consolidated Law, state contribution adjusted for the mid range. These corporations are authorize to provide the well re-balanced budget estimate, the claim contribution for the alignment to the mid range, calculated according from the cited 259 comma 4 (Table 1).

Table 1: Corporations that have declared difficulties and loans authorized at the expense of the state

Regions	Number of corporations that have declared difficulties	Loans authorized at the expense of the State	Percentage of the total loans	Contributions adjusted to the national average	Percentage of the total contributions
Abruzzo	17	22.929.333,82	1,85	89.018,30	0,21
Basilicata	19	45.776.300,99	3,70	-	-
Calabria	126	197.992.334,89	16,01	932.719,41	2,13
Campania	111	750.080.942,60	60,64	35.576.847,09	82,16
Emilia Romagna	8	6.053.227,71	0,49	72.850,45	0,17
Lazio	37	49.497.254,72	4,00	3.256.293,00	7,52
Liguria	3	1.510.840,74	0,12	40.834,68	0,10
Lombardia	14	3.463.945,19	0,28	364.573,37	0,85
Marche	6	3.199.904,66	0,26	94.601,92	0,22
Molise	12	3.901.767,24	0,32	157.162,37	0,37
Piemonte	5	468.478,16	0,04	102.732,23	0,24
Puglia	35	59.439.302,71	4,81	321.555,23	0,75
Sardegna	3	7.532.209,61	0,61	911.889,32	2,13
Sicilia	24	51.690.322,35	4,18	733.010,46	1,71
Toscana	4	4.268.230,92	0,35	-	-
Umbria	4	10.994.289,83	0,89	54.536,64	0,13
Veneto	3	18.208.663,15	1,47	603.668,16	1,41

Source: Ministero dell'Interno anno 2008 (Ministry of the Interior year 2008)

The intervention of the State to cover the deficit of the corporations in difficulty amounts to over 1, 237, 007, 349 euro, while the total corresponding contributions for the adjustment to the national average is over 44, 000, 000 euro.

Activation of Personal Revenue

The activation of personal revenue – oriented measures which the agency in financial difficulties is forced to adopt are provided for by article 251 of the Consolidated Law. In the first session successive to the declaration of financial difficulties, and at any rate within thirty days from the date of enforceability of the resolution of the difficulties, the Corporate Board is obliged to deliberate in regards to taxation and municipal taxes which are its own responsibility, the aliquot and basic rates in the maximum allowed measure. From taxation, which is its own responsibility, the tax for urban solid waste disposal is excluded, for which the determination of the tariff is provided for by a measure adopted annually depending on the service management costs.

As regard to the communal tax on real estate (I.C.I.) the agency must deliberate the 7% maximum aliquot. The duty to deliberate being understood, as regards to taxation which is its own responsibility, the tariffs or base aliquots in the maximum measure, the agency can apply, in accordance with its authority and within the limits fixed by law, possible extra charges, tax abatements, and facilities provided for by the law in force.

The resolution of the tariffs and aliquots is not revocable and it is effective for all the period of the balancing. During the whole period of the balancing, the corporation, moreover, is obliged to deliberate, for possible taxes established successively to the declaration of financial difficulties, the aliquots and base tariffs in the maximum allowed measure.

Within thirty days of the declaration of financial difficulties, the corporation must adopt, for the year to which the estimate of a permanently-rebalanced budget is referred, the resolutions relevant to:

- The fixing of the tax for solid urban waste disposal such as to assure on the whole a covering in full of the service management costs;
- The fixing of the rates for waterworks service such as to assure the covering of the whole management cost, with its rate proportionally not lower than 80%, as provided for by article 243, paragraph 2 of the Consolidated Law.;
- The fixing of the fees for sewerage system and purification services in the maximum measure allowed by law in force;
- The fixing of the taxes for the others productive services in the maximum measure allowed by law in force;
- The fixing of the property tax in the maximum measure allowed by law in force;
- The fixing of the taxes for individual request services such as to assure the whole management cost, with rate income and with contributions, at least in the measure of 36% as provided for by article 246, paragraph 2 of the Consolidated Law.

During the whole period of the balancing, the corporation must fix the tax for the urban waste disposal, the productive services and the individual request services, with the same duties provided for the year to which the estimate of the balance is referred, on the basis of the management costs of the respective services foreseen by the management of reference, let alone the property taxes in the maximum measure allowed by law in force. The relevant resolutions, for the years following to the first, must be adopted in ordinary terms fixed by law in force.

The resolutions to fix the rates, the taxes or the contributions, referred to taxation income, adopted according to paragraphs 1, 3 and 5 of the quoted article 251, must be transmitted to the Ministry of the Interior within 30 days of the date of adoption; non-adoption implicates the suspension of the revenue transfer.

The maneuvering of activation of personal revenue cannot be limited to tariffs, aliquots, duties and taxes in the maximum measure provided by law, but must be referred to the following phase of the income, of the tax assessment and collection. The corporation, in fact, according to article 259, paragraph 3, must reorganize the services of tax acquisition, adopting the appropriate actions to eliminate tax evasion and to ensure the actual assessment and the effective collection of taxes (Ministry of the Interior, Department for Internal and Territorial affairs, Central direction of the local Finance Office, Transfer Office to the local corporations and recovery of corporations in difficulty, 2008).

The Reduction of Running Expenses

To ensure a re-balance of the budget, the company needs to adopt a structural maneuver to reduce running expenses. To achieve this, the company should carry out a rigorous revision of the expenses, primarily the reorganization of services using efficiency criteria, eliminating waste, and diseconomy. Therefore, the company has to revise its financial facilities and eliminate, or at least reduce, every forecast expense where the aim is not an indispensable public service. The company will then have to check the economic-financial situation of companies, institutions and employees, as well as of special companies, by adopting the necessary provisions for potential respective reorganization, respecting the specific laws in place. In relation to staff expenses, the company must re-determine personnel, by declaring excess and by giving

the availability of those that are working despite the over staffing in the relationship of employees/population, the obligation to assess the compatibility of the budget remnants.

The other obligation regarding staff expenses is that of reducing the expenses of staff on short term contracts to no more than 50% of the average expenses, and for the last three years prior to which the estimate refers to. Naturally, apart from the specific obligations foreseen by the laws relating to difficulties, the company in editing the budget needs to scrupulously observe all the time at disposal in force in relation to expenditure, valid for all local companies, just as it must carefully verify compliance with normal accounting rules relating to the balancing of budgets, valid for all local companies, who, more importantly, must be respected by the entities that come from an established financial crisis and are forced to commence a new balanced management.

In the case where institutions are required to respect the rules of the Internal Stability Pact, the structural maneuver of a cut in expenses should be inspired not only by balancing the budget in terms of ability, but also to the future in relation to the rules of the Internal Stability Pact, in the same way it must take into account sanctions that may apply in the case of failure to comply with the rules of the pact in previous years. In drafting the budget, the company must also consider the resources to be devoted to financial recovery, the retrieval is entirely at the expense of the corporation (Spicaglia E.). It would therefore be convenient if, from the preparation stage of the predisposition of the estimated budget, the company adequately assess how ordinary or special resources are employed, which are to be allocated to rehabilitation, including provision, already for the fiscal year of reference of the estimate, any savings to be transferred to the Extraordinary Body of Liquidation, or identifying any non-essential assets to alienate or checking the capacity and possibility of debt.

Re-determination of the Staff Plan and Placement based on Availability of Redundant Personnel

In order to cut the current costs, the corporation, according to article 259, paragraph 6 of the Consolidated Law, before deciding the estimated budget, must re-decide as to its employees, declaring redundant the staff in service which turn out redundant compared with the employees-population average ratio identified according to article 263 of Consolidated Law. The population to take as a reference for the singling out of the demographic sector to which they belong is the one officially published by ISTAT (Italian Institute of Statistics) until 31 December of the second-last year antecedent the year of the estimated budget, as disposed in article 156 of Consolidated Law.

The accomplishment provided for by the quoted article 259, paragraph 6, is compulsory and the non-keeping implicates the notification to the Public Prosecutor's Office of the Audit Office by the Ministry of the Interior.

The keeping-on of the employee-population average ratio takes shape as maximum limit of the number of employees; in any case, the duty to verify the balance compatibility of the cost resultant of the re-determined number of employees still holds, as provided for by the same article 259, paragraph 6.

The only exception to this limit is provided for by the following paragraph 10 in the same article 259. Only for the corporations in financial difficulties in special statute regions and in the self-governing provinces of Trento and of Bolzano, for which the regions or the self-governing provinces can assume upon themselves the charges to cover the jobs in addition to that of the re-determined staff.

Re-determination of the staff must be inspired by principles of functionality and efficiency in the services supplied, assuring primarily the necessary ones, and treating with care that, according to article 267 of the Consolidated Law, during the whole period of the balance recovery, the increase of the re-determined staff is not allowed.

The employees declared redundant, according to article 259, paragraph 6, are obliged to be made useful as available, it being understood that every procedure provided for by the law in force concerning the over manning and labour mobility must be accomplished.

For the personnel employed as available, a contribution equivalent to the pay cost is earmarked to the corporation, from the Ministry of the Interior, from the effective date of the employment and during the whole length of the same. Therefore, the agency is authorized to put in the estimated balance this contribution for the foreseen cost for the available employees. The resolution for the re-determination of the staff must be passed to the Committee for Finance and the personnel of the Local Corporations to be approved.

The approval of the staff by the above-mentioned Committee is a necessary requirement to obtain the opinion in regards to article 261, paragraph 2 of the Consolidated Law, about the well re-balanced budget estimate.

Editorial Conditions of The Budget Estimate and Included Documentation.

The well re-balanced budget estimate is edited on the base of official models relative to the forecasted budget, approved by the D.P.R. of January 31, 1996 no. 194 observing the principles of the budget as to the article 162 of T.U.E.L (Consolidated Laws of Local Corporations: 1 -The public corporation annually deliberates the expected budget edited in term of competence for the next year, considering the principle of unity, annularity, universality and integrity, truthfulness, a balanced budget and advertising. The present circumstance, as in paragraph 6 of this paper, cannot show a deficit. 2- The total income, finances without exception, the total expenses, except that according to the law. 3- The time unit of the management is the financial year, that starts January 1 and ends December 31 of the same year; after that term it is not possible to make income verifications and expense engagements in account of the expired business. 4-All income is registered in the budget as gross of the collection expenses to be charged to public corporations and of other eventual expenses connected to it. Equally all the expenses are fully inscribed in the budget, without any reduction of the correlative income. The financial management is unique like the relative forecasted budget: management of income and expenses is forbidden if it is not in the budget. 5-The forecasted budget is done with respect to the principles of truthfulness and reliability, supported by feedback of a suitable time frame or, in its absence, of other appropriate standards. 6- The forecasted budget is decided in the total financial balance.

Moreover, the forecast of competence relative to current expenses added to the forecast of competence relative to the shares of the asset of the rate of amortization of indebted loans and borrowing together cannot be higher than the forecast of competence of the first three titles of the income and cannot have any other form of financing, except those approved by the law. Mountain communities should refer to the first two titles of the income. 7- The corporations assure the citizen and the participant organizations, provided for by article 8, the knowledge of important and typical contents of the annual balance and its attachments with the formality foreseen by the statute and regulations). The estimate, then delivered in the total financial balance and the current situation, as defined by paragraph 6 of the same article 262, cannot show a deficit. The estimate is approved by the Board of the Corporation or by the Commissioner elected as article 247, paragraph 3 of the Consolidated Laws and is accompanied by the documents expected from the Consolidated Law as included in the forecasted budget.

The submission to the Ministry is carried out by the deposit of the act and the relative decision of approval from the Financial Commission and the staff of the public corporation working at the Ministry, jointly with the following documentation:

- an estimated report giving consideration not only to the facts usually required for all the corporations, but also to the actual feasibility of the redevelopment objectives and demonstration of the feasibility of the services and the greater economy and efficiency that can be achieved;
- a report from the auditor or from the court of auditors on the estimated budget, in which, as well as the elements of evaluation provided for by all the corporations, must also express a comprehensive evaluation on the validity of the measures adopted by the corporation to rebalance the budget;

- a multi-year estimated budget, edited in conformity to the official model approved according to and due to article 160 of the Consolidated Law;
- documentation attached to the budget plan as provided for by article 172 of the Consolidated Law;
- a corporate report for the purpose of a preliminary investigation of the budget plan estimate from article 172 of the Consolidated Law,
- decisions regarding the re-organization of services;
- decisions about the re-determination of the staff plan and placement of available redundant personnel;
- attestation of the person responsible of the financial service of the corporation about the accordance to reduce the expenses for the personnel with fixed-term contracts in accordance to the measures provided for by article 259, paragraph 6, sub-paragraph of the Consolidated Law

Ministerial Measures on the Estimate

The Finance Committee and the bodies of the local public corporations take care of the preliminary investigation of the estimated balance and express, within four months from when it was received, an opinion on the validity of the measures arranged by the corporation to consolidate their own financial situation, and on the capacity of the same measures to ensure the stability of the financial management of the corporation. If necessary, it formulates preliminary investigative requests for the corporation, who is obligated to furnish clarifications and the supplementary documentation requested within the timeframe given. The Ministry of the Interior, in the event of a positive outcome of the examination from the part of the Committee, then approves the estimate by decree, and formulates possible limitations to which the local public corporation is obliged to adapt to. In the event of a negative outcome, issues a measure of negation of the approval limiting the local public corporation to present within the ulterior peremptory deadline of 45 days decurrent from the notification date of the measure, a new budget estimate appropriate for the removal of the causes that did not consent to a favorable opinion.

An unsuccessful approval of the new estimate has a definite quality. The ministerial decree that denies the approval leads, as a consequence, to the dissolution of the Corporate Council.

Approval of the Budget Plan and Recovery Period

Following the ministerial approval of the budget estimate, the corporation is obliged to deliberate, within thirty days from the notification of the decree, the budget plan of the enterprise in which the estimate pertains, as well as, within 120 days from the same date, other eventual budget plans or balance sheets not deliberated.

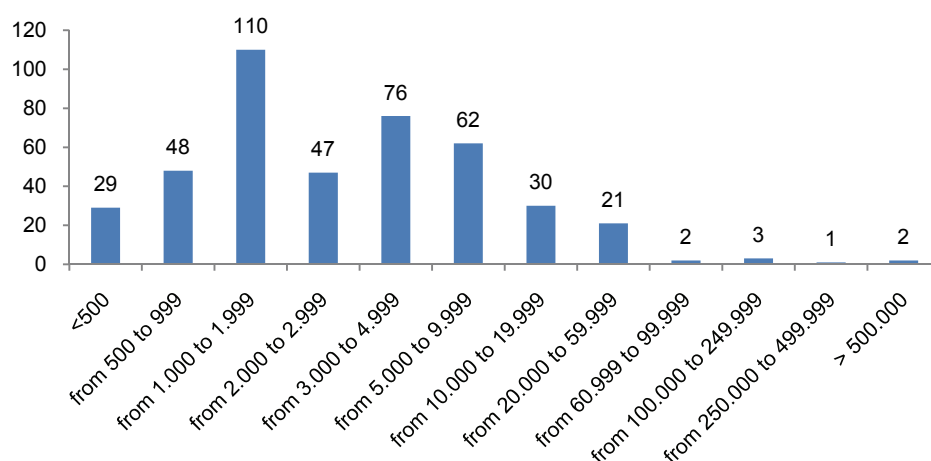
The maneuver of rebalancing adopted with the budget estimate must consolidate itself in the subsequent enterprises, in such a way as to ensure the corporation a stable and structured balance, avoiding the repetition of situations of debt or deficit. The recovery period of the corporation in financial difficulty is fixed, as a matter of fact, in five years decurrent from that for which the well re-balanced budget estimate is approved. During said period, the obligations relative to the application of the aliquots, tariffs and fees in the maximum measure are in force, the re-determined personnel cannot be varied by increasing it, possible limitations for the proper and balanced management of the fixed corporation with the decree of approval of the estimate are valid, and the maintenance of the treasury contributions are guaranteed.

The assurance that the obligations in force are respected for the entire length of the recovery period is entrusted to the reassessment body of the corporation, who is obliged to report quarterly to the Board of the Corporation about the implementation of the fixed limitation with a decree of approval of the estimate. Furthermore, for the entire duration of the recovery period, the corporation is subject to central checks in the area of personnel and the hiring of personnel and is obliged to present the certifications relative to cover services based on individual demand, waterworks services, and urban solid waste disposal services (Minerva V., 2007).

ANALYSIS OF THE VALUE OF FINANCIAL RECOVERY

Experiences of financial difficulty for local public corporations in the last ten years have involved only a limited number of companies (431) and was the expression of socio-economic and structural unease largely diffused in the southern regions of Italy where certainly in previous years local public corporations were mainly responsible for a more superficial and immoderate political-administrative management, and at the same time, were more penalized by the minor possibility of taking advantage of territorial socio-economic benefits. It was mainly small companies that declared financial difficulties, where a well balanced budget is immediately destroyed by the rise in off-balance sheet debts that often weigh down on the already high expenses for staff that in the majority of cases is much higher than necessary. There were, however, cases of financial difficulty even in large dimensions such as in Naples, Potenza, Benevento, Chieti, and Catania.

Figure 1: Distribution of the Organizations within the Demographic Classes.



. Source Ministero dell'Interno(Ministry of the Interior) 2008

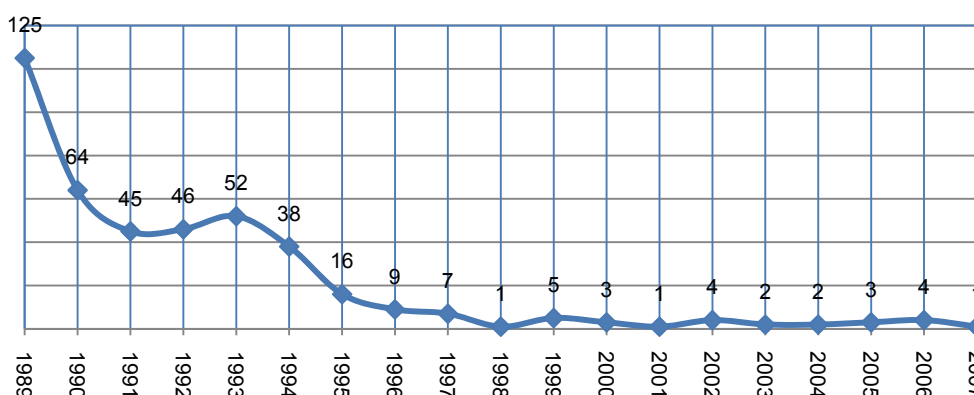
To better understand these phenomena the following graph (figure 1) shows the distribution of organizations within the demographic classes with a clear majority of organizations with less than 2000 inhabitants. Only about 5% of Italian municipalities had to declare the impossibility of achieving a balanced budget, and this data is comforting, above all if analyzed over time. In fact, in the first few years of legislation in place dealing with financial difficulty, there was a big boom in cases, and then, over time, declarations of financial difficulties have decreased as demonstrated by the following graph (figure 2).

The descending trend shows that in the first five years the legislation regarding financial difficulties was well accepted and it brought out the organizations with more difficult past situations and that would certainly have caused the economic-financial collapse of the administrative structure. Subsequently, the declaration of financial difficulty was adopted only in very few cases. This shows this is, and should remain, a tool to be applied only where a corporation is unable to manage the extraordinary nature of a budget imbalance where it necessary to turn to this law in order to restore the ability to offer their citizens the use of standard levels of municipal services.

The legislation regarding financial difficulty has allowed the municipalities, where it has been applied, to undertake a cultural revolution and a modernization of bureaucratic structures favoring the establishment

of trust and cooperative relations between Central Administration and Local Authorities. There are now only 15 municipalities that are technically "in financial difficulty" in the sense that the procedure was launched in the past five years, but getting out of the dry period often lasts longer than the five years foreseen by the law. Three municipalities (Roccabernarda and Umbriatic in Calabria, and Chiesi in Sardinia), although in financial difficulty for more than five years, have not yet submitted the plan of extinction of liabilities, which is the first step towards a return to normality, and another 45 are yet to return to normality. Therefore, in total 63 municipalities are still struggling with the procedure (Tables 2-3).

Figure 2: Evolution of Financial Difficulty in Italy in the Period 1989-2007.



Source: Ministero dell'Interno (Ministry of the Interior) 2008

Table 2: Corporations that have not presented a plan of execution (in grey, the corporations technically in financial difficulties that have declared so in the last 5 years)

Arpaia	Benevento	Pontinia	Latina
Enna	Enna	Ramacca	Catania
Gallodoro	Messina	Roccabernarda	Crotone
Lungo	Cosenza	Roccamonfina	Caserta
Malignano	Ascoli Piceno	San Procopio	Reggio Calabria
Mentana	Roma	Soriano Calabro	Vibo Valentia
Moschiano	Avellino	Taranto	Taranto
Paternopoli	Avellino	Chiesi	Sassari
Pignataro Interamma	Frosinone	Umbratico	Crotone

Source: Ministero dell'Interno (Ministry of the Interior), 2008.

The change of pace of municipal default has a simple explanation. Until 2001 failing had its conveniences, because in order to cover the holes the State would intervene with a mortgage, these days instead, failing harms all parties. The municipal employees (those in surplus in relation to the national average employee / population are made available), suppliers (the simplified procedure allows the closure by paying 40-60% of the debt) and the citizens, because the rates automatically jump to highest possible level. But even today municipal financial difficulties, be it declared or near misses, have not ceased to weigh on public finances. On the contrary

Table 3: Corporations that have not presented a balance sheet.

Collagna	Reggio Emilia	Formicola	Caserta
Nicotera	Vibo Valentia	Gerace	Reggio Calabria
San Gregorio d'Ippona	Vibo Valentia	Giardini Naxos	Messina
Sant'Angelo Le Fratte	Potenza	Ghibellina	Trapani
Summonte	Avellino	Guidonia Montecelio	Roma
Ucria	Messina	Isola Capo Rizzuto	Crotone
Acquaformosa	Cosenza	Limatola	Benevento
Arpaise	Benevento	Marchirolo	Varese
Benevento	Benevento	Martirano Lombardo	Catanzaro
Borgorose	Rieti	Mormanno	Cosenza
Camporeale	Palermo	Palagonia	Catania
Casalvieri	Frosinone	Pescopagano	Potenza
Casapesenna	Caserta	Raiano	L'Aquila
Casola di Napoli	Napoli	San Lorenzo	Reggio Calabria
Castel San Vincenzo	Isernia	San Mango d'Aquino	Catanzaro
Paulonia	Reggio Calabria	San Pietro Infine	Caserta
Crispano	Napoli	San Tammaro	Caserta
Domicella	Avellino	Satriano	Catanzaro
Faggiano	Taranto	Serrara Fontana	Napoli
Fardella	Potenza	Trevi nel Lazio	Frosinone
Feroleto Antico	Catanzaro		

Source: Ministero dell'Interno (Ministry of the Interior), 2008.

CONCLUSION

The restored corporation usually shows administrative surplus and the control of expenses becomes a habit of good management. Bad habits of the Public Administration are the consequences of the indifference towards the common good, of the staff often not motivated and unqualified, of a generalized bad knowledge of all the opportunities for growing on every level- social, technical, financial, of the unsatisfactory development of their own resources, and of the poor fruition of the derived resources. Financial recovery has taught corporations to draw the highest profit with the minimum dispersion, and most of all, to understand public management at the service of the citizens. Today, more than ever, the declaration of financial difficulty must intervene only in cases irreparable by other means, as the entire burden of recovery weighs on the municipal budget.

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BIOGRAPHY

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MODELING CUSTOMERS' EVALUATIONS OF PENALTIES IN THE FINANCIAL SERVICES SECTOR

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ABSTRACT

Service organizations have adopted fees and penalties as an essential part of their pricing strategies. This popular practice has invited criticism from public policy makers and inflicted customer complaints. Yet, very little is known about how customers evaluate penalties. This study examines this issue by using well-established concepts such as perceived fairness, attribution, disconfirmation, and affect. The study hypothesizes that both perceived fairness and attribution play important roles in customers' evaluations of penalties. It also hypothesizes an interaction effect between fairness and attribution. Cross-sectional data were collected via online survey from customers of financial service organizations. The findings of the study display that customers engage in attributional process when they evaluate a penalty and perceived fairness plays an important role even after accounting for disconfirmation and affect. The significant interaction effect found in the study suggests that perceived fairness matters more when the customers attribute the cause of the penalty to an external factor (as opposed to an internal factor). The findings offer important insights into how customers evaluate penalties and how service organizations should handle penalties.

BIOGRAPHY

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SAMPLE PERIOD SELECTION WITH VARIABLE ROLLING WINDOWS: SEARCHING FOR BETA STABILITY

Giuseppe Galloppo, Università di Roma Tor Vergata

ABSTRACT

One of most relevant problem about time series model forecast use concern estimation errors and connected forecast errors both of them involve a disappointing out of sample forecast performance. Unbiased estimate, is much more crucial in a context in which it is fundamental obtaining performance close to a benchmark measure, as it typically occurs in fund industry managed in indexing mode. From this point of view, it becomes essential finding technicality, in order to perform a more stable beta parameter. This study is an integration to the paper already showed in the conference GCBF Costa Rica 2008, and considers a sample period selection method based on rolling windows with variable length, applicable for a partial solution of estimation error problem for indexing portfolio strategies. Sample period selection methodology proposed allows to pick, whichever parameter or model can be considered, which sample period you can consider for a parameter estimate, minimizing an error measure (MSE) in a sample period training-set. Results obtained in confronting an optical of conventional esteem bases on fixed temporal windows with the same esteem base on variable periods of esteem evidence a control of the estimation error and a better stability of a typical indexing measures as Beta.

JEL: G11

INTRODUCTION

One of most relevant problem about time series model forecast use concern *estimation errors* and connected *forecast errors* both of them involve a disappointing *out of sample* forecast performance. The opinion is widely shared about a direct relationship between care estimate and sample period dimension. Schittenkopf C., Tini P., Dorffner G.(2002), for instance report, for short forecast about financial time series estimate, that estimation error problem could be partially solved by rolling window. This study considers a sample period selection method based on rolling windows with variable length, applicable for a partial solution of *estimation error* problem.

Instability phenomena aims at it that portfolios estimated efficient ex-ante, would turn out to be sub-optimal ex-post, because of errors made, in estimating input data. That's why, for a given holding period, risk and return parameters can assume values considerably different, from the estimated ones ex-ante. This instability implies a bias of portfolio weights, where happens because of excessive correspondence to variations in starting parameters.

There is a plentiful literature, that was dealt with the topic of error estimation, in the space of 50 years and has often stressed how optimization proceedings at the bottom of the various model turn out to be particularly often to the risk to make errors in input parameter estimation. It is clear that the asset manager, with the object of development of the asset allocation phases, cannot ignore the problem of the consequences due to error estimation, therefore it is necessary to fix a procedure which is able to reduce the instability problem. In order to pursue the aim of reducing the instability problem, this study suggest a comparison between a naïve sampling methods of estimation period, carried out through variable rolling windows, and a common procedure which lies in considering a fixed period, usually 52 weeks.

VARIABLE ROLLING WINDOWS ESTIMATE

In rolling windows context, full sample period is taken to pieces in a set of fixed dimension periods. Variable rolling windows involve in considering a variable time domain within p periods ($p = 1, \dots, n$), number of periods of a generic rolling window, such as to return changeable rolling window time dimension. Data and sample statistics are valued for every sub-sample periods part of a generic rolling window. For every set of estimated parameters forecast MSE is computed for the first useful period (we treat with uniperiodal validation set), let be $(T_B + k) - p + 1$, (T_B date of beginning of computational procedure and $k = 1, \dots, (T - T_B)$), in this way we obtain a number (p) of realized MSE, equal to sub-sample periods in a variable rolling window ($p = 1, \dots, n$) for every parameter taken into account. Sample period selection methodology proposed (Fig.1) allows to pick, whichever parameter or model can be considered, which sample period you can consider for a parameter estimate, minimizing an error measure (for example MSE) in a sample period training-set.

The sample period, among the p of the rolling windows, to which minimum is associated MSE for $(T_B + k) - p + 1$ is selected as sample interval on which an estimate for $(T_B + k) - p + 2$ is based (test-set). As first step procedural it is necessary therefore to establish the dimension of the rolling window in the within the entire one sample period. Once established its dimension you proceed with the following iterative procedure: the MSE values are estimated, in a variable sample period for $(T_B + k) - p + 1$, and it is determined the sample period (among the p periods) for which minimum MSE has been recorded for a forecast one step ahead (validation set). The temporal amplitude of the optimal window of esteem is used in order to operate one forecast to $(T_B + k) - p + 2$, the forecast data obtained is recorded (test set).

Then the sliding window is shifted one step ahead. The models are estimated and evaluated on the second time window and so on for all the sub-sample periods (training-set equal to $T - T_B + \max(p)$ and validation-set equal to $T - T_B$ until the completion of the total sample period. In particular, the test sets are not overlapped and the forecasts can be joined in order to form a large series of out-of-sample profits. In such way it is attempted to find, whichever parameter or model can be considered, a better temporal stability of the esteem to employ in the prevision processes in time series context.

The crucial point consists in verifying if an approach that considers a fixed period of esteem, wide spread in time series modelling, is subject to the production of errors that are characterized by a higher MSE, and for some single considerably greater errors as order of magnitude regarding how much a method of sampling based on rolling windows with variable length can produce. The difference with the previous studies resides in the circumstance that the analyses conducted previously did not provide the possibility to vary dynamically the dimension of rolling window (and connected sample period) on the base of some measure of error (es.MSE).

DATA AND RESULT

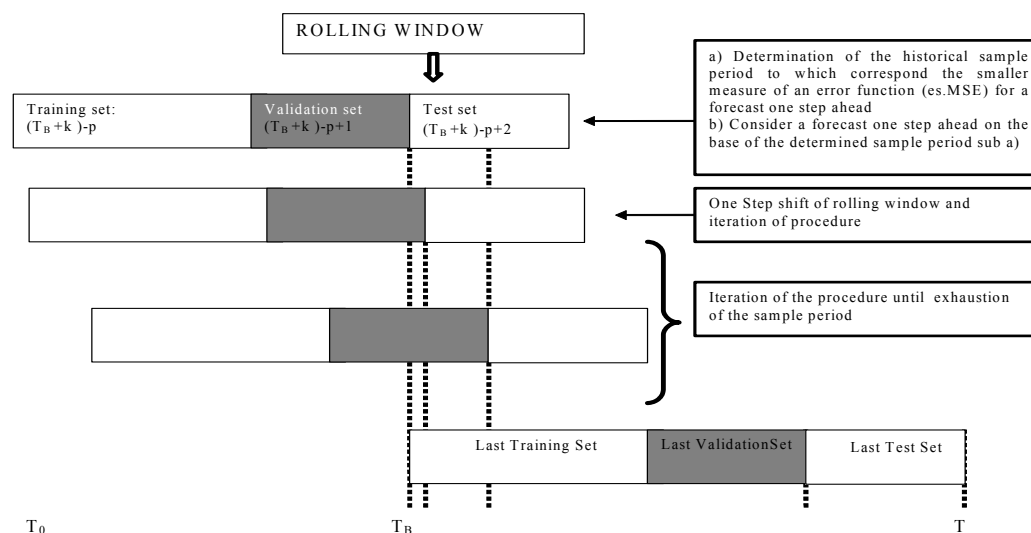
In order to apply the method we have the following procedure:

1. on the account of the input parameters related to each financial asset, we have to calculate the portfolio return and beta for each test period considered in the range between 15 and 45 weeks.
2. We have to calculate the combinations, of risk and return, of each portfolio would have performed, if the asset class course had been equal to that forecast from the simulation based on the sample period, corresponding to the test period, described in point 1.
3. The optimal test period is the one which corresponds the portfolio obtaining with beta more proximum to 1, for the second test period.

Taking practical cue from the estimate connected to the Asset Allocation operative context, the method of sampling based on variable Rolling windows has been applied and verified (size of the training set used to

estimate the model parameters by minimization of an error function (MSE) is one week., size of the validation set is one week too) in confronting the former rendering ex-post return obtained with those ex-ante promises, for blue chips equity of the indexes Ex50 and SpMib40 (period from 11-27-98 to 12-09-06 , weekly observation considered) for Elton Gruber portfolio model. Results obtained in confronting an optical of conventional esteem bases on fixed temporal windows (52 weeks) with the same esteem base on variable periods of esteem (variable windows in a range between 1 and 52 weeks) a control of the estimation error and better results for Rap measures out-of-sample.(Application is carried without considering transaction costs connected to periodic portfolio settlement)

Figure 1: Variable Length Rolling Window



This figure shows the Operational Logic of the Variable Length Rolling Window of Esteem

Table 1 Ex 50 Result

	52 weeks	Variable Rolling Windows	Extra-performance		Benchmark
	(a)	(b)	$^{*}(b) - (a)$ $^{**}(b)/(a)-1$		
Total Return	4%	20%	16%	*	-7%
Average Return	0,053%	0,095%	80,379%	**	0,020%
Dev..St. (monthly-1 year)	0,0217	0,0207	-0,0442	**	0,020
Dev..St. (monthly-3 year)	0,0187	0,0180	-0,0385	**	0,017
Dev..St. (monthly-5 year)	0,0272	0,0262	-0,0287	**	0,0276
Tem	0,0003	0,0007	1,5877	**	
Tev	0,0421	0,0420	-0,0028	**	
Information Ratio	0,0063	0,0161	1,5499	**	
Tracking Error Volatility (1 year)	0,0296	0,0289	-0,0219	**	
Tracking Error Volatility (3 year)	0,0253	0,0251	-0,0055	**	
Downside Risk (1 year)	0,0398	0,0383	-0,0369	**	
Downside Risk (3 year)	0,0634	0,0630	-0,0063	**	
Msc	0,0068	0,0039	-0,4294	**	

In this table we report results, for the comparison between variable rolling windows estimator and estimate method based on fixed sample period (52 weeks) for Ex50 Index in a sample period 11-27-98 to 12-09-06.

Table 2 SpMib40 Result

	52 weeks	Variable Rolling Windows	Extra-performance		Benchmark
	(a)	(b)	$^{*}(b) - (a)$ $^{**}(b)/(a)-1$		
Total Return	30%	26%	-5%	*	11%
Average Return	0,113%	0,0952%	-16%	**	0,065%
Dev..St. (monthly-1 year)	0,0192	0,0187	-0,0270	**	0,015
Dev..St. (monthly-3 year)	0,0173	0,0168	-0,0279	**	0,014
Dev..St. (monthly-5 year)	0,0243	0,0239	-0,0135	**	0,022
Tem	0,0005	0,0005	0,0240	**	
Tev	0,0132	0,0117	-0,1133	**	
Information Ratio	0,0342	0,0395	0,1548	**	
Tracking Error Volatility (1 year)	0,0094	0,0091	-0,0376	**	
Tracking Error Volatility (3 year)	0,0084	0,0083	-0,0057	**	
Downside Risk (1 year)	0,0269	0,0252	-0,0627	**	
Downside Risk (3 year)	0,0486	0,0482	-0,0084	**	
Mse	0,0044	0,0016	-0,6278	**	

In this table we report results, for the comparison between variable rolling windows estimator and estimate method based on fixed sample period (52 weeks) for SpMib40 Index in a sample period 11-27-98 to 12-09-06.

The main evidences about dynamically Elton Gruber portfolios of the carried out application (making a period by period settlement, in our case week by week), they can be synthesized in 5 points (see Tables from 1 to 2).

1. Considering that our main purpose is not to show the largest reddy of variable geometry portfolios but to verify that, with input parameter estimation errors, the naïve sampling procedure exhibit risk-return combinations with better stability. Than a better risk adjusted performance can support the aforesaid stability. We can refer to the MSE related to the full sample period as the first synthetic standard measure of risk-return combinations with better stability. The average of the amount of square difference between the forecast beta and performed beta is 43% lower for Ex50 index in the case of combination valued through the naïve sampling method. The foresaid average is 63% lower for the SpMib40 index.
2. The matured income of dynamic portfolio, based on he naïve sampling method of variable windows linked to beta equal to 1, is 16% higher for Ex50 index instead it is 5% lower for the SpMib40 index. Relating to the Ex50 index combination, the gap, between the average return obtained with two methods, is about 80%, instead the same measure is about 16% lower for the SpMib40 index.
3. We have to stress the importance of verifying the stability of the gained portfolio combinations relating to the application with target function restrained to beta equal to 1. Therefore it is crucial to verify the variability indexes in the long runt too. So like as already done in the previous application, we have considered a risk measure, in this case, the average standard deviation as measure of the result variability, calculated on three different periods, at 1 year, 3 and 5 years, also in order to stress the stability of the result. The variable geometry estimators imply, for two considered indexes, SpMib40 and Ex50, and for all the considered periods, volatility limitation control in term of standard deviation. In particular the reduction is estimated, according to the considered period, about between 1 and 3% for the SpMib40 index, and about between 3 and 4% for the Ex50 index.

4. In relation to the rap measures, for the applications with consider constraints on the portfolio, so that to build asset schemes with try to be closer to a reference index, the best measures is the Information Ratio (IR), which consider the average of track error, that is the differential on average between built portfolio and reference index, and the Tev which measures Tem variability. The portfolio schemes with beta constrained equal to 1, obtained with variable rolling windows, compare the ones produced with fixed windows, imply an IR about once and a half higher for Ex50, and about 15% greater for SpMib40 portfolio combinations. But the kind of this extra-performance is different for portfolios produced by the two indexes: in fact with regard to Ex50, you can record a large increase of Tem, against a little reduced Tev, while in relation to the SpMib40 the larger value of the IR implies a Tem increase (about 2%) and a Tev decrease (about 11%). Tev measures at one and three years describe in a better way the greater stability of the portfolio schemes produces thanks to the naïve sampling methods, in fact for the Ex50 index the Tev decrease, compare to fix window combinations, is contained between 1 and 2%, for SpMib40 the containment is between 1 and 4%.
5. A look to the Downside Risk (DSR), enables to give more qualifications and partially confirms best performances due to estimations through naïve sampling methods. The Dsr estimated at 1 and 3 years for both considered indexes produces less variability in the left part of the distribution of the realized returns, especially for the combinations based on the Ex50 index, the reduction is between 1 and 4%, while for the combinations based on the SpMib40 index the reduction is between 1 and 6%, confirming that the method is effective on the average also related to very negative deviation from the average of the return.

CONCLUSION

This study represent an integration to the paper already showed in the conference Gbfr Costa Rica 2008, and considers a sample period selection method based on rolling windows with variable length, applicable for a partial solution of estimation error problem for indexing portfolio strategies. Results obtained in confronting an optical of conventional esteem bases on fixed temporal windows with the same esteem base on variable periods of esteem evidence a control of the estimation error and a better stability of a typical indexing measures as Beta. In particular, on the sample examined, the average of the amount of square difference between the forecast beta and performed beta is 43% lower for Ex50 index in the case of combination valued through the naïve sampling method, and 63% lower for the SpMib40 index. Moreover the variable geometry estimators imply, for two considered indexes, SpMib40 and Ex50, and for three sub-sample periods, 1 year, 3 years and 5 years, evidence of volatility limitation control in term of standard deviation. In particular the reduction is estimated, according to the considered period, about between 1 and 3% for the SpMib40 index, and about between 3 and 4% for the Ex50 index.

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BIOGRAPHY

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PARAMETER ESTIMATION ERROR REDUCTION: A COMPARISON WITH RESAMPLING BETWEEN PRE AND POST MODERN THEORY MODEL

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ABSTRACT

Taking cue from estimation error involving in practical implementation of portfolio model, in this paper resampling approach is presented. Resampling is a method applicable in order to try to obtain better out of sample performance for input model parameter. In a real context, in which it is admitted the possibility to make error estimate in future performance, it is reasonable to consider error component in building portfolios. Resampling does that by recombining input parameter required for a portfolio model. An application of resampling is carried out by a sample of equity from different stock market (Italian Equity Market, European Stock Exchange and New York Stock Exchange) for a model set taken out from classic and post modern theory. Particularly results are presented for Tracking Error Minimization Model, Mean Absolute Deviation Minimization Model (MADM) and Shortfall Probability Minimization Model. Innovative elements from previous studies, lie in the comparison with different portfolio model. Evidences obtained denote on the one hand that (and unlike previous paper), resampling method for Markowitz model doesn't generate a better out of sample performance. On the other hand benefits for post modern theory model are more evident in a remarkable way.

JEL: G11

INTRODUCTION

In order to improve the stability of out-of-sample performance of a portfolio generated by a process of optimization, economic theory first, and then operational practice, has developed techniques for improving the estimation of the parameters of portfolio models. In this paper we introduce Resampling, comparing the effectiveness of this technique, applied to the Markowitz model and certain Post Modern Theory models. This technique refers to a process that is based on the simulation of bond yields using Monte Carlo methods.

RESAMPLING

Resampling is an operational solution belonging in the heuristic category of asset allocation approaches, it is, in particular, a technique based on Monte Carlo simulation, and so on a stochastic interpretation of the return-variance approach. The underlying idea is as follows: input parameters for portfolio optimization are derived from representative historic returns of a single realized event among the many possible, of the underlying stochastic process; this means that history permits the observation of only one path of returns evolution.

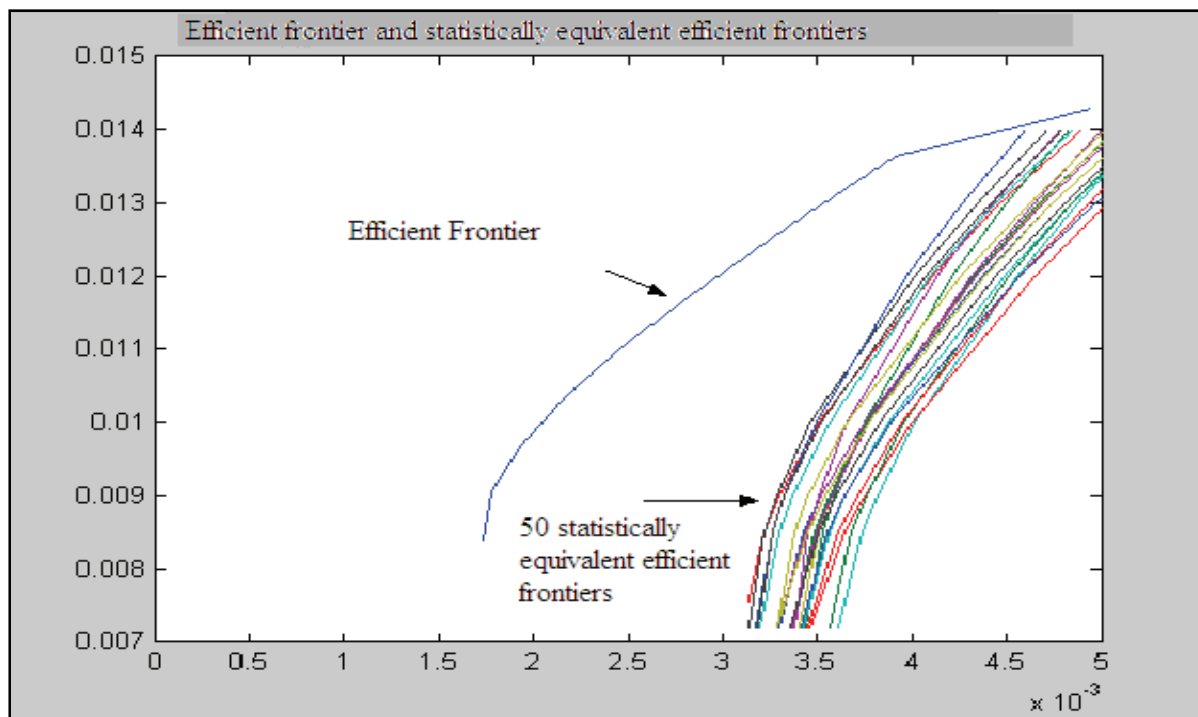
The first applications of Resampling, in financial theory, were due to the CAPM model as developed later by Markowitz. In Markowitz, the problem of efficient frontier instability ex post, mainly depended upon an excessive concentration of efficient portfolios. Resampling promotes a logic that allows more diversified portfolios incorporating, in contrast to Markowitz optimization, the erratic component in the portfolio construction phase.

We can articulate the Resampling process in different phases.

1. A vector $E(r)$ is estimated, vector in n components (in which n would be the securities under consideration), which includes estimates of expected returns from the securities under consideration; in addition a vector σ is estimated, a vector with n standard deviations, and the

- matrix $n \times n$ of correlation between asset returns.
- Starting from the parameters estimated in the first round, you make a Monte Carlo simulation in which you identify: $E(r)_{\text{sim}}$ (that is a vector of simulated returns), σ_{sim} (simulated vector of standard deviations), and finally the simulated correlation matrix ρ_{sim} . The simulation process is not entirely random, in fact it is expected to "tie" the simulated parameters to historic parameters that have been observed. Let us assume that for security A we have $E(r) = 3\%$ and $\sigma = 10\%$. Therefore, the generation of simulated trajectories of returns is bound by the assumptions made about the standard deviation and the mean value. The process of resampling therefore requires the joint extraction of N returns, to be repeated a number of times H , from a multivariate normal distribution with parameters (mean, variance and covariance) coinciding with historical values. Of course, with increasing number of simulations, values obtained converge to the mean value and estimated standard deviation. For example, after 1000 simulations 2.83% has been obtained as the average value and 10.27% as the standard deviation. The number of simulations is a function of the degree of confidence about the observed estimates. Selecting the input obtained in phase 3, it moves to a process of optimization, such as Markowitz, from which we get a frontier statistically equivalent to that which we would have obtained if we had optimized inputs estimated in the first phase.
 - Repeating phase 2 H times, we get H frontier equivalent statistically. It is noted that, for construction, all statistically equivalent portfolios are located below the efficient frontier. If, in fact, the weightings vector of a mean variance efficient portfolio is optimal for the original set of inputs it is natural that the allocations of portfolios simulated, reassessed with the same information set, are not as optimal.

Figure1 : Efficient Frontier and 25 Frontier equivalent statistically.

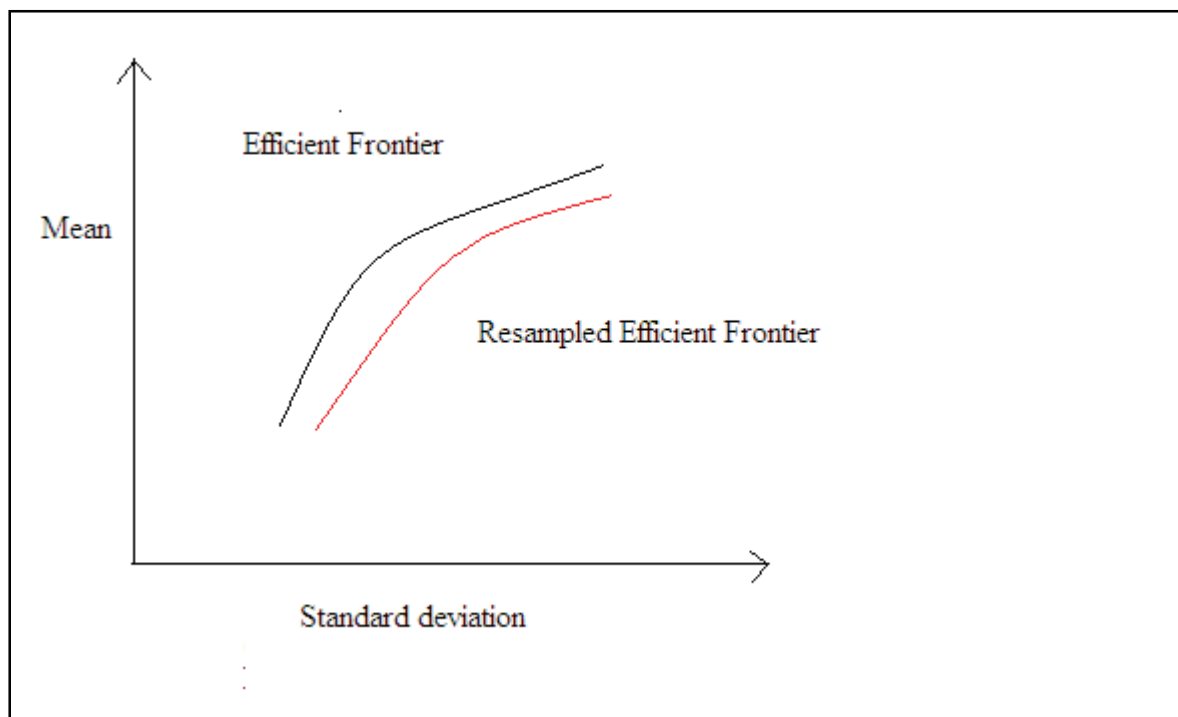


In this figure we compare efficient frontier and a set of statistically equivalent frontier. It is noted that, for construction, all statistically equivalent portfolios are located below the efficient frontier. This figure is performed with Matlab

For each of the H simulations, it is possible to identify Z portfolios close to the frontier statistically equivalent, to each portfolio a ranking in the list was given. We will therefore have, for each ranking position, H portfolios all with the same average return but with different standard deviation and different composition.

Taking the average weight that each security has in the portfolios with a certain ranking for the H simulations, we obtain a certain portfolio (portfolio 1 for example) named resampled; repeating the same process for all other positions in the ranking will produce the resampled frontier (see Figure 2).

Figure 2: Efficient Frontier and Resampled Efficient Frontier



In this figure we compare efficient frontier and resampled efficient frontier. It is noted that, for construction, all resampled efficient frontier are located below the efficient frontier.

The frontier resampled is nothing but an average of the weights of the portfolios of the efficient frontiers, which in their turn, were generated from input obtained from the simulation processes.

The resampling frontier will be more diversified (compared to the efficient frontier) because, unlike Markowitz in which the process of optimization leads to the identification of a particular dominant asset compared with others, during the simulations, and from the composition of the H statistically equivalent frontiers, the same asset can also be dominated by other asset and as a consequence creates less concentrated portfolios. The reasoning above shows a limit of the Markowitz approach known as "counter-intuition".

Resampling and Bayesian approaches differ in the subject at hand to counter the estimation risk. In the first case, the intervention is directed at the most exposed input to this source of risk, namely the vector of average empirical yields. Otherwise, no correction is made to it in the second case, because there is the conviction to at least in part repair the effects of the estimation risk, taking into account the erratic nature

of portfolio weights, in the identification of optimum portfolios.

POST MODERN PORTFOLIO THEORY

It is possible to divide portfolio models, at least chronologically, into two families: the 'traditional models' (CAPM, Markowitz), which constitute the modern theory of portfolio choices, and so-called 'post-modern' models (MADM, TEV, Elton-Gruber, SPM). All the optimization quantitative modelling of the portfolio of the first generation, has in common an assumption of normality in the frequency distribution of portfolio returns. That assumption has proved forced, and does not find correspondence, in the distributions of security returns as observed in a real market.

One of the assumptions on which the G. Sortino portfolio theory is based is its recognition of the non-normal distribution, resulting in a greater use of processes that seek to express a better stability of parameters, and a more correct distribution of weightings. A brief account, of some models of the so called Post Modern Theory, follows.

The Tracking Error Minimization Model (TEM) is a parametric model based on two factors: the expected return and the variance of the differential between the performance of the portfolio and the performance of the benchmark, which is the square of the Tracking Error Volatility. The objective is to seek, the weight to assign to each asset in the portfolio, in order to obtain, the minimum portfolio tracking error, with the constraints that the expected returns to be achieved, is equal to or below a preset level, and that the weightings of the activities are positive and have sums equal to 1. A generalization of the structure of the constraints is also permitted, in the sense that the presence of arbitrary linear constraints on the structure of the portfolio or lower (upper) bound is permitted.

The objective function to minimize is:

$$\text{Min variance } \sum (\omega_i \cdot r_i) - \sum (\chi_i \cdot r_i) \quad (1)$$

where:

χ_i = fraction of the benchmark portfolio held in asset i .

$\sum (\chi_i \cdot r_i) = r_t$ benchmark return

ω_i = asset i 's weight by optimization process

The Mean Absolute Deviation minimization Model (MADM) is a non-parametric model, based on the idea of finding a magnitude benchmark, against which you want to get a predetermined overperformance. It seeks therefore to achieve a certain return trying, at the same time, not to depart too much from the chosen benchmark.

As the risk measure, the distance from the benchmark is adopted, represented by the absolute median difference, calculated over a certain period of time. The goal is to find the weighting to assign in the portfolio to each security, with the condition of minimum absolute mean deviation, and the security return, or better the portfolio return, expected to be achieved, is equal to or less than a value set in advance. Moreover, the weights of all activities must be positive and of sum equal to 1. It also permitted that there be arbitrary linear constraints on the structure of the portfolio. The model does not take into account hypotheses on the shape of the returns distribution returns, the only implicit assumption is that the earnings distribution, observed in the past, remains in the future. The objective function to minimize

is:

$$\min_{\omega} \sum \left| \sum (\omega_i \cdot r_i) - \sum (\chi_i \cdot r_{it}) \right| \quad (2)$$

where:

r_i = asset i 's return

ω_i = asset i 's weight by optimization process

χ_i = fraction of the benchmark portfolio held in asset i .

$$\sum (\chi_i \cdot r_{it}) = r_{bt} = \text{benchmark return}$$

Remaining with models designed to optimize performance against a benchmark, the Shortfall Probability Minimization (SPM) model aims to reduce the probability of occurrence of an under performance of the portfolio against a benchmark. The probability of shortfall is estimated over time, by relating the number of periods in which there was a shortfall to the total over the time periods preselected.

The aim of the model of minimizing the shortfall probability is, therefore, to find the weight assigned to each financial instrument so that in a given timeframe, the shortfall frequency is minimal, with the constraint that the expected return is equal or lesser than a value to assigned, and the sum of the weightings is equal to 1, other restrictions can also be imposed on the linear weights of financial assets.

In this model, as with the previous, the only assumptions on the distribution of earnings that you make is that, they are the product of a stationary process (in this way the past contains useful information for future distribution). The objective function to minimize is:

$$\min_{\omega} \sum_{t=1}^M \frac{I_t}{m} \quad (3)$$

Where:

I_t = dichotomic variable, which assume value equal to 1, in case at time t , shortfall occurs, otherwise it assume value equal to 0.

m = number of sample period in the time domain considered.

DATA AND RESULT

The database consists of blue chips from three financial indices: the Eux50 (DJ Euro Stoxx 50) index, the U.S. Sp100 and finally the SPMIB40 index. For each security the weekly series consisting of 383 observations is considered, relative to the time period: from 21/11/2003 to 04/05/2007. For each index a "rolling" estimate logic was used, or rather the different outputs of various models and different techniques used were a calculated moving forward one period at a time.

First, as shown in the section number 1, the resampling uses Monte Carlo simulation, that is a procedure that uses a random generation of random numbers, within the range 0 and 1, of a uniform distribution. Each number obtained, by each random generation in the interval [0-1], is associated with an area within

$N(0,1)$ which corresponds to a particular value on x-axes. For any $N(\mu, \sigma)$, it is possible to identify that value on x-axes which generates this area (by inverse function of a normal distribution). In this way, there will be a match between random number and value of x-axes of a normal distribution. In practice for each security, that is a member of the index considered, an average value and standard deviation of historical returns is calculated. Parameters obtained, for every securities, represent, input data for a $N(\mu, \sigma)$ distribution.

Operationally for each security 200 random numbers, and then 200 returns were considered. For example in the case of the Eux50 index, the definition of the simulated returns matrix refers to a matrix 200×50 (50 being the securities within the index) for each period (in total there are 181 periods), the repeating of the returns simulation is considered, and the generation of the efficient frontier associated with them for 100 times. From the simulated returns, a matrix of simulated returns is computed, from which you can obtain a frontier that is statistically equivalent using as average value the mean value of security from the simulated returns matrix, and as a covariance matrix, the covariance of the time series of simulated returns.

In the application 100 frontier statistically equivalent (and thus 100 arrays of $200 \times n$ of random numbers, where n is the number of securities included in the index) were generated. From 100 frontiers simulated a single frontier was produced, calculated considering for 10 expected returns, the average of the weightings (in correspondence to the fixed returns) on 100 statistically equivalent frontiers.

This article proposes a comparison, with reference to the Resampling technique, between the Markowitz model and Post Modern Theory models; specifically: TEV, MADM, and SPM were considered. Unlike the Markowitz model, for Post Modern Theory models, the statistically equivalent frontiers have not been calculated, but for every simulated returns matrix referring to a specific period (100 for each period), the optimal weight vector has been calculated. With reference to the individual period, the optimum weightings vector, is given from the weightings average of the optimum vectors obtained from each simulated matrix.

For each index considered (Eux50, Spmib40, Sp100), we have analyzed 8 models.

Statistics about each model adopted, can be resumed as follows: Compound return, rap measures (Sharpe ratio, Sortino Index, Information Ratio), Risk measure (Tem, Tev, Standard Deviation, Down Side Risk); test on statistical significance on difference between mean returns of models and benchmark and test on statistical significance on equality between variance returns of models and benchmark. At the top of second and third column of each table you can find the name of the adopted model:

- Markowitz application of the Markowitz model on condition that investors cannot hold securities in negative amounts and in absence of short sales. In this case the best portfolio, and so the selected once, is the one of tangency between the efficient frontier and the Security Market Line; resampling Markowitz, application of the resampling to the Markowitz model;
- Madm resampling, application of resampling to the Mean Absolute Minimization model (MADM);
- Tev Resampling stand for application of resampling to the Tracking Error Minimization Volatility; (TEV) model;
- Spm resampling stands for resampling in Shortfall Probability Minimization model (SPM) context.

In the first column of the tables show above you can find, as first information, the total return, that is the maturity yield (compound return) of the model, that is we have assumed to start with a capital of 100 and according to compound interest formula (calculated with weekly observations), we have calculated the model return for each period, under the hypothesis to invest in stocks suggested by the best vector of the

model weights. The weekly return of the model (to which you have to multiply the periodic compound amount) has been calculated by multiplying the best weights vector with real returns of stocks. That renders different this performance (actual / realized) from the performance estimated by the model, this difference is commonly called a discrepancy, a concept similar to the definition of instability of efficient portfolios. We refer that no transaction costs have been taken into account. In the Markowitz model the resampling technique hasn't over performed the reference model, that is the Markowitz model without resampling, for all the three considered indexes even though the compounded return is high, respectively 94% against 128%, for the Spmi100 index, 21% against 31 % for the Ex50index, and 93% against 183% for the Spmib40 index.

Table 1 - Sp100 Model Results (2004 – 2007)

Sp100			
	Markowitz	Markowitz resampling	Difference
Total Return	128,24%	94,61%	33,62%
Sharpe	13,07%	11,96%	1,12%
Sortino	1,76%	2,02%	-0,26%
Informatio Ratio	13,36%	12,43%	0,93%
Tev	3,24%	2,62%	0,62%
Standard Deviation	3,67%	3,12%	0,55%
Dsr	2,66%	2,32%	0,34%
	Madm	Madmresampling	Difference
Total Return	42,46%	42,46%	0,00%
Sharpe	5,88%	7,68%	-1,80%
Sortino	1,63%	1,62%	0,01%
Informatio Ratio	5,32%	7,44%	-2,12%
Tev	3,36%	3,27%	0,09%
Standard Deviation	3,84%	3,78%	0,06%
Dsr	2,88%	2,89%	-0,02%
	Tev	Tev resampling	Difference
Total Return	74,36%	68,86%	5,50%
Sharpe	9,51%	8,82%	0,69%
Sortino	1,90%	1,79%	0,11%
Informatio Ratio	9,86%	8,99%	0,87%
Tev	2,77%	2,88%	-0,11%
Standard Deviation	3,36%	3,47%	-0,11%
Dsr	2,46%	2,62%	-0,15%
	Spm	Spm resampling	Difference
Total Return	-23,86%	53,99%	-77,84%
Sharpe	-2,55%	8,12%	-10,67%
Sortino	1,42%	2,22%	-0,81%
Informatio Ratio	-3,39%	7,49%	-10,89%
Tev	4,50%	2,53%	1,97%
Standard Deviation	4,15%	2,91%	1,24%
Dsr	3,31%	2,10%	1,20%

In this table we report results, for the applications of Markowitz Model and Post Modern Theory Models for Sp100 Index in a sample period from 21/11/2003 to 04/05/2007.

Table 2 - Eux50 Model Results (2004 – 2007)

Ex50			
	Markowitz	Markowitz resampling	Difference
Total Return	31,33%	21,75%	9,58%
Sharpe	6,30%	4,34%	1,96%
Sortino	17,55%	18,30%	-0,74%
Informatio Ratio	-8,13%	-13,83%	5,70%
Tev	1,60%	1,26%	0,34%
Standard Deviation	2,00%	1,89%	0,11%
Dsr	1,46%	1,40%	0,06%

	Madm	Madmresampling	Difference
Total Return	34,02%	38,28%	-4,26%
Sharpe	5,92%	7,60%	-1,68%
Sortino	14,01%	17,21%	-3,19%
Informatio Ratio	-5,76%	-6,86%	1,11%
Tev	1,86%	1,46%	0,40%
Standard Deviation	2,52%	2,05%	0,47%
Dsr	1,83%	1,49%	0,34%

	Tev	Tev resampling	Difference
Total Return	64,59%	100,42%	-35,82%
Sharpe	11,58%	18,69%	-7,11%
Sortino	16,22%	18,26%	-2,04%
Informatio Ratio	-0,05%	8,51%	-8,57%
Tev	1,55%	1,20%	0,34%
Standard Deviation	2,20%	1,92%	0,28%
Dsr	1,58%	1,40%	0,18%

	Spm	Spm resampling	Difference
Total Return	51,84%	248,28%	-196,45%
Sharpe	8,42%	25,78%	-17,36%
Sortino	14,03%	13,43%	0,60%
Informatio Ratio	-1,79%	20,64%	-22,44%
Tev	1,99%	2,06%	-0,08%
Standard Deviation	2,62%	2,65%	-0,03%
Dsr	1,82%	1,91%	-0,08%

In this table we report results, for the applications of Markowitz Model and Post Modern Theory Models for Ex50 Index in a sample period from 21/11/2003 to 04/05/2007.

Table 3 - Spmib40 Model Results (2004 – 2007)

SpMib40			
	Markowitz	Markowitz resampling	Difference
Total Return	183,57%	93,97%	89,60%
Sharpe	16,66%	13,89%	2,76%
Sortino	9,59%	13,33%	-3,75%
Informatio Ratio	11,12%	5,31%	5,80%
Tev	3,20%	2,15%	1,06%
Standard Deviation	3,58%	2,55%	1,03%
Dsr	2,51%	1,80%	0,70%
	Madm	Madm resampling	Difference
Total Return	94,59%	162,42%	-67,83%
Sharpe	12,51%	18,91%	-6,40%
Sortino	11,51%	11,68%	-0,17%
Informatio Ratio	5,13%	12,24%	-7,10%
Tev	2,46%	2,36%	0,10%
Standard Deviation	2,93%	2,80%	0,13%
Dsr	2,09%	2,06%	0,03%
	Tev	Tev resampling	Difference
Total Return	140,37%	212,29%	-71,91%
Sharpe	17,75%	21,69%	-3,93%
Sortino	12,27%	11,44%	0,83%
Informatio Ratio	10,72%	15,59%	-4,87%
Tev	2,21%	2,49%	-0,28%
Standard Deviation	2,69%	2,90%	-0,21%
Dsr	1,96%	2,10%	-0,14%
	Spm	Spm resampling	Difference
Total Return	115,39%	199,80%	-84,41%
Sharpe	12,67%	19,38%	-6,71%
Sortino	9,83%	10,36%	-0,52%
Informatio Ratio	6,55%	13,53%	-6,97%
Tev	3,05%	2,76%	0,28%
Standard Deviation	3,47%	3,17%	0,30%
Dsr	2,45%	2,32%	0,12%

In this table we report results, for the applications of Markowitz Model and Post Modern Theory Models for SpMib40 Index in a sample period from 21/11/2003 to 04/05/2007.

The application of the resampling technique to the post modern theory has produced benefits (except the case of the Tev for the Sp100 index) in term of compound return, that is stressed by comparing the reference model to the ones the resampling technique is applied to. In fact the Madm has given the 42 % for the Spmib100 index and the Madm resampling the 43%. Same results have been produced for the Ex50, 34 % index with resampling against 38 in cases where the technique has been applied, and 95% for the Madm through resampling for the SpMib40 index against 162% for the simple Madm; the Tev model has given, for the three indexes, Sp100, Ex50 and Spmib40, 74%, 64% and 140% respectively, against 68%, 100% and 212% of the Tev with resampling. The benefits achieved, through the resampling technique, for the Spm model, have been even higher; in fact according the considered index, the best performance is from a minimum of about 78% to a maximum of over 196%. An analysis of risk adjusted performance has showed that the difference observed for the compound returns (in the use of model) have decreased, because, for example, in the use of the Sharpe indicator, the model excess return is compared to return standard deviation. So we can deduce that the models which have produced the best returns, are also the riskiest ones (in the case that the standard deviation is used as risk measure).

It's symptomatic to observe how the difference in basis point, between the Markowitz model and the Tev one, for the Spmib40 index, equivalent to over 40 points, might persuade to choose the first model; instead if we analyse performances in the light of the Sharpe, the choice will lead to the second one (first and third panel in Table 3). In fact if we consider again the Table 3 we can observe how the Markowitz model standard deviation equal to 3,6%, is higher compared to the Tev model deviation standard equal about to 2,7%. Yet if we analyse the results in the light of the Sharpe index, too, resampling technique has not improved performances of the simple model.

Regarding to the resampling method applied to the post modern models, we get improvements in the Sharpe index in the 100% of the cases against the 89% got for the compound returns (8 case over 9). The Information Ratio value is showed in the Table from 1 to 3 for each model related to the period 2004-2007. We cannot compare models in the case of Information Ratio, with different starting benchmark, because the information ratio, related to each model, is influenced by the effects of its own reference benchmark. The resampling technique applied to post-modern models, enables to improve the reference models 7 times over 9, equal to the 78% of all the case, (Table from 1 to 3). In the case of the Markowitz model (once again) there are no benefits

Next to the Information Ratio, the Sortino index which uses as a measure of the risk the downside risk, is considered. While the minimum acceptable return is represented by the risk free return. The Sortino index shows the percentage of over performance by unit of Down Side Risk. In all the cases the resampling method improves the Markowitz model (first panel of table from 1 to 3) while for post modern theory models it improve about 56% of all the cases (5 times out of 9), with particular difficulty regarding to the Madm model and the Sp100 index. As regards to risk measures, as Dsr and Standard Deviation, the resampling method improves almost exclusively in the Tev model. Until now we have presented heuristic evidences of resampling process, now we deal with statistical significativity of obtained results from models presented above. In order to verify significant of positive track error, between evidences of different model, we turn to a statistical test of hypothesis based on difference between two mean value. Let consider two populations (X, Y) independent and normally distributed. Let consider two samples of n independent observations from the two normal population (X_1, \dots, X_n) and (Y_1, \dots, Y_n) . We want to test:

$H_0: \mu_x = \mu_y$ against $H_1: \mu_x \neq \mu_y$.

These hypothesis can equivalently be written as:

$H_0: (\mu_x - \mu_y) = 0$ against $H_1: (\mu_x - \mu_y) \neq 0$

Consider the standard distribution of the variable $(\bar{X} - \bar{Y})$ we obtain test statistic (under the hypothesis that the two populations have identical variance):

$$z = \frac{(\bar{X} - \bar{Y}) - (\mu_x - \mu_y)}{\sqrt{\frac{\sigma_x^2}{n_x} + \frac{\sigma_y^2}{n_y}}} \quad (4)$$

under $H_0: (\mu_x - \mu_y) = 0$ we obtain:

$$z = \frac{(\bar{X} - \bar{Y})}{\sqrt{\frac{\sigma_x^2}{n_x} + \frac{\sigma_y^2}{n_y}}} \quad (5)$$

In most case we don't know the common populations variance in this case we can refer to unbiased variance estimator s^2 , define by:

$$s^2 = \frac{\sum_{i=1}^{n_x} (X_i - \bar{X})^2 + \sum_{i=1}^{n_y} (Y_i - \bar{Y})^2}{n_x + n_y - 2} \quad (6)$$

Under H_0 test statistic s given by:

$$t = \frac{(\bar{X} - \bar{Y})}{\sqrt{\frac{s^2}{n_x} + \frac{s^2}{n_y}}} \quad (7)$$

Which has a t distribution with $n_x + n_y - 2$ degrees of freedom. In this case test critical values are given by:

$$(\bar{X} - \bar{Y})_I = -t_{\alpha/2} \sqrt{s^2/n_x + s^2/n_y} \quad (8)$$

$$(\bar{X} - \bar{Y})_S = t_{\alpha/2} \sqrt{s^2/n_x + s^2/n_y} \quad (9)$$

In the case in which the two sample variances are different, before conducting a test on mean values, we have to verify the hypothesis by a test on variances equality, by a test based on F statistic with Fisher distribution.

In the case in which test F is statistically significant, and so, in other words statistical variables X and Y , from which the two samples are drawn, may not have the same variance, we have to use two unbiased variance estimators S_x^2 , S_y^2 define by:

$$s_x^2 = \sum_{i=1}^n \frac{(X_i - \bar{X})^2}{n_x - 1} \quad (10)$$

$$s_y^2 = \sum_{i=1}^n \frac{(Y_i - \bar{Y})^2}{n_y - 1} \quad (11)$$

Test statistic in this case will be:

$$t = \frac{(\bar{X} - \bar{Y}) - (\mu_x - \mu_y)}{\sqrt{\frac{s_x^2}{n_x} + \frac{s_y^2}{n_y}}} \quad (12)$$

A test on the difference between two return means, one referred to the model and the one to the benchmark, deal with a crucial topic in finance. That is considering two populations X and Y, we try to establish if they have identical mean. In other words, we try to understand if, on average, investing in the model and in the benchmark are equivalent.

Considering the full period, 21/11/2003 to 04/05/2007, statistical test performer confronting models returns (X) and benchmark ones (Y), we suggest, that in all cases except one, we can not reject H0, at the 0,05% significance level, and so we can conclude that we have, on the base of the sample observed, identical mean between models return and benchmark returns, in the most of cases.

For Ex50 index null hypothesis, can be refused at the 0,05% significance level, only in one case corresponding to Spm with resampling.

For SpMlb40 index null hypothesis, can be accepted in all of the cases considered.

For Sp100 index null hypothesis, can be refused at the 0,05% significance level, only in one case corresponding to Spm without resampling. Regarding to the test on equality of variances, between model and benchmark, only in 11% of all cases we can accept the null hypothesis of equality of variances between the two populations, in the remaining of 89% of all cases, test suggest us about a difference between the two populations variances. It is evident that null hypothesis can never be accepted for Sp100 index with no regards to the model; while for Eux50 index, gather models for which null hypothesis is accepted.

CONCLUSION

Taking cue from estimation error involving in practical implementation of portfolio model, in this paper resampling approach is presented. Resampling is a method applicable in order to try to obtain better out of sample performance for input model parameter e in this way better rap measures performance. In a real context, in which it is admitted the possibility to make error estimate in future performance, it is reasonable to consider error component in building portfolios. Resampling does that by recombining input parameter required for a portfolio model.

Applying the resampling methods to blue chips portfolios of 3 different stock markets (Italian Equity Market, European stock Exchange and New York Stock Exchange) we have compared the results for the Markowitz model and for the model of the so called Post Modern Portfolio Theory (in particular we have introduced Tracking Error Minimization Model (TEV), Mean Absolute Minimization Model (MADM), and Shortfall Probability Model (SPM)).

With regard to the Markowitz model, in term of compound return the resampling method has not over

performed the reference model, that is Markowitz model without resampling, for all the three considered indexes.

The application of the resampling method to the Post Modern Portfolio Theory has produced benefits in all the considered cases except for one case (Tev resampling for the Sp100 index). In particular benefits are evident in a more remarkable way for Spm model, in fact the performance starts from 78% to over 196% according to the considered index.

An analysis of indicators taking into account the risks, has showed that resampling method applied to the Post Modern Portfolio Model, improved the 100% of the case, in term of the Sharpe index, against no benefits for the Markowitz model. When we examine the information ratio values the resampling method produces benefits only for the post modern portfolio theory models and for about 78% of the cases.

Examining the Sortino index results we have obtained contrasting results, whereas there are more small benefits, for the post modern theory and bigger ones for the Markowitz model.

Our conclusion, is that on the base of the results, there is a general evidence to consider the resampling methods, producing better stability in the input of the models, capable of getting weighty improvements both for compound return and for the rap measures performances. And this, only for the post modern portfolio theory models. As for the risk measure in the strict sense of the world, Dsr and Standard Deviation, the resampling method improve almost exclusively the Tev model. So it is evident that this method is a very good one to get better returns but not a proportional stability of the same returns.

The statistical significance of the positive track errors obtained from the models, by a test of average difference, we realize that we have to take these results with caution, because the equality tests of the average of returns, from models with or without resampling method lead to except the hypothesis null in 8% of all cases.

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BIOGRAPHY

Giuseppe Galloppo – Phd Banking and Finance, is researcher in statistics method for finance at Tor Vergata University of Rome, Faculty of Economic, he is specialist in applying statistics techniques and methods for analyzing financial instruments and portfolio model. Recently he deals with an innovative way of estimate financial parameter, in order to try to contain input errors and obtain best out of sample performances.

WAS THE 2008 FINANCIAL CRISIS THAT LED TO A MORTGAGE AND STOCK MARKET MELTDOWN CAUSED BY A LACK OF CORPORATE ETHICS?

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ABSTRACT

During the second half of 2008, the United States financial markets, and eventually all major world markets, were devastated by the aftermath of unethical lending practices by major lending institutions. These bad loans were made at the height of a real estate bubble in the United States. Aggressive lenders engaged in loans called “sub-prime mortgages.” These mortgages were extremely high risk and most of them violated traditional underwriting standards for the industry. Prudence and ethics were pushed aside as greed overcame good judgment among mortgage lenders nationwide. The problem was exacerbated by the packaging, and leveraging, of these loans by Wall Street financial companies. These companies leveraged these bad loans, and sold them to unsuspecting buyers as bundled investments in the secondary markets. When the overheated United States real estate market finally began a severe and protracted correction of fair market values due to these bad sub-prime loans made to questionable borrowers, not only did the real estate markets collapse but it resulted in a domino effect causing the collapse of major banks and a precipitous and protracted market drop in stock values, financial companies, insurers, and eventually the biggest financial crisis since the great depression. This paper will review the 2008 collapse, and evaluate the questionable practices among the various corporate and financial participants that caused a worldwide collapse of shareholder values. This paper will also explore and review the United States government’s various attempts to solve this great crisis including what proper ethical and legal safeguards are being considered to prevent a repeat of this disaster in the future.

INTRODUCTION

Who is to blame for the current financial crisis that has led to a mortgage and stock market meltdown that incoming President Elect Obama has called “the greatest crisis since the great depression?” Many feel that the financial services industry is to blame because it has consistently tried to defy gravity by using debt, securitization and proprietary trading to boost fee income and profits. Investors, hungry for yield have willingly gone along with the financial services industry. Due to this collaboration, this process has turned investment banks into debt machines that trade heavily on their own accounts. Goldman Sachs used approximately \$40 billion of equity as the foundation for \$1.1 trillion of assets. At Merrill Lynch, the most leveraged, approximately \$1 trillion of assets teetered on approximately \$30 billion of equity. In rising markets, this type of strategy creates stellar returns on equity. However, history tells that when markets are in peril, a small fall in asset values can completely wipe out shareholder equity. Many feel that the financial services industry, that had promised miracles, did nothing more than seduce the greedy and bring destruction to not only the United States economy but to the global world markets as well.

WHAT WENT WRONG

Alan Greenspan, former Chairman of the Federal Reserve, said in 2005, “that increasingly complex financial instruments have contributed to the development of a far more efficient, flexible, and hence resilient financial system than the one that existed just a quarter-century ago.” Tell that to Bear Stearns,

Wall Street's fifth largest investment bank, who became the most spectacular corporate casualty due to the current financial crisis. Financial experts have stated that the demise of Bear Stearns in March 2008 was the inevitable consequence of the laissez-faire philosophy that allowed financial institutions to wrongfully innovate and spread almost unchecked without any proper controls. This in turn, created a complex, interdependent system prone to conflicts of interest, fraudulent practices, and the eventual sale of sub-prime mortgages backed by unqualified mortgagors. Spurred on by short term gains, bankers and fund managers stand accused of pocketing enormous bonuses with no thought to the long-term consequences of their actions. The gambling by these bankers and fund managers was fed by the knowledge that if disaster struck, someone else, i.e. borrowers, investors, taxpayers, would end up bearing the lion's share of the losses. The banks' course was made possible by cheap money, facilitated in turn by low consumer-price inflation. Although in more regulated times, credit controls or the gold standard, restricted the creation of credit. As a prelude to this current financial crisis, central banks in effect conspired with local banks to enhance their philosophy to earn higher and higher fees, resulting in a glut of liquidity and a thirst for yield that led eventually to the ill-fated boom in American sub-prime mortgages. This tendency of bankers and financial managers to accept unnecessary risk is accentuated by the fact that their financial assets' have a habit of growing during booms. By hedging their extra assets as collateral, these same individuals can put them to work and borrow even more. Tobias Adrian, of the Federal Reserve Bank of New York, and Hyun Song Shin, a Professor of economics at Princeton University, posit that since the 1970s, debts have grown faster than assets during booms. This pro-cyclical leverage can feed on itself. If financial groups use the borrowed money to buy more of the sorts of securities they lodged as collateral, then the prices of those securities will go up. That, in turn, enables them to accrue even more debt to buy more securities.

Unfortunately, sooner or later, the music stops. And when it does stop, the very mechanisms that create abundant credit will also destroy that credit. Most securities attract buyers when the price falls. But this is not necessarily so because financial intermediaries need to limit their leverage and in a falling market, they sell assets. That lowers the prices of securities, which puts further strain on balance sheets leading to further sales. Existing rules on capital adequacy require banks to put some capital aside for each asset. If the market leads to losses, the chances are they will have enough capital to cope. Yet this rule sets up a perverse incentive to create structures free of the capital burden, such as credits that last 364 days, and hence do not count as "permanent". The hundreds of billions of dollars in the shadow banking system, the notorious SIVs and conduits that have caused the banks so much pain have been warehoused there to get around the rules. Spain's banking regulator prudently said that such vehicles could be created, but only if the banks put capital aside. So far, that country has escaped the damage seen elsewhere. When reformed capital-adequacy rules are introduced, this is an area that will need to be monitored rigorously. The financial industry is likely to stagnate or shrink in the next few years. That is partly because the last phase of its growth was founded on unsustainable leverage, and partly because the value of the underlying equities and bonds is unlikely to grow as it did in the 1980s and 1990s. (The Economist. London: Mar 22, 2008. Vol. 386, Issue 8572; page 92)

INDYMAC: THINKING BEYOND FORECLOSURE

Diane Smith could have been another foreclosure statistic. The 56-year-old mother of two refinanced her Los Angeles home in 2006 to pay for a kitchen remodeling. However, Smith, a small business owner, found herself in trouble earlier this year after the teaser rate on her adjustable-rate mortgage expired and banks began lowering spending limits on her credit cards. Smith's monthly mortgage payment jumped spectacularly and she could not pay it. That's when her mortgage lender, IndyMac Federal Bank, made her an offer she couldn't refuse. In September, the bank knocked down the rate on her loan to 4.75%, slashing her monthly payments from \$6,000 to \$4,050. The bank also provided counseling to help Smith manage her household expenses. Smith is one of more than 3,000 borrowers who have signed on to a fast-track loan modification program launched by IndyMac, the insolvent California lender seized by the feds

in July. Officials from the Federal Deposit Insurance Corp. have moved quickly to tackle the 60,000 delinquent mortgages in IndyMac's portfolio of 742,000 home loans. In late August, letters went out to 7,500 distressed borrowers, offering new terms. The FDIC says those taking part have seen their monthly payments lowered by \$430 per month on average. FDIC Chairwoman Sheila C. Bair is hoping the IndyMac initiative will provide a blueprint for the rest of the industry. Lenders have been under fire from politicians and consumer advocates for not doing enough to stave off a wave of foreclosures: Filings were up 82% in the first half of the year. The FDIC and investors will end up footing the bill for IndyMac's loan modification program. If the plan succeeds, it will keep families like Smith in their homes. In addition, could help arrest the rot in the complex, mortgage-backed securities that precipitated the worldwide financial meltdown. "Theirs is the first systematic effort to really simplify the loan modification process," That is the solution to the mortgage crisis," says Austin King, director of the financial justice unit at Acorn, a community advocacy group. Like it or not, more lenders may be compelled to negotiate new terms with delinquent borrowers. On Oct. 6, Bank of America announced it had reached a legal settlement with authorities in 11 states that had been looking into allegations of predatory lending practices at Countrywide Financial, the mortgage lender it acquired earlier this year. As part of that deal, Bank of America has committed to modifying loans for nearly 400,000 customers. (Source: Business Week. New York: October 20, 2008)

MELTDOWN 101: WHY DID THE AIG BAILOUT GET BIGGER?

According to the (AP), the bailout of insurance giant American International Group (AIG) is a \$150 billion gamble. That's the size of the newly enlarged financial lifeline the U.S. government threw the tottering insurance giant, expanding an aid package that's gradually grown since it began as an \$85 billion loan in September 2008. The history of this bailout is that back on September 16, 2008, the Federal Reserve initially provided AIG with a \$85 billion loan, in return for a nearly 80% ownership stake. On October 8, 2008, the Fed followed up with another \$37.8 billion loan. Then on October 31, 2008, AIG was allowed access to yet another \$20.0 billion through the Fed's "commercial paper" program. That's where the Fed buys mounds of short-term debt from the companies, which often used the money for crucial day-to-day expenses, such as payroll and supplies. So, even with the original \$85 billion lifeline, AIG continued to have problems as the country's overall financial and credit conditions worsened. AIG was saddled with risky mortgage-related securities that had fallen sharply in value and continued to deteriorate after the initial bailout.

Shortly thereafter, AIG reported a massive third- quarter hit. It lost \$24.47 billion, or \$9.95 a share, compared to a profit of \$3.09 billion, or \$1.19 per share, a year ago. "This is the largest quarterly loss we've ever reported," Chief Financial Officer David Herzog told investors. In addition, the Treasury Department is now stepping in with \$40 billion, which is coming from the \$700 billion financial bailout package enacted in November. It marked the first time any of that bailout money has gone to any company other than a bank. In addition, this new arrangement replaced the \$37.8 billion Fed loan to AIG with a \$52.5 billion aid package. So why is it important to keep AIG afloat? The answer is simple; AIG is a colossus with operations in more than 130 countries. It is so interconnected with other financial firms that its problems have a jolting ripple effect in both the United States as well as abroad. In exchange for the money, Neel Kashkari, the Treasury Department official who is serving as the interim head of the \$700 billion financial bailout program has said, that "AIG must comply with stringent limitations on executive compensation for its top executives, golden parachutes, its bonus pool, corporate expenses and lobbying." (Source: Washington AP-November 10, 2008)

CITIBANK BAILOUT: \$300 BILLION DOESN'T SOUND LIKE A LOT ANYMORE

The Wall Street Journal reports in November that Citibank has become the latest recipient of a government bailout, this time to the tune of \$300 billion, or thereabouts. Somehow, \$300 billion doesn't

sound like a lot of money anymore. In late November, the Treasury Department was talking about a \$500 to \$700 billion stimulus package that will be on President Obama's desk, ready to sign on inauguration day. This is a new record – a \$trillion in government commitments in a single day. The Treasury Department has also agreed to inject an additional \$20 billion in capital into Citigroup under terms of the deal hashed out between the bank, the Treasury Department, the Federal Reserve, and the Federal Deposit Insurance Corp. In addition to the capital, Citigroup will have an extremely unusual arrangement in which the government agrees to backstop a roughly \$300 billion pool of assets, containing mortgage-backed securities among other things. Citigroup must absorb the first \$37 to 40 billion in losses from these assets. If losses extend beyond that level, Treasury will absorb the next \$5 billion in losses, followed by the FDIC taking on the next \$10 billion in losses. Any losses on these assets beyond that level would be taken by the Fed. (Source: Wall Street Journal-November 24, 2008)

ARE U.S. AUTO COMPANIES NEXT IN LINE FOR A BAILOUT?

In late November and the first week of December 2008, General Motors Corp., Ford Motor Co., and Chrysler LLC have been pressing the government for financial assistance. First, they came hat in hand requesting a \$25 billion loan and now in December 2008, that request has increased to almost \$40 billion. This request is on top of the \$25 billion in loans Congress passed in September to help retool auto plants to build more fuel-efficient vehicles. (Source Washington AP-November 10, 2008)

POSSIBLE REMEDIES

Bankers have long argued that there is no one-size-fits-all solution to the mortgage mess. Loan workouts, they say, must be done on a case-by-case basis. Yet the IndyMac program was designed around a simple formula: borrowers' mortgage payments should amount to no more than 38% of their gross income. "The key is to make the new loans affordable," says John Bovenzi, the senior FDIC executive now serving as CEO at IndyMac. Bovenzi also knows how to tailor his pitch. At banks, the traditional approach is to send delinquent borrowers a form letter asking them to call the bank to discuss their payment problems. But instead of using regular mail, IndyMac sent out its letters in overnight delivery packages, which had to be signed for (to prevent the contents from being mistaken for junk mail). What those envelopes contained was, by bank standards, a remarkably straightforward piece of communication: a letter stating, "We want to help you stay in your home," at the top, accompanied by a dollar figure, the new, lower monthly payment being offered. All the recipient had to do was sign a couple of forms and send them back in a prepaid return envelope. IndyMac's new management team readily acknowledges that not all distressed borrowers can be helped.

As many as one-third just don't have the income to support even reduced payments. One such case involved a Nevada woman who wanted to relocate after her husband, the family's sole breadwinner, was incapacitated by a stroke. In what's known as a "cash for keys" offer, IndyMac paid her \$5,000 to surrender her home. As word of its program has gotten around, IndyMac has been deluged with inquiries from borrowers looking to refinance on better terms, though it's debatable whether many of them are actually in need of assistance. One Washington D.C. woman telephoned senior FDIC officials as well as the top four IndyMac executives to badger them about lowering payments on an investment property. The bank postponed a scheduled foreclosure but hasn't agreed to renegotiate. "This is like triage after a train crash," says IndyMac spokesman Evan Wagner. "You take care of the worst cases first." Bovenzi has plenty of experience in dealing with bad loans. An FDIC veteran, he worked at the agency during the savings and loan crisis of the late '80s and early '90s. One of the key lessons from that era: Debt workouts can pay off for lenders as well as for borrowers. Chairwoman Bair, in a Sept. 17 speech to Congress, noted that the FDIC's recovery rate on nonperforming loans averages just 32% of the loan's value. If the loan is current, the agency gets 87%. It's too early to judge whether the IndyMac program will succeed. There are studies that show many loan modifications offer at best, only temporary reprieves. Many

borrowers will continue to fall behind on payments. Moreover, there is no guarantee that whoever eventually buys IndyMac, will carry on with the program. Already several would-be buyers have visited its Pasadena headquarters to pore over the books. In the meantime, Bovenzi, who once headed the Liquidation Department unit of the FDIC, has been busy dumping assets. First to go were the season tickets to Los Angeles Dodgers games used to entertain corporate clients. A company-owned Porsche went for \$65,000 on AutoTrader.com in August. Next on the list: are the paintings hanging on the walls. On the downside, Valparaiso University law professor Alan White looked at 4,344 renegotiated subprime loans and found that only half of the modified loans resulted in lower payments. In many cases, the amount owed actually rose as missed payments and late fees were added to the loan's principal. His conclusion: "The subprime crisis will be worked out only over a period of many years." (Source: Business Week, New York: October 20, 2008)

U.S. TACKLES CONSUMER DEBT MARKET

The Los Angeles Times reports that the federal government's new \$800 billion initiative to revive the nation's credit markets and reverse the deepening economic crisis propels the government into risky territory-the uncertain world of credit cards, student loans, auto loans and cash-strapped small businesses. Most of the money in the plan is aimed at making home loans cheaper and more readily available. To that end, the Fed plans to buy as much as \$600 billion in debt and mortgage-backed securities held or issued by government sponsored lenders such as Fannie Mae, Freddie Mac and Ginnie Mae and the Federal Home Loan Banks. In addition, the Fed will commit as much as \$200 billion to help loosen lending for consumer goods, including everything people can buy with their credit cards. This is intended to make it easier for ordinary Americans to get credit. (Source: Los Angeles Times: November 26, 2008)

TREASURY WEIGHS PLAN TO LOWER MORTGAGE RATES

Under this proposal according to Scott Talbott, Vice President of the Financial Services roundtable, the Treasury Department would seek to lower the rate on a 30-year mortgage to 4.5%. That's about 1 percentage point below the current rate in December of 5.6%. The Treasury Department would accomplish this by purchasing mortgage-backed securities from Fannie Mae and Freddie Mac. Although the details are in flux, the program would be similar to the effort the Federal Reserve announced at the end of November to purchase up to \$500 billion of mortgage-backed securities from the two mortgage giants. Fannie Mae and Freddie Mac which were seized by federal regulators in September, own or guarantee about half of the \$11.5 trillion in U.S. outstanding home loan debt. (Source: Washington Associated Press, L.A. Times 12/4/08)

N.Y. PROSECUTOR PICKED TO OVERSEE BAILOUT

The Washington Post has reported that the White House has nominated Neil M. Barofsky, an Assistant U.S. Attorney for the Southern District of New York to oversee the \$700 billion bailout program. Mr. Barofsky has spent his entire career as a federal prosecutor specializing in \$multibillion accounting frauds. (Source: Washington Post: November 15, 2008)

CONCLUSION

This financial crisis has been called by many, including President-Elect Obama, "the biggest financial crisis since the great depression". The bailout started out as a \$700 billion bailout and is now expected to reach almost \$2 trillion. Since experts believe that it could take up to two years before the financial markets stabilize, with the massive amount of bailout funds to be expended, it is important to monitor the bailout which the government is attempting to do with the appointment of a federal prosecutor as the chief watchdog. The incoming Obama administration has stated that it intends to initiate creative new

fiscal policies designed to revive and stimulate the domestic markets and the overall U.S. economy. This together with massive new spending programs which were initially designed to rebuild the national infrastructure should also result in increased employment to get people who have lost their jobs, back to work. It is the new administration's goal to restore faith in government and in the financial markets by immediately initiating investigations into past unethical and questionable financial practices by greedy corporations who many believe are responsible for the current financial crisis that led to the mortgage and stock market meltdown. Hopefully things will not get worse prior to the new administration's financial team taking over on January 20, 2009.

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REDUCING THE COST OF CRIME THROUGH THE USE OF RESERVE POLICE OFFICERS AND VOLUNTEER CITIZEN PATROLS

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ABSTRACT

Law enforcement agencies are entrusted with the protection and safety of society. They are often faced with tasks that are tedious and time consuming. In our changing society, the police are expected to be involved in both the apprehension of criminals and in the reduction of crime through a relationship with the society they serve. The better the relationship with the community, the more successful the police are in apprehending criminals and reducing crime. The better the relationship with the community, the more trust the community has in their police departments.

A secondary problem police department's face is the lack of funds to accomplish the tasks required of them. Governments are expected to serve the communities in multiple areas. Citizens expect to have city parks, public libraries, well maintained roads, community recreation centers, and the best schools. They also expect to be protected against the criminal elements in society. In addition, they expect all of these services without any increase in their taxes. Using volunteers is one way to fulfill the duties expected of the police without an increase in tax dollars. The Police Reserve Officer and Volunteer Citizen Patrol are two of the volunteer programs that are currently in use by both large and small police departments. This paper will examine whether the use of reserve police officers and volunteer citizen patrol are effective means of reducing the cost of fighting crime and furthering a good relationship between the police and the communities they serve.

INTRODUCTION

One of the problems public administrators encounter is how to efficiently use the taxpayer's money. In today's economy this situation has become even more important. Cities across the country are going bankrupt or are on the verge of bankruptcy. Financially strapped municipalities have often turned to the federal government for financial assistance. However, turning to the federal government is not such a good option today. The U.S. has been on the verge of a recession for years, and just this month the federal government made it official; the U.S. is formally in a recession. The bottomless well of money available from the federal government to help communities is drying up.

Elected officials have a duty to spend the taxpayer's money in the most practical and efficient manner available. That means they also have a duty to research methods and ideas that would save money and help the different departments within the city to operate in the most efficient manner possible. With the current recession and many cities on the verge of bankruptcy, it is even more important to spend those valuable dollars in a manner that citizens would accept as being practical and efficient. One way to achieve this goal is to involve citizens in the decision making process. Within law enforcement agencies there are several proven methods that include citizen involvement on how their communities are protected. The more involved the citizens are in law enforcement, the more effective the law enforcement agencies are in delivering the service demanded by the citizens to those communities. Law enforcement agencies must not forget that they in fact are serving their communities and have a duty to do so in the most efficient manner possible. Some of the current methods used to involve citizens in the policing of

their communities are Community Oriented Policing, Problem Oriented Policing, Police Reserves, and Volunteer Citizen Patrol. All of these methods should be used together for services to be delivered in the most effective way.

POLICE AND THE COMMUNITY:

Police departments depend on a good relationship with the community in their efforts to control crime and make the communities as safe as possible. The better the relationship between the police and the community, the more effective the police are in controlling crime. Their primary obligation is to the community they serve. Governments have a duty to make the communities they are serving as safe as practical given the limited funds available to them.

Police departments are constantly coming up with new or redefined ideas to improve community relations and to be more effective in their crime fighting efforts. Community Oriented Policing (COP) has been one method the police have been using since the early 1960's. Purists would say that Sir Robert Peel, Home Secretary in Lord Liverpool's Tory Cabinet, was the originator of COP with his establishment of uniformed police on the streets of London on September 29th, 1829. They were affectionately and commonly referred to as 'Bobbies' in reference to their creator (<http://www.historic-uk.com/HistoryUK/England-History/SirRobertPeel.htm>, Welcome to History UK - the History of England!) Most U. S. historians would agree that COP became popular in the U.S. since the civil rights movement in the 1960's. During this period of unrest the weaknesses of the traditional policing model were exposed.

Even though its origin can be traced to this crisis in police-community relations, its development has been influenced by a wide variety of factors over the course of the past forty years. Individual elements of community policing, such as improvements in police-community relations, emerged slowly from the political and social upheavals surrounding the civil rights movement of the 1960s. (<http://law.jrank.org/pages/1649/Police-Community-Policing-Origins-evolution-community-policing.html> Police: Community Policing - Origins And Evolution Of Community Policing) The real key to this evolution in policing was the recognition that police departments discovered their hands were tied against effective policing when the relationship between the community and the police was at a low. According to the San Diego Police Department web site the focus of Community Oriented Policing is problem solving. According to their web site, some of the benefits to the community include:

- Officers are able to spend more time working with citizens to solve crime and disorder problems.
- With better police-citizen communication, officers can more effectively use and share crime information with the public.
- Officers who know both a community's problems and its residents can link people with other public and private agencies that can help solve community concerns.
- No single agency can solve complex social problems alone. A combined community-police effort restores the safety of our neighborhoods and business districts

The following web site gives some examples of COP:

1. A revitalized Neighborhood Watch program consisting of community coordinators, watch coordinators and block captains all working toward a common goal.
2. Citizen's Patrol groups throughout the City acting as eyes and ears to observe suspicious activity and eliminate problems.
3. Safe Streets NOW! working to get rid of nuisance properties through civil remedies.
4. The Drug Abatement Response Team (DART) involves the City Attorney, Housing Inspection and the police in identifying properties that have a long history of ongoing narcotic activities. In a six-month period, over 70 drug houses were targeted for abatement action. (<http://www.sandiego.gov/police/about/community.shtml>)

5. As one can see, both the benefits and examples of COP, are very dependent on community involvement and a good relationship between the community and the police.

In the late 1970's, Herman Goldstein, a University of Wisconsin Law Professor, suggested that police departments turn their focus from inward measures (number of cars, number of officers, staffing patterns) to outward measures (impacting crime, fear, and disorder) (<http://www.jus.state.nc.us /NCJA/module-2.pdf>). This concept became known as Problem Oriented Policing (POP). According to the San Diego Police Department web site Problem Oriented Policing is the primary strategy of Community Oriented Policing. The community and police work together analyzing community problems and developing customized responses to them. Problems are identified by the community as recurring incidents or matters of concern. Problems are addressed with a four step process known as the SARA Model. Scanning: Problems are identified.

- *Analysis:* Questions are asked to learn everything possible about the problem.
- *Response:* Based on careful analysis, a custom-made response to the problem is tried.
- *Assessment:* The response is evaluated to see if the problem was solved or reduced.

Examples of Problem Oriented Policing in San Diego:

- The police, community and City Council worked to attack drug and gang problems in the Skyline and Meadowbrook community. Those efforts led to an organized community association, and a reduction in criminal activity.
- A trolley station was the location of gang fights, violent crimes, and narcotic activity. A squad of officers collected information to show the local transit board that the design of the station contributed to crime. Based on the careful work of the officers, the board agreed to provide funds to redesign the station.
- Calls of narcotic activity at an 80-unit apartment complex alerted officers to try a problem solving approach. Working with residents, the on-site manager, the management company, the Housing Commission, and other police units, the officers were able to evict problem residents and stop the drug dealing. (<http://www.sandiego.gov/police/about/problem.shtml>)

Once again the identification of the problem and the examples of POP are extremely dependent on a good relationship between the community and the police department. The common thread in both COP and POP is the relationship between the community and the police department. The better the relationship, the more effective the police are in solving crime and community problems that lead to crime.

It is very self evident that an effective police department has a direct relationship to the good relationship that department has within the communities they are responsible for. So why not use some other means to improve even more on this relationship? Use of the Police Reserves and Volunteer Citizen Patrol are other methods that can be used to strengthen the relationship between the police and the community. Both of these groups are made up of citizens volunteering their time to serve both the police and the communities they live in.

FISCAL RESPONSIBILITY

As stated earlier in this paper, it is the duty of elected officials to deliver services in the most fiscally efficient manner possible. The fiscal woes of municipalities are not new. On December 6 1994, Orange County, a prosperous district in California, declared bankruptcy after suffering losses of approximately \$1.6 billion from a wrong-way bet on interest rates in one of its principal investment pools. The pool was intended to be a conservative but profitable way of managing the county's cash flow, and those of 241 associated local government entities. Instead, it triggered the largest financial failure of a local

government in US history (Case Study, Orange County, <http://www.erisk.com/Learning/CaseStudies/OrangeCounty.asp>). Things have not improved around the nation. The City of San Diego has had money problems since 2002. One would think that the Orange County experience would have put elected officials on official notice to be very cautious with tax payer money. Not so in San Diego. Private auditors have found that San Diego overstated its net assets by more than \$640 million in fiscal 2002 – a problem that portends greater difficulty for the city's restoration to sound fiscal health. The city's net assets will be lowered almost 10 percent from their reported total of \$6.8 billion, a miscalculation used in three bond offerings, which opens the city to possible lawsuits and new federal sanctions and fines (September 17, 2005 San Diego Union Tribune, Matthew T. Hall). With the continued budget problems, both locally and nationally, it is quite clear that elected officials and department heads must do everything practical to spend the taxpayer's money wisely. The use of Police Reserve Officers and Volunteer Citizen Patrol are two ways to help in these fiscally tough times.

POLICE AND RESERVE POLICE OFFICERS:

The research questions for this paper were whether the use of volunteer citizen patrol and reserve police officers would reduce the cost of fighting crime. The research also looked into whether use of volunteer citizen patrol and reserve police officers would help full time officers to be more effective in fighting crime. The last two issues researched were whether there was potential for job opportunities being taken away from full time officers and if reserve police officers could be a viable resource for future hiring of full time officers. The methodology was primary data analysis by use of a questionnaire. 18 questions made up the reserve officer questionnaire; 8 primary questions and 11 secondary questions. Questionnaires were obtained from 5 law enforcement agencies, 2 that served a population of over 500,000 and 3 that served a population of less than 200,000. Only one agency, Carlsbad Police Department was polled regarding volunteer citizen patrol.

The San Diego Sheriff's Department and the San Diego Police Department were the 2 large agencies serving a population of over 500,000. Carlsbad, El Cajon, and National City Police Departments' were the 3 small agencies, defined as serving a population of less than 200,000. The number of reserve officers serving with each agency varied from a high of 81(San Diego Police) to a low of 4(Carlsbad Police). All of the agencies required their reserve officers to work a minimum of 2 days a month. Although some law enforcement agencies in the U.S. have a minimum pay schedule for reserve officers, none of the agencies in this research paid their reserve officers. The role of the reserve officers was strictly a volunteer position. All of the agencies in this research study paid for the reserve officer's equipment that would be necessary as a job requirement. The average cost of for equipment was approximately \$1,200.00 per reserve officer. The average cost for running the reserve officer's program was \$136,000.00. This would include administrative costs such as full time officers, vehicles, staff help, office supplies, etc. The average pay for a full time police officer in 2008 was \$75,200.00 per year which is approximately \$37.50 per hour. The savings to an agency such as San Diego Police, where there are 81 reserve officers working a minimum of 2 ten hour days a month, would be \$60,750 per month. That is an annual savings of \$729,000.00.

The money saved is not the only benefit to the cities that utilize a reserve officer program. There are also the fringe benefits of a better relationship between the police and the community. Reserve officers come from all walks in life. They hold regular jobs in their communities and interact with citizens in their communities that know them as reserve police officers. Probably the most popular reserve officer was Jack Webb, the actor in the popular TV series Dragnet where he played a Los Angeles Police Detective. In real life he was an honorary Los Angeles Police reserve officer and received an award from LAPD for over 4,000 hours he served in that capacity. Not only did the LAPD use Dragnet episodes as training films for a time, they also named a police academy auditorium after Webb (http://en.wikipedia.org/wiki/Jack_Webb).

POLICE AND VOLUNTEER CITIZEN PATROL:

Volunteer Citizen Patrol is another method law enforcement agencies are using to establish a better relationship with the communities they serve. Almost all law enforcement agencies in San Diego County have a Volunteer Citizen Patrol program. The benefits of this program are very similar to the benefits of the Reserve Officer Program. This program has the added benefit of giving seniors in the community the opportunity to give back a service to their community. Many of the agencies that have a volunteer Citizen Patrol Program utilize seniors in the community to staff the program. Most of the seniors are retired with time on their hands. Serving in this capacity gives the seniors a feeling of self worth. Duties that volunteers perform are:

- Assist with traffic control
- Assist with lost and found property reports
- Assist with searching for lost persons
- Being a presence in the community such as public schools
- All duties of volunteers must be of a safe nature; they do not have police powers
- Some of the benefits of having a Volunteer Citizen Patrol include:
- Better rapport between police & community because of citizen involvement
- Safer public schools with increased patrol presence
- Opportunity for seniors to give back to their community
- Opportunity for seniors to form productive social groups
- Effectiveness of Programs Based on Duties of Reserves and Volunteers
- More reserves & volunteers leaves more time for full time officers to work on serious violent crimes
- Both programs offer a resource for personnel under emergency situations when needed
- Both programs help free up more highly trained officers to do tasks that require their special expertise

CONCLUSION

Clearly there is a cost saving benefit for the agencies that have adopted a reserve and senior patrol program. The benefit of having reserve officers and volunteer citizen patrol has a direct result of allowing full time officers more time to effectively fight crime. Is there a potential for job opportunities being taken away from full time officers? It is debatable whether the reserves and volunteers take job opportunities away. The duties that reserves and volunteers fulfill generally would not take away job opportunities for full time law enforcement. Reserve officers are a very good source for future full time positions within the department they work for, and also other law enforcement agencies.

Law enforcement agencies should be encouraged to continue and expand their reserve force and volunteer citizen patrol programs.

The benefits include:

- Cost savings to the taxpayers
- Good rapport established between the police and community
- Large personnel resource for critical incidents
- Role of reserve officer can be the first step to full time employment

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HR INNOVATION AND MANAGEMENT TRAINING IN AGRICULTURAL PROCESSES. CASE: GREENHOUSES IN NORTHERN CHIHUAHUA

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ABSTRACT

The municipality of Praxedis G. Guerrero in Chihuahua, has been characterized in the last decades by its low agricultural productivity limited to certain crops that are not meant to be for human consumption as cotton, alfalfa, sorghum, wheat and prairie, in winter wild oats, due mainly to the economic, political and social conditions of its environment. This project focuses on HR innovation and management training competitiveness with technology of greenhouses, increasing its chain of value, being adjusted to the conditions of this arid Mexican field where the drought, proximity to a city in an industrial peak, pollution of the, specially the environment pollution and salinity of the earth and its condition of border community give the characteristics to promote its economic reactivations supported in this proposal. Key training will be providing it in order to maintain the alignment between Competitiveness and Technology Management.

KEYWORDS: Training, innovation, management, innovation processes organization

INTRODUCTION

Praxedis Guerrero is a small community located in the desert area in the northern State of Chihuahua that borders on Texas USA. Similarly to most of the populations that share these geographical conditions, they also face the constant water shortage, due not only to the years of drought they have experienced, but also to: (1) the legal limitations that don't allow the drilling of wells in the vicinity of the Rio Grande; (2) the impossibility of retaining the water in the area because of the underground's characteristics and the inconvenience of the cost that the construction of a dam would cause, (3) the season rain, received in winter which cannot be used for agricultural activities and (4) the use of residual polluted water coming from Ciudad Juarez.

Although it is true that Ciudad Juarez is one of the emporiums of the industry assembly plant in the northern part of Mexico, the growth of this city has been such, that there was not a vision from the government on the ecological impact caused by the generation of residual waters not treated entirely and used by the near populations for agricultural purposes. Examples of these communities in the rural area are the Municipality of Juarez, Guadalupe and Praxedis.

The problems of society are increasingly complex and interdependent. Hence, they are not isolated to particular sectors or disciplines, and they are not predictable. They are emergent phenomena with non-linear dynamics, uncertainties, and high political stakes in decision making. Jacques Derrida's version of deconstruction is one of the most influential schools of thought among young academic critics. It is salutary in that it focuses on the political power of rhetorical oppositions -- of tropes and metaphors in binary oppositions like white/black, good/bad, male/female, machine/nature, ruler/ruled, reality/appearance -- showing how these operations sustain hierarchical world views by devaluing the second terms as something subsumed under the first (Fox, 2005).

Research Question

- Q1. It is possible to strengthen the Praxedis economy by human training on greenhouses'?
- Q2. How it is the enhanced approach of management process on agriculture'?

LITERATURE REVIEW

The agricultural sector in Mexico has been sunk in a deep crisis for several years, with characteristics of low profitability, descapitalization, poor quality of the rural population's life and the deterioration of the natural resources, as well as the deep poverty and growth of the migrating population (Chauvet and Massieu, 1996).

If we analyze the behavior of the global production and the main crops, we find that in the decade of the 80's, the agricultural GDP represented 5.7% of the total GDP diminishing on the average up to 4.7% during 1995-2000. This insufficient growth of the Mexican agriculture is a combination of structural factors and applied political sectors (Rello and Trápaga, 2001).

The agriculture has been affected by the application of an exchange policy that overvalues the exchange rate, discourages exports and agricultural production, and a lack of correspondence between the strategy of unilateral opening and the application of measures of sectorial development that increase the competitiveness of the agricultural producers. Numerous problems exist that limit increasing the production and the capacity to compete, as the incomplete markets -among them the loans and insurances -, an old rural institutionalality in need of deep thorough changes, and the experience and limited capacity of the producers' organizations to carry out these tasks (Rello and Trápaga, 2001).

However, facing these circumstances the agricultural producers have adopted different strategies, some more successful than others, looking toward solving the setbacks. At the moment we find crops that have not been displaced by the foreign competition -as the potato that was protected by NAFTA - neither they have stopped to be successful, being agricultural products that are exported, as flowers and tomato (Chauvet and Massieu, 1996). The crops where we find more problems and lower competitive capacity are the rice, the oleaginous and the wheat. On the other hand, the production and exportation of vegetables and fruits have constantly grown due to comparative advantages that these crops have and the opportunities given by NAFTA. Traditionally, Mexico has been the most important external supplier of vegetables for the American market, with a participation of two thirds of its production (Rello and Trápaga, 2001)

In searching strategies to enhance the competitiveness of the Mexican agricultural field, this project looks for an opportunity to focus on the competitiveness strategy through the use of technology of greenhouses and increase in the chain of value, in a municipality of the United States-Mexico border, named Praxedis G. Guerrero.

Praxedis G. Guerrero is a small town located in a desert area in the northern part of the State of Chihuahua, in the border with Texas, USA. As most of the towns located in this geographical area, they face the constant shortage of water, not only due to the years of drought that they have lived, but also to: (1) the legal limitations that don't allow the drilling of wells in the vicinity of the Rio Grande; (2) the impossibility of retaining the water in the area for the characteristics of the underground and the inconvenient cost of building a dam; (3) the seasonal rain, received in winter, a time in when it cannot be used for agricultural purposes; and (4) the use of residual polluted water coming from Ciudad Juarez.

The use of these residual water is restricted to crops of products that are not intended for human consumption like: cotton, alfalfa and wild oats. For this reason there is a need to diversify the products

the field produces, to reactivate the economic activity, and to promote also, a better use of the natural resources as the water and the cultivated land; for this reason the National Commission of the Water (Comision Nacional del Agua) mentions in its Statistical Report that for the agricultural year 2001-2002 the crop rate was of \$12,506 pesos per hectare (Apud. Of Rural Development Project Integral of Juarez Region Valley. CONAGUA: 2003) which allows us to see the limited use of the cultivated soil as well as its low productivity.

The proposal of this project is focused on the technology of greenhouses and increase in the chain of value in Praxedis G. Guerrero has the experience of a starting company that uses greenhouse technology focused on tomato crops in the region and the successful knowledge that this technology for food production in greenhouses has advanced considerably in the last 20 years. The production in greenhouses, frequently denominated Agriculture in Controlled Atmosphere (CEA), usually is done with greenhouses' technology. The cultivation with this technology is probably today, the most intensive production technique for the agricultural industry. In combination with the greenhouses, this is high technology and intensive capital. Even for the great majority of their employees, this cultivation method only requires basic agronomy knowledge's. Since the regulation of the atmosphere and roots growth are the main interest in such agricultural systems, the production is carried on special premises designated to control the air and roots temperature, light, water and vegetable nutrition.

The General objectives: To train human resources in the municipality of Praxedis G. Guerrero that strengthen their economy by including added value to the greenhouses' processes, as well as to encourage the creation of small and medium companies to support those producing greenhouses to place their products in national and international markets.

Relevance and justification: A strategy focused on competitiveness requires not only support for the adoption of technology, but also an adjustment for conditions in Mexico, as in the case of the municipality of Praxedis G. Guerrero. Drought, proximity to an industrial city, environmental pollution, and a situation as a border community generate socioeconomic problems such as poverty and migration. The growth of Praxedis will be on average of 5% while Juarez (and its rural areas) has grown at a rate of 7% from 2000 to 2005 and expect an average annual growth rate of 9.6% to 2025.

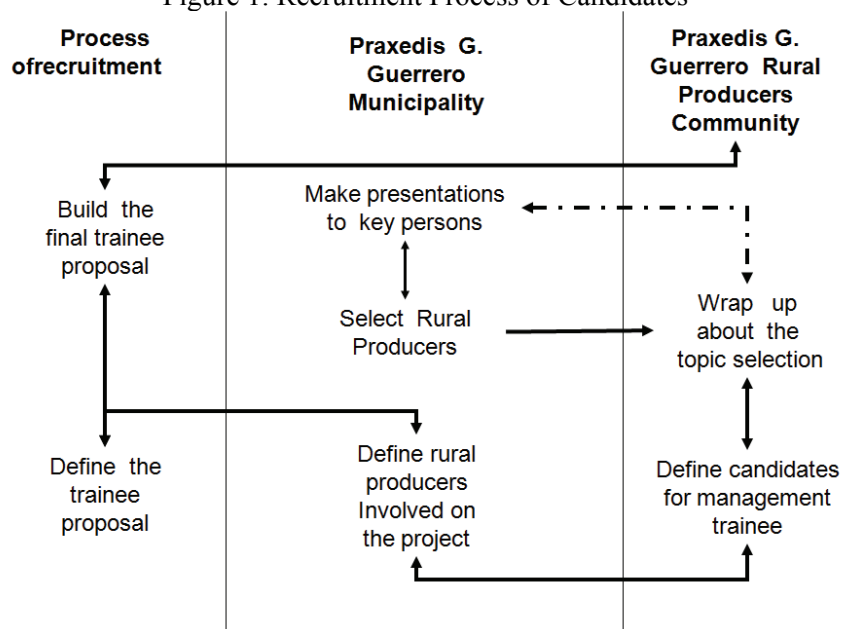
METHOD AND DATA

In order to recruiting and training of human resources that will allow the correct community development and the granting of a model project (see figure xxxx) for places with similar problems, the following approach was carried out :

1. The pre-project is introduced by NMSU-UACJ to the Director of Rural Development of the municipality of Praxedis G. Guerrero, outlining the benefits for the community in forming human resources in the areas of Technologic Competitiveness and Rural Development , and they agreed to summon, for this purpose, the producers of the region.
2. In the first general meeting with the producers interested in the project, the details were exposed and they self-nominated and pre-selected the key candidates, taking into consideration requirements and the characteristics of the proposal which are: a) have a bachelor's degree; b) have been born in the community; c) agree to reincorporate themselves to the community and d) spread the acquired knowledge for the community's benefit.
3. Once the possible candidates were selected, a second meeting was summoned where proposal was detailed in two main aspects: rural development – microenterprises and field competitiveness; the participants agreed on competitiveness with added value in marketing. Taking the above into consideration and the fact that the municipality of Praxedis has

- previous experience in greenhouses and water problems, the options of competitiveness incorporating technology in greenhouses with added value to the product was presented.
4. In the third meeting the candidates were interviewed in order to know their background according to the profile detailed in the proposal.
 5. Taking the interviews as basis, it was possible to explore the real knowledge of the candidates concerning the project and the requirements, outlining the compromise of the participants, as well as their interests, in order to be able to link the initiative with the needs of the field producers in the community.
 6. The following was concluded: a) Support the candidates to study the Master of Agriculture with Specialization in Agribusiness at NMSU, because in that way, they will provide with competitiveness and high value to the products obtained with the greenhouses technology.

Figure 1: Recruitment Process of Candidates



Source: Own development

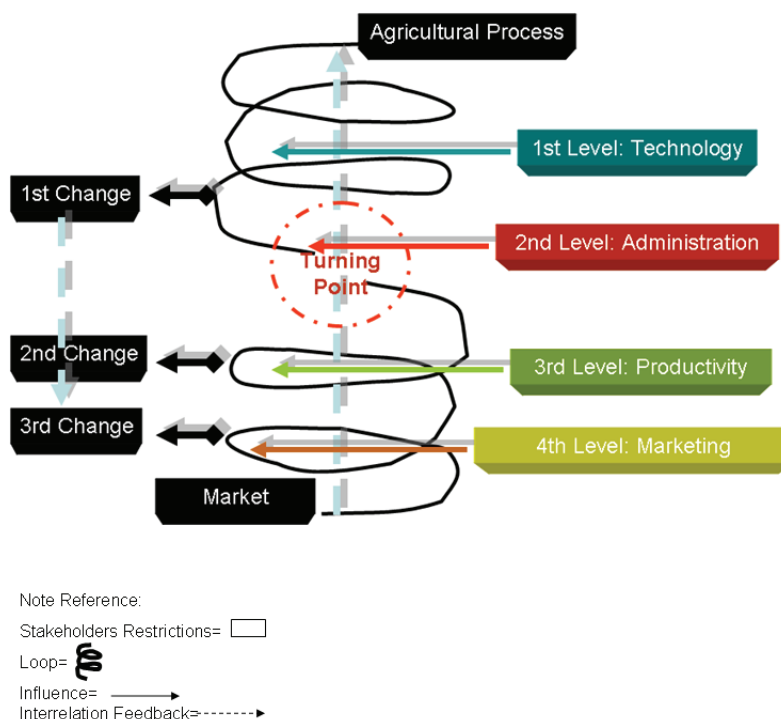
DISCUSSION

Existing Mexican agricultural processes as a whole, do not comply with actual expectations as of field development in the country, even with its socioeconomic and cultural specificities from its different economic regions. Taking the above into consideration, there is a need to reflect on the prevailing conditions of agricultural operations. We have to emphasize the influence of the existing agricultural structures in the actual processes; their intervention is still given with the incorporation of new technologies, which have demonstrated their success in different spaces.

To approach the Mexican agricultural phenomenon, the representation of the loop, conceived by Edgar Morin under the theory on complexity, is proposed. To this idea, the steps (called levels) within a process in which the use of technology already exists (see figure 2), are incorporated. Nevertheless, between this and the administration process, a turning point exists, which prevents the product from reaching adequate productivity and marketing levels for its correct entrance into the market. The graph represents the changes on paradigms that must be given from one level to another; in order for this to happen it is necessary to avoid turning points between one level and the other, to keep consistency with

the expectations between the use of new technologies, administration, production, marketing and entrance into the market.

Figure 2: Loop: Innovation and Administrative Formation in Agricultural Processes



Source: Cuevas Own development Own development (2007).

It has been thus possible to discover the scenario about the greenhouses in the Municipality of Praxedis G. Guerrero. The knowledge about the way in which the perspective elements of the Loop integrate and their relationship with the innovation and the requirements of the administrative formation in the agricultural processes, allow the disassociation of the tool, in this case, the greenhouse, and its integral context. In figure number 2, it is possible to watch the different levels and change expectations, and for these, the following aspects have been considered:

1st level: Greenhouses' technology.

- Existing innovations
- Advances in the knowledge about greenhouses.
- Different types of greenhouses.

2nd level: Administrative field

- Management has not changed.
- There is no administrative innovation
- Low profitability
- High operating costs
- Lack of credits
- Formation of human resources is considered an expenditure.

3rd level: Productivity.

- Study of new technologies supporting greenhouses.
- Research on new processes.
- Research on field products with high performance in greenhouses.

4th level: Marketing of Agricultural Products.

- Problems in the distribution of agricultural products.
- Low knowledge of greenhouses' products market
- High competition among traditional products.
- Alternative markets.
- Products' diversification.

Exploration is also conceived between the levels. Between the level that corresponds to Administration and to Marketing, it is necessary to correctly administrate the resources and guarantee the best entrance into the market. If marketing requires also high production standards (quality, costs and periods of time), its relationship is also influenced by the administration and the research existing with the new technologies.

Administrative Field

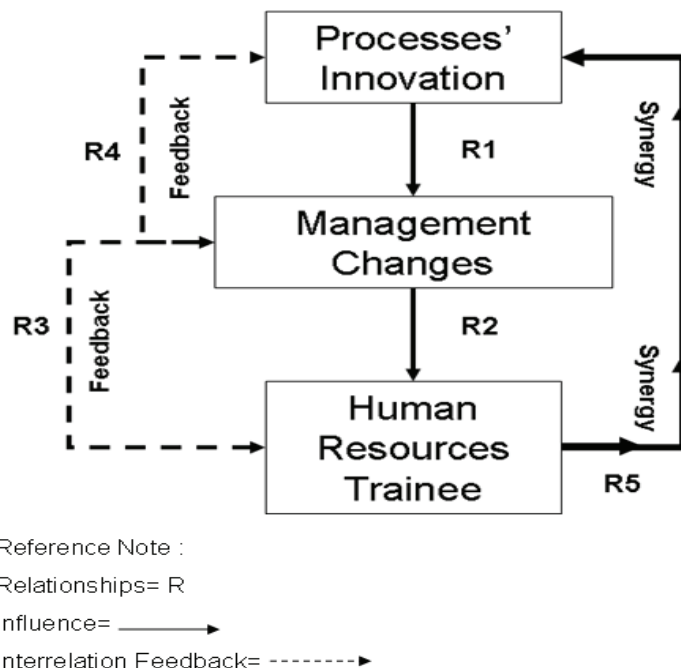
The approximation to the Mexican field phenomenon under the Loop: Innovation and administrative formation in agricultural processes, originates in the need for solving the problem that exists in the field management, as in the Greenhouses in Praxedis, under the hypothesis of an inadequate handling in managing the existing resources, and the lack of innovating processes required in operating the greenhouses. For such purposes, verifying first the administrative field is suggested, but under the Management Shadow frame.

Management shadow is required in managing the resources, accounting, finances and training. With this tool, verifying the use of the resources that are available and its reorientation to desirable schemes is possible. This second level, which corresponds to the administrative field, represents the link between the third level of agricultural productivity fundamented in the yield by existing products and the compatible conjugation of management tendencies from other economic activities.

Once you have the different levels, it is possible to break up the interaction between them, so that their composition is given in the relation shown in figure 3:

- R1: Processes' innovation – Management changes
- R2: Management changes – Formation of Human Resources
- R3: Generates feedback between the formation of Human Resources and Management changes.
- R4: Generates feedback between Management changes and processes' innovation.
- R5: Synergy that goes from the formation of Human Resources to the processes' innovation.
- Each standard and each category valorizes some point of view and silences another.

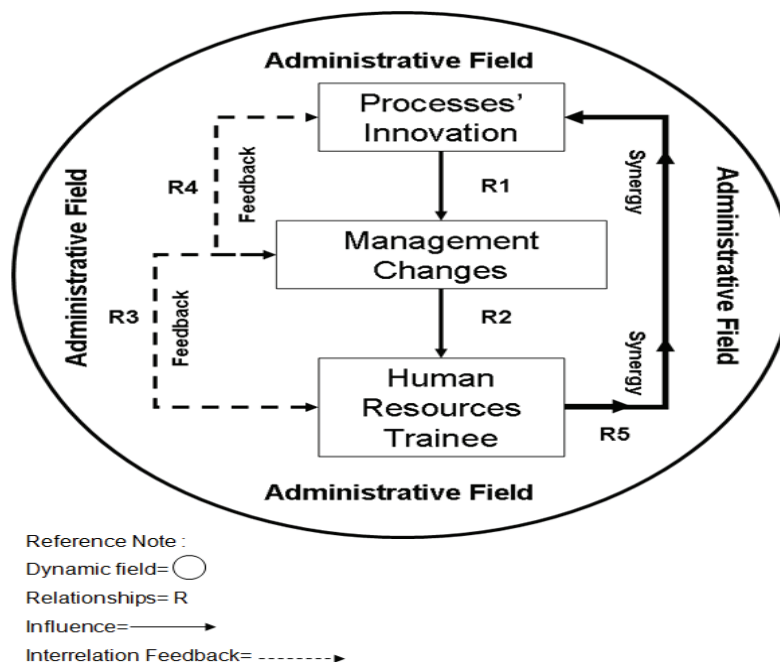
Figure 3: Relations during the Process



Source: Cuevas Own development (2007).

In consequence, the focus is configuring the administrative field node (see figure 4), that will allow generating the necessary human resources for the fulfillment of the third and fourth levels, as an unavoidable step for restructuring and eliminating the SEQUENCE(?) of the loop.

Figure 4: Node of the Administrative Field



Source: Cuevas Own development (2007).

Finally, as immigration of the population is a phenomenon that affects the Mexican field for its low rewards and undesirable levels of life, the approach to this phenomenon must be from an “agricultural enterprise” point of view, with requirements in investing in forming human resources.

CONCLUSION

The proposal refers to reorientating management in the Mexican field, not only in the greenhouses themselves but as a feasible model under the vision of improvement of the processes that change, through the formation of human resources, to generate a continuous synergy in innovating operating processes and agricultural management. These will reflect, afterwards, productivity and merchandising nodes, which, once satisfying their requirements will have access to the market with better possibilities in quality, prices, delivery dates, granting competitiveness.

The Mexico-USA border not only shares economic, industrial and commercial ties, but also, fortunately or unfortunately for the region’s inhabitants, these two countries are intertwined by environmental issues due to natural resources, mainly the water issue that joins both Mexico and USA communities in a determinant manner. Water is the scarcest, most fragile and appreciated resource in the border region shared with the Americans. The amount of water in the region is precarious, not only because of the natural conditions in the west area (the climate of the region is prone to serious droughts, particularly in the Rio Grande region), but also the manner it has impacted the evolution of the border cities with an extensive industrialization based on the industry assembly plant. (Cohen, 2005).

On the other hand, the problem concerning water in the border involves different actors with different necessities. On one hand the farmers require the vital liquid to continue developing their activities and the cities demanding more and more water to supply their residents, industrial and service sectors. On the other hand, the water issue involves the government’s meddling at different levels (local, regional, national and international) due to the fact that most of the sources of supply are shared among states, municipalities and town at national and international levels by the interaction in the international treaties regarding the Rio Grande and Colorado rivers in the Mexico- USA border area (Bustillos, 2004)

Questions for Further Research

- QFR 1. It is the management of innovation technologies a right choice for economic development at agriculture small business?
- QFR 2. The conceptual process model can be success at the Mexican agriculture?

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BIOGRAFIA

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THE DEVELOPMENT OF TAIWAN'S ACCOUNTANCY PROFESSION: SOCIO-ECONOMIC PERSPECTIVE

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ABSTRACT

This paper opens with a socio-economic overview of Taiwan, and, within this context, traces the development of Taiwan's accountancy profession from its beginnings to the present day - including its structure, its standard-setting bodies, its regulating institutions, etc. It also gives an account of what steps Taiwan has taken to attain confluence with international financial reporting standards. In addition, the paper describes the Taiwan Certified Public Accountants' function and responsibilities within the corporate governance, identifying and emphasizing information transparency as a key component affecting investors' and shareholders' interests. It is argued Taiwan's accounting standard-setting body has been delegated by Taiwan Securities and Future Commission (SFC) to issue accounting and auditing standards. The accountancy profession would see its task as servicing the various needs of investors, creditors, and government bodies. Consequently, the accountancy profession is considered strong and powerful, with high social standing

KEYWORDS: Taiwan Accountancy Profession, Auditing, Corporate Governance

INTRODUCTION

There were no distinctive periods of accounting development in Taiwan. Rather, accounting development was driven by political and economic factors (Lau, A and R. Ma 1997; Lai and Xu 1998). Lau and Ma argued, depending on the degree of government involvement in the accounting standard setting process, that Taiwan is identified as a country whose accounting standard-setting body is located in the private sector with strong government participation (Lau, A and R. Ma 1997, p.88).

In accounting standard-setting, the extent to which government is involved in the process substantially impacts the accounting profession's development and recognition in society. If government exercises full control of the standard-setting function, then accounting will be relegated to macro-based functions- in particular, its audit function may be largely a bureaucratic one, viz. ensuring that financial reports are in compliance with set statutory rules. In this case, the accountancy profession is no more than an 'arm' of the government', and therefore likely be weak, and accountants would not be likely to have a high standing in society. However, this is decidedly not the case with Taiwan. More aptly described, Taiwan's accounting standard-setting body is located in the private sector, with strong government participation (Lau, A and R. Ma 1997). Taiwan Securities and Future Commission (SFC) has delegated the Accounting Research and Development Foundation to issue accounting and auditing standards. The accountancy profession would see its task as servicing the various needs of investors, creditors, and government bodies. Consequently, the accountancy profession is considered strong and powerful, with high social standing (Cai and Fong, 1996; Lai and Xu, 1998).

DEVELOPMENT OF THE TAIWANESE ACCOUNTANCY PROFESSION

Pre-1949: Mainland Chinese Period

Taiwanese accountancy profession emerged in 1918 when the government of north China issued the CPA Provisional Bylaw. The Ministry of Agriculture and Commerce authorized and issued CPA certificates. In 1925 the first regional CPA association was established in Shanghai.

In 1929, the mainland KMT government promulgated the Stock Exchange Act, and in the subsequent year, the Company Act, Income Tax Act, CPA Act and Securities Exchange Act. Accounting was regulated in particular by the Company Act and the Securities Exchange Act, which decreed that company supervisor, representing his company, must engage CPA to audit financial statements prepared by the company board of directors, and to report the findings in the audit report at the shareholders' meeting. This regulation laid the foundation for advancing the business nature of the accountancy profession (Cai and Fong, 1996 p.5-6; Lai, 1998 p.5).

In 1933 the Chinese CPA Union was founded. In 1942, the Professionals and Technologists Examinations Act was declared, requiring accountants to pass either examination or qualification validation in order to obtain CPA certification. In 1945, CPA Provisional Bylaws were abolished and CPA Act issued, entrenching CPA's professional position.

1949-1970s:

In 1949 the government moved its headquarters to Taipei. The Business Accounting Act which was promulgated in 1948 came into effect in 1952, when U.S. influence was particularly strong with the commencement of the U.S. aid program. The Act, which was amended in 1964, 1968 and 1995, requires business enterprises in both private and public sectors to keep accounting records and prepare financial statements.

In 1961-62, the Taiwan Stock Exchange (TSE) was established. Laws regulating the TSE, viz. the Securities and Exchange Act and the Securities Transaction Act, which were promulgated in 1968, were strongly influenced by the US legislation (Wu, 1997, pp.267).

1980s:

The 1980's marked a pivotal period in the development of Taiwan's accountancy profession. Several important events took place during this period (Wu, 1997; Lin 1998 p.77-78):

Adversely affected by the second global oil crisis during the early 80s, many listed Taiwan companies one after the other experienced serious financial troubles or bankruptcy in 1982. Their attested financial statements were exposed as phony and untruthful, leading Taiwan foreign banks (such as Citibank, Chartered Standards Bank, Bank of America) to set up in 1983 their own performance quality standards for accounting industry practitioners.

Due to the financial troubles during the early 1980s the SEC realized that it was time to establish accounting and auditing standards to regulate financial reporting in the private sector. In 1983 Taiwan SEC, with security exchange regulations as its basis, issued its "Guidelines for Accountants Auditing Financial Statements of Publicly Listed Companies" and ruled that financial statements of publicly listed companies must be attested by CPA firms which are run by at least 3 business partners and 9 professional auditor assistants. This led to the formation of roughly 50 accountant-partnership firms. Sole proprietorship accountants voiced their dissatisfaction, claiming in court that SEC has violated their rights.

In 1984, the financial accounting standards committee and the auditing standards committee were set up and in the same year, the first financial accounting and auditing standards were issued. From this year onwards, private sector companies began to conform with external financial accounting and auditing standards. In 1988, the SEC promulgated regulations for stock market surveillance. Audit reports were required to be prepared so that company activities could be monitored.

In 1984 the Accounting Research and Development Foundation (ARDF) was established, and it was designated by the then SFC to issue accounting and auditing standards for Taiwan. It has done so through the Financial Accounting Standards Board and the Auditing Standards Board of the Foundation. Auditing standards are set forth in Auditing Standards Bulletins and are in general similar to those of the US (Price Waterhouse Cooper, 2002, chapter 11, p.101-102). By 2008, the Foundation has issued 39 statements of Accounting Standards and 45 statements of Auditing Standards.

In an effort to raise accountants' performance quality standards, government authorities, mainly SEC, required CPA associations to institutionalize U.S.-style "peer evaluations". Because of strong opposition from small-scale CPA firms, the already proposed peer evaluation criteria could not be set in place. Authorities had no choice but to single-handedly arrive at the decision, in 1989, that evaluation and approval will be performed jointly by SEC and Tax Commission.

1990s-2008

Starting with the 1990's, the Taiwan economy grew rapidly and Taiwan's accounting industry overall experienced big breakthroughs in both professional standards and business volume. The following changes in economic and political conditions contributed to the advancement of Taiwan's accounting industry.

The government encouraged the globalization of the economy. For instance, a foreign currency loan market was established in 1989, and in 1992 the Act on Foreign Future Trading Contracts was enacted. Foreign issuers were allowed to trade their securities on the TSE through Taiwan Depository Receipts (TDRs). In 1995 restrictions on foreign investment in the Taiwan securities market were relaxed. In response to the reforms above, the SEC has continued to strengthen the role of accounting, and ensure that accounting and auditing standards are issued on a sound basis, while the Ministry of Economic Affairs has stipulated the procedures for filing and auditing of the company's financial statements (Wu 1997).

Taiwan government stepped up its internationalization and liberalization endeavors, hoping to pave the way for Taiwan's entry, hopefully ere long, into World Trade Organization. As a result, policies were relaxed to allow overseas businesses and individuals to directly invest in the Taiwan stock market and to set up finance, securities, and insurance companies in Taiwan. Restrictions for foreign investment in Taiwan narrowed down to those explicitly proscribed. Regulations for foreign currency exchange were further eased as well. Service professions such as new commercial banks and insurance as well as securities companies, quickly proliferated in Taiwan (Lin 1998). By the way, Taiwan subsequently became a member of WTO in 2002.

Responding to Taiwan government's policy of business privatization, more and more government-run corporations petitioned for IPO's. To conserve auditor manpower, the Auditing Commission finally consented to having financial statements of these government-run corporations be audited by accountants instead of by the government auditors. In addition, starting with the 1990's, the Ministry of Education also decreed that annual financial statements of private colleges (in 1996 this category expanded to include secondary schools) and above be accountant-audited and attested, this to facilitate supervision by the authorities and ensure financial well-being of these educational institutions (Lin 1998).

To increase trustworthiness of listed companies' financial information, and to protect the investment public, Taiwan SEC not only mandated securities companies to set up their own internal auditing units, but also required them to process open public distribution or apply for public offer stocks listing. The propriety and effectiveness of their internal control system must be assessed by professional accountants in the form of a project auditing report. Furthermore, to ensure information transparency and to eschew

pitfalls caused by inside trading, SEC in the 90's issued its "Formal Guidelines for Public Release of Financial Forecast" requiring all publicly listed companies, under certain conditions, to release publicly their accountant-audited financial forecast information. In the beginning of 2000, these guidelines expanded in content and applicable areas (Lin 1998).

Because of the relatively high cost of capital in Taiwan, to come up with this huge capital, local large-scale companies, through sales promotion and orientation by international securities and financial institutions, turned to European and American markets to issue convertible bonds and depository receipts. This move towards seeking international investment capital promoted increased awareness and adherence to International Financial Accounting Reporting Standards (IFRS, formerly the International Accounting Standards, IAS) and practices on the part of Taiwan businesses and accountants (Lin 1998; Duh 2004; Duh and Zhou 2006).

STANDARD-SETTING BODY IN TAIWAN ACCOUNTANCY PROFESSION

The regulation of standards requires careful deliberation and in-depth analysis, but regulating bodies in Taiwan can not extricate themselves from societal and political pressures and set standards from a purely logical and objective standpoint. This is because those directly affected by these standards, such as investors, government, industry associations, the accounting profession, etc., all attempt to sway the regulating body into regulating standards that advance their own interests. One can see that the standard-setting procedure is compromised by political factors, and that Taiwan accounting and auditing standards are often the byproducts of political maneuvers (Lee and Lin 2006, p.9), yet at the same time, the accountancy profession also has a strong hand in accounting standard-setting in Taiwan.

Following the fall of China to communist hands in 1949, the National Federation of Certified Public Accountants Association (NFCPAA), which was founded in Nanking, China in 1946, relocated to Taiwan with the nationalist government. It is responsible for the development of the profession and has a number of committees dealing with matters such as ethics, education, and peer review.

In the 1950s, American CPA's worked in Taiwan (as part of the U.S. Aid program) and helped to train local CPAs. In accounting education, U.S. textbooks were and are still widely used today. Since the 1970s, the Big-8 (now the big-5) has appointed local CPA firms as affiliate or member firms in Taiwan (Chiang 1994, p.140). Hence, U.S. influence on Taiwan accounting can not be underestimated.

In 1984, NFCPAA was taken over by the Accounting Research and Development Foundation (ARDF), which establishment propelled a continuous upgrading of Taiwan accounting and auditing standards. ARDF is broken into 4 divisions: Financial Accounting Standards Committee, (FASC), Auditing Standards Committee (ASC), Financial Accounting Issues Task Force (FAITF), and Accounting Research Centre.

Its board is comprised of 27 directors, with 9 representatives from the government, 9 from CPAs, 4 from academia and 5 from the banking and business sectors. The board director serves a three-year term. From the first until the seventh term, the chairman was always the Deputy Minister of Ministry of Finance. From the jurisdiction of the Ministry of Finance, ARDF's agency-in-charge switched in October 2004 to that of the Financial Supervisory Commission (FSC) under the Executive Yuan (ARDF, 2006). Hence, the government plays an active and substantial role in Taiwan accounting policy-making.

Financial Accounting Standard-Setting

In accounting standard-setting, the extent of government involvement in the process substantially impacts the accounting profession's development and recognition in society. If government exercises full control

of the standard-setting function, then accounting will be relegated to macro-based functions-- in particular, its audit function may be largely a bureaucratic one, viz. ensuring that financial reports are in compliance with set statutory rules. In this case, the accountancy profession is no more than an 'arm' of the government, and therefore likely to be weak, and accountants would not be likely to have a high standing in society. However, this is decidedly not the case with Taiwan. More aptly described, Taiwan's accounting standard-setting body is located in the private sector, with strong government participation (Lau and Ma 1997). As mentioned in Section 3.31, Taiwan SFC has delegated ARDF to issue accounting and auditing standards. The accountancy profession would see its task as servicing the various needs of investors, creditors, and government bodies. Consequently, the accountancy profession is considered strong and powerful, with high social standing (Cai and Fong, 1996; Lai and Xu, 1998).

The standard-setting of generally accepted accounting principles (GAAP) has its theoretical foundations in the welding of logical deduction with traditionally established practices. This conceptual framework is imposed on accounting information users, including investors, creditors and other affected parties, its objectives being: to assist in investment and credit-checking decisions, assets appraising, timing, and associated risk; to report business enterprises' financial resources; to appraise their operational performance, liquidation, solvency, cash flow; to assess management 's responsible and effective use of resources; and to interpret financial information, etc. (Cheng 2001, p.11-12)

Accounting information itself has its own quality characteristics, the latter referring to relevant value forecast and feedback, timeliness, their reliability, verifiability and neutrality; basic recognition and appraisal standards as applied to various financial statement constituents- such standards as appraisability, relevance, reliability, etc., all requiring realistic appraisal and recognition. It must also take into consideration such basic assumptions as business enterprise entity, going concern, monetary evaluation, periodicity, etc.; as well as basic principles such as cost principles, revenue principles, matching principles and full disclosure principles, and constrains such as cost benefit relationships, conservative principles, industry practice, etc. From the above conceptual framework, detailed accounting principles and procedures are developed - the so-called GAAP. (Lee and Lin 2006, p.12-24)

Regulation and amendment of Taiwan's accounting standards started in 1981, performed by CPA Association's Financial Accounting Committee (FAC). Thereafter, as a result of economic development, accounting services increased in demand. Taiwan accounting profession organized Accounting Research and Development Foundation of Republic of China (ARDF), modeled after the U.S. Financial Accounting Foundation. Its goals were to elevate Taiwan accounting standards, ensure the continued advancement of accounting principles, and have in place a healthy accounting system for Taiwan's industry and business enterprises. Subsequently, CPA Association's FAC got transferred under the foundation and was renamed Financial Accounting Standard Committee (FASC). Backed by its agency-in-charge, the Ministry of Treasury's Securities and Futures Management Commission, and taking into consideration Taiwan's unique cultural and regional characteristics, it became actively engaged in the research and regulation of Taiwan's GAAP. Among its issuances, the Statements of Financial Accounting Standards (SFAS), and the Interpretations of Financial Accounting Standards, are two authoritative documents on commonly accepted accounting standards in Taiwan.

Financial Auditing Standard-Setting

Specialized professions all regulate their own standards to raise the quality of their work - the accounting industry is no exception. It has its own Generally Accepted Auditing Standards (GAAS), the Interpretations and the Standards of Quality Control for Audit Work. GAAS sets authoritative standards that can be used to assess audit quality. Its objective is to ensure audit work of independent CPAs all over is of uniformly high quality. Only under such condition can the CPA-certified audit reports render

financial statements public credibility and make them readily acceptable to investors, creditors, government, and other third parties. Thus, its mission is undeniably significant.

Taiwan GAAS, patterned after U.S. GAAS, was introduced by Problem Solution Committee of Taiwan CPA Association on November 1970. It has undergone four revisions since, and is currently listed as Taiwan SAS (Statement of Audit Standards) Number 1. Titled “Summary of Generally Accepted Auditing Standards”, it starts out as follows (TASC, 2000):

“The purpose of this Statement is to establish standards and provide guidance on Auditing Standards to regulate CPAs quality of audit reports. CPAs perform their examinations of financial statements in compliance with Generally Accepted Auditing Standards (GAAS).

The first statement of GAAS is a general outline for the standards of field work and standards of reporting. General standards regulate auditor’s proficiency, training, independence, and professional attention to third parties. Standards of field work require the work are to be well planned, through understanding of the client’s internal control, the method of gaining evidential matter, and organizing systematic audit documentation. The report should state the responsibilities of the CPAs and whether the financial statements are in accordance with GAAP, and type of audit opinion.”

As in the U.S. GAAS, in an effort to raise the quality of CPA audited financial reports, much of the regulation content uses subjective language such as “well-planned”, “sufficient understanding”, “sufficient and competent evidence”, “reasonably adequate disclosure”, “reasonable basis for an opinion”, etc. The CPA, in carrying out his audit services, must rely on his own “professional judgment” in determining the extent and meaning behind such subjective phrases. (Chi et al, 2002) Current Taiwan SAS, including GAAS, are issued by Auditing Standard Committee of ARDF.

Confluence with International Financial Reporting Standards

The increasing globalization of capital markets and the proliferation of multinational enterprises have made confluence of financial reporting standards become an urgent and critical issue. At present, made confluence with the IFRS issued by the International Accounting Standards Board appears to be the approach on which most countries agree. The current study (Duh *et al*, 2004), assessed this feasibility, suggesting factors in Taiwan that may facilitate or impede the adoption of IFRS. These include legal and political factors, financial statement users’ features, economic consequences of accounting standards, the features of IFRS (IAS).

The majority of those who took part in regulating the early Taiwan accounting standards received their accounting education in the United States. Therefore, it comes as no surprise that they chose as their prototype the U.S. GAAP formulated by the U.S. Finance Accounting Standards Board (FASB). Moreover, since international accounting standards at that time were somewhat flexible in regard to how accounting regulations are handled, and demands on financial records disclosure not as high, it seemed, upon comparison with U.S. GAAP then, that the former’s quality and thoroughness leave room to be desired. These considerations also help to partly explain why early Taiwan accounting standards gravitated towards the U.S. system. However, as international accounting standards became increasingly comprehensive, Taiwan started to use both international and U.S. standards as their reference source, with international standards predominating, this big switch owing naturally to subsequent developments of the International Accounting Standards Board.

Overseas development trends prompted Taiwan to keep pace with other nations and, in 1999, start the move towards confluence with international accounting standards. That year, Taiwan’s Finance Accounting Standards Committee (FASC) initiated a three-year comparative study to investigate

differences between IFRS and Taiwan SFAS (Statements of Financial Accounting Standards). The board set up task forces and held many open sessions, finally integrating results of the study with input from the open sessions to come up with the decision to base the revision of old standards and the formulation of new standards on these three criteria: imperativeness, materiality, and pervasiveness.

TAIWAN CPAS' FUNCTION AND DUTY IN CORPORATE GOVERNANCE

The audit and review of financial reports is most intimately related to the system of corporate governance. Financial report refers to financial statements, account charts, and other information of help to users such as footnotes and supporting tables. Its principal *raison d'être* lies in thoroughly presenting company financial condition, operations performance, and cash flow to investors and other users for their investment and decision-making considerations.

If CPA's are engaged by companies to prepare their financial statements, then CPA independence will evidently be compromised. Therefore, the responsibility for financial statement preparation should still ultimately rest with company management. In short, as far as financial statements are concerned, managers have a supervisory responsibility towards its preparation, whereas auditors have the audit responsibility towards its attestation and certification. In so doing, auditors work from their stance as a specialized and independent third party to promote the trustworthiness of management-prepared financial reports.

In addition, based on the Taiwan SAS No.1: Summary of Generally Accepted Auditing Standards (TASC 2000), states that what is termed "audited financial report" represents CPA's constructive, high-but-not-absolute certainty opinion of whether financial reports offered by management conform to GAAP, and from materiality considerations, whether the reports are fair presentations containing no gross inaccuracies. It does not address going concerns nor guarantee management operational efficiency. In contrast, what is termed "reviewed financial report" represents CPA's non-constructive, medium-certainty opinion of whether GAAP violations or gross misrepresentations were uncovered in these financial reports. From these considerations, it is evident that the audit and certification of financial statements, which directly affects clients and investors alike, bears closest relationship to the realization of a corporate governance system.

In performing audit work, auditors should adhere to commonly accepted accounting and auditing standards as well as professional conduct regulations to maintain their strict independence and impartiality. These characteristics are the two most fundamental requisites of CPAs. According to Taiwan Company Act's Article 218: Items 1 and 2, at any time supervisors can investigate company financial standing, audit company books, and, as company representative, engage attorneys and CPAs to perform the audit. Thus, to exercise their entrusted powers, supervisors rely on CPAs to fill in their own deficiency and lack of specialized knowledge in the financial arena. However, CPAs may very possibly succumb to sizeable remunerations offered by the engaging company. In principle, board directors or management decide such matters as CPA selection and remuneration, but in practice, company both engages and pays for the audit work, so CPAs are easily influenced by management, resulting in vacuous audit work devoid of any public persuasiveness. Because of their conflicting roles, CPAs sometimes have been justfully accused of being "bought". The current CPA Act Amendment regulates that external supervising agency implement a system of accounting offices' inspection (Amendment Provision Number 17). In addition, Taiwan regulations on accountants' professional conduct, in cases where direct or significant financial interests exist between accountant and client that can lead to self-gain and influence accounting independence, also suggested means to eliminate this influence, or at least reduce it to acceptable levels.

Basically, CPAs offer both audit and non-audit services. Non-audit services include bookkeeping, appraisal, taxation, internal audit, managerial recruitment, company financial consultation services, etc. When offering such non-audit services to their audit clients, CPAs should pay special attention not to compromise their independence. In Taiwan, there have been instances of accounting firm personnel quitting their jobs to become their client's company staff member. This puts CPAs' independence into question. Additionally, some accountants in Taiwan have a long-standing, established relationship with clients for whom they have provided continuous service dating back tens of years. Because of this mutual familiarity, there is lingering doubt that CPAs might ally themselves with management and overlook shareholders' interest, thus failing to maintain their impartial, independent stance in the process. Employing an accountant rotation system, requiring businesses to replace their CPAs every five years, reestablishing a national accounting union system (CPA Act Amendment #50-57), regulating accounting practice appraisal and examination, periodic check-up - these are just some means to prevent accountants from being deprived of their impartial, independent position.

SUMMARY

This paper detailed the historical development of Taiwan's accounting profession, its financial reporting regulations and auditing policies, as well as the professional bodies and institutions in Taiwan responsible for the setting of these standards and policies. It also described the Taiwan accountant's role in the establishment of corporate governance, identifying and emphasizing information transparency as a key component affecting investors' and shareholders' interests. In a nutshell, employing an impartial third party to audit and certify company financial reports not only increases the dependability of these reports, but also remedies the imbalance in information availability between those who furnish the information and those who use them. This third party is the accountant. His involvement in corporate governance thus constitutes a most important function and role.

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CORPORATE DIVERSIFICATION IN FAMILY AND NON-FAMILY PYRAMIDAL LISTED GROUPS

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ABSTRACT

The impact of family ownership on diversification degree in public corporations is an important but not clearly understood aspect of modern corporate governance. In Spanish Stock Exchange, similar to other countries, some estimates have suggested that 50 % of the firms have some significant family ownership blocks. But, there are others firms where control of everyday business decisions has been delegated to professional managers. Agency theory suggests that professional managers are fundamentally self-interested, and the public corporation suffer from excessive costs as managers pursue their own interests, rather than the interest of shareholders. However in family firms, “ownership and control” use to coincide and family decisions try to maximize family business value. Therefore, from background literature we expect that family firm diversifies less than manager controlled firms. This study analyzes the impact of family ownership in diversification degree comparing family and non-family pyramidal groups presents in listed Spanish companies in 2005, where group is represented by all companies under the effective control of the main shareholder (family or non-family) of listed company. Empirical analysis shows few minor differences in diversification degree among family and non-family groups (excluding sector “Construction”, that is atypical in its evolution).

THE RELATIONSHIP BETWEEN PROPERTY RIGHTS AND PERFORMANCE

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ABSTRACT

In the last years, a growing body of economic literature has studied several aspects related to the characteristics of the governance form and their effects on performance. In the case of the cooperative and capitalist firms, the majority of studies have examined the effects of their characteristics on performance separately, but there is not much empirical literature that makes a comparison of the effects of the governance form, cooperative versus capitalist firm, on productive efficiency. There is no much literature that defends the advantages of the cooperative over the capitalist firms when the two forms of governance are compared based on their property rights. But the cooperative has also advantages over the capitalist firm, in some aspects such as flexibility, the transaction cost, lower lever of mistrust and incentive to withhold information and a high tax protection. Therefore, the objective of the paper is to determine if there are differences in efficiency between firms due to the governance form. The empirical analysis is done over a sample of Spanish firms and the results do not show statistically significant differences between both governance forms.

ARE PUBLIC SUBSIDIES A DETERMINING FACTOR FOR THE SURVIVAL OF COMPANIES?

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ABSTRACT

This paper analyzes whether public subsidies for entrepreneurship influence, among other variables, the survival of companies. By way of an econometric logit model, and for a sample of companies from Zaragoza (Spain), the results do not support the efficiency of public subsidies as instruments that favour the survival of companies; the results do not reveal differences in terms of survival between companies created with and without public subsidies

INTRODUCTION

Numerous studies analyse the determining factors concerning entry and exit of companies, as well as their further growth and survival. In relation to the survival part, variables such as size and financial structure of companies have been given a primary role in most traditional literature about this subject. In this paper, it is considered very important to analyse, among other variables, the role of public subsidies as a determining factor for the survival of companies.

In scientific literature few analyses on entrepreneurship relate to public subsidies in spite of the topic's relevance (Pfeiffer and Reize, 2000). Most studies centre on justifying the reasons for State intervention, by way of public subsidies, or on proving just the opposite. These studies also encounter many difficulties in digging up sufficient data (Araujo et al., 2001). The reason often is the absence of evaluation processes in the way of working at public bodies. This makes it very difficult to make practical conclusions and define normative implications for public policies directed at entrepreneurship (Stam et al., 2006).

So, the objectives of the paper are:

- To analyse if public subsidy policies for entrepreneurship influence the survival of companies in a period of five years from constitution.
- To study if significant differences exist in terms of company survival, between companies constituted with and without public subsidies.

The area of study will be the province of Zaragoza (Spain). The empirical analysis is done for a sample of small start-ups constituted during the years 1997 to 2001.

EMPIRICAL ANALYSIS

Two databases have been used to carry out the analysis of the survival of the companies founded in the province of Zaragoza: the first one is elaborated by use of the Official Bulletins of Aragón¹. This database consists of companies founded with the use of public subsidies² during the years 1997 to 2001; the second database consists of the census of companies from the Chamber of Commerce of Zaragoza³ during the years 1997 to 2005. We obtained a sample of 855 companies created in the province of Zaragoza (532 companies constituted with public subsidies and 323 companies constituted without public subsidies) considering the two databases. Then we used the database SABI⁴ to realize an economic analysis. Our sample of companies diminished to 423 existing companies in the SABI database (305 subsidized ones and 118 without subsidies).

Methodology

By way of the econometric logit model, the survival probability of companies founded with and without public subsidies will be examined over a period of five years. This probability follows a function of logistic distribution that will adopt the function of $Y_i=1$ if the company survives (Novales, 1993).

The survival is a qualitative measure of the success of the companies. In this research, the survival indicates if the company is still active five years after it had been founded. A period of five years has been considered because it is the maximum number of years that a company can have survived if it was founded in 2001 (which is the last year considered in the initial database of companies that have received subsidies) and because the year 2005 is the last year that appears in the database SABI, which is used for reference.

For the resolution of the model the following specification appears:

$$S_i = f(DT, DS, DGender, DLocation, DSubsidies, Size, Financial\ autonomy, Margin)$$

$$\text{where } Prob(Survival_i = 1) = F(x_i' \beta) = \frac{e^{x_i' \beta}}{1 + e^{x_i' \beta}} \quad \text{con } i = 1, \dots, 423 \text{ companies}$$

The dependent variable is named Survival and it is a binary variable which takes the value of 1 if the company survives in a period of five years and 0 (zero) in the opposite case.

The independent variables to consider in the survival of the companies are:

DT: Temporary Dummy, which represents the years of establishment of the companies of the sample being $t = 1997, \dots, 2001$

DS: Sectorial Dummy, which represents the different sectors of the sample of companies.

DGender: Gender Dummy. This variable takes the value of 1 if the company is directed by a woman and 0 (zero) if it is directed by a man.

DLocation: Location Dummy, obtains the value of 1 if the company is located in Zaragoza city and of 0 (zero) when it is in a different area of the province.

DSubsidies: This dummy variable is related to the receipt of public subsidies for the establishment of companies, being the value of 1 if they have received these and of 0 (zero) in the opposite case.

Size: This variable refers to the size of the company at its start. This variable is considered as a neperian logarithm of the assets.

Financial autonomy: This variable is a ratio relating to the own funds at the time of initial investment.

Margin: This ratio shows the average of the benefits (before interests and taxes) and the operating revenue.

RESULTS

The results of table 1 indicate:

With regard to the geographical location, companies that are established in Zaragoza city do not show a higher survival rate than companies that are located in other areas of the province. Therefore, the mentioned coefficient shows that the importance of the location, whether a large urban center or a low population density area, is not significant for the survival rate of the companies.

The coefficient of gender is negative, though significant only to 90 %. We have observed that the companies directed by women exhibit a lower survival rate than the ones directed by men. This result

gives an interesting insight in the causes behind this coefficient. This result is in accordance with existing literature in this field, which does not offer a clear and conclusive insight. An explanation to this result might reside in the fact that many companies which are owned by women exist in certain specific sectors - especially in the trade sector characterized by its considerable managerial dynamism-. Nevertheless, this fact does not explain our result considering that the econometric model corrects for the sector effect by the use of dummy variables. On the other hand, the result could also be due because these companies owned by women encounter the most difficulties in obtaining financial resources, as is also reflected in several studies (Koreen, 2000; Marlow and Patton, 2005), as well as having the most difficulty to combine the owner's professional development with her private life (Hup and Richardson, 1997, Shelton, 2006) which may lead to a lower survival rate of the companies.

Table 1: Logit Analysis on the Survival Rate of Companies Founded with and Without Public Subsidies

Independent variables	Logit Results
Subsidies	0,455
(Subsidy=1)	(0,199)
Location	-0,540
(Zaragoza city=1)	(0,133)
Gender	-0,656*
(Women=1)	(0,093)
Size	0,322**
	(0,040)
Financial Autonomy	0,466***
	(0,000)
Margin	1,807***
	(0,002)
Constant	1,727*
	(0,080)
Chi ²	74,455***
R ² Logit (%)	20,48
N° observations	423

The values in parenthesis are the standard errors.

*The levels of significance of coefficients according to Wald statistic are: *** $p < 0,01$; ** $p < 0,05$; * $p < 0,10$. Regressions are corrected by sector and year of constitution. The dummy temporary variable omitted is 2001 and the dummy variable of sector omitted is the transport sector.*

The coefficient of size (represented by means of the neperian logarithm of the total assets at the start of a company) is positive and significant to 95 %. This result means that a major size of a company will suppose a major survival rate.

Regarding the coefficient of the financial autonomy, it is positive and significant to 99 %. The structure of funding is a clear determinant of a higher probability of the survival of companies. The companies with large own funds are able to finance their investments in fixed assets in their first year of existence and they will prolong their existence in that way.

The coefficient of margin, represented by the average of the benefits (before interests and taxes) and operating revenue, is positive and significant to 99 %. This variable shows that the companies with little margins after five years will have a low probability of survival.

CONCLUSIONS

One of the fields most neglected in the area of public subsidies policy on entrepreneurship and promotion of employment, is its post-evaluation. Most studies centre on justifying the reasons for State intervention, by way of public subsidies, or on proving just the opposite. Nevertheless there is an absence of evaluation processes in the way of working at public bodies. For this motive, in this paper different qualitative and

quantitative factors have been studied that could influence the survival rate of companies, for example the receipt of public subsidies for start-up companies. Therefore, the aim of this paper was to evaluate if the companies founded with public subsidies survive more often or less often than companies that were founded without this type of subsidies.

By way of an econometric logit model it was determined that subsidized companies do not differ significantly from those that are not subsidized in terms of survival rate. The results do not support the efficiency of public programs as instruments to increase the survival rate of companies.

In view of these results, it is recommended to conduct evaluations of the real impact that policies of entrepreneurship have on the survival rate of companies, though it is possible that it will be a complex task, especially in small companies.

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USING THE DELPHI TECHNIQUE TO IDENTIFY KEY FACTORS THAT SHAPE THE HUMAN RESOURCE ARCHITECTURE IN THE AUSTRALIAN BUSINESS ENVIRONMENT

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ABSTRACT

A model of human resource architecture is a framework by which to distinguish employees in order to design human resource support processes. Organisations engaging in multiple sourcing modes are likely to require distinct configurations of human resource practices that facilitate the utilisation and deployment of human capital for each separate employment mode. This paper applied the theoretical American human resource architecture model developed by Lepak and Snell (1999) into the Australian business environment. The Lepak and Snell model proposed that within organisations, considerable variance exists with regard to both the uniqueness and value of skills. Juxtaposing these two dimensions, they built a (2 x 2) matrix describing different combinations with their corresponding employment relationships and human resource systems. Using the Delphi Technique, this study was able to identify five key factors in the Australian business environment that were not present in the American model. They included 1) strategic focus of the organisation, 2) organisational structure, 3) competitiveness of the industry, 4) type of industry and the type of worker included in the organisation.

KEYWORDS: core employees, contingent workers, human resource architecture, job security, Delphi technique, contractors, tacit knowledge

THE TRANSITION, FINANCIAL SYSTEMS AND MACRO LEVEL ANALYSIS OF FINANCE-GROWTH LINK

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ABSTRACT

This paper analysed Central Asian countries' pre- and post-independence. The objective is to identify the impact of economic and financial development policies. The paper discussed the theoretical background to financial flows, and investigated the relationship between financial system development and economic growth in transition economies by using regression, correlation and Granger-causality approaches. Results show that the financial systems of Central Asian countries are still underdeveloped and a great deal still have to be done in order for financial development to have a significant effect on sustained economic growth. Since the Central Asian countries began their transition from a planned to a market economy from very different initial conditions from those in Central and Eastern Europe, the analysis separates the sample into two groups: the CEE and Central Asian states. In addition, some evidence was found that transition economies have a supply-leading causality pattern more frequently than a demand-following one when the financial sector is represented by Banking and Stock Market Indices of EBRD. However, the frequencies of these patterns are very similar when the banking sector is proxied by Financial Spread. Therefore, it is reasonable to conclude that the link between financial development and economic development is sensitive to the variables used to represent these sectors.

FALTERING NATIONAL AND GLOBAL GROWTH PROSPECTS: CHALLENGES AND HOPES – AN INDIAN PERSPECTIVE

Debomita Ghosh, National Law University-Jodhpur India

ABSTRACT

In the week ending January 5, 2008, the Wholesale Price Index based in India was 3.8% and the year was expected to close with a real gross domestic product growth rate of 8.5% with the industrial sector growing at about 10%. By April, 2008, this rosy picture had undergone a dramatic change. Currently, the rate of inflation has gone up to 11.45% and the latest figures for industrial growth show a sharp decline to about 5%. The trade deficit is rising rapidly. The infrastructure growth has also come down sharply, and various services –financial, software, trade, real estate, air-travel and tourism-are in the midst of slowdown. If this continues, could the rate of growth in 2008-2009 go back to the earlier figure of 5 per cent?

There were straws in the winds for this upcoming phenomenon. Some of these indicators within the country are the narrow growth path of the Indian economy which makes it prone to instabilities, the rising food and energy prices and the slowdown in growth. Also on the other hand, the American economy has been slowing down and entered a recessionary phase in the middle of this year. This has lead to uncertainty in the world economy, including a recession in Spain, falling business confidence in Japan, slowdown of industrial production in Thailand and Korea, retail sales decline in Hong Kong and falling corporate profits in China. To complicate matters, global food prices have been rising sharply and global food prices are ruling at high levels and the dollar has declined in relation to other major currencies. Are all these inter-linked or separate events? This article analyses the causes of this sudden change in the economic scenario in India and the world.

CONSUMER PRICE SENSITIVITY AND LOW PRICE GUARANTEE OFFERS

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James A. Talaga, La Salle University

This paper is concerned with how different groups of consumers respond to low-price guarantee (LPG) offers. Research on LPGs has had as its focus the relationship of LPGs to the operation of stores. As such, consumers are viewed more or less as uniform in their attitude or desire for LPGs. An exception to this stream of research is that of Talaga and Tucci (2008) that looked at consumer trade-offs among low-price guarantee offers. This research extends this analysis by looking to see if there are different market segments among consumers with regard to LPGs. Using Latent Class cluster analysis of a sample of 129 MBA students, we measured their price sensitivity and identified two clusters. One appears to be more price sensitive (about one-third of respondents), the other less price sensitive (about two-thirds of respondents). The group that has higher price sensitivity, with one exception consistently shows higher price sensitivity: these include cases where there was no LPG, where the LPG was a match of their competitor's price; where the LPG beat the competitor's price by 10% and where the LPG refunded the price difference plus 10%. Interestingly, there was no difference when the LPG was tied to a particular dollar amount. In addition, the group with higher price sensitivity also showed consistent preferences for less constraints on the LPG offer: preference for including internet competitors; and, preference for no written proof of competitors' LPG. Retailers wishing to use low price guarantees are likely to find that a subset of customers to be more price sensitive and thus more likely to take advantage of low price guarantees offers.

THE NEW METHOD FOR CALCULATING COMPANY'S SOLVENCY

Jinchang Zhang, the Chinese Academy of Social Sciences

ABSTRACT

A company's solvency is not only determined by its assets and liability but also determined by its return rate of current asset and its turnover times of current asset. The relationship among these determinants for determining the solvency is not an "add relation" or "weighted add relation" but is a "plus and multiple relation" as so as the formula described in this paper.

KEYWORDS: company's solvency, financial analysis, accountancy, finance

INTRODUCTION

A traditional solvency estimating method is used to ratios such as current ratio, quick ratio, and debt ratio. These ratios could reflect a company's solvency in a certain degree, but could not tell us exactly the repayment ability of a company. Take an example as table 1.

Table 1: Financial indicators of Company A and Company B (in thousands)

Item	Company A	Company B
Sales	1,200	1,000
Operating income	478.8	50
Total assets	1,000	2,000
Total liabilities	800	1,000
Current assets	400	1,000
Current liabilities	600	500
Quick assets	300	500

The Company A debt ratio is 80%, the current ratio is 0.5, and the quick ratio is 3/8; meanwhile the debt ratio of Company B is 50%, its current ratio is 2, and its quick ratio is 1, according to the traditional methods, we can make a judgment as follow: Company A is lacking of solvency and Company B has solvency (Table2).

Table 2 Comparisons of Solvency Ratios between Company A and Company B

Ratio	Company A	Company B
Debt Ratio	80%	50%
Current Ratio	0.5	2
Quick Ration	3、8	1
Conclusion	Having no solvency	Having solvency

Perhaps someone has doubts about this conclusion with considering of the higher sales, the fast asset turnover and the high profitability of Company A. The current assets turnover of Company A is 3 times annually, and its ratio of profitability in each operating cycle reach to 30% (=operating income /current assets). But the question is how should we consider these factors for estimating its solvency?

The financial instruments often use weighted-score method to determine enterprise solvency. They usually calculate the score of determinant indicators and make their decision with the value of weighted-score. No matter which weighted-score methods are used, it's difficult to get a conclusion for Company A

and Company B contrary to the above, because the indicators of current ratio, acid ratio and debt ratio are very important in evaluation of solvency, the weight modulus of this indicators in evaluation model of solvency generally are higher than the other indicators such as turnover, profitability.

THE NEW METHOD OF ESTIMATING ENTERPRISE SOLVENCY

In reality, it is fault that Company A has difficulties to repay its debt and Company B is capable to repay its debts if the activity of Company A and Company B will be go along like the passed year (table 3). Although Company A's current assets are relatively low, but its turnover and profitability are rather high. Its annual sales are \$1,200,000 and its current assets turnover is 3 times a year. Company B's annual sales are \$1,000,000 and its current assets turnover is one time a year. After one year normal operation, Company A's current assets increased from \$400,000 to \$878,800, while Company B's current assets increased from \$1,000,000 to \$1,050,000.

Table 3: Example

Items	Company A	Company B
Current asset turnover	3	1
Net income each cycle	30%	5%
Current assets after 3 times turnover in one year	First cycle 400+120 Second cycle 520+156 Third cycle 676+202.8 the year end: 878.8	Only one cycle: 1000+50=1050
Current liabilities	800	500
one half of current liabilities expired	400	250
Current assets after paying one half current liabilities	478.8	800
Conclusion	Company A's operations are expanded after paying one half of its current liabilities.	Company B's operations are reduced after paying one half of its current liabilities, and its working capital tends to be in tension.

En supposing in the end of next year that two Companies have one half of current liabilities at the expiration date, that means Company A should have \$400,000 debts to pay and Company B should have \$250,000 debts to pay. After payment of expired debt, Company A's current assets would remain \$478,800 and Company B's current assets would remain \$800,000. Compared with the beginning of the year, Company A's current assets increased from \$400,000 to \$478,800 after one year's operation, its current assets increased \$78,800 and its debt ratio decreased from 80% to 37.08% $[(800-400)/(1000-400+478.8)]$; Meanwhile Company B's current assets decreased from \$1,000,000 to \$800,000 after paying back one half of its current liabilities. When compared with Company B's beginning period, \$800,000 of current assets was not guaranteed to maintain its normal operations, because it is necessary for Company B to have \$1,000,000 current assets for making it run normally but after repayment the current assets of Company B is just \$800,000, that means the working capital of Company B tends to be in tension.

On conclusion of example above: according to the static view, at the beginning of a year, the Company B could repay its debt. But according to the dynamic, operating and developing points, after one year operation, the Company A could repay its expired debt and the Company B should have a working capital difficulty after debt payment. Then which method should be correct for estimating enterprise solvency? The goal of enterprise borrowing money or the bank estimating the solvency of enterprise is just for the future because the present is clear now. From a sustainable, developing and future point of view, the calculation method of solvency in our example above should be correct, the calculation formula used is:

$$S = A (1+p)^t \quad (1)$$

S: solvency;

A: current assets at the Beginning;

P: the profitability rate of current assets during one cycle;

T: turnover times of current assets during the estimating period;

After calculation of S, if the S (the amount of current asset available to pay debt expired) is superior to the amount of liability expired, a company should have the ability to pay its debt, it's not necessary to take care of the value of current ratio or acid ratio. On the contrary, if a company's current assets available at the expiration date were lower than the amounts of debts needed to be paid, we should say the company will have not solvency, no matter what the debt ratio it is. According to the formula (1), a company's solvency or cash available to pay at the debt expired date is not only determined by the assets and liability at the beginning but also determined by the return rate of current asset and the turnover times of current asset.

As the result of calculation of Company A and Company B solvency by the formula above, the Company A has solvency and the Company B has not solvency. Because the Company A's current assets available to pay its debts after one year's operation would be \$878,800, while Company B's would be \$1,050,000. After pay a half of current liability, the current asset of Company A would be \$478,800 and Company B would be \$800,000 that mean Company A should have no problem to recycle and Company B would have difficulty to run its total asset. After one year operation, the debt ratio of Company A would decline to 37.08% from 80%, Company B debt ratio decrease from 59% to 47.5%. Company A's debt ratio would decrease faster than Company B's.

CONCLUSION

From the case mentioned above, traditional method of evaluating a enterprise solvency by ratios like debt ratio, current ratio and acid ratio with comparison to industrial ratio, historic experience, or composite score of ratios would probably get a wrong conclusion even in some condition get the contrary conclusion to its reality. The basic reason is that: at first, the scale of assets and liabilities of a company is not static, is in change anytime according to its operations result; second, the relationship among assets and liabilities amount, asset turnover and its profitability is not an "add relation" or "weighted add relation" but is a "plus and multiple relation" as so as the above formula described. The correct method of estimating a company solvency is to calculate the amounts of current assets available to pay at the debt expired date then compare this amounts with the debts needed to be paid, in this case we can get directly the accurate answer of a company solvency or liquidity.

As considering this problem thoroughly, a company's basic situation can be divided into eight types according to its level of debt ratio, asset turnover and profitability, and then whether the company has solvency or not under each situation can be calculated according to the formula mentioned above, the results is as in the table4.

Take low profit high sales as a calculation example:

Total assets=100; current assets=60; gross profit margin=5%; Current asset turnover=3.

Under high liabilities: Total liabilities=80; current liabilities=60;

Under low liabilities: Total liabilities=50; current liabilities=40.

After one year operation, current assets = $60 * (1 + 5\%)^3 = 69.5$.

After paying one half of current liabilities:

Under high liabilities: Current assets=39.5, which is lower than that in need in normal operation, which is not feasible;

Under low liabilities: Current assets=69.5-20=49.5, which is lower than that in need in normal operation, which is not feasible.

After paying 1/4 of current liabilities:

Under high liabilities: Current assets=69.5-15=54.5; which is lower than that in need in normal operation, which is not feasible;

Under low liabilities: Current assets=69.5-10=59.5, which is close to that in need in normal operation, which is feasible.

As an extended conclusion in the domain, no matter what a Company's assets and liabilities, profitability and turnover there are and are combined, its core for estimating company solvency to calculate the solvency ability using the formula above.

Table4: Example

Item	Low profitability high turnover (3 times)		high profitability low turnover (1time)		high profitability High turnover (3times)		Low profitability low turnover (1time)	
	High liability	Low liability	High liability	Low liability	High liability	Low liability	High liability	Low liability
Total assets	100	100	100	100	100	100	100	100
Total liabilities	80	50	80	50	80	50	80	50
Current Assets	60	60	60	60	60	60	60	60
Current Liabilities	60	40	60	40	60	40	60	40
profitability in one cycle	5%	5%	30%	30%	30%	30%	5%	5%
C.A after one year operation	60+3+3.2+3.3=69.5		60+18=78		60+18+24+30=132		60+3=63	
C.A. after Paying 1/2C.L.	39.5	49.5	48	58	102	112	33	43
Having solvency or not	N	Y	N	Y	Y	Y	N	N
Paying 1/4 C.L.	54.5	59.5	63	68	127	122	48	53
Having solvency or not	N	Y	Y	Y	Y	Y	N	N

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BIOGRAPHY

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SPANISH PROCEEDINGS

MUJERES DIRECTIVAS EN LAS MIPYMES DE MEXICO

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ABSTRACT

Este estudio fenomenológico examina la relación entre las experiencias y estrategias de las mujeres directivas en las MiPYMES en México para acceder a puestos gerenciales. Se analizaron sus experiencias considerando también su nivel educativo, carrera profesional, edad, estado civil, número de hijos y experiencia laboral. Dado el propósito del estudio, el alcance de la investigación fue un estudio descriptivo fenomenológico. La recolección de la información consistió en una profunda investigación cualitativa por medio de entrevistas a mujeres directivas para clarificar las experiencias en su avance a puestos gerenciales y cuantitativa respecto a la información proporcionada por estas mujeres. Los resultados indican que las experiencias de las mujeres fueron positivas y caracterizadas por la verdad y honestidad. Asimismo el estado civil, el nivel de educación formal y la carrera profesional son factores que permiten el crecimiento a puestos directivos. Entre las barreras más importantes se encontró que las mismas mujeres y el machismo son las que impiden avanzar a puestos directivos. Dado que este estudio se enfoca en mujeres en puestos directivos, el tamaño de la muestra es pequeño y limitado a una localización geográfica. Adicionalmente, los resultados no pueden ser generalizados a todas las mujeres directivas. El método cualitativo de entrevistas limita la posibilidad de generalizar sus resultados.

BIOGRAFIA

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FACTORES QUE INFLUYEN EN LA RESISTENCIA AL CAMBIO EN LA INDUSTRIA AUTOMOTRIZ

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RESUMEN

El presente trabajo es un estudio de caso descriptivo no experimental de los factores que influyen en la resistencia al cambio en la industria automotriz. La empresa investigada en este estudio de caso fue Delphi, una empresa líder que emplea miles de trabajadores en México. La resistencia al cambio por parte de los empleados es una respuesta de reacciones emocionales racionales e irracionales debido a la incertidumbre. Para lograr un cambio efectivo, lo primero que se necesita es identificar cuáles son las características particulares del proceso de cambio. De esta forma, podemos posicionarnos en términos de que procesos establecer y que herramientas se deben utilizar. La resistencia al cambio puede adoptar un diverso número de formas: persistente reducción de la producción, aumento del número de ceses y solicitudes de traslado, discusiones irónicas, incremento de la hostilidad, y por supuesto, la expresión de un gran número de razones pseudo-lógicas para justificar por qué el cambio no puede producir buenos resultados. Las variables utilizadas en el estudio fueron la falta de comunicación, la carga de trabajo, la falta de capacitación, la falta de oportunidades de crecimiento, la motivación y confusión por el cambio. Los resultados obtenidos sugieren que la falta de comunicación y escasas oportunidades de crecimiento provocan fundamentalmente la resistencia al cambio.

INTRODUCCIÓN

Muchos cambios están ocurriendo a nivel mundial, exigiendo una nueva postura por parte de las organizaciones. Las empresas se pueden quedar observando y dejar que las cosas sucedan sin hacer nada. Desafortunadamente, esto se presenta día con día, produciendo inseguridad en cuanto al propio futuro de la organización. En un mundo de cambios rápidos del medio ambiente externo y los mercados de negocios, las organizaciones deben adaptarse para sobrevivir (Burke, 2002). Esto las obliga a manejar integradamente aspectos técnicos y aspectos humanos. Sin la capacidad para tratar los aspectos humanos, el proceso de aceptación del cambio y la adopción de los aspectos técnicos del mismo, resultan mucho más difíciles y hasta pueden tener una gran probabilidad de fracaso en el objetivo principal del cambio organizacional (Kreitner y Kinicki, 2004). Si la resistencia al cambio no puede ser mitigada ni manejada, esto puede descarrilar los esfuerzos de cambio.

Cada vez más, los líderes y gerentes están siendo llamados para servir como agentes de cambio, capaces de implementar iniciativas de cambio y reducir la resistencia. Una de las responsabilidades más difíciles e importantes es liderar el cambio (Yukl, 2002). Por décadas, investigadores organizacionales, líderes y practicantes han intentado diferentes formas de hacer el cambio efectivo y exitoso. La mayoría de las teorías proponen estrategias de niveles organizacionales de enfoque macro y otras están orientadas a los fenómenos del sistema (Wanberg y Banas, 2000; Judge, Thoresen, Pucik y Welbourne, 1999). Recientemente, algunos teóricos e investigadores empezaron a desarrollar una prueba de enfoque micro, teorías enfocadas a las personas para entender y reducir la resistencia al cambio.

Esta nueva línea de investigación enfatiza que el hecho del cambio organizacional es un fenómeno complejo, con antecedentes tanto individuales como organizacionales. A la fecha, muy pocos han explorado como los diferencias individuales y los factores contextuales interactúan para afectar las reacciones al cambio organizacional. Considerando e investigando tanto los factores individuales y

contextuales como un todo, los investigadores pueden obtener nuevas evidencias y desarrollar un más sofisticado y adecuado entendimiento de las múltiples fuerzas que afectan la resistencia al cambio de la gente.

Se puede definir el cambio organizacional como la capacidad de adaptación de las organizaciones a las diferentes transformaciones que sufra el medio ambiente interno o externo, mediante el aprendizaje (Lewin, 1958). A medida que se incrementa el ritmo del cambio y el grado de complejidad del mundo de los negocios, los administradores y otros empleados deben encontrar mejores maneras de prever el cambio y responder a él, ya que las organizaciones consiguen sobrevivir y aumentar sus probabilidades de progresar y crecer, sólo si logran administrar el cambio, mantener un adecuado grado de estabilidad, reducir al mínimo la confusión y establecer un sentido de dirección.

En la actualidad se da mucho énfasis a provocar el cambio en las personas, exigiendo una nueva postura por parte de las organizaciones ya que vivimos en un mundo de cambios continuos y la primer reacción de las personas es la resistencia debido a que estos cambios amenazan la seguridad de las formas ordenadas y acostumbradas que hemos conocido en el pasado.

REVISIÓN DE LITERATURA

Cambiar no es muy fácil, primeramente por que no todas las personas están dispuestas a realizar esfuerzos en este sentido y, aun que estén dispuestas es muy fácil volver a los antiguos patrones de funcionamiento. Kart Lewin (1958) estructuró un proceso en la tentativa de tomar un cambio efectivo y duradero. Básicamente, su conceptualización se encuentra fundamentada en tres etapas: descongelar valores antiguos, cambiar y recongelar estos nuevos valores.

Descongelar

Implica tornar tan obvia la necesidad de cambio del individuo, del grupo o de la organización, poder fácilmente verla y aceptarla. Esta paso comprende el hecho de crear conciencia de la necesidad de cambiar y de eliminar o reducir cualquier resistencia al cambio. Al iniciar el proceso de cambio la organización se encuentra en equilibrio. Esta primera etapa consistirá por tanto, en hacer tan evidente la necesidad del cambio que todos los integrantes del grupo lo acepten. Esta etapa es necesaria para superar la resistencia de las personas que dificultan el cambio y esto se podrá lograr de tres maneras: reforzando las fuerzas que favorecen el cambio, debilitando las que lo dificultan, o combinando las dos formas anteriores.

El cambio

Consiste en alterar la situación de la organización. En esta etapa se fomentarán nuevos valores, actitudes y comportamientos, tratando de lograr que los miembros de la organización se identifiquen con ellos y los interioricen. Entre las actividades que habrá que llevar a cabo para lograr que esta etapa se desarrolle de la manera más efectiva están las siguientes: trazar un claro proyecto para la implementación del cambio; comunicarlo a todos los afectados; plantear retos atractivos que inciten a los afectados a moverse; formarles y entrenarles en las nuevas habilidades requeridas y desarrollar mecanismos de retroalimentación que permitan un seguimiento sobre la marcha del proceso de implementación.

Recongelar.

Significa transformar en regla general un nuevo patrón de comportamiento, usando para esto mecanismos de apoyo o refuerzo, de modo que se forme una nueva norma. Aquí se debe estabilizar a la organización después de que se ha operado el cambio. Convertir en regla general el nuevo patrón de comportamiento

para que pueda arraigarse en los individuos y la nueva situación sea permanente. El cambio es un fenómeno conceptualmente simple en que intervienen dos conceptos bien identificados: una situación inicial de la que queremos salir y una situación objetivo que juzgamos como relativamente ventajosa. El tercer concepto, mucho más difícil de calificar y de operar, es el de la transición, que es una especie de situación intermedia donde notamos las trabas, las dificultades y los costes del cambio y donde, desafortunadamente, no hemos aún abandonado completamente las desventajas originales ni hemos obtenido todavía los beneficios que esperamos. Es el momento en que el cambio es más frágil.

El desafío en todo este proceso es claro: consiste en minimizar el decaimiento temporal, pero sin resignar la profundidad que el cambio requiere y, por otra parte, en reducir la duración de la transición pero atendiendo a la capacidad de la organización y de los individuos para absorber los nuevos conceptos y adquirir las nuevas capacidades que se requieran para asegurar los resultados finales y su estabilidad en el tiempo (Brotheridge, 2003).

Para lograr un cambio efectivo, lo primero que se necesita es identificar cuáles son las características particulares del proceso de cambio a encarar (Caldwell, 2004). De esta forma, podemos posicionarnos en términos de qué procesos establecer y qué herramientas se deben utilizar. Cambiar no es muy fácil, primeramente por que ni todas las personas están dispuestas a realizar esfuerzos en este sentido y, aun que estén dispuestas es muy fácil regresar a los antiguos formas de hacer las cosas.

La resistencia no es más que una respuesta natural de personas que desean proteger su interés personal en la organización. Es inevitable que las personas dentro de las organizaciones se resistan al cambio (Pideret, 2000). En algunos casos, el cambio despierta sentimientos negativos en las personas y éstas sencillamente no quieren cambiar; ya que consideran que no les conviene o que las obliga a moverse fuera de su zona de confort

El cambio trastoca el statu quo y con frecuencia genera tensión, incomodidad y para algunos incluso despidos. Tales condiciones hacen que la gente se resista, Administradores y empleados lo perciben como una propuesta con posibilidades de ganancia y pérdida: aquéllos lo ven como una forma positiva de fortalecer la organización, y éstos como una amenaza a su condición y forma de ganarse la vida (Ashford, 1988). Por tanto, es más probable que los intentos por instrumentar el cambio rindan buenos resultados si los líderes entienden las razones de la resistencia de los empleados al cambio. La resistencia no es más que una respuesta natural de personas que desean proteger su interés personal en la organización.

Los buenos líderes no minimizan la resistencia ni la perciben como los administradores tradicionales como un problema disciplinario que hay que enfrentar mediante castigos o coerción-, sino como una energía que debe redirigirse para que coadyuve al cambio (Kull, 2003). La resistencia al cambio se puede manifestar desde una resignación pasiva hasta con un sabotaje deliberado. Los administradores necesitan aprender las diversas formas en que las personas manifiestan su resistencia a los cambios. Vale la pena hacer algunos comentarios sobre la más popular de todas las causas de fracaso mencionadas: la resistencia al cambio. Douglas Smith (1997), en su obra *Taking Charge of Change* menciona que:

"...la ignorancia sobre la íntima naturaleza de nuestra resistencia a cambiar es lo que mata el cambio, y no la resistencia en sí misma..."

La resistencia al cambio es un síntoma absolutamente natural (Kreitner y Kinicki, 2004). Ahora bien, ¿cuáles son los motivos que pueden ocasionarla?

- La falta de comunicación sobre el proyecto de cambio.

En general se resiste cualquier tipo de cambio si no se conoce en que consiste, para que se lleve a cabo y cual es su impacto en términos personales;

➤ La visión demasiado parcializada del cambio.

En numerosas ocasiones las personas juzgan negativamente al cambio exclusivamente por lo que sucede en su ámbito de influencia (su grupo de trabajo, su sector, su gerencia), sin considerar los beneficios globales que obtiene la empresa en su conjunto.

➤ Egoísmo intolerante

Algunas personas se resisten al cambio organizacional por temor a perder algo que valoran. Los individuos temen perder poder, recursos, libertad para tomar decisiones, amistades y prestigio. En los casos en que se teme una pérdida, los individuos piensan en sí mismos y en los que tendrían que ceder. El individuo temeroso experimenta un egoísmo intolerante al momento de resistir el cambio. La organización y los intereses de los compañeros de trabajo no son prioritarios para él (Wanberg y Banas, 2000).

➤ Malos entendidos y falta de confianza

Cuando los individuos no entienden del todo la razón por la que se necesita el cambio y cuáles son sus implicaciones, se resistirán a él. Si entre las persona que inicia el cambio y el individuo afectado por él no existe confianza, hay más probabilidad de que se malinterprete la intención y las consecuencias del cambio organizacional.

➤ Baja tolerancia al cambio

Las personas se resisten al cambio porque temen no poder desarrollar las nuevas habilidades necesarias para desempeñarse bien. Los individuos pueden tener claro que necesitan cambios, pero pueden ser emocionalmente incapaces de hacer la transición. La baja tolerancia al cambio se encuentra también en los individuos que se resisten a él para evitar humillaciones porque suponen que hacer los ajustes y cambios necesarios sería admitir que se equivocaron en su comportamiento, decisiones y actitudes anteriores. Entender el cambio y los nuevos paradigmas nos da la oportunidad de actuar y transformarnos de espectadores a protagonistas, para en lugar de ver pasar el cambio, anticiparlo, encauzarlo y poder participar en él.

Se ha dicho a menudo que los empleados mayores tienen más resistencia al cambio, y aunque no sea "políticamente correcto", la evidencia da muestras de ello. Por supuesto que hay excepciones y en algunos casos los miembros más antiguos de un equipo pueden incluso ser los únicos que dirijan el cambio, por lo tanto ¿Por qué no darles una oportunidad? Una alternativa es permitir a los empleados ofrecer sus puntos de vista de una forma libre, tanto en un papel como en una reunión, o a una persona intermediaria, que sea la encargada de pasar esa información recogida en la organización, sin decirle a nadie quien lo ha dicho (Wayne, Shore y Liden, 1997).

Siempre que tengamos que afrontar un cambio en cualquier área de nuestra vida, el estrés se manifestará cuando encontremos una falta de habilidades y destreza para tratar con la nueva situación (Pideret, 2000). Los cambios deben ser "vendidos" a la gente como si fueran excitantes, y en el momento en que el cambio es percibido como excitante, es la ocasión en que nos sentimos lo suficientemente seguros para comenzar a tratar con los nuevos arreglos, y bajo estas circunstancias se puede positivamente saborear la oportunidad.

Al llevar a cabo este proyecto se podrá contribuir en la empresa a tener conciencia de los factores que afectan y se puedan tomar medidas para crear un clima de confianza y de cooperación entre la gente y de esa manera poder disminuir la resistencia al cambio. Buscar que los líderes brinden apoyo, restauren la confianza y comprendan a sus colaboradores, para que de esa manera se pueda crear un ambiente agradable donde la gente acepte con mayor facilidad los cambios que se puedan presentar. A pesar de que el entusiasmo es una forma de estrés, es un estrés positivo, mientras que el temor va siempre acompañado de estrés negativo.

El objetivo de este estudio es determinar los factores que influyen en la resistencia al cambio y como disminuirlos en una empresa local del ramo automotriz del sector maquilador, con la finalidad de crear

un mejor clima laboral de confianza y compañerismo, una comunicación más efectiva y mayor integración en los equipos de trabajo.

METODOLOGÍA

El presente trabajo es un estudio de campo, descriptivo no experimental de los factores que influyen en la resistencia al cambio en la industria automotriz. La empresa investigada en este estudio de caso fue Delphi, una empresa líder que emplea miles de trabajadores en México. La información fue recolectada de una muestra de conveniencia de empleados experimentando el cambio organizacional en su trabajo. Los participantes fueron filtrados para participar en función si recientemente habían experimentado un cambio organizacional en el trabajo. El tamaño de la muestra se determinó de forma probabilística.

Los participantes elegidos, 230 empleados administrativos del departamento de finanzas, completaron un cuestionario de 14 preguntas múltiple para detectar los factores que provocan la resistencia al cambio con el objeto de abarcar un mayor número de entrevistados y poder obtener un resultado más objetivo. Para representar y resumir la información obtenida se utilizó estadística descriptiva. Para desarrollar esta investigación se aplicó un instrumento de medición. Las preguntas del instrumento se establecieron para detectar si las personas están dispuestas al cambio y que tanto están dispuestos a comprometerse; detectar los factores que influyen negativamente en el comportamiento del empleado, y que es lo que les afecta cuando hay un cambio en la organización.

Los participantes investigados completaron el instrumento de 14 preguntas resumidas de cuatro medibles, un conjunto de elementos demográficos y doce preguntas para asegurar que era lo que ellos experimentaban cuando había cambios en el trabajo. Todos los medibles utilizados en este estudio demostraron aceptables niveles de validez y confiabilidad en investigaciones previas publicadas. Respecto a la apertura al cambio organizacional, tres preguntas fueron establecidas siguiendo la escala de cambio organizacional creada por Miller, Johnson y Grau (1994). Esta escala mide dos factores, la buena voluntad para aceptar los cambios organizacionales y la percepción del impacto de los cambios que los esfuerzos del cambio tendrán en los empleados.

La hipótesis de investigación planteó:

H1: La eficacia del cambio organizacional tiene una relación positiva estadísticamente significativa con la aceptación de los empleados del cambio organizacional.

La hipótesis de trabajo planteó:

H2: Existe una relación positiva estadísticamente significativa entre la resistencia al cambio y la percepción del impacto de los cambios.

RESULTADOS

Una relación estadísticamente significativa fue encontrada entre la eficacia del cambio organizacional y la aceptación del cambio entre los empleados ($r = .876$, $p = .03$). En otras palabras, a mayor eficacia del cambio organizacional mayor aceptación existe entre los empleados para colaborar. Respecto a la resistencia al cambio organizacional y el impacto de los cambios, se encontró una relación estadísticamente significativa ($r = .756$, $p = .000$).

En esta investigación con los resultados que se obtuvieron al aplicar la encuesta al personal administrativo del departamento de finanzas se puede observar que las personas encuestadas se encuentran a gusto con las labores que realizan y no se preocupan que sus actividades sean cambiadas, lo que mas influyen negativamente en la personas es la comunicación ineficaz que tiene la administración con ellos, la falta de motivación que existe entre el jefe y colaboradores y la falta de oportunidades para avanzar dentro de la

organización.. La gente tiene ganas de aprender cosas nuevas durante el proceso y están dispuestos a comprometerse con el cambio.

DISCUSIÓN

Este estudio de campo exploró los empleados se resisten al cambio y cómo su disposición cambia al percibir impactos positivos en el desarrollo de su trabajo. Los resultados apoyaron las dos hipótesis que se investigaron en este estudio. Los resultados proporcionan apoyo empírico para una tendencia de la investigación en el cambio organizacional. En años recientes, un número creciente de académicos ha llamado por un nuevo alcance en el cambio organizacional. Uno que se enfoca en los factores del nivel micro. Este estudio muestra que los factores de nivel micro afectan la resistencia al cambio organizacional. Consideraciones en contra del fondo de la literatura existente, este estudio enfatiza que la resistencia al cambio es un fenómeno complejo.

Diferentes antecedentes en múltiples niveles, pueden tener un impacto significativo en las reacciones del empleado al cambio organizacional. Los resultados tienen un número de implicaciones prácticas. Para los empleados que se ven involucrados en el cambio organizacional, estos resultados proporcionan nuevas maneras para administrar y hacer frente con lo que continuamente es considerado una experiencia estresante. Ésta información podría ayudar a los empleados a anticipar y entender sus reacciones al cambio organizacional.

Los profesionales de los departamentos de recursos humanos quizás quieran considerar reunir gente y trabajos basados en su disposición al cambio. La presente investigación muestra que cuando los valores personales de los empleados son congruentes con los valores organizacionales, los empleados están más satisfechos, más comprometidos, menos estresados y tienen un desempeño de más alto nivel. Si ciertas tareas o trabajos requieren involucrar a gente a cambios significativos, los empleadores podrían trabajar mejor contratando empleados con perfiles de menor resistencia al cambio.

Finalmente, los resultados de este estudio sugieren que la gente a través de la organización, debería adoptar un aprendizaje más que una orientación al desempeño cuando los cambios se presentan. Conforme los empleados aprenden nuevas habilidades y comportamientos, los errores son más propensos a presentarse. Los resultados de este estudio sugieren que la corrección constante incrementa, más que reducir, la resistencia al cambio. Permitiendo durante el periodo de aprendizaje, cuando los errores son corregidos pero tolerados, los gerentes de las organizaciones y sus miembros pueden experimentar menos ansiedad y resistencia.

En adición a estas implicaciones prácticas, este estudio puntualiza sobre futuras investigaciones. Estudios futuros deberán continuar ésta liga y determinar si hay otras variables que expliquen la relación. Adicionalmente, los investigadores necesitan desarrollar un mejor entendimiento de las diferencias de las nuevas variables. Dado que este estudio se realizó en una sola empresa, los resultados de la investigación no pueden ser generalizados a todas las empresas y a toda la industria.

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ANÁLISIS DE LA PROBLEMÁTICA PARA LA OPTIMIZACIÓN DE LAS EXPORTACIONES EN MÉXICO

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ABSTRACT

Este estudio descriptivo analiza el impacto del desconocimiento de las Mipymes de los procesos de mercadotecnia internacional como una herramienta para sistematizar las exportaciones mexicanas ante la apertura comercial. La economía enfrenta grandes problemas estructurales y uno de ellos es la existencia de un mercado doméstico incapaz de absorber la producción nacional, lo que hace necesario buscar una alternativa adecuada a través de la diversificación de las exportaciones al resto del mundo. Dada la cercanía de México a los Estados Unidos, las exportaciones de las empresas mexicanas se han concentrado fundamentalmente a dicho país en un 82 % del total. Las consecuencias de esta dependencia han afectado el crecimiento de la industria y por consiguiente el empleo en México. Las estadísticas muestran cómo en los últimos años el país ha perdido competitividad y penetración en los mercados cada vez más global; sin embargo no todo se encuentra perdido, México tiene tratados con preferencias arancelarias con 45 países de todas las regiones del mundo. Para ello, es imprescindible que las autoridades gubernamentales establezcan una estrategia para apoyar a las empresas en el conocimiento de las técnicas de la mercadotecnia internacional que le permita aprovechar las ventajas competitivas que existen con algunos países, aumentar las exportaciones y con ello el crecimiento de la industria en su conjunto. Las conclusiones y recomendaciones para futuras son abordadas.

INTRODUCCIÓN

En general las exportaciones de los empresarios mexicanos han tenido como destino histórico el mercado estadounidense, a donde se envía alrededor del 82% de las mismas (CEPAL, 2007), ante esta situación no podemos negar los beneficios que ha representado para la economía mexicana, pero éstos, son parciales y dependientes de las variaciones de los ciclos económicos de los Estados Unidos. En el periodo 1996-2005, el 82.4% de las exportaciones manufactureras mexicanas totales fue dirigido a los Estados Unidos (citado por Chiquiar, Fragoso, Ramos, 2007, p. 1)

Planteada la situación anterior, la política comercial mexicana, a partir de 1986 con la entrada al GATT (actualmente, OMC), abandona el proteccionismo económico en favor de la apertura comercial formalizada con los tratados de libre comercio que se firmaron, esto provocó una competencia externa y la necesidad de hacer competitiva las exportaciones mexicanas, y por lo tanto, la exigencia de que se aprenda a vender los productos más allá del Océano Atlántico y Pacífico.

La intención de abrir la economía mexicana hacia la competencia externa consistió en obligar a los exportadores mexicanos a buscar mercados que no sean los del vecino del norte, pero no basta con una política de liberalización comercial, es necesario que los apoyos se acerquen más al exportador, es decir, de manera más específica. La dependencia que se trataba de reducir con las políticas de apertura comercial específicamente con Estados Unidos y Canadá, se acentuó al pasar de un 63.8 % en 1985, a un 82% en el 2007 (Ortiz, 1990; CEPAL, 2007).

La situación anterior de dependencia hacia el mercado estadounidense, se debe fundamentalmente entre otras variables que escapan al límite del presente trabajo, a que el exportador mexicano desconoce las técnicas de exportación sistemática y metodológica que aporta la mercadotecnia internacional. Ésta le

permite al vendedor externo planear de manera sistemática la búsqueda de mercados, su selección y segmentación, hasta la fijación de precios, pronóstico de la demanda, escoger canales de distribución adecuados, formas de promoción y publicidad, diseño del producto, del envase y embalaje.

En nuestro trabajo delimitamos la investigación a la búsqueda, selección y segmentación de los mercados internacionales, técnica que los exportadores mexicanos deben de estudiar y conocer par poder aplicarlas a sus operaciones de penetración de mercados externos e incluso en defensa de sus mercados domésticos los cuales se ven constantemente amenazados por la competencia externa.

El objetivo general que se planteó en la investigación consistió en demostrar que ha partir de la apertura comercial de la economía mexicana, el desconocimiento de las herramientas de la mercadotecnia internacional por parte de los exportadores mexicanos ha sido una limitante para que éstos puedan incursionar en otros mercados diferentes al de Estados Unidos, y así coadyuvar a cumplir con los objetivos de la política comercial del país.

REVISIÓN DE LITERATURA

Todo cambio en el contexto de cualquier situación responde a factores inherentes a dicha situación pero también a factores externo a la misma, tal es el caso de la economía mexicana, la cual atraviesa por dos modelos de desarrollo, uno con sesgo anti exportador hasta antes de 1982, y otro con sesgo exportador después de 1983. El paso de un modelo a otro tuvo como causal factores internos y externos (Villarreal, 1988).

Por factores internos podemos entender aquellos que corresponden a cuestiones internas del país o que se pueden manejar o controlar en cierta medida para promover con mayor probabilidad el éxito de un país, como por ejemplo una política comercial de promoción a las exportaciones. Entre los factores externos tenemos aquellos que se encuentran fuera del control de la política comercial adoptada por el gobierno por ejemplo la globalización de las economías (Haneine, 1987).

La globalización, ha llevado a replantear el concepto de competitividad de una economía abierta, una actividad competitiva en el ámbito nacional también lo es por definición, en escala internacional. Es clara las exigencias que esto impone a las empresas para su supervivencias en el mercado doméstico y en el externo (Turner, 2001). La economía mexicana se vio en la necesidad de abrirse a la competencia externa con el ingreso al entonces GATT en 1986, y a través de un tratado comercial con los Estados Unidos para hacerla más competitiva ha partir de 1994 (Huerta, 1992).

Ante este ambiente competitivo provocado por la apertura comercial, la mercadotecnia internacional como una herramienta metodológica se convierte en parte fundamental para defender de manera sistemática los mercados locales e incursionar en los de exportación. La mercadotecnia tiene como objetivo el estudio de manera sistemática de los segmentos o nichos de mercados tanto nacionales como internacionales, en otros tiempos las empresas podrían tener éxito operando en el mercado nacional, actualmente esto se torna más difícil, es necesario cruzar las fronteras de los países para ser más competitivos y tener mayor probabilidad de éxito (Warren, 1997).

Coincidimos con el autor anterior, pero también es contundente la observación de García Castro (2004), la integración de México al mercado mundial no ha sido suficiente para garantizar que la economía mantenga un crecimiento constante, en especial porque la sola apertura, no es suficiente para que la economía se convierta en una nación exportadora como si fuera por decreto. Es necesario que las Mipymes conozcan de la forma de sistematizar las estrategias de la exportación, ya que la ventana que ha generado la apertura es muy estrecha, su amplitud depende en gran medida de las estrategias concretas y

diferenciadas que adopten las empresas y del papel del Estado, como promotor de las exportaciones del país.

La aplicación de la mercadotecnia internacional, a las actividades de las empresas, desempeña una función trascendental en el crecimiento y desarrollo de los países, estimula la investigación y las nuevas ideas, lo cual da por resultado nuevos bienes y servicios más competitivos en los mercados internacionales (McCarthy y Perreault, 2001). Según la taxonomía que maneja Warren (1997), existe una gran cantidad de literatura respecto a la clasificación de la mercadotecnia, entre de las que maneja marketing nacional, marketing de exportación, marketing internacional, marketing multinacional y por último marketing transnacional o global.

La mercadotecnia nacional, fija como objetivo de manera consciente o inconsciente el mercado doméstico; la mercadotecnia de exportación fija como objetivo las oportunidades del mercado exterior aprovechando toda la experiencia que se tiene en el mercado nacional; la mercadotecnia internacional, esta va más allá que la anterior, incluso a fabricar el producto fuera del país local. La mercadotecnia multinacional adapta su estrategia de mercadotecnia a cada nación a donde incursiona atendiendo todas las diferencias. La mercadotecnia global, ésta se concentra en las ventajas de sus activos, experiencia y productos globales que posee la compañía, aprende a distinguir entre lo que es global, y lo que es específico y único de cada país (Warren, 1997).

Las Mipymes mexicanas dada la apertura hacia el exterior deben, de aprender el camino con preparación e impulso del Estado hacia las dos primeras etapas de la clasificación anteriormente descrita, en un corto y median plazo, ya que las otras etapas se requiere de décadas y enormes recursos financieros y de conocimientos, es decir, no es nada fácil de conseguir, incluso a veces ni con el apoyo del gobierno por las barreras a la entrada de sus industrias.

El mercado internacional está abierto a un mundo de oportunidades pero su aprovechamiento requiere conocimiento científico de los procesos de exportación, sólo así será posible avanzar en la diversificación de los mercados de exportación. Los productores de ropa mexicana deben de considerar el mercado canadiense, ya que el comportamiento de las exportaciones mexicanas a Alberta, demuestra que México se encuentra entre los primeros cinco países proveedores de dicho mercado (Bancomext, 1999)

Las exportaciones a Corea del sur se constituyen como una alternativa más, ya que los productos mexicanos tienen varios nichos que pudieran ser aprovechados “entre los que destacan tequila, pasta de tomate, jugos concentrados de frutas, particularmente naranja, productos cárnicos, café crudo en grano, productos de confitería y productos pesqueros en el sector alimentos y bebidas” (Bancomext, Pp. 10-13).

En México el empresario mexicano tiene que aprender a concurrir con sus productos al otro lado de los océanos, tanto del Pacífico como del Atlántico, aprender a exportar por barco, porque vender a los Estados Unidos es muy cómodo. La proximidad con este país hace que el 82 % de nuestras exportaciones se realicen con él, China representa un mercado muy atractivo pero se necesita que los mexicanos vayan a vender y no nada más a compra (Bancomext, 2001).

Otro de los mercados de los cuales se puede obtener provecho y con el cual se tienen preferencias arancelarias es Italia. No obstante que están a orillas del mediterráneo, la producción de frutas tropicales es casi inexistente, por lo que la demanda interna de las frutas exóticas se satisface con importaciones. México tiene una gran variedad de las mismas para satisfacer a dicho mercado (Bancomext, 2000).

Aquellas personas que deseen iniciarse en la exportación o diversificar, el mercado natural es América Latina. Una de las razones para esta afirmación son las ventajas que ofrecen los mercados latinos, y que no ofrecen otras regiones. Dichas ventajas estriban en ciertas similitudes culturales, el tamaño de los

mercados, escalas de las empresas, complementariedad, seriedad, y normatividad. Tampoco existen barreras en materia de logística o de información (Bancomext, 2003).

De acuerdo con Bancomext (2004), Brasil es un país poco aprovechado para las exportaciones mexicanas, cuenta con 182 millones de habitantes, lo que puede verse como una oportunidad para que se incrementen las ventas a dicha nación, pues ambas son economías complementarias. Brasil ocupa el lugar número 12 como destino de las exportaciones mexicanas. Resulta claro como la literatura revisada y especializada en la materia demuestra las alternativas que las Mypimes mexicanas tienen para diversificar mercados y no seguir dependiendo de uno sólo, México tiene firmados 12 tratados comerciales, con América del Norte, Centroamérica, Sudamérica, Europa, Asia y medio oriente, lo que juntos hacen un total de 45 países en todo el mundo.

Esto deja evidente la necesidad de que los empresarios mexicanos necesitan profesionalizar las ventas externas por todo el mundo, pero para ello es necesario contar con los elementos que proporciona el uso de la mercadotecnia internacional en la selección y penetración de mercados, ya que cada nación a la que se pretende incursionar posee características diferentes: cultura, gustos y preferencias, idioma, costumbre, entre otros.

METODOLOGÍA

De acuerdo con el objetivo del presente trabajo que consistió en demostrar con un alcance descriptiva que ha partir de la apertura comercial de la economía mexicana, las Mipymes (empresas nacionales) mexicanas, no han podido diversificar mercados más allá de los mercados de Estados Unidos debido a su corta visión de los negocios de exportación como consecuencia del desconocimiento de los instrumentos de la mercadotecnia internacional.

La exportación en un mundo como en el que vivimos tiene que hacerse de una manera sistemática o científica, no es posible realizarla en base a ensayo y error, o dicho de otra manera en la pura intuición. Si les exportadores mexicanos quieren aprovechar el enorme mercado con el que cuentan en el papel (12 tratados comerciales con 45 países de las regiones económicas más importante), es necesario que comprendan los fundamentos de la mercadotecnia internacional en la selección y segmentación de mercados.

Se elaboró el estudio revisando la información secundaria que existe sobre el fenómeno en cuestión, consultamos las publicaciones que se han hecho en los periódicos tanto a nivel local como nacional, en libros y tesis, consultados físicamente y de manera electrónica, publicaciones de las Cámaras empresariales y organismos gubernamentales dentro del país.

Se tomaron en cuenta una gran cantidad de las publicaciones del Banco Nacional de Comercio Exterior, sociedad que hasta antes del 2007 como un organismo público descentralizado, se dedicaba aparte del financiamiento de las exportaciones a la promoción de las mismas, lo que lo ha llevado a representar un papel de vital importancia de apoyo a las exportaciones mexicanas históricamente.

Se recolectó información estadística del fenómeno de la dependencia hacia el mercado estadounidense, es decir, de la dependencia a dicho mercado, de tal forma que de ahí podamos inferir que la nación mexicana ha sido incapaz de incursionar a los otros mercados con los cuales existe preferencias arancelarias en base a los tratados comerciales que se tienen firmados.

Una vez que la información fue recolectada, ésta se presenta de una manera sencilla a través de cuadros estadísticos y gráficas, si entrar en una demostración causal de hipótesis ya que rebasa los límites de la presente investigación. Se trata de dejar en claro la incapacidad de los empresarios de ir más allá de el

mercado tradicional que hemos tenido y nos atrevemos a hacer una afirmación que pudiera explicar el fenómeno como un primer acercamiento de entre otras variables que no se consideran, tal es el caso del desconocimiento de los fundamentos de la mercadotecnia internacional para incursionar en mercados de exportación.

Para poder entender el fenómeno de la dependencia procedimos a describir cómo se origina históricamente el fenómeno de la concentración de las exportaciones mexicanas en el país, para luego ver cómo dicho modelo ya no respondía a principios de los ochentas a las necesidades globales y locales del país. Posteriormente se procede a finiquitar con el modelo que inhibía a las exportaciones por uno que se llamó el modelo de apertura comercial a la competencia externa partir de 1986. Los datos estadísticos son muy importantes en estas secciones, ya que ellos muestran las evidencias.

El marco teórico que sustenta la información se compone fundamentalmente de la teoría del proteccionismo económico, de la libre competencia y de los principios de la mercadotecnia internacional, de la cual es una herramienta que nace en el capitalismo y hoy su uso extendido quizás a otras áreas, ya que en el capitalismo representa el puente entre la producción y los consumidores.

Posterior al marco teórico se hace un esfuerzo para intentar establecer una hipótesis derivada de lo analizado, la cual consiste en que la explicación del hecho de que se haya podido diversificar después de la apertura consiste en el desconocimiento de las herramientas que da la mercadotecnia en la selección, segmentación y penetración de mercados, misma que sabemos de antemano que requiere de una comprobación más rigurosa a través de estudios explicativos o causales, pero que abre las puertas para darle continuidad al presente estudio.

RESULTADOS

El análisis de la información obtenida nos arroja como resultados que la forma en que las exportaciones mexicanas iniciaron su concentración a ciertos mercados, tal es el caso que al principio se concentran en Europa, para que posteriormente allá por 1870, se observa cómo se inicia ya una dependencia hacia el mercado de los Estados Unidos.

México a partir de 1940 implementa un modelo de fomento a la sustitución de importaciones en varias etapas y olvidándose prácticamente el sector exportador, pese a ello lo que se podía exportar ya se concentraba a los Estados Unidos y las estadísticas así lo corroboran. Las Exportaciones a Europa de 1910 a 1920 en promedio fueron de alrededor del 13 %, mientras que a los Estados Unidos, eran alrededor de la nada desdeñable cantidad de 67% y con el resto del mundo el 20% restante. Ya empezábamos a padecer la enfermedad crónica de la dependencia.

A partir del periodo 1932-1964 se observa que las exportaciones de México se concentran todavía más a ser ahora alrededor de un 70 %, mientras que con Europa se mantiene en un 13% y con el resto del mundo el 17%. Tenemos que de 1970 a 1979 las exportaciones a América del Norte (casi en su totalidad a Estados Unidos) fueron de 65.4 % y a Europa de 5.8. Podemos apreciar que en términos relativos relación comercial con Europa y EEUU se reduce pero en términos relativos aumenta más con el segundo.

Si analizamos las exportaciones mexicanas por bloques económicos tenemos que en promedio de 1970 a 1985, las exportaciones representaron del total un 68%, y a la Comunidad Económica Europea (hoy Unión Europea) fue de alrededor del 8%. Una vez más vemos la constante que ha predominado históricamente y que es la concentración a los EEUU.

La apertura comercial mexicana formalizada a partir de 1986 respondió tanto a variables internas como externas a la misma. Dentro de las variables externas podemos considerar a la llamada globalización (la

cual tomamos como dada sin cuestionar su esencia), factor que obliga a nuestro país a no permanecer aislado con la advertencia de quedar marginado de dicha corriente y decidimos integrarnos en un Tratado de Libre Comercio con nuestro tradicional socio, Estados Unidos y con un vecino distante, Canadá y de poca importancia como destino de nuestras exportaciones, para hacer frente a los beneficios de la globalización.

A partir de 1982 la economía mexicana padece una serie de problemas económicos internos que ya no se podían seguir minimizando (su análisis va más allá del los límites de este estudio), convirtiéndose estos en los factores internos que llevaron a los ajustes estructurales iniciados desde 1982 y profundizados en 1986. Es así que a partir de el ingreso al entonces GATT (1986), la nación mexicana empieza a negociar y firmar una buena cantidad de tratados comerciales con las diferentes y principales regiones económicas del mundo, hasta de llegar a tener en la actualidad relaciones comerciales en documentos con 12 regiones económicas y 45 países, todo con la finalidad de provocar que las exportaciones mexicanas diversifiquen sus mercados de destino y de esta manera, reducir esa no tan sana dependencia que se había gestado históricamente.

Se trataba de convertir a los empresarios en exportadores y desarrollar una gran competitividad de las micro, pequeñas y medianas empresas mexicanas (Mipyme), pero la tradición histórica y cultural seguiría pesando, ya que en lugar de diversificar los mercados a los otros 44 países, las exportaciones presentaron una mayor concentración hacia los EEUU, llegando a representar un 82%.

Vale la pena reconocer que la apertura comercial aplicada a partir de 1986 sí tuvo efectos positivos al aumentar las exportaciones a otros países pero de forma poco significativa si se le compara con el aumento que provocó en el mercado del norte mexicano. En la actualidad el comercio exterior de productos manufacturados mexicanos ha crecido impresionantemente, llegándose a convertir en el principal exportador de América Latina, con el 46 % del total, pero dicho porcentaje no se compara en números absolutos con lo que se exporta a Estados Unidos.

El caso es que los datos nos demuestran la enorme concentración de las exportaciones mexicanas a los EEUU, lo que consideramos en parte poco sano debido a que las ventas a dicho país se esclavizan cada vez más de los ciclos económicos de los estadounidense sobre todo a través de la débil demanda de productos de la industria automotriz.

CONCLUSIONES

A manera de conclusión tenemos que la apertura comercial mexicana no ha cumplido su función al liberar casi en su totalidad de aranceles y a la vez negociar a través de tratados comerciales las preferencias arancelarias con otros países, para que los productos mexicanos atravesasen el océano Pacífico y el Atlántico y no nada más pasen la frontera norte del país, pero ante ese fracaso, la información y los datos nos dejan entrever que es necesario una estrategia más específica de cada una de las empresas mexicanas basada en los fundamentos de la mercadotecnia internacional en cuanto a la búsqueda, selección, segmentación y penetración de mercados.

El problema no ha sido por falta de demanda (con excepción del problema que vivimos actualmente) en las regiones o países con los que tenemos relaciones comerciales establecidas a través de contratos internacionales, lo que queda demostrado en la revisión de la literatura, todo lo contrario, hemos visto una gran cantidad de oportunidades comerciales para los productos mexicanos en los mercados internacionales, una demanda que se da a conocer de una manera específica para que los exportadores mexicanos la satisfagan.

¿Por qué no pueden satisfacer dichas oportunidades? Seguramente porque como nos dejan entrever los datos, a los exportadores mexicanos les falta ser más agresivos pero una agresividad que no se azarosa, sino que sea planeada o sistemática, pero para ellos el exportador debe de prepararse y conocer de la materia que le puede brindar esas herramientas, y ésta es la mercadotecnia internacional, ésta acción debe de ser un complemento específico de los factores más globales, como lo es la apertura comercial y la estabilidad macroeconómica que ha venido experimentando el país. No basta con abrir la economía negociar y amarrar tratados comerciales, y por arte de magia, ya la economía se hará competitiva y exportadora, y como consecuencia, conquistará nuevos mercados ajenos al tradicional.

La diversificación de mercados reduciría de cierta la dependencia hacia los EEUU, de tal forma que cada que éste país enfrente problemas económicos como el del 2002 y el actual, las consecuencias se puedan minimizar, exportando ya sea hacia Asia, Europa, Sudamérica, Centroamérica o Medio Oriente a través de Israel, claro estas medidas aunadas al fortalecimiento del mercado doméstico (análisis que rebasa el alcance del presente trabajo), esto ayudaría a que el empleo no dependiera tanto de las relaciones comerciales aquí cuestionadas.

Vimos que la mercadotecnia internacional es una herramienta poderosa que conecta a los productores con los consumidores, a través de ella, el exportador mexicano pudiera descubrir nuevos mercados donde se le tratara de manera preferencial arancelariamente, seleccionar el mercado, segmentarlo y adaptar el producto a los gustos de los consumidores y aspectos culturales, de tal forma que la incursión en ese nuevo mercado tenga mayores probabilidades de éxito.

En términos de la taxonomía de Warren (1997) el micro, pequeño y mediano empresario mexicano debe de mirar mas allá la mercadotecnia nacional, si es que tiene conocimiento de manera sistemática de ella, debe de prepararse en el manejo de las dos siguientes etapas, primero en la mercadotecnia de exportación para luego trascender a la mercadotecnia internacional, donde ya se contempla el mercado internacional como objetivo y se aplica una estrategia científica para su conquista.

El país no puede pasarse toda su historia dependiendo de un solo mercado, las experiencias hasta ahora aprendidas no son nada halagüeñas, pero los exportadores necesitan del apoyo de la política pública, aparte de las ya implementadas que han tenido éxito pero a nivel más macroeconómico y se requiere estrategias más concretas como las que aquí se ha planteado, la demanda ha estado presente, es decir, las oportunidades están esperando (pese a esta turbulencia económica), sólo es cuestión de detectarlas de manera sistemática.

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EL ESPECTÁCULO DE UN SALÓN DE CLASES DIALÓGICO

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ABSTRACT

Esta investigación de tipo cualitativo exploratorio tuvo como propósito analizar el diálogo como un acercamiento a la enseñanza democrática, en un salón de clases de estudiantes de posgrado. Este estudio fenomenológico intenta contribuir a cubrir la brecha existente ante la falta de estudios del diálogo como una práctica pedagógica. Las entrevistas proporcionaron información valiosa para conocer el uso de la enseñanza dialógica como un recurso metodológico en la práctica docente. El espectáculo de un salón dialógico ofrece ventajas al diálogo como una manera de alcanzar el conocimiento y entenderlo, así como sobre las razones morales y políticas que lo favorecen. Dentro de las entrevistas a profundidad se analizó cómo la persona se transforma en un estudiante o profesor dialógico. Los resultados permiten concluir que la falta de democracia en el salón de clases puede ser vista tanto como la causa y efecto del miedo de los profesores a la acción práctica, reflexión y diálogo en el salón de clases. Las conclusiones y recomendaciones tienen especial importancia para los investigadores que se especializan en las prácticas docentes. Futuras investigaciones podrían evaluar la práctica dialógica desde una perspectiva cuantitativa.

INTRODUCCIÓN

El tema central de este trabajo es el salón de clases dialógico. Antes de entrar de lleno al tema central de esta investigación analizamos en su contexto histórico algunas filosofías educativas que sirvieron como antecedente a la práctica de la enseñanza dialógica. En seguida explicamos la metodología de análisis que aplicamos a la interpretación de las entrevistas basada en la Dialéctica del Espectáculo de opresión y el Carnaval de Resistencia con el Festival de Liberación (Boje, 2002).

Contexto Histórico

Tres corrientes del pensamiento o filosofías educativas han dominado la enseñanza a través del tiempo: el tradicionalismo, el progresivismo y la educación crítica. Después de la Segunda Guerra Mundial, el discurso de las democracias occidentales celebraba el logro de un periodo de consenso, de fe en la autoridad y de lealtad a sus instituciones. En ese periodo, la educación imitaba los modelos de la fábrica Taylorista. Las escuelas se diseñaban como organizaciones altamente especializadas para facilitar el uso de rutinas y procedimientos. Las formas de control social eran principalmente autoritarias y cohesivas. Los métodos de aprendizaje eran principalmente memoristas. Los maestros administraban sus salones de clases en forma autocrática. Los resultados de la educación deberían de ser medibles y comparables.

Con el descenso en la actividad económica mundial de finales de la década de los 60s y principios de los 70s, los científicos políticos y científicos sociólogos empiezan a hablar de “una crisis de consensos, ‘una crisis de la democracia’ y un declive económico y político” (Held, 1996, p. 240). Los movimientos sociales de finales de la década de los 60s condujeron a la discusión de nuevos tipos de educación, entre ellos las escuelas libres, los salones informales, y algunos experimentos de enseñanza radicales.

Como reacción a la amenaza de la guerra nuclear, a la amenaza a la existencia espiritual del ser humano debido a la creciente automatización, burocratización y alineación del ser humano, se da el surgimiento del humanismo (From, 1970). Varios elementos definen la posición humanística: la definición del ser

humano como un ser holístico en un estado de becoming and growing; la necesidad de la interacción con el ambiente de aprendizaje y la creación del conocimiento; la importancia del dialogo para el intercambio y el crecimiento del conocimiento y el reconocimiento de la individualidad (Pinar, 1996).

La exposición de los educadores a la perspectiva humanista, condujo al retorno de las teorías del desarrollo del aprendizaje como una progresión a través de una etapa de secuencias (Piaget, 1969). La perspectiva Piagetiana forma parte de una corriente del pensamiento llamado Progresivismo. Esa filosofía sostiene que la educación debe nutrir la interacción natural del niño con su medio ambiente. Ese desarrollo requiere un ambiente educativo que estimule activamente el desarrollo intelectual a través de la solución de problemas genuinos. La fuerza del desarrollo es el pensamiento activo del estudiante. El pensamiento se estimula por la problematización y el conflicto cognoscitivo. El desarrollo de un pensamiento critico y lógico adquiere significación en los valores morales (Gress & Purple, 1978 en Pinar, 1996).

A finales de la década de los 60s también surgieron algunos movimientos radicales que definían las desigualdades de ese periodo histórico con un énfasis en la acción. En esa etapa, surge el trabajo de Freire (1970) sobre la pedagogía del oprimido, el cual contenía un mensaje de liberación, esperanza y posibilidad. El trabajo alfabetizador y político de Freire con los campesinos brasileños, se considero marginal tal vez porque los campesinos eran considerados una clase social marginal en una economía que estaba transitando de la etapa manufacturera a la economía de servicios.

La educación crítica propone enfocarse en plantear problemas en lugar de enfocarse en la solución de problemas. También propone la investigación crítica en lugar de las respuestas mecánicas al planteamiento anticipado de problemas. Algunos elementos de la educación crítica son: el interés en la política participativa; en la integración de cuestiones sociales con las experiencias subjetivas; el uso de formatos interactivos para la concientización social; relaciones sociales democráticas para la escuela y la sociedad; el empowerment de los grupos fuera de las elites y la critica a la dominación de la elites (Shor 1987).

METODOLOGÍA

La metodología de análisis general que usamos en este trabajo es el espectáculo (tesis), el carnaval de resistencia (antítesis) y el festival (otra antítesis). En esta trilogía de opuestos dialécticos Boje (2001) define el espectáculo de acuerdo a la Sociedad del Espectáculo de Debord (1967) como un tipo de teatro frecuentemente violento y opresivo de control social que enmascara una celebración de progreso al reciclar pseudo-reformas y falsos deseos de evolución progresiva que nunca se cristaliza. Asimismo Boje (2001) conceptualiza el carnaval de resistencia de acuerdo a la teoría de Bajtin como otra forma de teatro de desvarío y locura que busca reparar la separación y la alineación, como una búsqueda de ayuda del poder corporativo, como un llanto de dolor y represión mezclado con burla y exhibición humorística con el objetivo de tambalear el poder y llamar la atención de su organización síquica. Finalmente, Boje define festival de acuerdo al tipo de teatro de Víctor Turner el cual esta relacionado con la alegría situacional de una cosa o evento por su propia razón de ser.

El Espectáculo del Salón de Clases

De acuerdo a las entrevistas de profundidad realizadas tomando como base el método fenomenológico escuchamos a los maestros entrevistados decir que en la educación tradicional había una mutilación de la espontaneidad, del gusto de aprender, del placer de ser creativos y del “yo” de los estudiantes. Asimismo, escuchamos que la memorización resultaba en aprendizaje sin significado para los estudiantes y que la clase era un monologo por parte del maestro. Encima de todo esto, se premiaba a los pocos estudiantes que “aprendían” en ese estado de opresión mientras se culpaba a la mayoría por no hacerlo.

El Carnaval del Salón de Clases

Los maestros entrevistados también mencionaron que a partir de los 70s y 80s, surgieron algunos movimientos de resistencia a la educación tradicional a los cuales llamaremos carnavales, en donde algunos estudiantes trabajaban en equipo, en donde los estudiantes participaban hasta cierto punto en la decisión de los asuntos importantes de las escuelas y donde podían expresar un poco mas libremente sus inconformidades. En esa época todavía existían los llamados consejos estudiantiles, los círculos de cultura Freirianos, clubes de diferentes indole, incluso los llamados co-gobiernos estudiantiles, etcétera. Para los 90s y principios del 2000 casi todas estas formas de carnaval de resistencia habían sido eliminadas por parte de las autoridades de las escuelas por miedo a perder el control. Junto con ello también bajo el nivel académico de las instituciones educativas.

El Festival del Salón de Clases

A este respecto los maestros mencionaron que es extremadamente bajo el porcentaje, por no decir casi nulo, de alumnos que logran llegar al festival en el sentido de Bajtin. El festival implica una fiesta con alegría autentica donde se celebra que los estudiantes junto con los maestros lograron una libertad plena a través del dialogo el cual incluye los aspectos ético-cognoscitivo, estéticos, el amor, y la polifonía.

El Salón de Clases Dialógico

La característica mas importante del modelo dialógico es la libertad. La libertad consiste en que tanto el estudiante como el maestro se liberan de todo tipo de opresión, manipulación y alineación, en su lugar ellos desarrollan un sentido de justicia, esperanza e igualdad. El resultado de participar en la toma de decisiones del salón de clases es la libertad. Otra importante categoría de este modelo es el ser polifónico lo cual significa que la voz de todos los miembros del grupo es escuchada y que permite que todos los miembros de la clase crezcan como una totalidad sistémica. La siguiente característica es el amor no en el sentido romántico sino en el sentido Bíblico de amar al prójimo como a uno mismo. El conocimiento, por supuesto, se produce por la interacción entre estudiantes y maestro. La base ética de este modelo es el dialogo I-thou (Buber, 1958). En otras palabras, este dialogo implica que al menos el maestro tiene una relación de amor, alegría y libertad con el grupo.

CONCLUSIONES

La revisión de una experiencia de salón de clases caracterizado por una enseñanza dialógica a través de las voces de algunos maestros contribuye a llenar una brecha en la literatura la cual contiene con los argumentos epistemológicos y filosóficos del uso del dialogo como una pedagogía no se han probado en una pedagogía practica. Otra conclusión mas importante dentro del campo de la administración es probar que este modelo de educación dialógica también puede utilizarse en las organizaciones en general.

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EXCESO DE UNIVERSIDADES EN PUEBLA, MÉXICO: SOLUCIÓN O PROBLEMA AL DESEMPLEO Y SUBEMPLEO

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RESUMEN

En México, gran parte de la población tiene acceso a instituciones de educación superior ya sea públicas o privadas, esto no necesariamente es un indicativo de que van a tener acceso a una vida laboral en la que puedan desarrollar los conocimientos adquiridos en ellas. El desempleo es una constante con la que la mayor parte de los profesionistas se encuentra, por lo que las esperanzas de tener una vida mejor se ven rotas, encontrándose ahora con un título universitario bajo el brazo y ningún lugar en donde ejercer su profesión, y peor aún, no pueden regresar a su lugar de origen por que ya no se acostumbran a la vida de agricultor o cualquier otro oficio que probablemente hubieran ejercido de no haber probado la vida en la ciudad, lo que ocasiona el subempleo. El exceso de universidades en el estado de Puebla, de ninguna manera es una solución al problema de empleo y subempleo, por el contrario incrementa el problema; es relevante enfatizar que se requieren acciones para mejorar las condiciones sociales como parte de una estrategia integral que permita a la economía mexicana incrementar la competitividad de las empresas y con ello, obtener una mayor creación de empleos.

INTRODUCCIÓN

La presente investigación tiene por objeto, determinar si el formar profesionales capaces en las distintas áreas de la ciencia, la tecnología, la cultura y la docencia egresados de Instituciones de Educación Superior (IES), garantiza su inserción en el mercado laboral y si los diversos sectores laborales tienen suficientes fuentes de trabajo para ocupar al total de egresados.

REVISIÓN LITERARIA

Finalidades de la Educación Superior en México.

La educación superior prepara al hombre para su vida profesional, sus objetivos son: ampliarlo, desarrollarlo y perfeccionarlo para su crecimiento en determinada carrera o para que se vuelva más eficiente y productivo en su cargo.

Empleo

a) Cualquier tipo de actividad desarrollada durante el tiempo de trabajo y con el consentimiento o aprobación del contratante. www.matemáticas.com

b) Fuentes de trabajo: ocupación que realizan las diferentes personas que componen la población económicamente activa de un país.

Santiago Zorrilla Arena, diccionario economía, Limusa, Noriega editores

Desempleo

Conjunto de personas que forman parte de la población en edad de trabajar y con disposición de hacerlo, pero que no tienen una ocupación remunerada; es decir, no desempeñan actividad económicamente alguna.

Santiago Zorrilla Arena, diccionario economía, Limusa, Noriega editores

Subempleo

Fenómeno conocido también, como subocupación; se refiere a aquellas personas que están ocupadas, o más bien semiocupadas, no desarrollan sus potencialidades de fuerza de trabajo de acuerdo con lo que están capacitados.

Santiago Zorrilla Arena, diccionario economía, Limusa, Noriega editores

Licenciatura

Grado de licenciado o título académico que se obtiene al acabar una carrera universitaria de más de tres años.

www.wikipedia.com

METODOLOGÍA

Esta investigación se realizó con la definición de los principales términos utilizados en el desarrollo de la misma, continuando con una recopilación de información de las fuentes consultadas bibliográficas, páginas de Internet, y estadísticas del gobierno federal y estatal.

DELIMITACIÓN

- Dentro de las fuentes consultadas el censo de población contiene información a 2005, ya que los censos son aplicados cada 5 años.
- Los resultados de la investigación se presentan a 2007.

CONTEXTO DE PUEBLA

Ubicación

Puebla, es uno de los 31 estados de la República Mexicana, su capital es Puebla, colinda con el estado de Veracruz; al poniente con el Estado de México, Hidalgo, Tlaxcala y Morelos; al sur con los estados de Oaxaca y Guerrero. Puebla, no tiene salida al mar y presenta un relieve sumamente accidentado. Su superficie es de 34,251 km².

Solo 129 km. separan a las ciudades de Puebla y México D.F., distancia que se recorre con facilidad por vía terrestre. La carretera no es la única forma de llegar, también es posible hacerlo por aire, en los vuelos que diariamente aterrizan en el aeropuerto internacional Hermanos Serdán.

Por tierra, Puebla, capital del estado del mismo nombre, cuenta con diversas autopistas y carreteras que la conectan al resto del país. Por ejemplo, desde la ciudad de México el viaje dura una hora con cuarenta minutos.

Economía

El sector de la economía poblana, representado por la industria manufacturera, contempla la maquila especialmente de productos textiles, concentrada en las regiones del centro del estado y el valle de Tehuacán. Sin embargo, sumados los rubros de comercio, servicios de diversas clases y las actividades terciarias representan alrededor del 60% de la economía del estado; son numerosas también las poblaciones con una economía apoyada principalmente en la agricultura, pero debido a las condiciones adversas que este sector enfrenta en México, muchas de ellas han quedado desarticuladas y se han convertido en fuente de mano de obra no calificada o expulsoras de migrantes internacionales, al grado de que actualmente dependen principalmente de las remesas de dinero de los miembros de las comunidades transnacionales.

www.wikipedia.com

Por lo que respecta al crecimiento de la economía, el Gobernador del estado Mario Marín Torres presenta en su plan de desarrollo (2005) lo siguiente: “En ausencia de cambios importantes, el crecimiento de la economía mexicana será en promedio, de alrededor de 3.5% por año lo que implica un incremento *per cápita* cercano al 2.4%. De mantenerse esta situación, tomaría 30 años duplicar el nivel de ingreso por habitante”.

El producto Interno Bruto de Puebla en el año 2007, representó un mayor porcentaje en el ramo de la industria manufacturera en un 26%; el comercio, restaurantes y hoteles ocupan un segundo lugar obteniendo un 18.8%; caso contrario los servicios bancarios tuvieron un porcentaje negativo de - 1.8%, el ramo en segundo lugar con menor porcentaje fue la minería con 0.4% y en tercer lugar la construcción con 3.6%. Estos datos muestran que las principales actividades son la manufactura, el comercio, restaurantes y hoteles. Siendo los menos explotados la minería, electricidad, gas, agua y la construcción. <http://www.enjoymexico.net/mexico/puebla-como-llegar-mexico.php>

Por lo que respecta al número de empresas establecidas en el estado, se muestra un considerable decremento de 15952 en el año 2001 a 10555 en 2008. Como se observa en la Tabla número 1.

Población

Puebla tiene una población de 5 383 133 habitantes, que convierten a éste estado en el quinto más poblado del país. Así mismo en la región de la Sierra Norte de Puebla, que forma parte de la Sierra Madre Oriental, es donde se concentra la mayor población de habitantes nativos de náhuatl a nivel nacional. En la tabla No 2, se muestra un comparativo de habitantes de los diferentes estados que conforman la Republica Mexicana

Crecimiento Poblacional

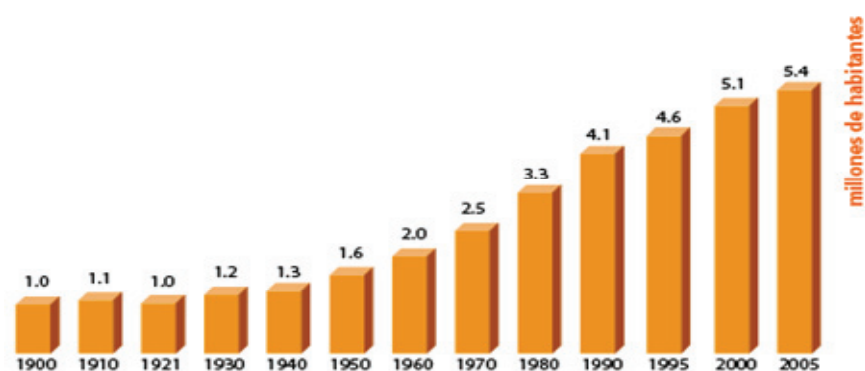
Los censos que se han realizado desde 1900 hasta el 2000 y el II Censo de Población y Vivienda 2005 muestran el crecimiento de la población en el estado de Puebla. Como se observa en la gráfica No. 1: de 1900 al 2005, la cantidad de habitantes en Puebla es cinco veces mayor y de 1970 a 1990, la entidad vivió el fenómeno conocido como explosión demográfica. Una de las razones que lo motivó fue el terremoto que devastó a la Ciudad de México el 19 de Septiembre de 1985 (Figura 1).

Tabla 1: Empresas en México por Entidad Federativa

ESTADO	EMPRESAS EN EL SISTEMA EN:							
	2001	2002	2003	2004	2005	2006	2007	2008
AGUASCALIENTES	6,074	6,071	7,662	6,809	8,417	9,011	9,541	8,771
BAJA CALIFORNIA	14,704	13,121	11,929	11,067	11,421	10,541	9,949	10,501
BAJA CALIFORNIA SUR	8,673	8,697	7,549	7,614	7,108	6,901	9,172	10,122
CAMPECHE	3,968	3,184	3,187	2,274	2,354	1,945	5,635	7,548
COAHUILA	8,421	7,967	8,899	9,013	8,860	7,823	7,893	10,051
COLIMA	2,540	2,247	2,012	1,454	1,318	773	606	515
CHIAPAS	4,070	3,645	3,093	2,396	2,741	2,873	3,236	3,315
CHIHUAHUA	25,747	26,926	27,499	27,460	32,983	35,566	37,559	36,723
DISTRITO FEDERAL	117,961	116,910	115,809	113,830	131,447	124,443	125,990	111,507
DURANGO	3,615	2,811	2,396	1,744	1,631	1,336	1,191	1,176
GUANAJUATO	24,513	23,443	23,156	17,705	20,772	21,199	23,147	27,086
GUERRERO	6,242	4,578	3,342	2,035	2,216	1,869	1,881	1,831
HIDALGO	24,294	27,774	29,245	22,854	21,585	25,368	30,075	27,014
JALISCO	79,788	82,552	81,392	93,087	117,537	117,721	126,736	122,249
ESTADO DE MEXICO	67,941	81,145	82,020	76,244	75,272	75,082	76,514	78,061
MICHOACAN	13,455	12,534	10,826	10,039	10,094	9,774	10,905	12,530
MORELOS	7,595	4,865	4,599	4,015	3,528	4,312	4,814	4,535
NAYARIT	7,864	9,260	10,698	12,158	12,244	11,263	8,302	11,118
NUEVO LEON	26,989	26,701	26,129	25,143	22,836	17,364	14,407	15,523
OAXACA	6,140	5,417	4,703	4,432	4,833	4,452	4,972	5,068
PUEBLA	15,952	14,577	15,577	14,668	13,434	10,611	10,689	10,555
QUERETARO	5,981	6,024	6,448	8,881	13,957	18,506	21,999	23,032
QUINTANA ROO	26,958	28,474	32,026	33,492	29,893	29,035	26,441	28,656
SAN LUIS POTOSI	12,207	12,520	11,955	12,421	15,266	14,695	15,087	13,865
SINALOA	15,331	15,528	15,345	14,071	14,007	13,029	12,538	11,650
SONORA	13,528	12,400	10,909	10,189	8,120	7,312	6,869	6,891
TABASCO	3,249	2,568	2,385	1,758	2,631	3,686	6,090	7,549
TAMAULIPAS	19,812	19,555	16,712	15,059	17,813	21,945	25,522	25,932
TLAXCALA	6,748	7,430	6,928	6,582	8,627	10,731	11,781	13,574
VERACRUZ	30,216	29,728	29,682	26,723	26,766	26,630	30,966	33,908
YUCATAN	19,804	21,782	22,088	21,461	22,662	19,421	23,710	24,219
ZACATECAS	7,920	7,395	6,013	6,400	6,568	6,172	7,026	6,930

http://www.siem.gob.mx/siem2008/portal/estadisticas/Est_Amb_xMun.asp?qedo=21

Figura 1: Población Total del Estado de Puebla (1900 - 2005)



FUENTE: INEGI. Perfil Sociodemográfico. II Conteo de Población y Vivienda, 1995. Conteo de Población y Vivienda 2005.

Tabla 2: Población Por Entidad Federativa

Lugar a nivel nacional	Entidad Federativa	Habitantes (año 2005)
	Estados Unidos Mexicanos	103 263 388
1	México	14 007 495
2	Distrito Federal	8 720 916
3	Veracruz de Ignacio de la Llave	7 110 214
4	Jalisco	6 752 113
5	Puebla	5 383 133
6	Guanajuato	4 893 812
7	Chiapas	4 293 459
8	Nuevo León	4 199 292
9	Michoacán de Ocampo	3 966 073
10	Oaxaca	3 506 821
11	Chihuahua	3 241 444
12	Guerrero	3 115 202
13	Tamaulipas	3 024 238
14	Baja California	2 844 469
15	Sinaloa	2 608 442
16	Coahuila de Zaragoza	2 495 200
17	San Luis Potosí	2 410 414
18	Sonora	2 394 861
19	Hidalgo	2 345 514
20	Tabasco	1 989 969
21	Yucatán	1 818 948
22	Morelos	1 612 899
23	Querétaro Arteaga	1 598 139
24	Durango	1 509 117
25	Zacatecas	1 367 692
26	Quintana Roo	1 135 309
27	Tlaxcala	1 068 207
28	Aguascalientes	1 065 416
29	Nayarit	949 684
30	Campeche	754 730
31	Colima	567 996
32	Baja California Sur	512 170

Fuente: INEGI. Perfil Sociodemográfico. II Censo de Población y Vivienda 2005.

INSTITUCIONES DE EDUCACIÓN SUPERIOR EN PUEBLA

En México, la educación superior se imparte por un número muy grande de instituciones, denominadas de diferentes maneras: Universidades, Escuelas, Tecnológicos, Centros o Institutos. Todas ellas al final otorgan el grado de licenciatura.

Las Instituciones públicas reciben recursos gubernamentales para su operación, lo que les permite ofrecer la educación en forma gratuita o a muy bajos costos para sus alumnos. Por su parte, las privadas se caracterizan por tener ingresos propios, provenientes en parte, del cobro de inscripciones, colegiaturas y diversos servicios. Julio Rubio Oca (Coordinador 2006) La política educativa y la educación superior en México. 1995-2006. <http://www.ses4.sep.gob.mx>

En los últimos 30 años, las Instituciones de Educación Superior en el estado de Puebla, han aumentado considerablemente, si tomamos en cuenta que en la década de los 70 las únicas IES que existían en el estado eran: la Benemérita Universidad Autónoma de Puebla (BUAP), que data desde 1578, alcanzando la autonomía en 1956, siendo ésta una universidad pública.

La segunda fué la Universidad Popular Autónoma del Estado de Puebla (UPAEP), que nace en 1973, posteriormente la Universidad de la Américas (UDLA), que data de 1976, ambas universidades privadas.

En la década de los 80 se incorporan cinco nuevas universidades privadas: La Universidad del Valle de Puebla, la Universidad Cuahutemoc, la Universidad Iberoamericana, el Instituto Tecnológico de Puebla y la Universidad Realística de México.

Es pertinente aclarar que la BUAP, ha sido desde siempre una universidad regional que ha dado cabida a estudiantes de los estados de Puebla, Tlaxcala, Morelos, Veracruz, Tabasco, Oaxaca, Chiapas y Guerrero entre otros, debido a diferentes situaciones que afectan a las universidades de esos Estados, como problemas políticos, nivel académico, etc. dando como resultado que la BUAP tuviera una población estudiantil que superaba su capacidad física e intelectual, por lo que a partir de la década de los 90, a fin de dar solución a éste problema, la institución aplica un riguroso examen de admisión a cargo del College Board, generando un gran número de aspirantes rechazados, por ejemplo: En éste año presentaron examen de admisión 35,000 aspirantes, siendo aceptados únicamente 10,000, por este motivo surgieron nuevas universidades en la entidad, en su mayoría privadas, que concentran a la población estudiantil demandante. Todo esto trajo como resultado un crecimiento desmedido de IES en el estado, contando a la fecha un total de 238.

Egresados de las IES a Nivel Licenciatura

Las IES en su afán de facilitar a las diferentes comunidades que integran la entidad de Puebla, su acceso a la educación superior, establecen nuevos campos en las ciudades mas importantes del estado; a esto hay que agregar que las universidades publicas y privadas abren nuevas IES, dando como resultados que de 200 en el año 2005 a 2008 se tengan 238; que representan un incremento de 19% en tres años. Este hecho es de todos conocido, inclusive el Diario el Universal publicó lo siguiente:

El miércoles 13 de agosto de 2008, “la ciudad de Puebla es una de las urbes mas importantes de México, la quinta en población, que cuenta con un número elevado de estudiantes debido a la gran cantidad de universidades y docentes. Puebla, es la segunda ciudad de México en número de universidades tanto publicas como privadas.” Los egresados de las IES a nivel licenciatura ascienden 136,672 en el año 2007 (Tabla 3)

Población Estatal económica Activa (PEA)

El sexenio de Felipe Calderón Hinojosa arrancó con una tasa oficial de desocupación abierta de 3.58% de la población económicamente activa (PEA), es decir, casi 1,575,000 mexicanos en el desempleo total, con una subocupación que afectaba a cerca de 2.9 millones (6.5% de la PEA).

Nueve meses después, los mexicanos en el desempleo abierto aumentaron a 1,750,000 (3.92% de la PEA) y los subocupados a casi 3 millones, 6.6%, sin considerar que en ese periodo alrededor de 380,000 personas emigraron a los Estados Unidos de Norte América.

Por lo que respecta al estado de Puebla, en la tabla No. 4 se presenta la población económicamente activa del trimestre de enero a marzo de 2006, siendo esta la información más reciente (Tabla 4).

Tabla 3: Egresados de las IES a Nivel Licenciatura (En Miles)

ENTIDAD FEDERATIVA	TÉCNICO SUPERIOR ABS.	LICENCIATURA		TOTAL
		UNIVERSITARIA Y TECNOLÓGICA ABS.	EDUCACIÓN NORMAL ABS.	
AGUASCALIENTES	2,224	24,131	3,168	29,523
BAJA CALIFORNIA	1,196	57,941	2,851	61,988
BAJA CALIFORNIA SUR*		12,451	1,020	13,471
CAMPECHE	1,567	15,864	2,239	19,670
COAHUILA	4,171	55,540	5,117	64,828
COLIMA	432	13,959	706	15,097
CHIAPAS	1,748	52,213	3,770	57,731
CHIHUAHUA	2,950	68,886	4,441	76,277
DISTRITO FEDERAL	1,171	356,505	8,445	366,121
DURANGO*		25,534	4,686	30,220
GUANAJUATO	5,172	61,741	6,276	73,189
GUERRERO	1,635	38,913	8,836	49,384
HIDALGO	4,047	42,619	3,403	50,069
JALISCO	5,535	142,569	6,860	154,964
MÉXICO	8,386	227,446	7,673	243,505
MICHOACÁN	454	65,919	5,541	71,914
MORELOS	1,296	30,737	3,374	35,407
NAYARIT	2,208	17,964	3,254	23,426
NUEVO LEÓN	2,687	119,784	7,111	129,582
OAXACA*		47,976	7,334	55,310
PUEBLA	8,187	116,745	11,740	136,672
QUERÉTARO	3,902	30,143	2,123	36,168
QUINTANA ROO	1,822	14,615	666	17,103
SAN LUIS POTOSÍ	1,282	43,619	2,966	47,867
SINALOA	880	74,129	1,316	76,325
SONORA	4,278	64,762	1,834	70,874
TABASCO	2,995	51,852	1,667	56,514
TAMAULIPAS	3,685	77,103	6,344	87,132
TLAXCALA	564	18,238	2,536	21,338
VERACRUZ	1,766	116,915	4,937	123,618
YUCATÁN	2,929	40,285	2,284	45,498
ZACATECAS	1,007	23,048	1,821	25,876
TOTAL NACIONAL	80,176	2,170,146	136,339	2,386,661

FUENTE: http://www.anuies.mx/servicios/e_educacion/index2.php

Tabla4: De Población Estatal Económicamente Activa (PEA)

	TOTAL	HOMBRES	MUJERES
POBLACIÓN ECONÓMICAMENTE ACTIVA	2,325,623	1,412,783	912,840

INEGI. Perfil Sociodemográfico. II Censo de población económicamente activa trimestre enero a marzo de 2006

Desempleo y Subempleo

Aun cuando la mayoría de las IES cumplen con los estándares de calidad establecidos, las universidades no pueden hacerse cargo de encontrar un trabajo para todos los egresados, el número y la calidad de las oportunidades dependen de la situación económica general del país y de las necesidades que tengan las propias empresas o instituciones que requieren del servicio de los profesionistas que salen de las aulas en busca de su primer empleo, las cuales no son suficientes para captar al gran número de egresados, ocasionando que se subempleen o se encuentren en el desempleo total. Tabla No. 5.

Tabla 5: Población Desempleada y Subempleada en el Estado

	TOTAL	HOMBRES	MUJERES
DESEMPLEO Y SUBEMPLEO	454,669	140,731	313,938

FUENTE: INEGI. Perfil Sociodemográfico. II Censo de población desocupada y subempleada.

RESULTADOS

Del presente trabajo de investigación se desprende el siguiente análisis:

La economía del estado de Puebla esta conformada por 10689 empresas; 238 IES de las cuales egresan 136672 estudiantes al año, por lo que dividiendo el número de empresas entre el número de egresados da como resultado un déficit visible de fuentes de trabajo; lo que significa que las empresas no pueden contratar el número de egresados de licenciatura.

Debido a los requerimientos de las empresas que solicitan personal con un mínimo de estudios de Bachillerato, ha provocado que la gente opte por estudiar una Licenciatura, esto da como resultado que las Instituciones de educación media superior que ya existían empiecen a ofertar estudios de educación superior, incorporándose a las diferentes IES ya existentes, o bien incorporándose directamente a la Secretaría de Educación Pública (SEP), lo que ha ocasionado un exceso de IES en el estado.

Cabe mencionar que la mayoría de las IES ofertan licenciaturas que no requieren mayor inversión para su apertura, por lo que se han saturado carreras como Administración, Contaduría, Derecho, Economía, etc.

Una de las causas por las cuales no ha crecido el mercado laboral, es que las empresas se asientan en los estados que más facilidades otorgan en cuanto a exenciones de impuestos, obtención de terrenos y pago de servicios, situación que no se ha dado en el estado.

CONCLUSIÓN

Con todo esto se concluye que el tener IES en exceso, no necesariamente da como resultado empleo seguro para los egresados, sino desempleo y como consecuencia, subempleo y sueldos bajos.

En México, gran parte de la población tiene acceso a instituciones de educación superior ya sea públicas o privadas, esto no necesariamente es un indicativo de que van a tener acceso a una vida laboral en la que puedan desarrollar los conocimientos adquiridos en ellas. El desempleo es una constante con la que la mayor parte de los profesionistas se encuentra, por lo que las esperanzas de tener una vida mejor se ven rotas, encontrándose ahora con un título universitario bajo el brazo y ningún lugar en donde ejercer su profesión, y peor aún, no pueden regresar a su lugar de origen por que ya no se acostumbran a la vida de agricultor o cualquier otro oficio que probablemente hubieran ejercido de no haber probado la vida en la ciudad, lo que ocasiona el subempleo.

El exceso de universidades en el estado de Puebla, de ninguna manera es una solución al problema de empleo y subempleo, por el contrario incrementa el problema; es relevante enfatizar que se requieren acciones para mejorar las condiciones sociales como parte de una estrategia integral que permita a la economía mexicana incrementar la competitividad de las empresas y con ello, obtener una mayor creación de empleos.

PROPUESTAS

Propuestas de mejora para lograr un equilibrio entre los egresados de las IES y el campo laboral.

- 1.- Tanto el Gobierno Federal, como el Estatal deben asumir el compromiso para establecer normatividad en la creación de IES a fin de controlar las carreras saturadas que no requieren fuertes desembolsos.
- 2.- Ambos gobiernos se deben coordinar para elaborar o solicitar estudios para determinar los profesionistas que requiere el mercado laboral tanto en número como en áreas específicas del conocimiento.
- 3.- Se deben sumar esfuerzos y elaborar estrategias haciendo un compromiso para enfrentar el reto de diversificar la educación tanto en carreras técnicas, oficios y educación superior no centralizándola en una sola.
- 4.- Es de gran relevancia fomentar la orientación vocacional ya que los resultados de ella van a impactar en los futuros profesionistas y en la sociedad en general, dejando a un lado carreras de moda o por imitación, que sin tener vocación a ellas estudian.
- 5.- No se deben seguir abriendo IES sin responsabilidad alguna teniendo la certeza de que gran número de egresados no obtendrán un trabajo o si bien lo llegan a tener será con salarios bajos, aún contando con un título universitario.
- 6.- Evitar ver la educación superior únicamente como un negocio para los dueños de las IES y en el caso de las IES públicas, el aspecto meramente político, sin hacer conciencia de que la mayoría de los estudiantes pierden tiempo, dinero y esfuerzo, sin ingresar al mercado laboral.
- 7.- Es necesario diseñar una estrategia integral que contemple los diferentes aspectos de la educación superior, así como los requerimientos del mercado laboral, sin dejar de considerar y determinar la oferta laboral para que haya un equilibrio entre el número de profesionistas y el número de empleos y esto contribuya al logro de un mejor país, el compromiso es de todos en coordinación con la SEP.
- 8.- Implementar y promover programas de emprendedores en todas las IES, con la finalidad de que los egresados puedan ejercer su profesión de manera independiente, asegurando ingresos para ellos mismos y logrando también la creación de fuentes de empleo.

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PLAN DE ACCION DIRIGIDO AL SOSTENIMIENTO DEL LIDERAZCO DE RON VIEJO DE CALDAS EN EL DEPARTAMENTO DEL VALLE DEL CAUCA, COLOMBIA

Dora Lilia Rodas Calles, Distribuidora La Sultana del Valle S.A.

RESUMEN

Plan de Marketing para Ron Viejo de Caldas, Industria Licorera de Caldas y Plan de Acción Proyectado presentado por Distribuidora La Sultana Del Valle S.A para el Departamento del Valle del Cauca, Colombia

INTRODUCTION Y ANTECEDENTES

El siguiente plan de marketing nos permitirá definir la forma de dirigirnos a nuestros clientes actuales y atraer a nuevos clientes; también nos ayudara a definir a qué tipo de clientes debemos de orientarnos como ponernos en contacto con ellos y como realizar un seguimiento de resultados que nos permitan contribuir a mejorar las ventas y rotación de ventas de Ron Viejo de Caldas.

Para la realización del plan de marketing es necesaria la recopilación de una serie de datos para determinar cuáles serán los métodos y pasos a desarrollar para que mi producto satisfaga las necesidades de mi cliente y los de la empresa misma.

Para empezar tendremos en cuenta las cuatro "P" del marketing: PRODUCTO, PRECIO, PROMOCION Y PUNTO DE VENTA ya que nuestro objetivo consistirá en situar nuestro producto ante los clientes correspondiente, con el precio adecuado a la hora y lugar correspondiente.

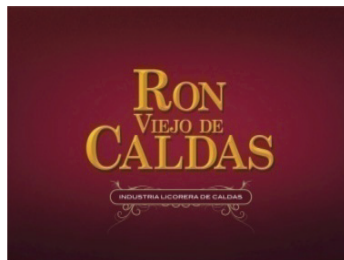
Una buena manera de empezar seria respondiendo algunas preguntas a cerca de nuestro negocio y nuestro producto.

- A quien dirigimos nuestras ventas de Ron Viejo de Caldas?
- A todos y cada uno de los establecimientos donde se realice venta de licores.
- Que necesitan nuestros clientes?
- Que nuestro producto este siempre en su negocio a la hora y lugar que ellos lo determinen.
- En qué se diferencia Ron Viejo de Caldas de la competencia?

Ron Viejo de Caldas es un producto de excelente calidad, con un nombre, posicionamiento y recordación de marca entre nuestros clientes y consumidores, elaborado con los mejores productos por la ILC.

Para asegurarnos de que tenemos una percepción clara del negocio es importante que también recopilemos información de nuestro entorno a cerca de nuestro producto y nuestro negocio; cuando hablamos de entorno hablamos de empleados, personal de ventas, mercadeo y área administrativa, directivos de la empresa y los mismo clientes, para esto podemos hacernos las siguientes preguntas las cuales nos irán despejando mejor el panorama:

- A quien vamos a venderle la marca Ron Viejo de Caldas?
- Que necesitan nuestros clientes?
- Cuando y con qué frecuencia debemos realizar estrategias de marketing?
- Cuál será la meta de la empresa dentro de un año? En qué posición se encontrara?



De igual manera para tener éxito en la comercialización de Ron Viejo de Caldas debemos averiguar cómo reaccionaran nuestros clientes ante la oferta del producto, los precios, el servicio que vamos a ofrecerle, y la mejor manera de recopilar esta información es a través de la fuerza de ventas quien tendrá el contacto más directo con nuestros clientes y será quien nos ayude a identificar sus necesidades y requerimientos.

Ahora que ya tenemos un panorama más claro podemos preparar un plan de marketing; empezaremos resumiendo la posición de Ron Viejo de Caldas, metas en el mercado y definiremos que esperamos conseguir en un periodo determinado:

- Un plan de marketing típico podría organizarse del modo siguiente:•
- Resumen del mercado
- Panorama de la competencia
- Comparación de productos y posicionamiento
- Estrategias de comunicación
- Estrategias de lanzamiento
- Embalaje y entrega
- Indicadores de éxito
- Calendario de marketing

Para finalizar se realiza un seguimiento periódico del plan de marketing, puede ser cada seis meses con todo el personal donde se evaluará las estrategias y los resultados obtenidos y se definirá si las estrategias están bien enfocadas y se debe de realizar cambios.

DESARROLLO DEL PLAN DE MARKETING

Introducción

La Industria Licorera de Caldas dentro de su proceso de diversificación de producto realizó una extensión de línea de producto del tradicional Ron Viejo de Caldas 3 años, y hace algunos años desarrolló dos marcas Ron Viejo de Caldas 5 años o Juan de La Cruz y Ron Viejo de Caldas 8 años o Carta de Oro, marcas que constituyen un estatus más alto en la cadena de consumo por ser productos con procesos de elaboración más complejos y que toman mayor tiempo.

El plan de marketing para los trimestres Noviembre 15 de 2008 a Mayo 15 de 2009 para la venta y comercialización de la marca RON VIEJO DE CALDAS constituye una serie de estrategias y enfoques directamente hacia mi cliente y el consumidor final, se desarrollaran planes enfocados hacia todos y cada uno de los canales de distribución en el Departamento del Valle del Cauca.

La marca y producto que se desarrollara dentro de este plan es RON VIEJO DE CALDAS a continuación detallaremos sus características:

Tabla 1 Embalaje y Presentación Ron Viejo de Caldas 3 años


1.750cc	Caja x 6 unidades	
1.000 cc	Caja x 12 Unidades	
750 cc	Caja x 12 Unidades	
375 cc	Caja x 24 Unidades	
375 cc Pet	Caja x 30 Unidades	
250 cc	Caja x 24 Unidades	

Tabla 2: Embalaje y Presentación Ron Viejo de Caldas 5 Años-Juan de La Cruz



750cc	Caja x 24 Unidades	
375 cc	Caja x 24 Unidades	

Tabla 3: Embalaje y Presentación Ron Viejo de Caldas 8 Años-Carta de Oro

750cc	Caja x 24 Unidades	
375 cc	Caja x 24 Unidades	

ANALISIS DE LA SITUACION

Condiciones Generales:

Dentro de las condiciones generales se deben de tener en cuenta los siguientes factores:

Tendencias De La Demanda: Ron Viejo de Caldas es una marca que esta posicionada y tiene un alto nivel de recordación de marca entre los clientes y consumidores, pero con la entrada al país y a la región de nuevos productos no podemos dejar a un lado el hecho de que así La marca tenga un liderazgo en el mercado hay que desarrollar estrategias que sostengan mi posición y generen mayor participación entre los clientes y consumidores de la competencia.

Factores Sociales y Culturales: Determinar quién es la persona que tiene la decisión final de compra y consumo, que factores sociales interfieren en estas decisiones, como, cuando y donde se compra Ron Viejo de Caldas.

Demografia de Mi Mercado Objetivo: El crecimiento desmedido de las ciudades capitales a causa de los desplazamientos forzados de la población campesina, siendo Santiago de Cali una de las ciudades más afectadas en este aspecto.

Condiciones Económicas: El bajo ingreso per cápita de los trabajadores a causa del desempleo que día a día afecta más a la Ciudad y al Departamento y por tal motivo las prioridades familiares a la hora de determinar sus gastos y de esta forma también determinar momentos de diversión y recreación.

Leyes, Regulaciones y Política: Existen regulaciones que ayudan a determinar el incremento o baja de consumo y rotación de la marca, en este caso podemos nombrar La Ley Zanahoria la cual afecta el consumo en los establecimientos nocturnos, La Ley seca cuando es nombrada a causa de disturbios o incidentes violentos que se presenten en la ciudad, la prohibición de venta y consumo de licores a menores de edad, etc.

Condiciones De La Competencia

Para el Departamento del Valle del Cauca dentro de la categoría de Rones contaremos con las siguientes marcas de otras empresas licoreras que se comercializan y se conoce como competencia directa:

RON PREMIUN: Es producido por la Industria de Licores del Valle.



RON MEDELLIN: Es producido por la Fábrica de Licores de Antioquia



RON SANTA FE: Es producido por la Empresa de Licores de Cundinamarca



Otros Rones:

Ron Bacardi Limon

Ron Santero

Competencia Indirecta:

Whisky

Brandy

Aperitivos

Vinos

Aguardiente

Cerveza

Estudio del Mercado Objetivo

Realizar una buena segmentación de nuestro mercado objetivo es clave para determinar que acciones publicitarias y de marketing son adecuadas las cuales nos permitirán conocer mejor a nuestros clientes y conocer realmente el tamaño del mercado ya que debemos pensar que las acciones de marketing que desarrollaremos se deben de adaptar a ellos y no hacia la empresa; los clientes nunca querrán ir por donde se les marque sino que se les diga por donde ellos van y se solventen sus necesidades y con ello crear una relación de fidelidad.

Nuestro mercado objetivo macro es todo el Departamento del Valle del Cauca, este mercado lo desarrollaremos a través de canales de distribución que nos permitirán tener una visión más clara de todos y cada uno de nuestros clientes.

Condiciones de la Empresa

Se requiere información para determinar en que condiciones se recibe y con qué herramientas por parte de la misma se cuenta.

Información Necesaria:

Recursos Financieros

Estrategia General

Matriz DOFA (Debilidades, Oportunidades, Fortalezas Y Amenazas)

Mision Y Vision

Políticas De Calidad
Valores Corporativos.

CANALES A DESARROLLAR

Mayorista

Es quizás el canal mas importante en cuanto a volumen de venta se refiere ya que dentro de este se encuentras los principales clientes que tienen mayor capacidad de compra y distribución en su zona; dentro de este mismo canal podemos encontrar también Sub-Distribuidores que poseen fuerza de venta en una zona determinada del Departamento.

Detallista:

En este canal podemos generar numérica y distribución ya que aquí podemos encontrar diversidad de negocios que de igual manera nos generan rotación del producto, entre los cuales encontramos: Licoreras de Barrio, Rapi tiendas, Estancos, Fuentes de soda, cafeterías, etc.

T.A.T.:

este canal es quizás el más costoso a desarrollar ya que se requiere de una logística adecuada para lograr un alto cubrimiento de la zona; por lo general se trabaja a través de Sub- Distribuidores especializados en este canal y que comercializan con mas de un producto o marca; la ventaja de este canal es que nos aporta numérica y distribución a la marca, pero el porcentaje de volumen de venta es muy bajo.

Grandes Cadenas y Superetes:

Es la vitrina de cualquier producto o marca, aunque es un canal costoso ya que los requerimientos por parte de cada cadena varían con respecto a los beneficios que como proveedor se requieran, la ventaja de este canal es que son clientes que realizan negocios directamente con el proveedor, no se encontrara nunca problemas de contrabando o producto adulterado lo que le genera al consumidor una garantía a la hora de comprar licores. Dentro de esta categoría encontramos los siguientes supermercados por categorías.

Tabla 4: Supermercados por Categorías

GRANDES CADENAS	SUPERETES
Grandes Superficies de Colombia – Carrefour	Supertiendas Galerías
Almacenes Éxito	Súper Inter
Almacenes La 14	Máximo
Comfandi	Merca mío
Makro	Supermercado Bel alcázar
Súper Tiendas Olímpica	
Carulla	

CONSUMO

Este canal también se convierte en una gran vitrina ya que aquí es donde el consumidor final encontrara mi producto para su consumo inmediato, dentro de esta categoría encontramos: Discotecas, Viejotecas, Hoteles, Moteles, Casinos, Bares, Restaurantes, etc.

Objetivo General:

Vender entre Junio de 2008 a Mayo de 2009 Cinco Millones Cien Mil Unidades de Botellas (5'100.000.000) de Ron Viejo de Caldas.

Metas Y Otros Objetivos Específicos

Posicionar la empresa como la mejor distribuidora de licores en el Departamento del Valle del Cauca, cumpliendo con las expectativas y requerimientos de la ILC.

Sostener el posicionamiento de la marca Ron Viejo de Caldas entre los clientes y consumidores. Cumplir con las expectativas y metas de venta de la empresa para el año 2009.

COMO PONER EN MARCHA LA ESTRATEGIA DE MARKETING:

Las estrategias se desarrollaran por canales de distribución y enfocadas directamente hacia el consumidor final.

Las estrategias que a continuación se nombran se detallaran de una manera más específica en el presupuesto de marketing propuesto para el año 2008 y con una proyección del mismo de un año.

Estrategias Generales

- Contratación de personal de Mercadeo (Mercaderistas, Impulsadoras)
- Degustación en todos los canales
- Tomas de Sitios (Mayoristas, Licoreras, Supermercados, Discotecas)
- Participación en eventos (Conciertos, Fiestas Municipales, Fiestas Universitarias, etc.)
- Desarrollo de actividades en establecimientos de consumo (Paga Cuentas)
- Publicidad: Radio, Pintura de Fachadas, Vallas Exteriores, Afiches, etc.
- Actividades enfocadas a todos los consumidores y a todos los canales.

PLAN DE ACCIÓN PLAN DE MARKETING RON VIEJO DE CALDAS

A continuación se describe el plan de acción para los trimestres Noviembre 15 – 2008 a Mayo 15 - 2009:

Plan Degustaciones

Independientemente de que nuestro producto tenga una posición de liderazgo en el mercado no se puede descuidar ante el consumidor final; ya que la llegada de nuevos productos de la misma u otra categoría pueden hacer que este empiece a cambiar sus hábitos y preferencias, teniendo en cuenta además la agresividad de la competencia frente a nuestra marca; por lo tanto, es necesario mantener las actividades de degustación continuamente en todos los canales, tales como Grandes Superficies, Supermercados Independientes, Súper Etes, Mayoristas, Licoreras, T a T, y Sitios de consumo (Discotecas, Viejotecas, Bares, Hoteles, Restaurantes), con el fin de neutralizar la competencia, sostener nuestro liderazgo y cautivar nuevos consumidores. Cabe resaltar que otro segmento en el cual necesitamos enfocarnos para crecer es en el de los Ronces especiales 5 y 8 años, dirigido a los estratos 4 – 5 y 6.

Plan Incentivo Consumo

Este plan está enfocado a las zonas donde la competencia ha sido muy agresiva y donde las políticas del gobierno han sacado productos líderes en esas zonas y necesitamos fortalecer la marca. La actividad consiste en entregar al consumidor una media de Ron Viejo de Caldas por cada Botella que consuman en el establecimiento, para lo cual tendremos una promotora a la entrada, dando degustación e informando al cliente de la actividad.

Tomas de Sitios

Está dirigida a las Grandes Superficies, Supermercados Independientes, Estancos de Mayoristas y Licoreras pequeñas, incluso sitios de consumo, en todo el Departamento del Valle; esta actividad estará acompañada de un grupo musical ó Trovadores, degustación y obsequios, mediante una mecánica en la cual se interactúe con el consumidor final de manera muy Dinámica, inicialmente con una ruleta que tendrá una variedad de premios, donde el cliente participa presentando el tiquete de compra; brindándoles además un rato agradable con buena música con el fin de generar rotación de producto, dentro de ese cliente específico y lograr un acercamiento mas con el consumidor final, y obtener mayor visibilidad, espacios y exhibiciones adicionales en las estanterías; esta actividad se realizará los Viernes y Sábado que son los días de mayor afluencia.

Programa Activación de Marca

Visitar los supermercados, centros comerciales y/o discotecas, con el fin de realizar activación de marca, en lo cual involucramos todo el portafolio de productos de la I.L.C., y aumentar recordación dentro de los consumidores actuales e intención de consumo en consumidores potenciales.

Mecánica del evento: Situar bailarines en escena, en este caso, Supermercados, Centros Comerciales que tengan Supermercados, discotecas, con el fin de realizar un performance que combine, interpretación o caracterización de personajes con danza. Al final las representaciones individuales se fusionan en una coreografía central, utilizando ritmos modernos que contagien a los espectadores. Lo anterior, claro utilizando el elemento básico de marca que en este caso es la aplicación antes, durante y al final del evento.

Adicionalmente, tendremos modelos de protocolo que se encargaran de invitar a los espectadores al consumo del producto a través de la degustación del mismo y a la participación activa dentro del evento. La interacción del público con los bailarines es vital, ya que ayuda a aumentar al feeling de los espectadores con la marca y así, conseguir mayor poder de recordación. La realización de dinámicas será un valor agregado para este espectáculo, convirtiéndose en un concepto dinámico y original en este tipo de estrategias.

Target Group: De acuerdo a la clase de consumidor, perfilaremos las variables del evento, ya que las personas que asisten a un centro comercial, muestran otro tipo de comportamientos y actitudes. Así nos daremos cuenta que las persona presentan un comportamiento puntual dentro de una discoteca, y totalmente distinto en un centro comercial o Supermercado.

Concepto: La idea del evento es mostrar de que manera RON VIEJO DE CALDAS, influye en forma decisiva para la toma de decisiones que podrían no ser importantes dentro de otro entorno como el laboral o el familiar, pero si, son definitorias en ambientes como la conquista, la efusividad, la alegría y la vida social nocturna.

Todo este trabajo de protocolo, bailarines y orquesta debe ir de forma mancomunada, para asegurar la efectividad del proyecto.

Activación Marca con Shows Cocteleros

El Objetivo es realizar una campaña de medios directos la cual tiene como objetivo crear una relación personalizada y directa con el receptor del mensaje; realizando shows cocteleros en centros comerciales, ferias hoteles y restaurantes, con chefs, sommeliers o barmans, que realizarán diferentes preparaciones con Ron Viejo de Caldas en sus tres ediciones, Crema de Café Kaldí y Crema de Ron Cheer'S, de manera muy creativa e ingeniosa para lograr llegar al mercado objetivo, enseñando además las diferentes alternativas de consumir nuestros productos.

Apoyo a Fiestas Universitarias y Otros:

Esta actividad está dirigida a establecimientos de consumo, con capacidad entre 600 y 1300 personas, los cuales nos garanticen una buena rotación y recordación de marca; se realizará en todos los Municipios del Departamento, teniendo en cuenta la celebración de fechas especiales como Fiestas Universitarias, (se pretende con estas fiestas buscar un aliado ó líder en reconocidas Universidades para llevar a cabo dicha actividad, convocando por medio de este a los futuros consumidores de nuestros productos, donde patrocinaremos con Grupo Musical ó DJ, Sonido, Luces, Animador a cambio de tener exclusividad tanto publicitaria como en la venta).

Apoyo a Viejotecas y Otros

Dirigida a establecimientos de consumo, con capacidad entre 600 y 1200 personas, donde convergen personas de mayor edad, los cuales nos garantizan un excelente consumo y el reposicionamiento de nuestros productos cada día, evitando con esto, que el hábito de consumo se cambie a otras marcas; con el objetivo de crear un impacto visual y recordación de marca, tendremos Dummis, Carpas, Pendones, Bardas de seguridad en los diferentes establecimientos.

Grandes Conciertos

Se realizarán 7 Grandes Conciertos en la Ciudad de Cali y en los Municipios principales del Departamento, esta actividad será realizada en sitios con capacidad para más de 10.000 personas, tales como, Estadios, Centros Recreacionales, donde presentaremos 2 artistas Nacionales de reconocida trayectoria, uno de salsa, uno de despecho y uno de Vallenato, se montará toda una infraestructura de medios para realizar la convocatoria.

La propuesta para una estrategia de marketing con respecto a esta actividad consiste en generar una alianza entre el empresario y la empresa con el propósito de que no solo se genere un aporte económico, sino que también la empresa pueda utilizar este tipo de actividades como estrategias hacia el consumidor, donde por ejemplo se intercambien Boletas por redención de tapas para asistir a dichas actividades; adicionalmente los artistas irán un semana antes a los Municipios donde se llevaran a cabo los conciertos y realizaran un trabajo de campo, invitando al concierto a nombre de la marca, como visitas a nuestros principales clientes, emisoras locales, utilizando nuestro material publicitario como ponchos, camisetas, gorras, igualmente a estos conciertos serán invitados principales clientes de estos municipios y sus alrededores. Con la participación en esta actividad se busca generar recordación de marca, reposicionamiento de producto, imagen, cambios de hábito de consumo hacia nuestra marca entre los asistentes a estos eventos ya que se constituyen en actividades de gran afluencia de público.

Pequeños Conciertos

Estos pequeños concierto generalmente se realizan en establecimientos más pequeños como Discotecas, Bares, Sitios de Eventos, Clubes, Salones Sociales, donde siempre se presentan artistas reconocidos de

talla Nacional o Internacional; buscando a cambio de un patrocinio, la exclusividad de nuestra marca durante el evento; se empleará una buena logística, necesaria para crear un buen impacto visual dentro y fuera del establecimiento.

Programa Ferias Otros Municipios del Valle

Así como la feria de Cali tiene su importancia los 41 municipios restantes y demás corregimientos del Departamento anualmente celebran el aniversario y las fiestas del mismo durante un promedio de 3 a 4 días; durante esta temporada la junta de Fiestas y Ferias de cada municipio realiza actividades culturales, deportivas y recreativas donde nos permiten la participación en algunas ocasiones; hay municipios y corregimientos donde no nos permiten participar en actividades oficiales de las Ferias, porque se le da prioridad a la Licorera del Valle por ser de la Región; en estos casos lo que buscamos es una participación más privada y por tal motivo se realizan alianzas y negociaciones con Discotecas, Bares, restaurantes y establecimientos privados que no realicen actividades oficiales. A continuación se describe el presupuesto y participación en algunos municipios representativos para la mar

Gran Fiesta del Cliente

Se realizara una gran fiesta a nuestros clientes en la ciudad de Cali, donde se invitaran los principales clientes de la ciudad y los principales del resto del Departamento, donde compartiremos con ellos una gran noche de diversión, buscando como principal objetivo brindar nuestro agradecimiento y el fortalecimiento de las relaciones comerciales sostenidas con ellos durante mucho tiempo.

La fiesta consistirá en invitarlos a un sitio con capacidad para 2,500 personas aproximadamente, donde les invitaremos a un muy buen plato de comida, show musical con dos artistas de talla nacional e internacional, y también les realizaremos algunas rifas, que pueden ser paquetes turísticos.

Programa Sabatino T A T:

Este plan está enfocado al canal tienda a tienda, y consiste en realizar un barrido los fines de semana (el Sábado); se realizará en compañía del vendedor del Sub distribuidor o principal Mayorista que atiende la zona, tiene como fin identificar las debilidades en el canal y de esta manera desarrollar un plan de acción para el fortalecimiento del mismo; para esta actividad se requiere de un Microbús, para transportar el personal, material logístico y publicitario requerido para este programa; esta actividad se llevará a cabo simultáneamente en Cinco Municipios del Departamento.

Programa La Ruleta Ganadora

Actividad enfocada al consumidor final, y tiene como objetivo mantener la dinámica directamente con el consumidor, donde se entreguen premios de manera inmediata en el momento en que el cliente realice su compra. Este tipo de actividad además de ser divertida para el cliente crea recordación de marca y deja una muy buena imagen ante el cliente del establecimiento. La mecánica: El cliente deberá presentar a la promotora, su tiquete de compra para participar en el juego, la ruleta tiene una variedad de elementos publicitarios; se realizará en Grandes Superficies, Supermercados Independientes, Súper Etes, Estancos de Mayorista, Licoreras Pequeñas, en las Tomas de Sitios y Fiestas Municipales del Departamento.

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Programa Kit a Meseros

Actividad enfocada directamente al mesero de los sitios de consumo, tales como Discotecas, Bares, Viejotecas; y consiste en entregar un kit de trabajo a este gremio, que además de ser útil y práctico para ellos creara fidelidad y sentido de pertenencia por la marca, será además una manera de tener nuestra publicidad permanente en estos sitios de consumo, teniendo en cuenta los beneficios ya que esto los motivaría a ofrecer como primera alternativa de consumo el Ron Viejo de Caldas; dicho kit estará compuesto por: Delantal, Linterna, Gorra y Lapicero.

Para dicho plan se trabajará con los sitios más importantes en cada ciudad.

Programa Incentivo a Fuerza De Ventas y Dependiente

Del Subdistribuidor y Mayorista

Esta actividad está enfocada directamente al dependiente del Mayorista y tiene como fin mejorar sus condiciones laborales en cuanto a herramientas se refiere, creando sentido de pertenencia, fidelidad hacia nuestros productos e incremento en ventas con el fin de motivarlos a que ofrezcan como alternativa principal nuestro producto, creando además .

- Bonos de Supermercado
- Gorra
- Camiseta tipo Polo
- Lapiceros

Programa Incentivo a Subdistribuidor y Mayorista

Esta estrategia tiene como objetivo incrementar el volumen de venta y a la vez garantizar el cumplimiento de metas establecidas para el trimestre, con lo cual mejoraremos los puntos de exhibición de nuestro producto, mayor compromiso por parte de nuestros clientes, logrando mejor rotación de los mismos. La mecánica para esta actividad consiste en colocar una cuota mínima de 500 cajas como punto de partida, donde el incentivo radica a mayor venta mejor incentivo, se analizará individualmente cada cliente y se le asignará una cuota de acuerdo a su histórico logrando un crecimiento real de cliente por cliente.

Programa Muebles Exhibidores y Compra De Espacios

Adicionales en Supermercados

Este plan tiene como objetivo mejorar los espacios en las Grandes Superficies, y Supermercados independientes, proponiendo a estos clientes cambiar ó mejorar la góndola ó lineal de licores a cambio de que nuestros productos se destaquen más Vs. los de la competencia en el mismo ó en su defecto negociar exhibiciones adicionales con estas cadenas, tales como La 14, Olímpica, Éxito, Carulla, Carrefour, Comfandi, Makro, Galerías, Super Inter, etc. Estos exhibidores serán algo muy novedoso ya que incluye una pantalla con iluminación especial.

Programa Pintura Fachadas y Avisos Luminosos

Este plan tiene como objetivo fortalecer la imagen de nuestra marca, para lo cual buscaremos una alianza con clientes cuyos negocios estén ubicados en puntos estratégicos en los diferentes Municipios, ya sea regalándoles un aviso luminoso o en su defecto pintándoles su fachada con el logo de nuestro

producto, en contraprestación de esto le exigiremos al cliente un volumen de compra y mejoramiento en los espacios con el fin de tener una mejor visibilidad.

Programa Radio Departamental y Otros

Se comprarán espacios radiales en las emisoras de mayor sintonía de los diferentes municipios, buscando la cobertura del todo del Departamento, y, adicionalmente se comprarán espacios en los programas deportivos de la ciudad de Cali y algunos programas con líderes de opinión que gozan de buena sintonía y aceptación entre el público oyente.

Programa Publicidad Escrita y Otros

Se estima una inversión en publicidad escrita en los diferentes medios locales, esto con el propósito de anunciar actividades especiales que se tengan para desarrollar la marca tales como promociones o activaciones de marca. Igualmente se contemplara en este rubro la compra de espacios publicitarios, tales como: Carta de Menú de Bares, Restaurantes, Hoteles, Separatas y Broshurs de supermercados, Flayers, etc.

Material Logístico Publicitario y P.O.P.

Para el desarrollo de todas y cada una de las actividades descritas dentro de este plan de marketing es necesario la compra de material logístico y P.O.P.; a continuación se detalla el tipo de material requerido, de igual forma se reitera que dicho presupuesto es variable con base en las tarifas que por parte del proveedor se obtengan y del material que por parte de la ILC se reciba durante el mismo periodo.

Material Publicitario Promocional

Para cumplir con cada una de los programas en los cuales se requiere de material publicitario promocional, lo cual es una herramienta muy importante dentro de las actividades a desarrollar con las marcas, es necesaria la compra de este artículos publicitarios tales como: Gorras, Camisetas tshirt, Camisetas Polo, Ponchos, Tulas, Canguros, Lapiceros, Llaveros Linterna, Vasos de cristal, Vaso termo, Encendedores, Portavasos, Abanicos, Chispas de Precios y Banderines, etc.

Programas para los cuales se requieren Elementos Publicitarios Promocionales:

- Tomas de sitio
- La Ruleta Ganadora
- Plan Sabatino TaT
- Kit a Meseros
- Programa Fuerza de ventas dependiente del Subdistribuidor y Mayorista

Tabla 5: Costo total Consolidado Por Trimestre del Plan de Acción a Desarrollar Para Ron Viejo de Caldas

	TOTAL PRESUPUESTO GENERAL POR TRIMESTRE	PRESUPUESTO TOTAL TRIMESTRE
6.1	DEGUSTACIONES	94,348,800
6.2	PLAN INCENTIVO A CONSUMO	283,046,400
6.3	PROGRAMA TOMAS DE SITIOS	432,000,000
6.4	PROGRAMA ACTIVACION DE MARCA	30,000,000
6.5	ACTIVACION DE MARCA CON SHOWS COCTELEROS	20,000,000
6.6	APOYO FIESTAS UNIVERSITARIAS Y OTROS	70,000,000
6.7	APOYO A VIEJOTECAS	70,000,000
6.8	GRANDES CONCIERTOS	392,000,000
6.9	PEQUEÑOS CONCIERTOS	180,000,000
6.10	PROGRAMA GRAN FIESTA DEL ALUMBRADO EN EL DEPARTAMENTO DEL VALLE	150,000,000
6.11	PROGRAMA NOVENAS NAVIDEÑAS	140,000,000
6.12	PROGRAMA FERIA DE CALI	1,150,000,000
6.13	PROGRAMA FERIAS OTROS MUNICIPIOS DEL VALLE	60,000,000
6.14	GRAN FIESTA DEL CLIENTE	80,000,000
6.15	PLAN SABATINO T A T	11,880,000
6.16	LA RULETA GANADORA (SE RELACIONA EN MATERIAL PUBLICITARIO PROMOCIONAL)	-
6.17	PERSONAL DE IMPULSO HORARIO DIURNO	113,400,000
6.18	PERSONAL DE IMPULSO HORARIO NOCTURNO (PROTOCOLO)	57,600,000
6.19	PROGRAMA KIT A MESEROS (SE RELACIONA EN MATERIAL PUBLICITARIO PROMOCIONAL)	-
6.20	PLAN INCENTIVO A FUERZA DE VENTAS Y DEPENDIENTE DEL SUBDISTRIBUIDOR Y MAYORISTA	80,250,000
6.21	INCENTIVO A SUBDISTRIBUIDOR Y MAYORISTA	416,000,000
6.22	INCENTIVO A SUBDISTRIBUIDOR Y MAYORISTA	351,050,000
6.23	PROGRAMA EXHIBIDORES Y COMPRA DE ESPACIOS GRANDES SUPERFICIES, SUPERMERCADOS	400,000,000
6.24	PROGRAMA PINTURA FACHADAS Y AVISOS LUMINOSOS	60,000,000
6.25	PROGRAMA RADIO DEPARTAMENTAL	50,000,000
6.26	PROGRAMA PUBLICIDAD ESCRITA	20,000,000
6.27	MATERIAL LOGISTICO PUBLICITARIO Y P.O.P.	130,390,000
6.28	MATERIAL LOGISTICO PUBLICITARIO Y P.O.P.	63,650,000
6.29	MATERIAL PUBLICITARIO PROMOCIONAL	419,808,940
	GRAN TOTAL PLAN DE MARKETING I.L.C. TRIMESTRE NOV. 15-2008 A FEB. 15 - 2009	5,325,424,140

Ejecucion y Control

La ejecución de este plan de mercadeo estará a cargo del Jefe de mercadeo y el Jefe de Eventos con la ayuda y colaboración de la fuerza de ventas en todos los canales y zonas; de igual manera los anteriormente mencionados ejercerán control sobre las actividades y los resultados que se vayan obteniendo durante su ejecución, dichos resultados serán entregados de forma periódica a los directivos de la empresa para determinar su efectividad y de no ser así ejercer de una manera inmediata los respectivos correctivos. Se debe en todo momento controlar que todo se esté ejecutando, corregir lo que no funciona y explotar lo que si funciona.

Resumen y Conclusiones

Con base en lo que hemos trabajado durante el planteamiento de este plan de marketing se puede identificar claramente que se tiene un producto líder entre los clientes y los consumidores; pero no siendo menos hay que trabajar de una manera ardua para sostener este posicionamiento; de igual manera se requiere trabajar en la conceptualización de la empresa como marca institucional entre los clientes, crear entre los mismos un alto nivel de confianza que permita establecer una relación estrecha y de esta manera optimizar los recursos y herramientas que se puedan ofrecer.

Conclusiones y Requerimientos

Búsqueda de bolsas de empleo que me permitan la contratación de personal idóneo para todos los cargos. Desarrollo de un plan de medio acorde con la ILC para contratación de radio local.

Conocimiento de manuales de imagen por parte de la ILC para la realización de estrategias publicitarias (pintura de fachadas, elaboración de uniformes para personal, afiches, material P.O.P. y promocional, etc.).

Consecución De Cotizaciones De Proveedores Para Dotaciones De Personal Y Compra De Material Logístico Y P.O.P.

Es Importante resaltar que el Plan de Marketing para los licores líderes, se deben evaluar por trimestres, teniendo en cuenta las distintas variables del mercado según el comportamiento de la venta del mismo, en el cual influyen distintos factores socioculturales, económicos, políticos y otros.

EVASIÓN DEL IMPUESTO SOBRE LA RENTA DE PEQUEÑOS CONTRIBUYENTES

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RESUMEN

Este estudio descriptivo examina los factores que influyen en la evasión del impuesto sobre la renta en el régimen de pequeños contribuyentes de personas físicas de México, en relación a factores económicos, la cultura a no contribuir y la existencia de leyes inadecuadas. Dado el propósito del estudio se realizó un estudio cuantitativo, descriptivo ex post facto, de corte transversal. Los resultados muestran evidencia empírica para señalar que la tendencia del contribuyente es evadir el pago del impuesto por falta de liquidez en su entorno empresarial. Respecto a la cultura a no contribuir, se obtuvo información estadísticamente significativa sobre la escasa disponibilidad del contribuyente para cumplir con sus impuestos. En lo que se refiere a las leyes se encontró significancia estadística para determinar que las leyes son confusas para los contribuyentes. Las conclusiones finales y las recomendaciones para futuras investigaciones tienen valor teórico y metodológico para las personas, investigadores y las instituciones de gobierno que se encuentran dentro del medio ambiente fiscal. Futuras investigaciones podrán evaluar cambios en las regulaciones fiscales que permitan al contribuyente aclarar sus dudas sobre el uso adecuado de los impuestos recolectados y realizar estudios específicamente en un tipo de industria.

INTRODUCCIÓN

La teoría de las tasas óptimas se ha ocupado tradicionalmente por las distorsiones producidas por los impuestos en consumos o por las opciones de producción y compra. Desafortunadamente, el poder predictivo y normativo de este análisis no ha cumplido con las expectativas. Uno de los resultados estándares de esta teoría, por mencionar alguno, es la regla de del cambio porcentual igualitario, según el cual, las tasas de impuestos deben ser ajustadas para producir cambios iguales proporcionales a las demandas ajustadas. Esta regla otorga un argumento contra la base amplia de impuesto uniforme.

Hoy, la tasa uniforme de impuestos aparece como la estructura de impuestos más utilizada entre las economías. Una posible falla de la teoría tradicional proporciona un marco de referencia para el análisis del mundo real de los impuestos es su descuido de los costos reales del impuesto inducido, otro que se encuentra asociado a las distorsiones del impuesto tradicional al consumo. En particular, la literatura reciente sobre el diseño óptimo del impuesto se ha dirigido al cumplimiento a los costos (Slemrod y Sorum, 1984).

Otro elemento que ha sido olvidado del análisis tradicional es la actividad de evasión. Esto puede generar costos de evasión, los cuales, si bien benefician desde el punto de vista privado, son socialmente un desperdicio y de ésta manera se agregan a los cargos excesivos de impuestos. Muy pocos estudios han analizado la implicaciones de la evasión de impuestos (Usher, 1986) y las evasiones relacionadas con las actividades gubernamentales tales como la aplicación (Kaplow, 1990) y la auditoría (Cremer y Gahvari, 1993).

Estos estudios, sin embargo, hacen más restrictivas las aseveraciones sobre la evasión y el comportamiento. Específicamente, las decisiones de evasión privada son tratadas de forma aislada de las decisiones de demanda. En este estudio nosotros argumentamos que es importante para la contabilidad, contar con una interdependencia y decisiones de evasión en el diseño de una estructura óptima de

impuestos. Permitir esta interacción entre demanda y los esfuerzos de evasión resultará en una forma particular de incrementar los regresos a escala de los esfuerzos de evasión, lo cual tiene implicaciones significativas para una estructura óptima de impuestos.

REVISIÓN DE LITERATURA

Las primeras manifestaciones de tributación en México aparecen en los códigos aztecas, en los cuales se registró que el rey de Azcapotzalco, pedía como tributo los aztecas, una balsa sembrada de flores y frutos, además una garza empollando sus huevos y al momento de recibirla ésta debería estar picando un cascarón. A cambio ellos recibirían beneficios en su comunidad (Jiménez, 2000). Asimismo, los “Tequiámatl”, papeles o registros de tributos, fue un género de esos códigos, relacionado con la administración pública dentro del Imperio Mexica.

El verbo tributar cobró tal importancia, que los Aztecas se organizaron para facilitar la recaudación. Nombraron entonces a los “Calpixqueh”, primeros recaudadores, quienes identificaban su función llevando una vara en la mano y un abanico en la otra. Cuando Hernán Cortés llegó a México quedó sorprendido con la organización del pueblo Azteca, por lo que adopta el sistema tributario, modificando la forma en que se cobraban los tributos, ahora por piedras y joyas preciosas (Acosta, 1990).

Han transcurrido muchos años, durante los cuales los gobiernos han modificado las leyes fiscales para disponer de recursos, construir obras y prestar servicios a la colectividad, procurando así una mejor distribución de la riqueza. El sistema tributario de México, es mucho más que un conjunto de disposiciones fiscales; es parte de nuestra historia, de nuestras costumbres, de la idiosincrasia misma de los mexicanos. Lo que en un tiempo se llamó carga fiscal, es ahora, una contribución, una colaboración humana para que México cuente con escuelas, hospitales, higiene, comida, habitación, caminos, servicios públicos y sobre todo progreso (SHCP, 2005).

En el ámbito fiscal México está conformado como un federalismo cooperativo. El Estado tiene la facultad para ejercer el derecho de potestad tributaria la cual se presenta, cuando el gobierno establece las contribuciones necesarias para guiar al país y los medios para su recaudación (Saldaña, 2005). Siendo así, se entiende que la potestad tributaria se refiere a la autoridad que tiene el Estado y las facultades que ésta confiere a los estados de la república en la recaudación de las contribuciones (Flores, 1998).

Las facultades de los estados de la república son limitadas, esto debido a la prohibición o exclusividad del gobierno federal para establecer cobros de impuestos, especialmente los establecidos en el artículo 73, de la Constitución de México. La coordinación fiscal se presenta, cuando el estado de la república se adhiere al Sistema de Coordinación Fiscal mediante convenio. Los principios constitucionales del pago de impuestos nacen del artículo 31, en donde se tiende a dar seguridad al contribuyente para cumplir con el pago de impuestos. La Constitución le otorga garantías para no violar sus derechos. Estas garantías están expresadas en tres principios básicos, el principio de equidad, principio de proporcionalidad y principio de legalidad (Saldaña, 2003).

Sin lugar a dudas el tema de la coordinación fiscal en nuestro país ha sido discutido de forma amplia debido a que no se logra en la mayoría de los casos el objetivo principal de allegarse recursos propios para satisfacer sus necesidades de recursos, sin afectar los otros niveles de gobierno. Un cuestionamiento que surge de este tipo de relaciones es: ¿Cómo se logra una mayor captación de recursos por medio de la coordinación fiscal entre los niveles de gobierno para atender sus necesidades?

Uno de los rubros más significativos en la evasión de impuestos, lo representa el grupo de personas físicas que se encuentran inscritas bajo el régimen de pequeños contribuyentes, Las características de dichos contribuyentes contemplan, realizar actividades empresariales que impliquen enajenación de bienes o

prestación de servicios al público en general. Que los ingresos y los intereses obtenidos no excedan de dos millones de pesos (Jiménez, 2000).

Según datos de la SHCP, la evasión fiscal en México oscila alrededor del 35% (2004), cantidad que ha disminuido en los últimos años, pero todavía lejana a la tasa de evasión del 15% en los países desarrollados. Otro aspecto relevante es que, la evasión entre los pequeños contribuyentes es del nivel del 89% considerando al 100% que deben tributar bajo esta modalidad. La proporción de la contribución al PIB de las personas en este régimen es de .13 y se calcula que los gastos generados son del .22 del PIB del país.

Considerando los aspectos anteriores, el objetivo de ésta investigación es el de identificar las razones por las que las personas físicas del régimen de pequeños contribuyentes en Ciudad Juárez evaden el pago del impuesto sobre la renta. Las razones que se tratan de probar, es si están relacionadas con factores económicos, culturales o si es la existencia de leyes inadecuadas.

METODOLOGÍA

Este estudio descriptivo examina los factores que influyen en la evasión del impuesto sobre la renta en el régimen de pequeños contribuyentes de personas físicas de México, en relación a factores económicos, la cultura a no contribuir y la existencia de leyes inadecuadas. Dado el propósito del estudio se realizó un estudio cuantitativo, descriptivo ex post facto, en los estudios ex post facto no se realiza manipulación de variable alguna y los hechos se describen a partir de lo sucedido. Considerando la naturaleza del estudio se realizó una investigación de corte transversal, esto es en un tiempo dado y en un momento único.

Se utilizó un muestreo aleatorio, no probabilístico. Para efectos de lograr un muestreo representativo, 400 personas fueron encuestadas. Estas se realizaron entre aquéllas que estaban registradas en las oficinas recaudatorias. Los participantes fueron contactados por correo electrónico y se les pidió autorización a cada uno de los contribuyentes para enviar la encuesta y regresarla contestada el mismo día. La recolección de los datos se llevó a cabo, utilizando el software de Excel para la captura de la información.

El instrumento utilizado constó de 24 preguntas cerradas. El cuestionario recolectó información descriptiva de los participantes. Se les pidió que escribieran su género, edad y nivel de estudios. Las preguntas cerradas tuvieron como objetivo, conocer los factores que influyen en la evasión de impuestos de personas físicas en el régimen de pequeños contribuyentes.

RESULTADOS

Los resultados obtenidos nos permitieron comprobar nuestros objetivos de investigación. Definir las razones por las cuales las personas que tributan bajo el régimen de pequeños contribuyentes suelen evadir o eludir el pago de sus contribuciones. Por lo que respecta al factor económico, la tendencia del contribuyente es a evadir al pago correspondiente por falta de liquidez en su entorno empresarial. Esto nos lleva a comprender el porque gran parte de este régimen, cae en la categoría de evasión o elusión de impuestos.

Esto sucede, por ser una manera de por las mismas condiciones regulatorias los contribuyentes en este régimen pagan menos impuestos. Se encontró que el 38% de los encuestados, reconocen en las autoridades una verdadera intención de implementar facilidades administrativas en la legislación fiscal. El 58% de los encuestados considera que la evasión se debió a factores económicos, ya que afirman que pagar un impuesto real, agravaría su situación económica.

En lo que respecta al aspecto cultural al pago de impuestos, los resultados indican la escasa disponibilidad de los contribuyentes para realizar el pago de sus impuestos. El 42% de los encuestados se dieron de alta en el registro federal de contribuyentes fueron por razones ajenas a la obligación que marca la ley correspondiente. Los factores que influyeron para que estos se inscribieran fueron independientes al reconocimiento de cumplir con sus obligaciones fiscales.

Los resultados también muestran, que únicamente el 4% de los encuestados confía plenamente en el uso adecuado de los recursos que se obtienen por concepto de impuestos y solamente el 22% de este 4% confía en los actos que ejerce la autoridad recaudatoria. Asimismo, la percepción en cuanto a la legislación fiscal indica que el 78% de los encuestados considera que las leyes fiscales son confusas, lo que indica el reconocimiento de los contribuyentes a su obligación al pago de impuestos, pero desconoce la forma en que se debe realizar el cálculo y el pago del impuesto.

Finalmente, el 62% de los encuestados desconoce plenamente sus derechos o deducciones que como contribuyente, la legislación fiscal les otorga. El 80% de los encuestados afirma que cambiaría su forma de responder a sus obligaciones fiscales, si la autoridad implementara un sistema de comprobación en el que los recursos allegados por recaudación de pago de impuestos se manejarán de forma transparente.

DISCUSIÓN

Los resultados obtenidos nos indican que los factores para la evasión o elusión del impuesto sobre la renta en el régimen de pequeños contribuyentes, es una combinación de las variables relacionadas con los aspectos económicos, cultura a no contribuir y leyes inadecuadas; sin embargo, sin duda alguna la primera de ellas es la que posee más impacto entre los contribuyentes, al reconocer falta de liquidez de sus negocios.

Quizás el problema pudiera estar relacionado con una economía afectada por una inflación constante y la convivencia con un esquema fiscal altamente confuso. Este fenómeno, de elusión de impuestos se va heredando de alguna manera a las siguientes generaciones, por lo que la cultura de la evasión se vuelve una constante. Este aspecto nos permite realizar algunas consideraciones sobre el sistema de recaudación.

Este análisis sugiere que algunas direcciones deben ser tomadas para realizar un análisis de los sistemas más eficientes de otros países y ajustarlos a nuestro entorno. En nuestro análisis buscamos no cubrir los incentivos generados por el sistema de impuestos. Este es un criterio adecuado para juzgar una política fiscal, sólo si todos los mercados son perfectos, lo cual es una hipótesis no planteada en este estudio. De cualquier manera, los mercados pueden ser imperfectos, en tal caso los impuestos interactuarán con sus distorsiones preexistentes.

Las implicaciones de los resultados encontrados en este estudio, pudieran ser importantes para el diseño de impuestos indirectos. Por ejemplo, este análisis implica que la presencia de evasión podría permitir una estructura óptima de impuestos se integre relativamente tasas bajas de impuestos en productos que tengan una elasticidad más baja en la demanda. De otra manera, cuando todas las transacciones son de tamaño similar, la presencia de evasión pudiera permitir una tasa racional de impuestos sobre la base de una amplia cantidad de contribuyentes.

Los estudios futuros podrán investigar el rol de la evasión internacional, el efecto marginal de las tasas de impuestos y las extensiones para un modelo basado en casos de éxito de otros países. Los cambios constantes en la miscelánea fiscal de México han demostrado, que únicamente se crea confusión y descontento en su intento por realizar una mayor recaudación de impuestos. Los efectos no han sido los

esperados y nuevas formas de asegurar la recaudación, sobre todo de aquéllos que evaden completamente sus obligaciones, es necesario.

Dada la naturaleza de este estudio, los resultados no pueden ser generalizados, una amplia investigación podría realizarse a empresas que existen pero no se encuentran en el padrón de contribuyentes. Está comprobado que una alta tasa de profesionistas bien establecidos no cumple con sus responsabilidades del pago de impuesto. Futuras investigaciones deberán analizar los mecanismos que permitan integrar a estos potenciales contribuyentes a cumplir con sus responsabilidades.

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PERFIL DE LA MUJER EMPRENDEDORA EN COLOMBIA

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RESUMEN

El siguiente trabajo se hace basado en la encuesta hecha por el Global Entrepreneurship Monitor (GEM) en Colombia en el año 2007 a mujeres entre los 18 y los 64 años de edad, en el cual se hicieron preguntas relacionadas con las características de la mujer emprendedora en Colombia. Estos resultados hacen posible concluir que la mujer emprendedora en Colombia se encuentra entre los 35 y 54 años de edad, que su emprendimiento es mas por necesidad que por oportunidad, esto consecuencia de la actual situación económica del país y que estas mujeres se encuentran situadas básicamente en los centros urbanos.

INTRODUCCION

No es fácil describir a la mujer colombiana, en gran medida por la amplia diversidad cultural que existe en Colombia. De acuerdo a su lugar de nacimiento y formación, la mujer colombiana tendrá ciertas características de comportamiento, raciocinio y reacción.

La mujer colombiana es emprendedora, trabajadora y dinámica, con un alto sentido de la responsabilidad y muy perseverante. Es en términos generales inteligente, estudiosa, recursiva y muy dedicada en sus labores, sin descuidar su hogar y familiares. Es también un poco terca y orgullosa, con una suspicacia muy desarrollada, así como, un carácter fuerte y temperamental cuando se enoja.

Sin embargo como ya se dijo con anterioridad es muy difícil generalizar estos conceptos acerca de la mujer en un país con una alta heterogeneidad cultural y socioeconómica, lo que convierte al análisis del perfil de la mujer emprendedora en un estudio detallado y minucioso de este tema esto es lo que se pretende realizar a lo largo del presente documento, donde se realiza un análisis descriptivo de las características de la mujer emprendedora en el país a partir de las cifras arrojadas por el *Global Entrepreneurship Monitor (GEM) Colombia 2007*, base de datos que contiene información recolectada mediante una encuesta por cuestionario aplicada en 2001 a personas adultas de 18 a 64 años de edad.

En este documento en su primera parte se hace una breve reseña de los antecedentes de la mujer emprendedora en Colombia, En su segunda parte se muestra un análisis descriptivo de toda la información extractada de la encuesta de emprendimiento realizada por GEM en el año 2007, de acuerdo a diferentes tópicos que pueden tener influencia en la actividad de creación de empresas por parte de la mujer y que sirven como base para establecer una definición concreta de las características puntuales de la mujer emprendedora en Colombia.

RESULTADOS

Las mujeres emprendedoras pueden ser encontradas en cualquier sector de la economía mundial, como el sector de extracción, transformación, comercialización y servicios. En Latinoamérica, principalmente la mayoría de las mujeres se encuentran en el sector de la comercialización y en segunda instancia en el sector de la transformación. A diferencia de los países desarrollados en los cuales, las mujeres desde

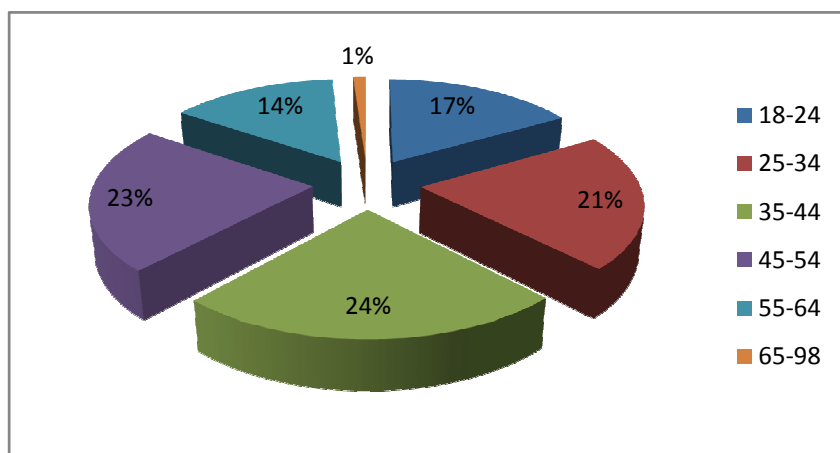
temprana etapa en el emprendimiento se dedican en su mayoría a la comercialización, y en segunda instancia al sector de los servicios.

Con base en los resultados obtenidos por GEM para Colombia en el año 2007 entre mujeres entre 18 y 64 años y de acuerdo con las diversas variables analizadas se procede en este capítulo a mostrar las características más relevantes de la mujer empresaria en el país conceptualizando el perfil de acuerdo con los siguientes tópicos:

Edad:

Analizando la edad de las nuevas emprendedoras en el país se tiene que las mujeres se insertan en la actividad empresarial a una edad madura (entre 35 y 54 años) en un alto porcentaje (47%) y en un 37,7% a edades más tempranas (por debajo de los 35 años). Este resultado muestra que las mujeres adultas con mayor grado de madurez y experiencia en la vida acumulada gracias a su edad, se muestran más dispuestas a iniciar emprendimientos por cuenta propia en Colombia. Este factor a su vez está directamente relacionado con la motivación que tienen para emprender: a mayor necesidad, más temprano se lanzan a emprender., por este mismo motivo al momento de establecerse como emprendedores disminuyen en gran magnitud el porcentaje ya que piensan en el emprendimiento como en una salida rápida y no como en algo duradero.

Figura 1 Emprendimiento por Edades



Educacion y Formacion

En cuanto al nivel educativo se encontró que solo el 23,8% de las encuestadas terminó estudios superiores o técnicos por lo que se observa una baja preparación a nivel superior en las mujeres que se inician en el mundo empresarial por cuenta propia. A diferencia de Colombia en los países desarrollados, según el informe GEM 2007, un gran porcentaje de las mujeres emprendedoras con el nivel educación profesional universitaria. Y en Latinoamérica el nivel educativo en un 34,1%, es menor o al menos han cursado hasta secundaria.

Tabla 1: Nivel Educativo

	Frecuencia	Porcentaje
Sin educación	13	1,0%
Ed. primaria incompleta	101	7,4%
Ed. primaria completa	176	13,0%
Ed. secundaria incompleta	253	18,6%
Ed. secundaria completa	334	24,6%
Ed. técnica completa	37	2,7%
Ed. técnica incompleta	128	9,4%
Ed. superior incompleta	121	8,9%
Ed. superior completa	146	10,7%
Postgrado	50	3,7%
Total	1359	100,0%

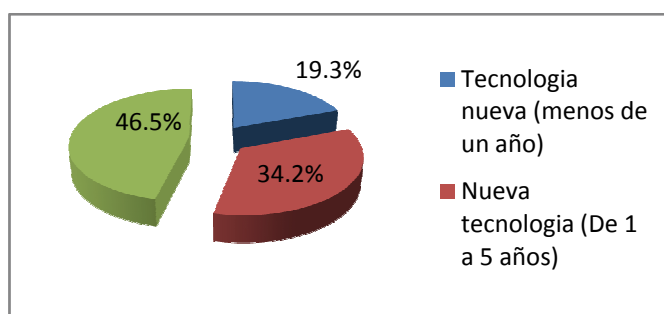
Esta tabla muestra los resultados referentes al nivel educativo de la mujer emprendedora, de la encuesta realizada por el GEM.

La educación que reciben las mujeres influye significativamente en sus posibilidades de emprender. El nivel de educación formal (considerado en cantidad de años) es más alto para las mujeres que son propietarias de negocios establecidos que para las que tienen un negocio naciente. De esto se podría deducir que la educación formal ayuda a la supervivencia del negocio. Para las mujeres más pobres y con menos educación, el hecho de tener experiencia laboral está relacionado con la propensión a empezar un negocio.

Innovación y Desarrollo Tecnológico

En cuanto a la tecnología disponible para las mujeres un 46,5% de las encuestadas no disponen de nueva tecnología, un 34,2% cuentan con tecnologías entre 1 y 5 años de antigüedad y un 19,3% tienen tecnología con menos de un año.

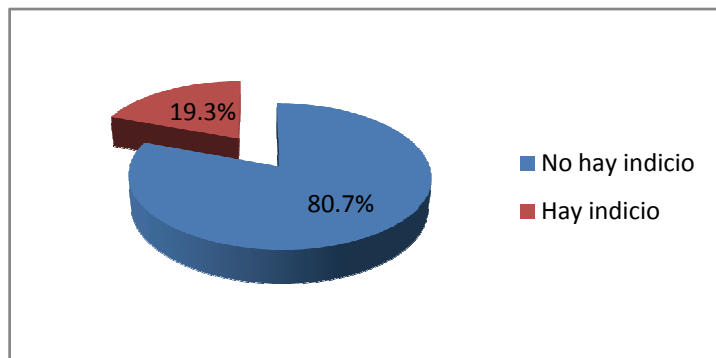
Figura 2 Tecnología Disponible



Esta característica de las empresas formadas podría ser explicada por varias circunstancias representativas del entorno colombiano: primero, debido a la escasez de dinero con el que cuenta las emprendedoras colombianas, aun después de iniciado el negocio, dado que en su mayoría son negocios de pan comido y por lo tanto no permanecen a través del tiempo. Segundo, no existen mercados donde se puedan aprovechar al máximo los niveles de productividad de equipos con tecnología de punta. Tercero, por el poco acceso a información sobre tecnología nueva por los bajos niveles de bilingüismo en nuestras emprendedoras. Y por último, indudablemente por los bajos niveles de cualificación que tiene la mano de obra colombiana.

En lo que respecta a la combinación de nuevos productos no hay indicios de este fenómeno en el 80,7% de las encuestadas.

Figura 3: Indicios de Nueva Tecnologia



En la creación de nuevas empresas por parte de emprendedoras colombianas no se observa mucha innovación en cuanto al desarrollo de nuevos productos o servicios y tecnología implementada y utilizada entre las empresarias, ya que la mayoría de las emprendedoras ofrecen los mismos productos y servicios, además ellas consideran que los consumidores perciben el producto de la misma forma.

Según las cifras presentadas por el GEM, no existe una orientación hacia la investigación y desarrollo por parte de las empresarias colombianas y esto puede deberse a varios factores como son la falta de incentivos gubernamentales hacia estos temas, el hecho de que en el país todavía no existe una cultura hacia la investigación, el desconocimiento de las empresarias del tema tecnológico y sus ventajas competitivas o limitación de recursos disponibles para iniciar estos desarrollos. Estos resultados muestran la necesidad de que el gobierno establezca políticas orientadas a el estímulo de procesos de investigación y desarrollo dentro de las empresas e introduzca mecanismos especiales y de apoyo y estímulo a la investigación que contribuyan a mejorar este factor.

Actitudes Ante el Emprendimiento

El estudio muestra un alto grado de optimismo en las nuevas empresarias: solo un 35,1% de las encuestadas experimentó el miedo al fracaso al iniciar un emprendimiento de negocios. Un alto porcentaje, considera que comenzando un nuevo negocio es una buena elección de carrera y cree que el tener éxito en un nuevo negocio contribuye a tener acceso a una mejor posición social.

En cuanto al tema de la competencia las nuevas empresarias esperan tener mucha competencia en un 54,1%, alguna competencia en un 35,2% y ninguna competencia para su negocio en solo un 9%.

Figura 4: Miedo al Fracaso

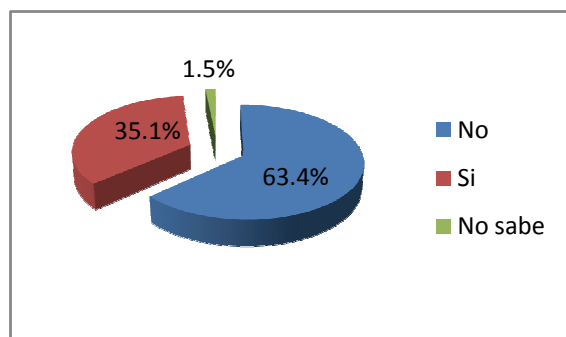
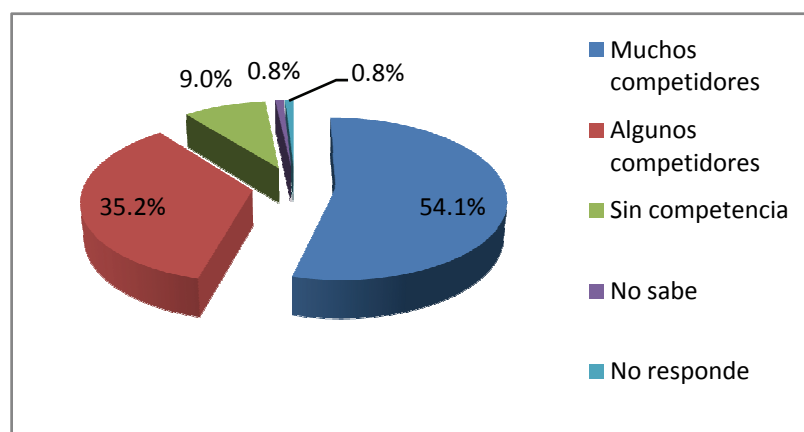


Figura 5 Expectativas de Competencia



En general las mujeres se muestran ante el emprendimiento, según los resultados, moderadamente optimistas y lo consideran una opción viable de vida y de desarrollo profesional. Este optimismo puede estar directamente relacionado con los buenos desempeños que ha tenido la economía en el país en los últimos años y el potencial de negocios que Colombia muestra hacia el mediano plazo.

Motivación para Empezar

Las propietarias de empresas buscan a través de su desarrollo como empresarias tener independencia, en un 25,3% de ellas, en un 25,3% incrementar ingresos y para un 6,9% solo mantener los ingresos. Un 53,7% ve buenas oportunidades de iniciar un negocio en los próximos 6 meses.

Tabla 2 Expectativas de Ingreso

	Frecuencia	Porcentaje
Independencia	22	25,3%
Incrementar ingresos	22	25,3%
Solo mantener ingresos	6	6,9%
No sabe	1	1,1%
No responde	36	41,4%
Total	87	100,0%

Esta tabla presenta los resultados a la pregunta de ¿cuál es la motivación para emprender?.

La motivación para el emprendimiento de proyectos nacientes entre las mujeres en Colombia es por necesidad en un 35,6% y por oportunidad en un 39,7%. A su vez para el caso de la motivación en empresas jóvenes con gerentes propietarios la motivación por necesidad es mayor. Para el caso de los negocios ya establecidos con gerente propietario el porcentaje que se motiva hacia el emprendimiento empresarial por necesidad. En términos generales las mujeres que se involucran en emprendimientos están motivadas en un 52% por necesidad y un 36,7% por oportunidad.

Tabla 3 Motivación para Emprendimientos nacientes

Motivos para emprendimientos nacientes		
	Frecuencia	Porcentaje
OPORTUNIDAD	29	39,7%
PARTE DE OPORTUNIDAD	11	15,1%
NECESIDAD	26	35,6%
NO SABE/NO RESPONDE	7	9,6%
Total	73	100%

Estos resultados muestran una alta tendencia de la mujer colombiana a iniciar emprendimientos mas presionada por la necesidad de desarrollar proyectos empresariales por cuenta propia ante la falta de oportunidades laborales que le permitan obtener un nivel de ingresos adecuados para el su sostenimiento y el de su familia que por una actitud visionaria o un olfato para identificar nuevas oportunidades de negocios dentro del mercado. En países con economías como la colombiana, las posibilidades de encontrar una oportunidad de negocio son mucho más difíciles que en las naciones del primer mundo en donde su desarrollo económico posibilita una mayor cantidad de oportunidades de emprender.

Sería más conveniente y saludable que la motivación para emprender por parte de la mujer en el país estuviera basada en un alto porcentaje en el aprovechamiento de oportunidades pues se alinea más con los deseos de las personas involucradas a la vez que anticipa una tasa de éxito empresarial mayor.

Generación de Empleo

Las nuevas emprendedoras de acuerdo con los resultados evaluados no se muestran altamente generadoras de empleos; pareciera que la empresa creada solo estuviera orientada a llenar las necesidades propias de empleo de cada empresaria y no a crear nuevas fuentes de empleo para el medio dentro del cual operan. Según las encuestas el 67,8% no genera empleos, el 24,5% genera entre 1 y 5, el 5,6% genera entre 6 y 19 y el 2,1% genera más de 20.

Tabla 4 Generación de Puestos de Trabajo.

	Frecuencia	Porcentaje
No genera puestos de trabajo	97	67,8%
1 a 5 puestos de trabajo	35	24,5%
6 a 19 puestos de trabajo	8	5,6%
1 a 5 puestos de trabajo	3	2,1%
Total	143	100%

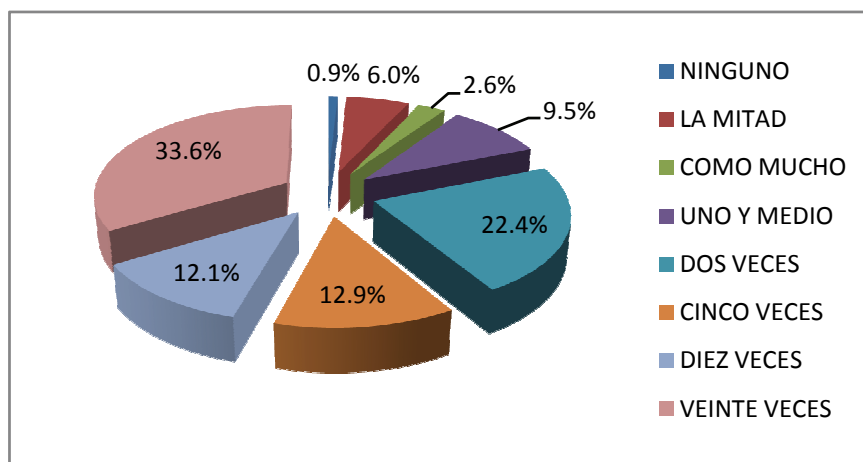
Considerando la sumatoria de todos los emprendimientos en el país por parte de la población femenina adulta, este fenómeno tiene un alto impacto en la generación de empleo para la mujer en Colombia y está directamente condicionado a la sobrevivencia y la sostenibilidad en el tiempo de los emprendimientos empresariales.

Un aspecto importante a resaltar sobre el informe mundial del emprendimiento y la mujer es que el desarrollo del emprendimiento femenino ha ayudado en gran parte al desarrollo económico sobre todo de Latinoamérica.

Ingresos y Rentabilidad Esperada

En lo que respecta a las expectativas con respecto a el ingreso económico se encontró que un 37,7% esperaba recibir pago después de tres o más meses y el 30,2% esperaba recibir utilidad sobre el salario para cuatro propietarias en el año 2007, seguido del 27,9% que esperaba hacerlo para el 2007 y el 11,6% para el año 2005.

Figura 7 Rentabilidad Esperada Sobre la Inversión.



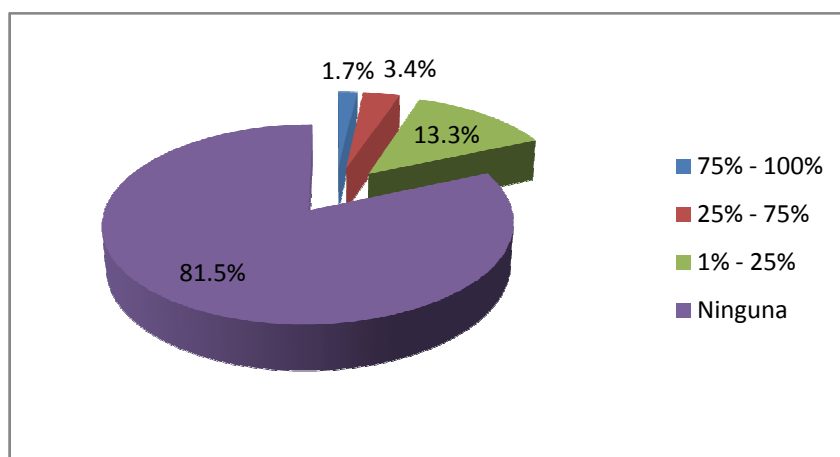
También se observa entre las nuevas emprendedoras un alto optimismo en cuanto a los niveles de retorno de la inversión inicial. Estas altas expectativas de ingreso son coyunturales de acuerdo con la realidad que ha vivido la economía y los altos niveles de confianza que ha venido experimentando la mujer colombiana y en general la población del país con respecto a las políticas de Estado en los últimos años. Este optimismo puede variar favorable o desfavorablemente de aquí en adelante entre las mujeres emprendedoras de acuerdo a el comportamiento de la economía nacional ante los efectos positivos o negativos sobre esta debido a situaciones a nivel mundial como los efectos inflacionarios y de recesión

de economías más fuertes y de las cuales depende la economía colombiana como el caso de los Estados Unidos.

Apertura hacia el Mercado Exterior

Para la mayoría de las encuestadas no hay una alta expectativa de expansión de mercados. Sus perspectivas de exportación no son altas: el 81,5% no exporta, el 13,3% tiene representada sus exportaciones entre el 1 y el 25% de su mercado y solo el 5,1% tiene más del 25% de mercado en el exterior.

Figura 7 Expansión de Mercado



Las expectativas cercanas de aprobación de tratados de comercio internacional como el TLC con Estados Unidos, Canadá y países latinoamericanos, así como el fortalecimiento de los intercambios comerciales con vecinos comerciales tradicionales como el caso de Venezuela - con el que se maneja una alta dinámica comercial - podrían cambiar el panorama con respecto a este tópico e influir favorablemente en la mejora de los indicadores relacionados con este tema.

Se hace necesario para la economía del país que las pequeñas y medianas empresas lideradas por mujeres en Colombia amplíen su rol en el comercio internacional y contribuyan de manera más significativa en el comportamiento de la balanza comercial del país. Este debe ser un tema de vital importancia para las mujeres emprendedoras colombianas particularmente en las condiciones coyunturales que presenta la economía nacional en la actualidad.

Perfil de la Mujer Emprendedora en Colombia: Análisis por Regiones

Colombia es un país claramente delimitado por sus regiones geográficas, asimismo en cada una de las regiones los recursos se encuentran mal distribuidos. A pesar de lo anterior, las características del emprendimiento femenino a lo largo del territorio nacional son relativamente homogéneas, ya que coinciden en ciertas características como: La mayoría de mujeres emprendedoras en nuestro país se encuentran ubicadas en la región central, pero es necesario destacar que en esta región se encuentra la mayor concentración poblacional de nuestro país. [la población de Bogotá representa aproximadamente un 20% del total de la población colombiana por tal motivo fue escogida como otra región geográfica de Colombia, además de que posee un alto índice de emprendimiento].

Después de Bogotá la ciudad que más concentra mujeres emprendedoras es Medellín, después Santa Marta y Barranquilla. Más del 60% de las mujeres poseen como ingresos fijos menos de 2 salarios mínimos y un 2,3% devenga más de 7 salarios mínimos mensuales (más de 3'500.000), la mayoría de las mujeres emprendedoras pertenecen al estrato socioeconómico 2 y la minoría pertenece al estrato 6, con esto se ve reflejada la situación actual de Colombia, en donde la creación de empresas y el emprendimiento es originado la mayoría de las veces por la necesidad de sobrevivir, antes que por el deseo de independencia y de poder.

La actividad en que más mujeres emprendedoras se desenvuelven es en la venta y provisión de servicios y en la que menos es en el campo de la ciencias naturales y aplicadas, cultura arte y deporte y procesamiento, fabricación y ensamblaje. Más de la mitad de las mujeres emprendedoras en Colombia se encuentran casadas y en menor porcentaje están aquellas separadas, divorcias y viudas. Por lo general la mujer colombiana no tiene un antecedente de empresaria en su familia y el 83.6% de la muestra tiene una facturación anual mayor al millón de dólares. A pesar de las similitudes anteriormente expuestas, se puede decir que cada una de las regiones tiene sus propias características, por lo que se origina el análisis independiente de cada una de ellas.

Análisis Región Atlántico

En la región del Atlántico cabe destacar que el intervalo de edad de las mujeres más emprendedoras en comparación con las otras regiones se encuentra entre las edades más jóvenes que van desde los 25 hasta los 34 años. La mayoría de las mujeres emprendedoras de la muestra recibieron un grado de educación de secundaria. El mayor porcentaje de mujeres encuestadas se encuentran en el segundo estrato socioeconómico y poseen unos ingresos fijos superiores a 2 salarios mínimos. Su actividad principal es trabajar en el sector de ventas de provisiones y servicios. Su procedencia familiar no ha sido influyente en su actividad laboral actual ya que sus familiares no fueron propietarios de negocio alguno. Son mujeres casadas y su facturación anual supera el millón de dólares. Según la encuesta la ubicación de estas mujeres emprendedoras está principalmente en Santa Marta y Barranquilla y pocas se encuentran en localidades como Juan de Acosta y Candelaria. Un pequeño porcentaje de emprendimiento en las mujeres se da en edades superiores a los 65 años o en aquellas que no poseen educación alguna. Pocas de las mujeres emprendedoras se dedican al campo de las ciencias sociales siendo el menor porcentaje dentro de todas las regiones dedicadas a ésta actividad. En pocos de los casos se presenta emprendimiento en mujeres de estrato 6 o en aquellas con ingresos superiores a 7 salarios mínimos legales.

Análisis de Bogotá

Al hacer un cuadro comparativo entre regiones se puede analizar que en Bogotá las mujeres emprendedoras se encuentran en un rango de edad que va desde los 45 a los 54 años, además las mujeres tienen un grado de educación de secundaria. Muchas de las mujeres de la muestra pertenecen al segundo estrato socioeconómico, poseen ingresos inferiores a los dos salarios mínimos legales, facturan más de un millón de dólares anuales y por lo general trabajan en el campo de ventas de provisiones y servicios.

En el ámbito familiar se encuentra que la gran mayoría de las encuestadas no tienen procedencia en los negocios y su estado civil es casada. Pocas de las mujeres emprendiendo tienen ingresos superiores a los 7 salarios mínimos, se encuentran en el estrato socioeconómico 6 y se desempeñan como inversionista de capital. En el sector económico donde se presenta menor índice de emprendimiento entre las encuestadas es en los sectores de explotación primaria y extractiva, y procesamiento, fabricación y ensamblaje.

Análisis región pacífica

En esta región la mayor frecuencia de mujeres emprendedoras de la muestra está entre las edades de 35 y 44 años. Este grupo tiene algo en particular frente a las otras regiones ya que en este caso todas las mujeres han recibido algún tipo de educación. En la región pacífica la mayoría de las encuestadas alcanzaron a terminar sus estudios secundarios, son pertenecientes al segundo estrato socioeconómico y sus ingresos mensuales no superan los dos salarios mínimos legales. Se dedican a trabajar en actividades de ventas de provisiones y servicios. La mayoría de mujeres se encuentran casadas y provienen de padres que no son dueños de negocios. Poseen un volumen de facturación anual que oscila entre 1 y 11 millones de dólares. En esta región la mayor concentración de mujeres emprendedoras está en Cali y Pasto con un poco más del 70% de la muestra. El hecho de que la mayoría de la población se encuentra en las ciudades tiene estrecha relación con que tengan el mayor índice de emprendimiento. La menor población de mujeres emprendedoras está entre las edades de 18 y 24 años a diferencia del resto del país donde son las mujeres de edad avanzada las menos emprendedoras. Pocas de las emprendedoras se encuentran en el estrato 6 y ganan entre 4 y 7 salarios mínimos. Son inversionistas de capital que trabajan en explotación primaria o en el campo de cultura y deporte.

Análisis Región Central

En la región central las mujeres con mayor índice de emprendimiento se encuentran entre las edades de 35 y 44 años. La mayoría de las mujeres de la muestra terminaron sus estudios secundarios y poseen ingresos inferiores a los dos salarios mínimos legales, pertenecen al estrato socioeconómico número 2, se desenvuelven en el área de las ventas, no son herederas ni hijas de padres propietarios de negocios, la mayoría se encuentra casada y tienen un volumen de facturación anual entre 1 y 11 millones de dólares. La mayor concentración de mujeres emprendedoras se encuentra ubicada en las ciudades de Envigado y Medellín. En contraste con los municipios, las ciudades poseen el 70% de la población emprendedora. También cabe agregar que las mujeres que menos emprenden son aquellas que muy bien económicamente, las cuales muy seguramente no han tenido la necesidad de empezar su propio negocio para su sostenimiento, ya que pertenecen a estrato 6 y tienen ingresos superiores a los siete salarios mínimos establecidos por la ley. Hay un pequeño porcentaje de las mujeres emprendedoras dedicadas a trabajo de procesamiento, fabricación y ensamblaje o de explotación primaria y extractiva.

Análisis Región Oriental

En la región oriental las mujeres más emprendedoras tienen edades superiores a los 45 y menores a los 54 años. En la región oriental se presenta una particularidad: a diferencia de las otras regiones, las mujeres que más emprenden no alcanzaron a terminar sus estudios secundarios, en comparación con lo que sucede en las otras regiones. También se encontró que las que más emprenden forman parte del estrato socioeconómico 3 y las que menos al 5.

Las mujeres más emprendedoras poseen ingresos menores a los dos salarios mínimos legales y trabajan principalmente en el sector de ventas de provisiones y servicios y las que menos porcentaje de emprendimiento tienen son mujeres que poseen ingresos superiores a los siete salarios mínimos legales, son divorciadas y se dedican mayormente a las inversiones de capital. La mayoría de las emprendedoras están casadas y se ubican en las ciudades de Cúcuta y Bucaramanga.

CONCLUSIONES

De acuerdo con el análisis de la información proveniente del estudio realizado en el 2007 en Colombia por GEM para el emprendimiento de la mujer en el país, existen algunas consideraciones finales que hay

que mencionar con respecto a las características de la mujer empresaria colombiana y que se relacionan a continuación:

Los resultados analizados en un contexto general muestran a una mujer en Colombia emprendedora, relativamente optimista y algo temerosa a la hora de correr riesgos.

Factores como edad, la cualificación del trabajo al que se ha accedido, la educación formal y el nivel de los ingresos del hogar son importantes factores socioeconómicos que afectan la decisión de la mujer colombiana a la hora de empezar un negocio.

La mujer en Colombia inicia emprendimientos empresariales a una edad madura preferiblemente, pero este emprendimiento lo realiza desde muy joven cuando la necesidad es la razón más importante que la lleva a iniciar un proyecto empresarial. Es importante estimular a la masa joven de mujeres para que se inicien sin temores en el mundo empresarial y para esto se hace necesario que las entidades gubernamentales inicien campañas de sensibilización y creen programas de capacitación hacia la población joven femenina en el país, de tal modo que el emprendimiento empresarial por parte de la mujer en Colombia se haga más por una vocación que por una necesidad derivada de la falta de acceso a otro tipo de oportunidades laborales (empleo formal).

Hace falta mayor preparación de la mujer en Colombia para establecer emprendimientos, aun cuando en un gran porcentaje esta posee un nivel aceptable de educación, siendo esta formación y las habilidades que posee, lo que le asegura en gran parte el éxito y la sostenibilidad en el futuro de sus proyectos empresariales. El gobierno con respecto a este tema debe promulgar una mayor variedad de programas de fomento pertinentes que estén encaminados a orientar y a acompañar más intensivamente a la mujer empresaria sobre todo a aquellas cuyo impacto social sea altamente representativo (madres solteras y cabezas de familia en zonas de conflicto pertenecientes a estratos socioeconómicos 1 al 3).

Dentro de los resultados se observa que las mujeres que inician emprendimientos no son por si solas generadoras de un alto volumen de empleos en el mediano plazo, sus proyectos no están orientados hacia la innovación, no muestran además tecnología de última generación implementada en sus empresas y su campo de acción comercial está enmarcado dentro del ámbito local, regional y nacional. Se hace necesario ante todo crear estímulos, capacitación y brindarle todas las herramientas necesarias a estas empresarias para que de esta forma direccionen de mejor manera sus proyectos empresariales hacia mercados del exterior, y de este modo estén más sintonizadas con las nuevas tendencias de mercado globalizado y a la vez adquieran una perspectiva empresarial más amplia que les permita tener mejores expectativas de éxito a futuro.

En lo que respecta a la innovación en las nuevas empresas, esta muestra en su gran mayoría unos resultados bastante bajos en lo cuanto a indicios de nuevos productos. Se hace necesario por parte del gobierno nacional establecer mejores estímulos a la innovación, direccionados a la mujer emprendedora para así de esta manera generar mayores niveles de competitividad.

El rol de la mujer colombiana afortunadamente hoy en día ha venido cambiando y el país necesita a futuro una mujer productiva y altamente participativa en todos los esquemas de desarrollo y crecimiento de la industria, el comercio y en general la economía nacional y para que esto suceda hay que brindarle las garantías, herramientas y oportunidades que necesita y se merece.

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BIOGRAFIA

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ANÁLISIS DEL PROCESO DE TOMA DE DECISIONES FINANCIERAS EN LAS EMPRESAS DE BARRANQUILLA DESDE LA PERSPECTIVA DEL DESARROLLO MORAL

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RESUMEN

El objetivo principal de este artículo está orientado hacia el análisis de los resultados obtenidos en una investigación dirigida a las personas encargadas de la toma de decisiones financieras en las diferentes empresas de Barranquilla, partiendo de los fundamentos teóricos existentes sobre los Juicios Morales enunciados por Lawrence Kohlberg, con el fin de conocer las variables y valores que influyen en las personas durante el proceso de decisión, desde una perspectiva moral.

PALABRAS CLAVES: Ética, desarrollo moral, dilema ético, toma de decisiones.

ABSTRACT

The principal aim of this article is orientated toward the analysis of the results obtained in a research directed to people in charge of the financial decisions in Barranquilla's different companies, departing from the theoretical existing foundations of the Moral Judgments enounced by Lawrence Kohlberg, in order to know the variables and values that influence people during the process of decision, from a moral perspective.

KEYWORDS: Ethics, moral development, moral dilemma, decision making process.

INTRODUCCIÓN

En el mundo de los negocios es cada vez más frecuente encontrar casos de corrupción empresarial, múltiples organizaciones han llegado a su fin debido a este fenómeno, causado principalmente por la búsqueda de beneficio personal de quienes son los encargados de tomar decisiones trascendentales dentro de las compañías. Colombia no es caso aparte en esta tendencia, por el contrario ha sido calificada a nivel mundial como uno de los tres países con mayor índice de corrupción, lo que conlleva a pensar que esa búsqueda de beneficio personal puede ser algo inherente al ser humano y que entre más poder obtiene una persona, esta tiende a buscar su lucro antes que el bienestar común.

Dentro del sector empresarial, el beneficio buscado inicialmente es el monetario, por lo que es interesante indagar acerca del grado de desarrollo moral de quienes toman decisiones relacionadas con dinero, específicamente los contadores y/o gerentes financieros, en las organizaciones. El presente trabajo consiste en la aplicación de un instrumento con el objetivo de analizar la toma de decisiones en tres aspectos relacionados con el entorno de los encuestados, en el campo familiar, social y laboral. La estructura desarrollada consiste inicialmente en la presentación de un marco de referencia elaborado con base en las teorías que sirvieron como punto de partida a la hora de realizar la herramienta de recolección de información. Posteriormente, se presentan los análisis correspondientes a los resultados arrojados por

la investigación con sus respectivas tablas y gráficos pertinentes y, finalmente las conclusiones desencadenadas de los mismos.

REVISIÓN LITERARIA

Según Papalia, Wendkos y Duskin (2005) el modelo del desarrollo cognoscitivo sostiene que la gente desarrolla gradualmente su propio código moral, al ir alcanzando niveles de pensamiento cada vez más elevados. Tanto Piaget como Kohlberg describieron el crecimiento moral como un progreso que va de reglas impuestas externamente y regidas por las consecuencias físicas de un acto, a juicios más flexibles e internos que toman en cuenta las circunstancias. Este desarrollo es posible por el cambio que se da del egocentrismo a la descentración –capacidad de considerar las cosas desde más de un punto de vista- (Papalia, Wendkos y Duskin, 2005, p.466).

Para evaluar el desarrollo del razonamiento moral con el instrumento presentado, es necesario comprender las características que distinguen a los 6 estadios que conforman esta teoría y los respectivos niveles a los que pertenece cada uno de estos.

Teoría de los niveles y etapas del desarrollo moral de L. Kohlberg

Kohlberg (1969) definió tres niveles de razonamiento moral cada uno dividido en dos etapas ó estadios, los cuales se definen a continuación:

- Nivel I. *Moralidad preconvencional*: En esta etapa los motivos por los cuales se obedecen las reglas son la evasión del castigo ó la consecución de recompensas y el interés personal. Se actúa en función de controles externos.
- Nivel II. *Moralidad convencional*: Se anhela ser visto como “bueno”, agradar y complacer a los otros y mantener el orden social. Ante un dilema moral se tiene en cuenta las expectativas de la sociedad y sus leyes. Se observan patrones de otros que hasta cierto punto han sido interiorizados.
- Nivel III. *Moralidad posconvencional*: Durante esta etapa las personas hacen sus propios juicios sobre lo que es correcto, equitativo y justo, ya que se reconocen los conflictos existentes entre las normas aceptadas socialmente. El control de la conducta es interno y los juicios se basan en principios personales que no están definidos por las leyes de la sociedad necesariamente. (Papalia, Wendkos y Duskin, 2005; Casado y García, S.f.)

Cada uno de estos niveles de razonamiento moral se subdivide en dos estadios morales, que a su vez conforman los seis estadios del razonamiento moral:

Nivel I

Estadio 1: Moralidad Heterónoma

En este estadio, las reglas son categorías de conducta buena y mala, las cuales se generalizan y no admiten excepciones, por lo que no se tiene en cuenta consideraciones de necesidad o merecimiento. El castigo es visto como algo importante pues se identifica con una mala acción, y por ello se busca evitarlo. Son personas muy ortodoxas, egocéntricas y psicorígidas. Además de estar regidos por el respeto a la autoridad y por el temor al castigo, consideran las cosas buenas o malas sin ninguna justificación, simplemente por que así están establecidas y no admiten excepciones. (Kohlberg, 1992)

En la aplicación de juicios no se tiene en cuenta ninguna circunstancia de la situación lo que conlleva a una unilateralidad a partir de la cual se define la justicia en función de diferencias de poder o estatus. Se identifica el bien con la obediencia del débil al fuerte y con el castigo del fuerte al débil. (Sepúlveda, s.f.).

Estadio 2: Moralidad Individualista, Instrumental

Se caracteriza por una conciencia de los intereses propios y también de los intereses individuales, es decir que a diferencia del estadio 1, se reconoce que existe más de una perspectiva sobre una situación. Sin embargo el objetivo propio de las personas ubicadas en este estadio es la consecución de los intereses personales con el fin de satisfacer sus deseos y necesidades, lo cual es posible a través de la acción de uno mismo y a través de intercambio de bienes y acciones con otros. Las acciones correctas o incorrectas no tienen valor, todo se explica en la búsqueda del bienestar personal exclusivo. (Kohlberg, 1992).

Nivel II*Estadio 3: Moralidad de la Normativa Interpersonal*

El interés en este estadio radica en mantener la aprobación social y la confianza en sí mismo, lo cual se consigue a través del cumplimiento de un conjunto de normas compartidas, que han sido creadas para la convivencia de las personas y que determinan a un buen ocupante de rol. Dichas normas se sienten como obligatorias y mantienen la confianza, la lealtad y los cuidados entre los miembros del grupo. (Kohlberg, 1992).

Los individuos en este estadio desean complacer y ayudar a los demás, así como también son capaces de evaluar un acto según el motivo y la persona que lo realiza, teniendo en cuenta las circunstancias. (Sepúlveda, S.f.; Papalia, Wendkos y Duskin, 2005).

Estadio 4: Moralidad del sistema social

En esta etapa se desarrolla una nueva perspectiva como miembro de la sociedad la cual está basada en la concepción de un sistema social, entendido con un conjunto de códigos y procedimientos que son aplicados imparcialmente. Ahora las normas que se comparten de manera informal en el estadio 3 son garantizadas por una estructura social, que incluye instituciones formales y roles sociales que buscan en bienestar común.

Los juicios se hacen tomando como referencia instituciones legales y sociales, o morales y religiosas. Se obedece la ley aún si estar de acuerdo con ella, pues ésta busca el bienestar para la mayoría de las personas, y se basa en normas de cooperación y contribución social. (Kohlberg, 1992)

Nivel III*Estadio 5: Moralidad de los Derechos Humanos y de Bienestar Social*

Las personas que alcanzan este estadio logran reconocer una diversidad de normas y valores, los cuales son en su mayoría, relativos al grupo. Cabe anotar que valores como la vida y la libertad, que son derechos no relativos, deben mantenerse siempre sin importar la opinión de la mayoría. Se desarrolla en cada persona un sentimiento de compromiso, el cual es libremente adquirido, con la ley y el contrato social, con las leyes que buscan el bienestar y la protección de los derechos de todos.

Las personas piensan racionalmente, pues valoran la voluntad de la mayoría y el bienestar de la sociedad. Estos valores se sustentan en la obediencia de la ley y, si se llegase a presentar un conflicto entre una necesidad humana y la ley, se considera que en el largo plazo es mejor la observancia de la ley (Papalia, Wendkos y Duskin, 2005).

Estadio 6: Moralidad de Principio(s) Ético(s) General(es), Universalizable(s), Reversible(s) y Prescriptivo(s)

En esta etapa las personas actúan de acuerdo a normas y principios éticos auto-conscientes, que cada individuo ha interiorizado, y que se aplican a todas las personas y situaciones.

En este estadio el quebrantar la ley es un acto aceptado siempre y cuando ésta afecte o interfiera con alguno de estos principios universales como lo es por ejemplo, la dignidad humana. Se toman en consideración los intereses o puntos de vista de cada persona que se pueda ver involucrada o afectada por la decisión moral que se tome, especialmente la de los menos aventajados. En términos de justicia, el castigo es considerado necesario para proteger el bienestar y los derechos de las víctimas reales o en potencia del delito, más sin embargo no se basa en sufrimiento o la imposición de la muerte como forma de pago por la falta cometida. El ofensor se sigue considerando un ser humano con dignidad y debe ser respetado. (Kohlberg, 1992)

Desarrollo Moral en la Gerencia

De acuerdo a los autores Stephen Robbins y Mary Coulter, se puede decir sobre el desarrollo moral en la gerencia que:

Que un gerente actúe con ética o sin ella es resultado de una interacción compleja entre la etapa de desarrollo moral del gerente y distintas variables moderadoras que incluyen características individuales, el diseño estructural de la organización, la cultura de la misma y la intensidad del problema ético. Las personas que carecen de un fuerte sentido moral son menos propensas a hacer cosas malas si se las restringe con reglas, políticas, descripciones de puesto o normas culturales poderosas que desapruében tales comportamientos. Individuos muy moralistas pueden corromperse por una estructura y cultura organizacional que permita o aliente prácticas carentes de ética.

Toda persona entra a una organización con una serie de valores firmemente establecidos. Estos valores representan convicciones básicas acerca del bien y del mal. Los gerentes de una organización con frecuencia tienen valores personales muy diferentes. Aún cuando los valores y la etapa de desarrollo moral puedan parecer similares, no lo son.

El diseño estructural de una organización ayuda a conformar el comportamiento ético de sus gerentes. Los diseños estructurales que minimizan la ambigüedad y que continuamente recuerdan a los gerentes lo que es ético, probablemente impulsarán un comportamiento ético.

Las reglas y reglamentos formales reducen la ambigüedad (descripciones de puesto y códigos de ética escritos). El comportamiento de los superiores es la influencia más fuerte en el comportamiento ético o no ético de un individuo.

Cuando los gerentes son evaluados sólo por sus resultados, habrá una creciente presión para hacer "lo que sea necesario" para mostrar una buena imagen en las variables de resultados. Estrechamente relacionada con el sistema de evaluación del desempeño está la forma en cómo se asignan las recompensas.

Las estructuras también difieren en la cantidad de tiempo, competencia, costo y presiones similares colocadas sobre los ocupantes del puesto. A mayor presión, es más probable que los gerentes lleguen a comprometer sus normas éticas.

El contenido y la fortaleza de la cultura de una organización también influyen en el comportamiento ético. La cultura organizacional que con mayor probabilidad provoque normas éticas altas, será aquella que tenga una calificación alta en tolerancia a los riesgos, control y tolerancia a los conflictos. Una cultura

organizacional fuerte ejercerá mayor influencia sobre los gerentes que una débil. Si la cultura es fuerte y apoya normas éticas altas, debe tener una influencia muy poderosa y positiva sobre el comportamiento ético de un gerente. En una cultura organizacional débil, sin embargo, es muy probable que los grupos de trabajo y las normas departamentales ejerzan una fuerte influencia en el comportamiento ético de organizaciones que tienen una cultura general débil. (Robbins y Coulter, 1996, p.50.).

METODOLOGÍA

Para alcanzar el objetivo principal de esta investigación, entendido como el estudio de la toma de decisiones en las empresas Barranquilleras desde una perspectiva moral, se acudió a la teoría de los Juicios Morales de Lawrence Kohlberg y en base a ella se elaboró un instrumento de estudio. La estructura de esta herramienta estuvo constituida por una serie de interrogantes elaborados con base en dicha teoría, y que a su vez se ubicaron dentro de tres dilemas diferentes, elaborados de tal manera que cada uno de ellos correspondió a un ámbito específico de desarrollo del ser humano, familiar, social y profesional.

Una vez constituidas las encuestas, estas fueron aplicadas en 343 empresas de los distintos sectores en la ciudad de Barranquilla, específicamente a dos de las personas responsables de la toma de decisiones financieras en las mismas, tales como contadores y gerentes financieros, entre otros; seguidamente se tabuló toda la información recopilada utilizando el programa estadístico SPSS.

Adicionalmente se realizó un análisis de cada una de las preguntas que constituían los dilemas, y se clasificaron dentro de cada uno de los estadios morales, para lo cual se creó una guía para cada estadio moral.

Con esta información, se hizo un análisis de cada una de las encuestas obtenidas. Teniendo en cuenta que cada uno de los interrogantes estaba enumerado, se ubicó a cada persona en un estadio diferente por dilema, de acuerdo a la respuesta dada por los mismos en cada pregunta.

Posteriormente se realizó la sumatoria de los estadios en los que se ubicaron los encuestados en cada parte de los dilemas y, según este resultado total, se observó hacia cual estadio tendía cada persona, tanto a nivel general como particular, es decir por cada dilema específico; considerando indiscutiblemente la cantidad requerida en cada estadio para poder ser ubicado en el mismo. Así por ejemplo, para un individuo ubicarse en el estadio tres, de manera general, ha debido obtener, al momento de realizar la sumatoria de todos los estadios en los que se ubicó en cada parte de los dilemas, un resultado cercano o igual a 21. De igual forma, se realizó el establecimiento de un estadio por cada dilema; para ubicar a una persona en el estadio uno, en el primer dilema, por ejemplo, ha debido obtener un resultado cercano o igual a 3, y así sucesivamente.

Con lo anterior, se logró realizar la ubicación de la totalidad de las personas encuestadas en un estadio del juicio moral, permitiendo esto el análisis del comportamiento de dichas personas en el interior de las empresas al momento de tomar las decisiones financieras desde una perspectiva moral, teniendo en cuenta las características definidas para cada estadio.

RESULTADOS

Al realizar esta investigación se aplicaron 343 encuestas, en distintas empresas de la ciudad de Barranquilla. Estas empresas pertenecen a los sectores comercial, industrial y de servicios.

Inicialmente el instrumento estuvo dirigido a los contadores y gerentes financieros de estas compañías, sin embargo, también fue aplicado a asistentes, administradores, auxiliares, entre otros trabajadores, todos ellos vinculados con el área financiera y relacionados con la toma de decisiones en la misma.

Análisis de la Muestra

La mayor parte de las personas encuestadas pertenecen al sexo masculino (65.3%), aunque cabe resaltar que las mujeres (34.7%), tienen un significativo grado de participación en la toma de decisiones de tipo financiero, lo que demuestra la evolución del proceso de participación y vinculación de la mujer en el campo laboral a través de los años.

De estas personas encuestadas el mayor porcentaje corresponde a edades entre 41 y 45 años (17.5%), lo que demuestra experiencia en el campo laboral y madurez en la toma de decisiones. Esto se apoya en el hecho que otra parte considerable de la muestra (16.3%) corresponde a personas entre los 46 y 50 años. Paralelo a ello se encontró una tendencia en la participación de adultos jóvenes en el área financiera, siendo mas numeroso el grupo entre 30 y 35 años (16.9%), seguido del grupo de 36 a 40 años (14.9%) y finalmente los menores de 30 años (14.3%). Se observa además que los menores de 55 años tienen menos incidencia en la toma de decisiones (7.0%).

Adicionalmente la muestra reflejó que la mayor parte de los encuestados (90%) nacieron en la Costa Caribe Colombiana, principalmente en la ciudad de Barranquilla, de lo que se infiere un alto índice de selección de profesionales nativos de la región. Las personas restantes pertenecen a otros lugares de Colombia (8.9%), principalmente a la ciudad de Bogotá.

En cuanto a la profesión de las personas a quienes se les aplicó el instrumento, son contadores (49.9%) y administradores de empresas (23.6%) en su mayoría. Así mismo son graduados en gran proporción de las Universidades Autónoma del Caribe (33.2%), Universidad del Atlántico (18.7%) y Universidad del Norte (14.0%). Con ello se infiere que el personal encuestado es egresado principalmente de Universidades de la Ciudad de Barranquilla, demostrando una gran inversión en educación, pues la mayor parte de ellas son Universidades privadas, sin dejar a un lado la Universidad pública que muestra un porcentaje significativo.

En cuanto a las empresas en las que se aplicaron las 343 encuestas, se encontró que un 58.6% de ellas pertenecen al sector de servicios, reflejando la tendencia actual a la creación y permanencia de empresas encaminadas hacia las prestación de servicios. Seguidamente se encuentran las empresas del sector industrial con un 25.9%, reflejo de las raíces industriales propias de la ciudad, y finalmente las empresas comerciales con un 15.5%.

Con respecto a los cargos desempeñados por las personas encuestadas en cada una de estas empresas se encontró, con un 41,1%, el predominio de contadores y gerentes con un 40.8%, lo cual corrobora el objetivo de esta investigación, que es el estudio de la toma de decisiones financieras desde la perspectiva del desarrollo moral.

Finalmente, en este estudio, se encontró que la mayor parte de las empresas manejan entre 11 y 50 empleados con un 40.8% y entre 1 y 10 empleados con un 34.1%, manifestando con ello, que la muestra se desenvuelve en las pequeñas y medianas empresas. De manera menos representativa el estudio arroja empresas que manejan entre 101 y 500 empleados con un 13.1%.

Ubicación De La Muestra

Con los resultados obtenidos se elaboró una tabla de posiciones para las personas de cada estadio, ubicando el total de la muestra discriminada de manera individual según su establecimiento.

Tabla 7: Ubicación Total por Estadio

	Frecuencia	Porcentaje	Porcentaje Válido	Porcentaje Acumulado
Válidos	1	34	9.9	9.9
	2	115	33.4	43.3
	3	142	41.3	84.6
	4	47	13.7	98.3
	5	6	1.7	100.0
Total	344	100.0	100.0	

Esta tabla presenta una ilustración acerca de la ubicación general de la muestra en cada uno de los estadios morales. En ella se observa qué porción de las personas encuestadas se encuentra ubicada en cada uno de los estadios.

Después de realizar el análisis estadístico de los resultados obtenidos a través del instrumento aplicado, se encontró en términos generales que la mayor parte de esta muestra corresponde a individuos ubicados en el estadio 3 (41.3%), es decir, personas que toman sus decisiones con base en lo que puedan pensar las demás personas. Estos individuos se caracterizan por tomar las decisiones teniendo en cuenta las expectativas que puedan tener los demás sobre ellas mismas, procuran la aprobación de sus actos y se preocupan por mantener buenas relaciones con los otros. Siendo así, se infiere que en el ambiente de trabajo o al momento de interactuar en las empresas, hay una tendencia a considerar las perspectivas de otros, tales como superiores o colegas en general, al momento de tomar las decisiones.

Cabe destacar, que en este análisis general, también se observó que el total de las personas tiene definido un estadio para la toma de decisiones y, que adicionalmente ninguno de los encuestados se encuentra en el estadio 6, siendo esto coherente con la teoría según la cual, son muy pocas las personas que alcanzan este grado de desarrollo moral. Es oportuno aclarar que de manera individual por dilema, ya sea familiar, social o profesional, es posible ubicar a las personas dentro de este estadio o como no definido, pero a nivel general no han alcanzado este grado de madurez moral. Igualmente se encontró que la mayor parte de la muestra se ubica en los estadios 2, 3 y 4 con porcentajes de 33.4%, 41.4% y 13.7% respectivamente, reflejando esto que los motivos en la toma de decisiones se mueven entre los intereses personales, la aceptación social y el bienestar común.

Dilema 1: Toma de Decisiones en el Ámbito Familiar

Asimismo se construyó una tabla para la ubicación correspondiente al Dilema uno, teniendo en cuenta los resultados arrojados y permitiendo una ubicación individual.

En este ambiente la mayoría de las personas toma decisiones bajo el estadio número 2 (27.3%), es decir, siguen las normas sólo si favorecen los propios intereses, los actos correctos o incorrectos carecen de valor, todo se fundamenta en la búsqueda del bienestar personal. Esto refleja que en el contexto familiar las decisiones son tomadas pensando individualmente, son egoístas y egocéntricas, no tienen en cuenta el bienestar común de la familia ni los vínculos afectivos, siempre y cuando prevalezca su conveniencia.

Asimismo se encontró un gran porcentaje de personas que toma decisiones según los parámetros del estadio 3 (25.0%), movidos por el deseo de agradar, y por cumplir con lo que se espere de ellas, demostrando así que los individuos se forman bajo el ideal que lo socialmente establecido es visto como correcto, y por lo tanto no actúan por convicción sino basados en “el qué dirán”.

Adicionalmente, en la toma de decisiones, el menor porcentaje, corresponde al estadio número 6 (3.5%), de lo que se infiere, nuevamente, que es mínimo el número de personas capaces de alcanzar este nivel de desarrollo moral, en el cual se acepta el hecho de quebrantar la ley si esta atenta contra algún principio ético, como el de la dignidad humana.

Tabla 8: Estadio Dilema 1

		Frecuencia	Porcentaje	Porcentaje Válido	Porcentaje Acumulado
Válidos	1	68	19.8	19.8	19.8
	2	94	27.3	27.3	47.1
	3	86	25.0	25.0	72.1
	4	57	16.6	16.6	88.7
	5	27	7.8	7.8	96.5
	6	12	3.5	3.5	100.0
	Total	344	100.0	100.0	

Esta tabla presenta una ilustración acerca de la ubicación de la muestra en cada uno de los estadios morales con respecto al dilema 1, es decir el dilema correspondiente a las decisiones dentro del ámbito familiar. En ella se observa la distribución cuantitativa de la muestra en cada estadio moral.

Dilema 2: Toma de Decisiones en el Ámbito Social

De igual forma, se preparó una tabla para la ubicación correspondiente al Dilema dos, considerando los resultados proyectados y consiguiendo una ubicación individual.

Tabla 9: Estadio Dilema 2

		Frecuencia	Porcentaje	Porcentaje Válido	Porcentaje Acumulado
Válidos	1	53	15.4	15.4	15.4
	2	60	17.4	17.4	32.8
	3	79	23.0	23.0	55.8
	4	54	15.7	15.7	71.5
	5	33	9.6	9.6	81.1
	6	34	9.9	9.9	91.0
	7	31	9.0	9.0	100.0
	Total	344	100.0	100.0	

Esta tabla presenta una ilustración acerca de la ubicación de la muestra en cada uno de los estadios morales con respecto al dilema 2, es decir el dilema correspondiente a las decisiones dentro del ámbito social. En ella se observa la distribución cuantitativa de la muestra en cada estadio moral.

En este campo la mayor parte de las personas toma decisiones según las características del estadio 3 (23.0%), es decir, se deja llevar por los demás, las tendencias del momento, los medios masivos de comunicación, y los valores de grupo; considera correcto lo que gusta y es aceptado por los otros. En consecuencia no desarrollan un criterio propio ya que siempre están en función de las expectativas que los demás tengan de ellos, no son tolerantes ante hechos o situaciones que no estén dentro de las normas preestablecidas por el grupo al cual pertenecen.

También se encontró un porcentaje significativo ubicado en el estadio 2 (17.4%), donde predominan los argumentos de conveniencia personal y que satisfacen su propio interés. Esto significa que las personas no piensan en el bienestar común y muchas veces realizan actos que van en contra de la sociedad justificados en la consecución de la prosperidad individual.

A diferencia del ámbito familiar, en el ámbito social la menor incidencia para la toma de decisiones corresponde a las personas que no tienen definido un estadio de desarrollo moral (9.0%), lo cual indica que en este contexto las personas tienen un perfil moral establecido e inclinan sus elecciones bajo los parámetros del mismo.

Dilema 3: Toma de Decisiones en el Ámbito Profesional

Finalmente, según los resultados obtenidos y la ubicación por persona correspondiente al Dilema tres, se organizó la siguiente tabla.

Tabla 10: Estadio Dilema 3

	Frecuencia	Porcentaje	Porcentaje Válido	Porcentaje Acumulado
Válidos	1	30	8.7	8.7
	2	106	30.8	39.5
	3	116	33.7	73.3
	4	46	13.4	86.6
	5	28	8.1	94.8
	6	5	1.5	96.2
	7	13	3.8	100.0
Total	344	100.0	100.0	

Esta tabla presenta una ilustración acerca de la ubicación de la muestra en cada uno de los estadios morales con respecto al dilema 3, es decir el dilema correspondiente a las decisiones dentro del ámbito profesional. En ella se observa la distribución cuantitativa de la muestra en cada estadio moral.

En el contexto profesional la mayor tendencia para la toma de decisiones está orientada hacia la aprobación de las demás personas, lo cual corresponde al estadio de desarrollo moral número 3 (33.7%), indicando esto una predisposición a actuar para satisfacer las percepciones de los demás, dejando a un lado las propias. Muchas veces se cohiben de realizar innovaciones o dar rienda suelta a sus ideas, por sentir que no tendrán la aceptación de sus jefes o subalternos, perdiendo la oportunidad de impulsar nuevos y rentables proyectos.

Por otro lado el estadio bajo el cual se ubicó la minoría de personas fue el número 6 (1.5%), en el cual la justicia, la dignidad y los derechos humanos están por encima de las leyes, concluyendo que en el ámbito laboral las personas no piensan en el bienestar común ni individual sino en seguir las políticas establecidas por la empresa y cumplir con las expectativas de los otros.

CONCLUSIONES

Según los resultados obtenidos se puede concluir que al momento de tomar las decisiones en las empresas y más aún las relacionadas con el área financiera, las personas que tienen gran influencia en esta y de las cuales va a depender la trascendencia de dicha decisión, no se encuentran lo suficientemente desarrolladas en el ámbito moral.

Se puede llegar a esta afirmación debido al análisis realizado el cual refleja que las decisiones son tomadas con base en el interés propio y en las expectativas que los demás tengan de la persona, correspondiente a los estadios 2 y 3 de moralidad de Kohlberg.

Además se encontró que según sea el ámbito de influencia las personas se enfocan en perspectivas diferentes al momento de tomar decisiones diferenciando los criterios familiares, sociales y laborales.

Por el contrario, no existe ningún tipo de incompatibilidad sustancial al analizar variables en las empresas por tipo, es decir, sin importar si es una empresa comercial, industrial o de servicios; lo verdaderamente relevante son las variables de la persona en si y no al sector al cual pertenezca.

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IMPACTO DEL CAPITAL HUMANO EN LA GENERACIÓN DE VALOR ECONÓMICO EN UNA ORGANIZACIÓN

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RESUMEN

Hoy en día resulta que las organizaciones pueden alcanzar mayor valor en relación a sus activos intangibles en comparación a sus activos físicos invertidos en infraestructura, por ello la investigación trata la conexión de causa y efecto entre esos activos intangibles, el capital humano y la generación de valor económico en una organización utilizando para ello la creación de un modelo basado en el cuadro de mando integral, tomándolo en consideración desde el punto de vista de la economía así como desde la administración de los recursos humanos. Por lo que se trata de transformar a un recurso intangible en un activo tangible que tenga sentido desde el punto de vista del costo y de inversión, donde se trata de cambiar el enfoque del gasto o del costo hacia la inversión considerando al capital humano como un activo determinando cuando y en que circunstancias este genera valor económico a la entidad y como este puede ser fuente de ventaja competitiva. Asimismo, para establecer la consecuencia entre el capital humano y la generación de valor económico en una entidad demostrando su impacto en la productividad, que permita la medición del capital humano a través de una metodología de evaluación de gestión.

PLANTEAMIENTO DEL PROBLEMA

El trabajo tiene como finalidad el establecer la consecuencia entre el capital humano y la generación de valor económico en una entidad demostrando su impacto en la productividad a través de la construcción de un modelo basado en el cuadro de mando integral, que permita la medición del capital humano a través de una metodología de evaluación de gestión. Se trata de transformar a un recurso intangible en un activo tangible que tenga sentido desde el punto de vista del costo y de inversión, donde se trata de cambiar el enfoque del gasto o del costo hacia la inversión considerando al capital humano como un activo determinando cuando y en que circunstancias este genera valor económico a la entidad y como este puede ser fuente de ventaja competitiva. Lo que explica por qué un individuo con experiencia gana más que uno sin ella, y lo que explica por qué un médico gana mucho más que una secretaria, o un joven sin educación, no es simplemente "la productividad marginal del trabajo". Lo que hace que la diferencia de ingresos se haga más grande entre el que simplemente hace un "trabajo", y el que posee "capital humano" y lo combina con su trabajo, y con el capital físico, es el "rendimiento del capital humano invertido". Ahí es donde se encuentran los porque de "invertir" en educación y en experiencia para incorporar valor a una entidad.

REVISIÓN LITERARIA.

Existen 3 tipos de inversión en gente que conforma al capital humano (Peters Lawrence y O'Connor Edward 1980) y son: La inversión en conocimiento, La motivación y la oportunidad. La teoría del capital humano sugiere que el individuo y la sociedad deriven beneficios económicos para la propia inversión de la gente. (Sweetland Scott, 1996) Youndt Mark, Snell Scott, Dean James, Lepak David (1996) nos comentan que para la microeconomía la teoría del Capital Humano sugiere el poseer técnicas específicas, conocimiento y habilidades que puedan darle un valor a las firmas. Desde que las compañías invirtieron en sus empleados para mejorar sus técnicas, conocimientos y habilidades, pudieron cuidar de ambos, tanto de sus bolsillos como de los empleados y los costos fueron más justificados. (Youndt Mark, Snell Scott, Dean James, Lepak David; 1996). Según Suhail Zidan 2001, en su obra "La economía y el Capital

Humano” son dos teorías las que han llegado a ser ingredientes fundamentales de la Administración de los Recursos Humanos en teoría y prácticas. Sin embargo Swanson (1990) divide el contenido de los Recursos Humanos en 2 componentes los cuales son: Desarrollo Humano (Psicología y Educación) y Capital Humano (Administración y Economía). Todo ello nos sugiere que el concepto de capital humano se puede estudiar desde dos ángulos como un tema de que tiene que ver con la administración de los recursos humanos o bien como un concepto relacionado con el ámbito económico y financiero de ahí que sea necesario contemplar ambos aspectos aparentemente disociados uniéndolos a través de la construcción de un modelo basado en el cuadro de mando integral que nos ayude a comprender como el capital humano contribuye a la creación de valor económico en una entidad. El Capital Humano según Flores (2000) cuenta con distintas definiciones: "Es el conocimiento explícito o tácito, útil para la empresa que poseen las personas de la misma, así como su capacidad para regenerarlo" es decir, su capacidad de aprender. Es la base de la generación de los otros dos tipos de capital intelectual. Una forma de distinguir el capital humano es que la empresa no lo posee, no lo puede comprar sólo lo puede tener durante un periodo de tiempo (Nedrum Lars, 2001). Existió la perspectiva de compensación: en donde la empresa utiliza bonos, primas e incentivos para recompensar a los más trabajadores. Este fue el primer paso para reconocer en la gente una fuente de ventaja competitiva.

El capital intelectual se convierte en base de diferenciación a través de la cual una entidad adquiere valor. La cultura organizacional se desarrolla en la e influye en las habilidades y conocimientos del individuo quien cuenta con un nivel de capital humano que a su vez interactúa con la organización. La organización invierte en capital humano sobre todo en entrenamiento y educación como apalancadores de la productividad identificando el valor que se merece así como su uso adecuado (Brooking Annie, 1999). Capital intelectual es la combinación de activos intangibles que se manejan en una compañía los cuales tienen una función específica. "Con el termino capital intelectual se hace referencia a la combinación de activos inmateriales que permiten funcionar a la empresa". De acuerdo a Brooking Annie, (1999), los principales componentes del capital intelectual son: activos de mercado, activos propiamente intelectuales, activos centrados en humanos y activos de infraestructura. La dirección de una empresa tiene razón justificada al tratar de conocer el desenvolvimiento de los factores clave que afectan su productividad lo que ha dado origen a sistemas de información y de medición de los diferentes recursos con los que cuenta. El tratar de demostrar a los administradores o dueños de la entidad el valor económico de cada individuo resulta de gran interés. Generalmente en cualquier organización al momento de pensar en la reducción de gastos lo primero que se viene a la mente es la nomina sin considerar con verdadera reflexión el impacto que tiene el despido de gente en la perdida o creación de valor para una entidad, ya que lo que se piden son personas sin que prive de por medio una estrategia corporativa. La investigación ha demostrado repetidamente que después de efectuar despidos, el mercado puede responder con un aumento en el valor de las acciones.

Sin embargo, los inversionistas a menudo pierden con el tiempo estas ganancias e incluso aun más. Esta pauta no debería resultar sorprendente, ya que la gente es una fuente crucial de ventaja competitiva y no un lujo caro que debería minimizarse. En los estados financieros se muestran los activos, pasivos y capital, así como los ingresos y egresos que ha tenido una entidad sin embargo no se ve reflejado el valor intangible del capital humano que tiene una entidad. De hecho, la Norma Internacional de Contabilidad 38, define: Activos Intangibles como aquel que: " se caracteriza porque es un activo identificable, sin sustancia física y que se destina para ser utilizado en la producción o suministro de bienes o servicios, para arrendamiento a terceros o para fines administrativos". Los sistemas actuales de medición de gestión, se basan principalmente en aspectos contables y financieros, y miden deficientemente aspectos como la capacidad de innovación, el know how, y la lealtad de los clientes entre otros. Estos métodos tradicionales no toman en cuenta el valor de los recursos humanos y de los otros valores intangibles, como las competencias y habilidades de la organización, toman como aspectos aislados y no relacionados al recurso humano y al aspecto económico y financiero. Existe una estrecha relación entre el capital humano y los resultados financieros de una entidad que no es visible en la contabilidad tradicional. Es hasta ahora

que se empieza a entender el potencial que posee esta herramienta, pero lo realmente importante es la medición... Cuando podamos diseñar métodos de medición de activos intangibles con más precisión, los administradores, los accionistas y los dueños de las empresas empezarán a contemplar los parámetros del capital humano como otro indicador del valor económico de la empresa. En este sentido, se han realizado esfuerzos para medir el valor de los activos intangibles entre los que se encuentra el capital humano y estos se han ido incrementando en los últimos tiempos, los estudios se han centrado en diferentes formas de interpretación de ideas relacionadas con modelos para valorar, modelos para administrar y modelos para valorar y administrar a través de diferentes estudios entre los que destacan: Capital del conocimiento, Balanced Scorecard, Intellectual Capital audit, Human Resource costing accounting entre otros.

METODOLOGÍA DE LA INVESTIGACIÓN:

Ubicamos a la investigación como un estudio: Mixto ya que es un proceso que recolecta, analiza y vincula datos cuantitativos y cualitativos en un mismo estudio para responder al planteamiento del problema (Teddlie y Tashakkori, 2003; Creswell, 2005; Mertens, 2005; Williams, Unrau y Grinnell, 2005) que es el establecer la consecuencia entre el capital humano y la generación de valor económico en una organización, demostrando su impacto en la productividad a través de la construcción de un modelo basado en el cuadro de mando integral que permita la medición del capital humano a través de una metodología de evaluación de gestión. Se usan métodos de enfoque cuantitativo y cualitativo y pueden involucrar la conversión de datos cuantitativos en cualitativos y viceversa (Mertens, 2005). Asimismo, el enfoque mixto puede utilizar los dos enfoques para responder distintas preguntas de investigación de un planteamiento del problema. Nivel Exploratorio ya que el fin es familiarizarse con un tópico novedoso, el del capital humano y su medición e impacto en la generación de valor económico en una organización, el cual ha dado de que hablar en las últimas décadas de la misma manera se propone que la investigación pueda ayudar a desarrollar estudios mas profundos o bien otros ramales de conocimiento. Explicativo ya que se busca encontrar las razones o causas que provocan ciertos fenómenos y en que condiciones se dan.

RESULTADOS:

Se genero un modelo de doce pasos para implementar un cuadro de mando integral que relacione al capital humano con la generación de valor económico en una organización: 1 Estrategia empresarial claramente definida, 2 Alineación de la visión y misión organizacional con la visión y misión personal. 3. Crear la conciencia para que el capital humano se convierta en un activo estratégico. 4. Establecimiento de las perspectivas financieras, externa, interna y de conocimiento y aprendizaje tanto organizacional como personal. 5. Identificación de los factores críticos de éxito organizacional y personal. 6. Identificación de acciones de mejora personal que contribuyen al cumplimiento de los objetivos y al éxito organizacional. 7. Establecimiento de un mapa estratégico.

En donde se debe examinar con detenimiento los objetivos estratégicos y plantearse entre otras las siguientes preguntas: ¿Qué objetivos/metast/ resultados son críticos, ¿Cuales son los inductores de rendimiento para cada uno de los objetivos?, ¿Cuáles son las barreras que se interponen en la consecución de cada objetivo?, ¿Como necesitan comportarse los trabajadores para garantizar que la empresa consiga dichos objetivos?, ¿La función de recursos humanos esta aportando a la organización las competencias y conductas necesarias para conseguir los objetivos?, ¿De no ser así que debería cambiar? Una vez que se tiene una buena visión de la cadena de valor de la entidad, se debe trasladar la información a un modelo conceptual, utilizando para ello un lenguaje sencillo y apoyándonos en graficas que se consideren adecuadas para la organización. 8. Formulación de los indicadores de negocio relacionados con las perspectivas financieras, externa, interna y de conocimiento y aprendizaje. 9. Vinculación entre los indicadores de causa y efecto. 10. Identificar los productos del capital humano en el mapa estratégico. Para ello es necesario cuestionarse que productos del capital humano (tanto los inductores de rendimiento

como los posibilitadotes) apoyan el nivel de rendimiento que los módulos de la entidad describen en el mapa. Es necesario centrarse en conductas estratégicas que representan una función de competencias, recompensas y trabajo en la organización. Se debe describir como el capital humano se relaciona con la meta del proceso interno. Identificar las competencias de familias estratégicas en particular que resultan prioritarias para la ejecución de la estrategia, establecer un objetivo concreto a alcanzar y Calcular el grado de cumplimiento actual comparado con el objetivo planteado. 11. Diseñar el cuadro de mando estratégico. 12. Implementar un sistema de dirección a través de la medición.

CONCLUSIONES

Existe una disparidad entre los métodos de registro utilizados por la contabilidad tradicional que tienen su sustento en una normatividad que no reconoce la participación intangible de ciertos activos, mismos que generan riqueza, esto ocasiona que las entidades puedan perder valor al no determinar su inversión en capital humano. A través del modelo es posible relacionar la capacidad que tienen el capital humano y los demás activos intangibles en la generación de valor económico en una entidad, para ello es necesario reconocer la importancia de la estrategia corporativa, la que a su vez se vera reflejada en el valor de mercado de la acción el cual puede ser explicado a partir de su precio en libros más los componentes relacionados al capital humano, relacional y estructural, así como de la perspectiva de la economía, de la industria y de la empresa. El resultado preliminar de esta investigación arroja que los activos intangibles tales como el capital humano de acuerdo a los pasos que se mencionan anteriormente, pueden ser transformados en activos tangibles lo cual pasaría a ser parte de los estados financieros de la empresa por lo tanto se puede decir que interfiere en el valor económico de la acción de la misma. Se puede identificar en las entidades el uso que hacen de sus activos intangibles, de la misma manera que su inclinación al capital humano, al capital estructural, o bien al relacional, permitiendo mostrar a los inversionistas y analistas información para la toma de decisiones.

El modelo da la pauta para una perspectiva de largo plazo, mostrando las posibilidades futuras de beneficio de la empresa, desarrollando toda una estrategia a partir de los intangibles al tener una herramienta para su implantación, lo que garantiza la coherencia entre ésta y los indicadores definidos. Se puede Informar sobre la capacidad de la entidad de generar resultados sostenibles y de mejora continua. Se contribuye a la mejora de la competitividad de la entidad utilizando para ello el diagnóstico y la administración de sus elementos intangibles, que aunque no aparecen en los estados financieros tradicionales, contribuyen de forma significativa en la generación de resultados presentes y futuros, por lo que deben ser adecuadamente gestionados, permitiendo evaluar a través de medidas cuantitativas áreas que generalmente se evalúan en base percepciones (recursos humanos, gestión del conocimiento, relación con clientes), por lo que ofrece a los administradores una herramienta para evaluar su gestión. Se propone una metodología que permite desarrollar un diagnostico, identificando la causa a través de las herramientas de la teoría administrativa las posibles soluciones, indicando lo parámetros del antes y del después. A través del mapeo estratégico se demuestra el valor de las actividades y procesos con el consiguiente incremento del valor añadido. El modelo ayuda a identificar la diferenciación de la entidad mediante la gestión del conocimiento, dando pauta a desarrollar un lenguaje compartido entre la entidad y el individuo. Igualmente se puede establecer que mediante herramientas como el cuadro de mando integral y el enfoque sistémico se pueden crear estrategias para ir incrementando este valor tangible en aprovechamiento económico de la acción de la empresa. Por lo tanto, este tipo de procedimiento traerá mucha polémica para poder buscar la forma de establecer en qué parte de los estados financieros se puede cuantificar el capital humano, se puede concluir que en un futuro no muy lejano cuando este modelo se implemente en alguna empresa dará como resultado que el valor de la acción basado en una parte proporcional por el capital humano adquirirá mayor valor.

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MODELO DE GESTIÓN EDUCATIVO PARA LA VINCULACIÓN ENTRE LAS INSTITUCIONES DE EDUCACIÓN, LAS ORGANIZACIONES Y LAS POLÍTICAS GUBERNAMENTALES DE EMPLEO

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RESUMEN

El desarrollo económico de un país debe estar sustentado por una parte, en la capacidad de sus habitantes para responder a los retos del entorno con su mejor desempeño y por la otra, en el apoyo que les ofrezcan las instituciones, ya sean educativas, públicas o privadas. La inmensa problemática nacional presenta una serie de incongruencias, falta de comunicación, de información y gran desperdicio de recursos tanto materiales como humanos. Si se parte de un proyecto de nación en donde la educación sea el pilar del crecimiento económico, social y cultural del país para lograr la competitividad y participar de manera activa en la globalización, mediante un modelo educativo que se sustente en el Plan Nacional de Desarrollo, para que se tenga un crecimiento de acuerdo a sus áreas de oportunidad. En México se hace necesario la creación de una Comisión Tripartita (Instituciones de Educación, Organizaciones, Gobierno) cuyos objetivos primordiales serán regular el crecimiento del Estado basándose en las políticas gubernamentales de empleo y coordinar las actividades de las instituciones de educación con las necesidades laborales reales de las organizaciones, se tendrán los cimientos para construir un Modelo de Gestión Educativo que coadyuve al desarrollo económico de México.

INTRODUCCIÓN

Es bien sabido que la grandeza de un país se fundamenta principalmente en sus recursos naturales y su explotación racional, y en su defecto, como en el caso de Japón y de Islandia, en el desarrollo de sus recursos humanos, mediante un sistema integral de educación nacional. En México, contamos con abundantes recursos naturales, extensos litorales y todos los climas y ambientes, desde el desértico hasta el tropical, pero también tenemos una gran carencia en el rubro de la educación formal escolarizada, ya que sólo el 88 % de la población de 6 años y más, sabe leer y escribir con un promedio nacional de 8.2 años de escolaridad, por lo que de continuar a este ritmo se requerirán 49 años para alcanzar los 12 grados de escolaridad que actualmente tienen en promedio los países miembros de la OCDE.(2007) (Organización para la Cooperación y el Desarrollo Económico), de acuerdo a sus datos es decepcionante observar que el número de horas obligatorias programadas para los tres grupos de edades (de 7 a 8 , de 12 a 14 y de 15 años de edad), respecto al número de horas lectivas obligatorias previstas en instituciones públicas (2005), media anual de horas de enseñanza obligatoria programadas para los alumnos es mayor en México por aproximadamente 380 horas que el promedio de los países miembros de la OCDE, y que no obstante que los profesores mexicanos trabajan en promedio 550 horas mas al año que los maestros de la OCDE, por lo que el país haya obtenido el lugar número 48 de un total de 57 países participantes en el examen PISA (Programme for International Student Assessment) que determina, en estudiantes de 15 años, su habilidad para utilizar el conocimiento científico en la solución de problemas cotidianos, y su desempeño en lectura y matemáticas. Por otro lado, los estudiantes y profesores mexicanos tienen programadas en promedio 841 y 873 horas más al año respectivamente, que los finlandeses quienes obtuvieron el primer lugar con una puntuación de 562 de un total de 600. La calificación de México de 410 puntos nos coloca por debajo de Tailandia, Rumania y Montenegro. Lo anterior indica que para establecer la congruencia entre educación y desarrollo económico, se debe tomar como punto de partida

que toda política de empleo debe estar sustentada en los pilares de la educación, de manera tal que, se permita el libre crecimiento de un país, por lo que se hace necesario establecer los lineamientos de vinculación entre las Instituciones de Educación (IE), las Organizaciones (ORG) y el Gobierno (GOB). En términos generales, el Modelo Educativo de un país tiene por objeto la generación de la cultura, y la reducción del analfabetismo con la finalidad de lograr la formación integral de sus habitantes que permitan su desarrollo económico. Asimismo, las ORG, que son socialmente responsables de generar los empleos para abatir la pobreza del país, deben tomar en cuenta las políticas gubernamentales de empleo dadas en el Plan Nacional de Desarrollo (PND) con la intención de atraer la inversión para el crecimiento del país. Por lo tanto, el rol del Gobierno mediante el PND es establecer las políticas de empleo, basadas en el Modelo Educativo, de tal forma que cumplan con su responsabilidad social para el bienestar de la población y para el desarrollo del país, con el propósito de mejorar las condiciones de vida y tener una población altamente capacitada en los diferentes sectores productivos.

El Modelo de Gestión Educativo (MGE) que se propone en esta investigación, basado en la necesidad de la generación de empleos en el país, se apoyará en los Modelos Educativos de Alemania y de Islandia con las necesarias adecuaciones a las condiciones de México, y coadyuvará en el largo plazo, a la solución de la problemática nacional de educación, ya que a través de la creación de una comisión tripartita (CTP), integrada por representantes de las instituciones de educación (IE), de las organizaciones (ORG) y del gobierno (GOB), que permitirá la determinación y coordinación de las necesidades de desarrollo industrial, económico, de salud y de educación a nivel estatal y sectorial para que sean integradas en el PND, de tal forma que se tenga la disponibilidad de recursos, para su aplicación en los proyectos sectoriales y estatales. La estructura de la CTP estará enfocada hacia la creación del mecanismo de vinculación entre los participantes del estudio. El MGE, concluirá con la necesidad de identificar las debilidades educativas que tiene el actual Modelo Educativo Mexicano, que impide el adecuado crecimiento en la generación de empleos en el país. De lo anterior, se desprende la importancia de esta investigación para lograr un crecimiento educativo sustentable y que como consecuencia, se mantengan programas de educación continua que al beneficiar a los integrantes de este esquema de vinculación, fortalezcan el crecimiento del país.

REVISIÓN LITERARIA

Los desafíos a los que se enfrenta el mundo laboral se relacionan con los procesos de globalización productiva, con el avance de la información, con la necesidad de atender las demandas del cliente, con el cambio en los puestos de trabajo que exigen progresivamente más aptitudes y preparación específica, lo que se traduce en más y nuevas competencias. Los empleadores quieren profesionistas inteligentes, adaptables y flexibles que sepan enfrentar el cambio y la incertidumbre; que sepan trabajar en equipo, que demuestren habilidad para relaciones interpersonales, que se responsabilicen de su área de trabajo, que ejecuten las tareas con eficiencia y eficacia para aportar valor añadido a la organización, es decir, recursos humanos que colaboren en la transformación de la dinámica organizacional y aporten competencias cognitivas y de acción de alto nivel. (Ríos y Leyva, 2006). En general, las competencias asociadas al desempeño exitoso demandan capacidad de resolución de problemas, dominio de tecnologías de información, capacidad de trabajo en equipo, planeación y organización, capacidad de relaciones interpersonales, así como iniciativa, adaptabilidad y autonomía.

Dentro de este contexto, las competencias específicas se definen como las habilidades, conocimientos, actitudes, capacidades, valores, comportamientos y atributos personales, que se relacionan de forma causal con un desempeño exitoso de los individuos en su trabajo, funciones y responsabilidades, es decir, las competencias específicas existen como una característica subyacente relacionada causalmente con un estándar de efectividad o un rendimiento superior en un trabajo o situación. Adicionalmente, se ha identificado un conjunto de capacidades laborales que contribuyen al desempeño de un amplio grupo de empleos, siendo transferibles entre uno y otro, las cuales se denominan genéricas o competencias

transversales y que describen los comportamientos asociados a desempeños esperados por las compañías por parte de todos sus empleados, por ser consideradas claves para el alcance de su visión y misión. Las competencias transversales no están ligadas a una ocupación en lo particular, ni a ningún sector económico, cargo o tipo de actividad productiva, pero habilitan a las personas para ingresar al trabajo, aprender y mantenerse en él. Las universidades del país cuentan con estructuras y organizaciones tradicionales acordes con una visión fundamentalmente formadora de profesionales en las diversas disciplinas y áreas del conocimiento, donde la investigación en ocasiones responde más a las prioridades de los investigadores que a las del entorno o, inclusive, a las de la propia institución. (Alcántar y Arcos, 2004).

Esta visión de las universidades públicas ha respondido a las expectativas de la sociedad durante mucho tiempo. Sin embargo, sus formas de trabajo resultan rígidas para los nuevos requerimientos que la sociedad impone en la actualidad a las actividades de prestación de servicios, ya que la velocidad de respuesta de las Instituciones de Educación (IE) en muchas ocasiones no satisface a un mercado cada vez más demandante. A esto se suma la falta de comunicación e interacción entre las unidades académicas para trabajar en proyectos conjuntos, y la débil correlación de esfuerzos entre las funciones sustantivas de docencia, investigación y extensión de la cultura y los servicios, así como de la administración; no por la falta de voluntad, sino debido a inercias de trabajo y fines tradicionalmente separados unos de otros. Por lo tanto, ahora las IE deben mantener relaciones con todos los sectores sociales, sin identificarse con ninguno de manera exclusiva, ni ser manejadas por alguno de ellos. Así, sin enajenarse en el ámbito social, las universidades han de intervenir en la vida social con espíritu crítico y de manera positiva. Las funciones sustantivas de docencia, investigación y difusión se han de planear con miras a contribuir al desarrollo integral de la sociedad. (Martínez Rizo, 2000).

Las IE mexicanas han tenido como objetivo fundamental, el lograr la vinculación con la sociedad, específicamente con el sector productivo. Efectivamente, han celebrado una gran cantidad de convenios de colaboración, y aunque han creado costosas estructuras administrativas encargadas de esta función, y realizado foros, y debates, no se han logrado resultados significativos. (Campos, Sánchez Daza, 2005). Lo anterior obedece a una gran cantidad de razones, causas e inclusive pretextos, destacando de forma especial la desconfianza de los empleadores en relación a la calidad de los egresados en cuanto a su perfil profesional y competencias, distorsionado por planes de estudio obsoletos o inadecuados a la realidad del México actual. El fracaso de la vinculación de la educación superior no es un problema exclusivo de México, el mismo proceso o el mismo comportamiento se encuentra al menos en los países de América Latina: (Arozena y Sutz, 2001), en Argentina, sólo el 4% de las empresas de la muestra mencionan a las universidades como propiciadoras de ideas para la innovación, en Brasil, 8.3% de las empresas encuestadas declararon que la vinculación con la universidad fue importante para el desarrollo y logro de innovaciones, en Chile, 25% de las empresas declara haber realizado contratos con universidades; sin embargo, sólo el 3.7 % declararon el haber obtenido resultados satisfactorios, en México, los acuerdos de cooperación para proyectos innovadores solo alcanzaron el 6% de las empresas encuestadas en Venezuela, las vinculaciones con universidades son 3.5%, en Uruguay, de las asesorías contratadas con organismos públicos por el 27.2% de las empresas, correspondió a la Universidad de la República el 10% del total. Las cifras anteriores, contrastan dramáticamente, con los esquemas de vinculación entre las (IE) latinoamericanas y el modelo norteamericano, en el que algunas universidades operan con altos presupuestos derivados de los vínculos con empresas o fundaciones.

El uso frecuente y restringido del término vinculación, lo limita a las relaciones de las IE con industrias u otras empresas del sector productivo y en general, se enfatiza a la relación entre las IE e industrias, comercios y otras empresas de servicios, pre-ferentemente privadas (Martínez Rizo, 2000). Sin embargo, no deben perderse de vista otras dimensiones igualmente esenciales: las que se refieren al desarrollo social y político, al mejoramiento continuo de los sistemas tradicionales, y a la adecuada integración de valores y tradiciones locales (Alcántar y Arcos, 2004). Por lo tanto, es fundamental que cada IE tenga

claridad respecto a su responsabilidad social para que, en función de ello, se mantenga vinculada con la sociedad. De acuerdo con ésto, la vinculación de las IE con los sectores productivos debe contribuir: a la formación y actualización de alumnos y académicos; en la solución de problemas a nivel local, regional y nacional; en la formación pedagógica de la planta docente; en la innovación y mejora de los procesos que tienen lugar en ambas partes (ANUIES, 2000). El objeto de la vinculación se entiende como la orientación, retroalimentación y establecimiento de programas de formación de recursos humanos e investigación científica, es decir, como un proceso viable para fortalecer el desarrollo académico (Pallán, 1997). El mercado de trabajo de México es altamente heterogéneo, en el que de una fuerza laboral de casi 38 millones de personas (The World Factbook, 2007) aproximadamente el 50% desarrollan actividades dentro del sector informal. Por otra parte, el país experimenta flujos migratorios de carácter laboral en sentidos contrarios en las fronteras norte y sur y una salida anual de aproximadamente 200,000 personas en busca de trabajo a los Estados Unidos de América. El desempleo abierto, no constituye un indicador adecuado los desajustes entre oferta y demanda de trabajo, los cuales se reflejan más bien en el crecimiento del fenómeno de la informalidad. Históricamente las actividades industriales y de servicios urbanos han absorbido a una parte importante de la oferta laboral y a trabajadores del campo, sin embargo, recientemente se convirtieron en áreas de desalojo de mano de obra ocasionando que el liderazgo en la creación de empleo formal lo tomaran las ramas vinculadas a la maquila, así como otras actividades de exportación y los servicios, a pesar de lo cual, persiste un vasto universo de informalidad, precariedad, atraso y pobreza, definiéndose ésta última como “la condición humana caracterizada por la carencia crónica de los recursos, capacidades, seguridad y poder necesarios para el disfrute de un adecuado nivel de vida y otros derechos civiles, culturales, económicos políticos y sociales”(UNESCO, 2006).

CONCLUSIONES

Es conveniente destacar que el tema de estudio está en desarrollo y que el Modelo de Gestión Educativo que se propone, se basará en el Sistema Educativo Alemán, que presenta múltiples ventajas en cuanto al proceso de selección de los educandos con el objetivo de optimizar la eficiencia terminal de las IE y que obviamente se adaptará a las necesidades educativas de México para que permita un crecimiento sustentable de la educación, con la finalidad de mejorar la calidad de vida de la población y coadyuve a la formación de profesionistas que satisfagan las necesidades laborales reales de las ORG y se apoyen las políticas gubernamentales de empleos. Asimismo, se enfatizará la importancia de la CTP estatal en los sectores productivos al incidir en los planes estatales de educación y desarrollo, mismos que a través de la CTP nacional serán el sustento del Plan Nacional de Desarrollo.

Como conclusión, se puede decir que la vinculación es un fenómeno social y humano, pues es una actividad transformadora e integradora que forma parte del proceso de cambio del siglo XXI, que permite a las IE interactuar con su entorno, coordinando eficiente-mente sus funciones de docencia e investigación con los sectores productivo y social en acciones de beneficio mutuo, favoreciendo su posicionamiento estratégico (Gould, 2001). Como consecuencia de la inadecuada vinculación, entre las IE, las ORG y el GOB, ocurre con mucha frecuencia que cuando alguien se inscribe en una IE y se prepara con ahínco para ingresar al campo elegido para su desempeño profesional, se encuentra con una barrera que impide su acceso al mercado laboral, ya que acuerdo con las cifras proporcionadas por la Secretaría del Trabajo y Previsión Social (STPS, 2007), aproximadamente entre el 60 y 63% de los egresados de las IE no cumplen con los requerimientos o necesidades específicas de las organizaciones y, por lo tanto, no trabajan en la profesión estudiada, por ejemplo, abogados que venden seguros de vida, ingenieros que sólo dan clases de matemáticas, médicos que venden bienes raíces, etc. De acuerdo con la misma fuente, se ha detectado que existe un superávit o excedente de profesionistas en las siguientes carreras: Administración; Derecho; Contaduría; Ingeniería Industrial; Psicología; Medicina; Ing. en Sistemas Computacionales; Ciencias de la Comunicación; Arquitectura e Informática. La sobrepoblación de contadores en México afecta ahora a los profesionales con bajos niveles salariales y con subempleo en

por lo menos tres de cada 10 egresados. Lo anterior constituye ya no un síntoma de una situación anómala, sino más bien un problema grave, ya que apunta a la existencia de una brecha entre el perfil profesional y las capacidades de los estudiantes que egresan de las IE, el perfil requerido por las ORG y la participación del gobierno en la generación de empleos, ya que la política gubernamental de empleo afecta en gran medida la planeación y estructuración de las carreras profesionales, puesto que éstas deben estar de acuerdo con la determinación de las necesidades nacionales realizada por el Estado, en función de sus políticas de desarrollo, presupuesto dedicado a la educación, y los requerimientos de inversión en los tres niveles de gobierno. Sin embargo, el problema tiene raíces aún más profundas, porque no solo se trata de obtener diagnósticos de las necesidades de las empresas (ORG) o de la capacidad de las IE para formar profesionistas que resuelvan la problemática de las ORG o de la dirección del estado (GOB) que considere formalmente las propuestas de los gobiernos estatales, al menos en lo que respecta a la educación en términos de los sectores productivos y a la vocación estatal, para que se canalicen recursos para el apoyo a los programas de desarrollo y generen incentivos para promover la inversión. La problemática detectada está relacionada directamente con la deficiencia de los esquemas de vinculación que carecen de los adecuados canales de información entre los tres entes del estudio, y al hecho incontrovertible, de que en muchas ocasiones se les da un cariz político que entorpece su propósito fundamental.

Otra consecuencia negativa de los esquemas actuales de vinculación está relacionada con el diseño y actualización de los perfiles profesionales de los egresados de las IE que por falta de dirección, comunicación y congruencia entre las IE, las necesidades laborales de las ORG y las políticas gubernamentales de empleo del GOB, obligan a los empresarios a establecer programas de capacitación internos y externos para sus empleados que aunque son egresados de escuelas profesionales, en muchas ocasiones no cuentan con las capacidades y/o habilidades requeridas para el desempeño de las funciones para las que fueron contratados. En apoyo a lo anterior, la STPS estima que alrededor de 83 mil profesionistas, al concluir sus estudios, no encuentran un empleo en el corto tiempo debido a que no cuentan con una referencia de lo que son los problemas reales de su profesión en un empleo.

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ESTRATEGIAS ADMINISTRATIVAS PARA OBTENER VENTAJAS COMPETITIVAS EN CENTROS HOSPITALARIOS

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RESUMEN

Esta investigación examina las estrategias utilizadas por los centros hospitalarios para proporcionar servicios óptimos que permitan la total satisfacción del cliente. En este estudio se enfatizan las estrategias utilizadas por los hospitales pequeños y medianos de la industria hospitalaria sobre la base de las cinco dimensiones de Berry. El objetivo fundamental de la investigación planteó determinar si existe una estrategia de servicio que permitiese crear ventajas competitivas a los centros hospitalarios. La revisión de literatura permite determinar que existe muy poca evidencia empírica respecto al análisis de las ventajas competitivas que llevan a un hospital sobresalir respecto a su competencia. Los resultados de este estudio descriptivo exploratorio sugieren que la dimensión de confiabilidad es el elemento fundamental por el cual los pacientes prefieren un hospital en particular. Asimismo recomendaciones para futuras investigaciones respecto a estrategias de calidad en el servicio son planteadas. Los resultados de la investigación tienen validez para los especialistas en ampliar el tema de las prácticas administrativas dentro de hospitales de salud. Considerando que la investigación se realizó en una sola ciudad en México, los resultados obtenidos no se pueden generalizar para todos los centros hospitalarios en el país y el mundo.

INTRODUCCIÓN

El objetivo de la investigación es comprender desde una perspectiva descriptiva, la relación existente entre las prácticas administrativas y la competitividad de los centros hospitalarios. En el medio ambiente de la salud, existe un gran interés en las estrategias administrativas que llevan a cabo los hospitales médicos para obtener ventajas competitivas sobre sus competidores. Este interés surge tanto de la sociedad en general como de las entidades de gobierno y como de los mismos hospitales. Mientras la sociedad y el gobierno se mantienen preocupados por la cantidad de dinero que se gasta en los servicios de salud, los centros hospitalarios se preocupan por mantenerse competitivos en el mercado, a la vez que continúan brindando los servicios necesarios.

Aunque mucho se ha escrito sobre el tema de las ventajas competitivas, la mayoría de las veces se aborda el concepto en forma poco clara. La falta de precisión y definición del concepto lleva a definiciones imprecisas, donde los objetos de discusión son diferentes y que se convierten en un riesgo del análisis empírico ante el riesgo de hacer imposible su tratamiento. La revisión de literatura muestra que ésta es entendida desde dos perspectivas: una que indica que la competitividad es realmente productividad y otra que indica que es rentabilidad. La rentabilidad le proporciona a las organizaciones los recursos necesarios para funcionar y generar ganancias a los accionistas o dueños.

Los recursos de los hospitales son organizados alrededor de los pacientes, más que entorno de diferentes departamentos especializados. Donabedian (1966), propuso un modelo ampliamente aceptado para evaluar los centros hospitalarios sobre la base de tres campos distintos: estructura, procesos y resultados. La estructura es el medio ambiente por el cual los hospitales se manejan; el proceso es el método por medio del cual el centro hospitalario brinda el servicio; los resultados son el producto de los servicios brindados. La evidencia empírica muestra que prestar servicios con niveles altos de calidad confiere a las

empresas una ventaja competitiva, caracterizada por la obtención de ganancias sustantivas. Estos beneficios incluyen la disminución de costos, la expansión de publicidad favorable por los mismos clientes, el incremento en la participación de mercado, la facultad para cobrar precios más altos y la estimulación de la lealtad (Zahorik & Rust, 1992; Rust, Zahorik y Keiningham; 1995). El problema es que estos factores no siempre se convierten en ventajas competitivas para los centros hospitalarios.

En la práctica se dice que una organización tiene una ventaja competitiva, cuando tiene o se encuentra implementando una estrategia de creación de valor que simultáneamente nadie de sus competidores se encuentra llevando a cabo al mismo tiempo (Barney, 1991). Las ventajas competitivas están compuestas por los valores relativos de la organización que han sido producidos con sus recursos y costos relativos de producir ese valor (Hunt, 2000).

Michael Porter de la universidad de Harvard ha realizado una extensa investigación sobre el concepto de ventaja competitiva en el mundo de los negocios. Los centros hospitalarios como todos los mercados se desarrollan cuando los clientes perciben para un conjunto de bienes y servicios. En la primera etapa de un nuevo mercado, un bien o servicio tiene pocos competidores, las etapas iniciales de creación de la demanda, están en proceso y usualmente los costos de entrada son altos. En este estudio, lo que se pretende es establecer las ventajas competitivas que posee un centro hospitalario, en un mercado en que los costos se reducen y fuerzan a sus operadores a diferenciar su producto.

REVISIÓN DE LITERATURA

Estrategia es el vacío entre misión y visión, entre el estado actual y el estado deseado. Las estrategias efectivas deben ser diseñadas de manera que las metas organizacionales puedan ser alcanzadas en el tiempo. En un medio altamente competitivo de los centros hospitalarios tener una excelencia operacional simplemente resulta insuficiente como una estrategia. Las estrategias efectivas necesitan considerar los recursos y capacidades de las organizaciones, así como el medio ambiente dentro de la sociedad en que se encuentra inmersa (Porter, 1996).

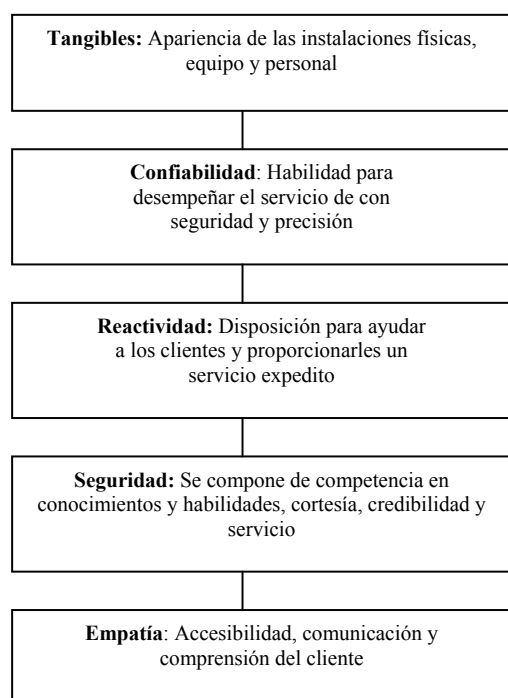
A partir de la revolución industrial, las sociedades occidentales se han definido a ellas mismas como sociedades industriales. La evidencia señala, sin embargo, que los servicios desde hace mucho se han desplazado al centro de la actividad económica. A decir de Giarini (1991) “en la actualidad cualquier clase de producto que no se vale de la función de servicios no está, sencillamente, en condiciones de ser usado o al menos producido. Los productos de cualquier tipo sólo pueden existir económicamente a través de un sistema de servicios”. En México, el 40% de las unidades económicas y el 50% del personal ocupado se localizan en el área de servicios; éste es también el sector con más crecimiento (INEGI, 2008). En el mismo sentido, la economía de servicios representa el 58% de la producción bruta del planeta (Cronin & Taylor, 1992).

A pesar de ello, incluso con toda la evidencia estadística y empírica acerca de su importancia, los servicios son un factor administrativo muy mal comprendido, mal medido y mal administrado (Henkoff, 1994). A pesar de que la construcción de la riqueza de las naciones y las empresas ya no pertenece al campo de la administración de los activos físicos (Anderson & Fornell, 2000), las prácticas gerenciales más comunes están ancladas a los postulados de la era industrial (Henkoff, 1994). En una economía de servicios, la productividad es una función del desempeño (Giarini, 1991) mientras que en una economía industrial la estimación de la productividad se remite al cálculo de la capacidad de los factores para elaborar una cierta cantidad de objetos materiales en un período dado; desempeño que, por su evidente intangibilidad, no puede calibrarse con modelos y teorías desarrolladas para una economía industrial. De ahí la necesidad de desarrollar criterios, escalas e índices apropiados para los sistemas económicos actuales. Por su naturaleza abstracta, la calidad en el servicio es un constructo difícil de estimar (Cronin & Taylor, 1992); de ahí la necesidad de caracterizarla en forma de modelos. Uno de los primeros intentos

por construir una representación conceptual de la percepción de la ventaja competitiva fue el modelo de dos variables propuesto por Grönroos (1990). En éste se establece que los clientes evalúan la calidad de un servicio según sus percepciones del resultado del mismo agente técnico y la forma en que fue desempeñado, agente funcional. Este modelo prefiguraba los resultados obtenidos en investigaciones posteriores, que revelaron que la evaluación del servicio es, precisamente, un proceso multidimensional. Los clientes, entonces, no ven la calidad como un concepto unidimensional; sino como un conjunto de varios factores relacionados (Zeithaml, Bitner, 1996; Zeithaml, Parasuraman, Berry, 1992).

En el estudio más reconocido de esta materia, patrocinado a partir de 1983 por el Marketing Science Institute en Cambridge, Massachusetts, los académicos A. Parasuraman, Leonard Berry y Valarie Zeithaml identificaron buscando desarrollar un modelo conceptual diez dimensiones o criterios que los consumidores utilizan para juzgar las ventajas competitivas. Un refinamiento cuantitativo de éste hallazgo reveló una alta correlación entre algunas de estas variables, lo que condujo a su consolidación en cinco factores (Berry, 1996), los cuales se muestran en la figura 1:

Figura 1: Los Cinco Factores de la Creación de Ventajas Competitivas



Fuente: Berry (1996).

Estas dimensiones representan la forma en que los clientes organizan y dan significado, mentalmente, a sus impresiones acerca de la calidad en el servicio. De entre estos cinco, la confiabilidad destaca como el determinante primordial de las percepciones de los consumidores con respecto de la calidad en el servicio. La confiabilidad se denota como la habilidad del proveedor para proporcionar el servicio pactado, de forma confiable y precisa (Zeithaml, Bitner, 1996; Zeithaml, Parasuraman, Berry, 1990).

Se considera que ofrecer servicios de alta calidad brinda a las empresas ventajas estratégicas para competir en un medio ambiente cada vez más especializado (Cronin y Taylor, 1992). A diferencia de los nuevos productos, no resulta sencillo imitar la excelencia de un servicio. El grado o nivel de calidad de un servicio, depende de lo que el cliente espera o desea y de lo que percibe que recibe. Esta perspectiva de la calidad percibida del servicio se conoce como esquema de expectativa-confirmación, y es la base teórica

de la mayoría de las investigaciones relacionadas con la calidad en el servicio desde la década de los ochenta (Lovelock, 1997).

El propósito fundamental de este estudio fue evaluar las bases teóricas metodológicas de las ventajas competitivas que poseen los centros hospitalarios en Ciudad Juárez. El rol del administrador es un factor clave en el éxito de las estrategias que se lleven a cabo. La función principal es proveer dirección y conjuntar los compromisos de palabra en acciones reales. La responsabilidad de los administradores es crear un medio ambiente donde los empleados puedan desarrollar su trabajo y orgullo de trabajar en una empresa de excelencia organizacional. Esto permitirá establecer las estrategias adecuadas que garanticen ventajas competitivas a los centros hospitalarios.

METODOLOGÍA

Considerando el objetivo principal de la investigación, un estudio descriptivo exploratorio fue realizado. El enfoque es de tipo cuantitativo, para evaluar las actitudes de los clientes con respecto a las dimensiones de Berry. Los objetivos específicos de la investigación fueron identificar las características preponderantes que los clientes consideran para evaluar la calidad del servicio en centros hospitalarios.

También se pretende describir, los pasos que requiere la estrategia de servicio para satisfacer las necesidades de los pacientes. Se utilizó la investigación exploratoria, puesto que no existe ningún tipo de estudio anterior que sea específicamente para las necesidades que requiere la elaboración de este proyecto. Podemos decir, que la presente investigación, es de tipo exploratorio porque se necesita identificar que tipo de expectativa y necesidades tienen los clientes de centros hospitalarios en Ciudad Juárez, Chihuahua. Específicamente, para que de acuerdo a esto, se pueda crear la estrategia de calidad en el servicio correspondiente. Además de identificar las fortalezas y debilidades de los competidores.

La investigación se llevo a cabo en cuatro etapas, la primera etapa de la investigación, con el objeto de responder a los objetivos, se consideró necesario un instrumento que permitiera medir las expectativas de los pacientes, se aplicaron cincuenta encuestas de incidentes críticos de manera individual a los clientes del hospital foco de estudio de la investigación, para identificar las expectativas de los clientes. La recolección de parte de los datos de la investigación consistió en la aplicación del método de incidentes críticos, como se mencionó anteriormente, que consistió en hacer dos preguntas.

La primer pregunta se refería a mencionar cinco aspectos positivos del servicio en los hospitales de Ciudad Juárez, Chihuahua. La segunda pregunta se refería a mencionar cinco aspectos negativos. Una vez elaborados los cuestionarios de incidentes críticos, fue necesario visitar distintos hospitales ubicados en Ciudad Juárez, Chihuahua. Asimismo algunos consultorios médicos, para que la información que se obtuviera fuera más representativa. Se aplicaron en total 50 cuestionarios del método de incidentes críticos. Una vez recopilada la información, se procedió a clasificar los datos arrojados en una hoja de calculo Excel, y se realizo la tabla de incidentes críticos, separando los aspectos positivos de los negativos y agrupando los distintos tipos de menciones en frases que fueran identificables con mayor claridad.

El método de incidentes críticos, es otro modo de enfocar la determinación de las exigencias y necesidades del cliente, consiste en obtener información de los clientes acerca de los incidentes actuales que ellos consideran que definen buenos o malos aspectos del servicio que han consumido. Estos incidentes definen las partidas de satisfacción, a su vez definen los requerimientos del cliente o dimensiones. La ventaja del método de incidentes críticos radica en la utilización que hace de los clientes para conocer los requerimientos de ellos mismos. Debido a ello, los clientes presentan una buena disposición para ayudar a entender estos requerimientos.

Un incidente crítico es un ejemplo de los desempeños de la organización desde la perspectiva de los clientes, es decir los incidentes críticos son aquellos aspectos del desempeño de la organización con los cuales los clientes tienen contacto directamente. El incidente crítico describe el desempeño positivo o negativo. Uno positivo es una característica del servicio o producto. Uno negativo es una característica del servicio o producto que provoca cuestionamientos en el cliente acerca de la calidad de la empresa. Un buen incidente crítico debe contar con dos características: debe ser específico y debe describir al proveedor del servicio en términos de comportamiento o describir al servicio o producto con adjetivos específicos, existen dos maneras de obtener incidentes críticos: la entrevista grupal y la individual, las cuales puede ser alguna de las técnicas antes descritas para la obtención de enunciados.

En estas entrevistas, el entrevistador debe preguntar a cada encuestado que describa de cinco a diez características positivas y de cinco a diez características negativas del servicio que recibieron en el hospital, estas características positivas y negativas constituyen los incidentes críticos que definen a la calidad del servicio como buena o pobre. Se debe obtener una lista de 50 incidentes críticos para que el método sea eficiente. En el método de recolección de datos existen varios métodos en los que los investigadores pueden obtener sus datos: Una muestra probabilística o una muestra no probabilística. Procedimientos de muestreos no probabilísticas, muestreo por conveniencia, muestreo por juicio, muestreo por cuota. El muestreo por conveniencia, se utilizó debido a que esta investigación es en parte exploratoria.

Cabe mencionar, que aunque el muestreo fue por conveniencia, se definió la población que se tomaría en cuenta y se aplicaron los cuestionarios en el lugar donde el cliente tenía o acababa de tener una experiencia en un hospital de la ciudad. La siguiente etapa, consistió en hacer una cita con los directores de dos hospitales competidores, para llevar a cabo el análisis (FODA), realizando una entrevista personal con los directivos de los mismos, elaborando una serie de preguntas, para evaluar las fortalezas, amenazas, oportunidades, debilidades de estos. Se procedió a realizar en una hoja de Excel el análisis Spot, para evaluar a los competidores. En esta misma etapa, se procedió a visitar el hospital y entrevistar al dueño, haciendo las mismas preguntas que al competidor, para poder realizar el análisis spot del mismo.

La información se procesó de la misma forma. La tercera etapa, de acuerdo a los resultados obtenidos de la investigación, se elaboró la estrategia de calidad en el servicio, de acuerdo al modelo presentado por Berry (1996), que consiste en la implementación de la estrategia de servicio por medio de la estructura, tecnología y el personal. Esto se llevó a cabo mediante la comparación del modelo a la empresa, y se realizó una descripción de la forma en como se podría competir en base a estos conceptos. En esta etapa, se describió con detalle, las especificaciones para lograr que la estrategia tenga éxito, de acuerdo a los resultados. La cuarta etapa de la investigación consiste en adaptar a la investigación los cuatro principios del servicio extraordinario: confiabilidad, sorpresa del servicio, equidad y recuperación del servicio.

En cada una de las etapas se describe la forma en como se podría adaptar de acuerdo al análisis de la empresa. En la etapa donde se describe la recuperación del servicio se elaboró un instrumento que permitió medir la calidad del servicio. Una vez implantada la estrategia, se elaboró el cuestionario sobre la base de los incidentes críticos y a las dimensiones de servicio. Este cuestionario constó de preguntas que fueron respondidas conforme a una escala de Likert, para facilitar la interpretación de las mismas. Se pretende describir los pasos más importantes en el caso de un hospital, los posibles métodos a seguir para la implantación de la estrategia planteada.

RESULTADOS

A continuación se analiza en la tabla 1 los resultados de los incidentes críticos así como su clasificación en las dimensiones sugeridas por Berry,(1996).

Tabla 1: Clasificación de los Incidentes Críticos en Centros Hospitalarios

Incidencia	Aspectos negativos	Clasificación	Incidencia	Aspectos Negativos	Clasificación
1	Falta de recepcionista	Bienes tangibles.	1	Aspectos positivos	Clasificación
1	Falta de amabilidad por parte de los médicos	Seguridad	1	Clinicas registradas	Otros servicios
1	Impuntualidad	Prontitud de respuesta	1	Ética	Confiabilidad
2	Demasiado tiempo de espera	Prontitud de respuesta	2	Personal de enfermeras capacitado	Seguridad
2	Falta de enfermeras especialistas	Seguridad	2	Equipo necesario	Bienes tangibles
2	Mala presentación por parte de médicos y enfermeras	Confiabilidad	2	Cuentan con farmacia	Bienes tangibles
2	Falta de comodidad en los cuartos	Confiabilidad	2	Buena atención en general	Empatía
2	Falta de ética	Empatía	3	Revisión constante por parte del personal	Pront. De respuesta
2	Escasez de sangre	Confiabilidad	3	Atención inmediata	Confiabilidad
3	Ambulancias propias del hospital	Confiabilidad	4	Buena ubicación	Bienes tangibles
3	Falta de rampas	Confiabilidad	5	Confianza hacia el medico	Confiabilidad
3	Mala alimentación	Seguridad	5	Precios accesibles	Otros servicios
3	Falta de servicios	Confiabilidad	5	Amabilidad	Empatía
3	Incumplimiento de lo prometido	Confiabilidad	5	Horario 24 horas	Prontitud de respuesta
3	Prepotencia	Empatía	6	Instalaciones adecuadas	Bienes tangibles
3	Discriminación	Empatía	6	Buena alimentación	Seguridad
5	Mala atención por parte de los médicos	Empatía	7	Médicos capacitados	Seguridad
5	Falta de comunicación medico paciente	Confiabilidad	8	Médicos especialistas	Seguridad
5	Mala atención en general	Empatía	9	Buen trato por parte de los médicos	Empatía
7	Falta de farmacias	Bienes tangibles	9	Buen trato por parte de las enfermeras	Empatía
7	Falta de información medico-paciente	Confiabilidad	9	Servicio de urgencias	Confiabilidad
8	Falta de higiene	Confiabilidad	12	Higiene en las instalaciones	Confiabilidad
10	Malas instalaciones	Bienes tangibles			
10	Falta de equipo necesario	Bienes tangibles			
11	Costos elevados	Otros servicios			
11	Falta de personal capacitado	Seguridad			
12	Falta de personal	Confiabilidad			
15	Falta de médicos especialistas	Seguridad			
16	Mal carácter por parte del personal	Seguridad			
18	Equipamiento del área de urgencias	Confiabilidad			

Los resultados de la tabla 1 permiten identificar los aspectos siguientes:

Elementos de la confiabilidad: dentro de los aspectos negativos podemos ver que la que obtuvo mayor importancia es el incidente crítico “Equipamiento del área de urgencias” lo que indica que la mayoría de los hospitales de Ciudad Juárez, carecen de ésta, provocando que los clientes no obtengan la capacidad de recibir el servicio prometido. De los aspectos positivos de la confiabilidad se analiza, que para los clientes lo más importante es la higiene, dándole un alto valor, pues esto asegura que los hospitales de Ciudad Juárez, ofrecen la higiene esperada por los pacientes. También se puede observar que para ellos es importante que se preste el servicio de urgencias pues tiene un valor significativo, por lo que se puede mencionar que para los clientes de los hospitales, es importante que existan dichos factores para llegar a obtener el servicio prometido y confiable.

Elementos Tangibles: dentro de los aspectos negativos de los bienes tangibles que los clientes de los hospitales de Ciudad Juárez, Chihuahua, indican que carecen de equipo necesario y cuentan con malas instalaciones, provocando que los clientes no reciban alta calidad en el servicio. Dentro de los aspectos positivos de bienes tangibles, las instalaciones adecuadas cuentan con un alto nivel de importancia sobre los criterios de elementos tangibles, dado que a la población que se le aplicó las encuestas, considera que las instalaciones de algunos hospitales ubicados en Ciudad Juárez, cuentan con instalaciones aceptables y adecuadas para sentirse cómoda y recibir el servicio esperado.

Elementos de prontitud de respuesta: el incidente crítico “Demasiado tiempo de espera”, obtiene mayor valor, indicando que los clientes reciben demasiado tiempo de espera cuando se les ofrece el servicio en el sector salud, provocando la insatisfacción de los clientes. Aspectos positivos de prontitud de respuesta, las entrevistas de incidentes críticos otorgan un valor significativo para el factor horario de 24 horas, lo que indica que para los clientes es importante este servicio, y con los resultados se demuestra que el cliente está satisfecho al recibir este servicio, pues es importante dentro del sector salud contar con un servicio que ofrezca a cualquier hora y en cualquier día.

Elementos de Seguridad: dentro de los aspectos negativos de la seguridad los resultados muestran, que para los clientes se encuentra el mal carácter por parte del personal de las enfermeras, lo cual da un alto nivel de importancia a este criterio, representando la falta de seguridad para los encuestados, los conocimientos y atención mostrado por las enfermeras y sus habilidades para inspirar credibilidad y confianza. Aspectos positivos de la seguridad nos dan el resultado con un valor significativo, se registró que para los clientes es importante recibir el servicio del sector salud de médicos especialistas, creando credibilidad y confianza por parte de los consumidores de dicho servicio. Se percibe también que con un valor representativo se encuentran los médicos capacitados, pues para los clientes es importante que los que ofrecen el servicio de salud constantemente sean capacitados en sus áreas de conocimiento.

Elementos de Empatía: dentro de los aspectos negativos de la empatía los resultados nos muestran que se encuentra la mala atención del personal, pues en la mayoría de los hospitales de Ciudad Juárez, Chihuahua, el personal ofrece sus servicios sin el adecuado trato al cliente, lo cual hace que los clientes se sientan mal, señalando que en algunos hospitales, no se les ofrece una atención cordial, al contrario, reciben un mal servicio, lo que ocasiona, que el cliente se sienta insatisfecho con el servicio que se le está prestando.

Aspectos positivos de la Empatía. Dentro de los aspectos positivos, uno de los más importantes es el buen trato por parte de los médicos; para los clientes recibir un buen trato por parte de los médicos y de las enfermeras los hacen sentir a gusto, agradecido por el servicio amable y cordial que le ofrece el personal del hospital, pues reciben una atención personalizada que otorga empatía, haciéndolos sentir bien y a gusto con el servicio.

De los resultados observados en otros servicios se encuentra el precio accesible en estos resultados se analizan los precios accesibles, considerando como un incidente que tiene un valor significativo para los clientes en el sector salud, pues para ellos es primordial recibir un servicio de alta calidad a un precio accesible.

Aspectos negativos de otros servicios. Otros servicios en este resultado, se puede observar que para algunos clientes, los costos elevados representan un aspecto negativo, pues en muchos hospitales, se ofrecen servicios a costos elevados, lo que ocasiona que los clientes se sientan insatisfechos, pues la situación ideal es recibir un servicio con calidad a un precio accesible.

Análisis de fortalezas y debilidades: una vez procesada la información, se presenta el análisis de los resultados que provienen de las encuestas del método de incidentes críticos aplicados a los clientes de los hospitales de Ciudad Juárez Chihuahua. Se obtuvo una calificación del análisis de fuerzas y debilidades de la empresa competidora de 2.25 lo que representa que esta por arriba de la empresa a la que nos estamos enfocando, también señalando que se encuentra por arriba del promedio convencional señalado por los especialistas en planeación estratégica. Finalmente con este análisis se puede concluir que el concepto básico e importante para los clientes es la confiabilidad.

CONCLUSIONES

A través de los resultados obtenidos de la investigación realizada en los hospitales de Ciudad Juárez, se encontraron aspectos cruciales que se analizaron y se presentaron con mayor importancia. Dentro de estos aspectos cruciales se encuentran las cinco dimensiones del servicio extraordinario: Confiabilidad, Seguridad, Tangibles, Empatía, Reactividad. Basándose en los resultados obtenidos se observó que la dimensión de confiabilidad obtuvo mayores puntuaciones, lo que significa, que esta representa valor significativo para los clientes de los hospitales de la ciudad. Con la información que se obtuvo de se ayudara a la empresa a crear una estrategia de calidad en el servicio que contribuya a la mejora continua de la calidad y que de esta manera se logre la satisfacción de los clientes, creando así una ventaja competitiva.

Se puede decir que la confiabilidad crea en las personas un alto grado de expectativas a la hora de realizar la elección del servicio del sector salud. Actualmente, la preocupación esta enfocada a la creación de confiabilidad, pues los clientes exigen capacidad de recibir el servicio prometido con exactitud y seriedad, sin dejar de mencionar que es importante también las otras dimensiones, tomando en cuenta el bienestar del empleado a través de proveerle una justa remuneración, evaluando y reconociendo su esfuerzo y desempeño, y otorgando al cliente lo que requiere, satisfaciendo cada una de sus necesidades, pues a través del trato que los empleados den al cliente, este percibirá la calidad.

La necesidad de productos y servicios de calidad es algo bien comprendido y exigido por los clientes, por lo tanto, los enfoques que existían de calidad en el servicio se han ido modificando, ajustándose a las necesidades cambiantes del consumidor. En esta investigación el sector salud mostró una alta preocupación por desarrollar estrategias de calidad en el servicio dentro de sus organizaciones, por lo que nos enfocamos a iniciar la creación de una estrategia, que cumpla y satisfaga las expectativas de los clientes que hacen uso de este servicio en el nosocomio de la presente investigación.

El objetivo general de esta investigación es la creación de una estrategia de calidad en el servicio para la prestación de un servicio extraordinario en el sector salud. Es por ello, que la base de la investigación, resulto en analizar las expectativas de los clientes de los hospitales de Ciudad Juárez, además de analizar a la empresa en la que nos estamos enfocando y a sus competidores, con esta información se propone la implantación de una estrategia realizada para cumplir los mayores incidentes que se mencionaron en la investigación. Esta estrategia fue creada de acuerdo a cada sector de la organización que se puede aplicar, la investigación nos arroja que se debe poner énfasis en las personas que prestan el servicio.

Se identificaron modelos relacionados con estrategias de servicios, los cuales fueron analizados y estudiados, tomando como base el modelo para un sector extraordinario de Berry, pues dicho modelo toma como fundamento a la calidad del servicio sobre el cual se les ofrece valor a los clientes, siendo este la parte primordial de la estrategia. También damos a conocer por medio de la aplicación de encuestas de incidentes críticos los aspectos positivos y los negativos, siendo estos los atributos más importantes del servicio en un hospital para satisfacer y superar las expectativas de los clientes. Analizamos a uno de los competidores más fuertes de Ciudad Juárez, Chihuahua., por medio de una análisis (FODA) conociendo de esta manera los atributos mas importantes de los cuales son vulnerables dicho competidor. En el

análisis FODA se identificaron las fortalezas, oportunidades, debilidades y amenazas del hospital al que nos enfocamos y al mayor competidor, obteniendo resultados que nos llevan a identificar un marco de referencia para todas las inversiones encaminadas a mejorar el servicio.

Se resuelve uno de los problemas dando inicio el desarrollo de una estrategia de servicios por medio de la estructura, la tecnología y los empleados, creando alta calidad que influya directamente en el valor de un servicio al aumentar sus beneficios y disminuir molestias. Se propuso esta estrategia en base a las necesidades de los pacientes, de una manera fácil de entender y aplicable a todos los miembros de la organización, ofreciendo a los clientes un valor auténtico. La estructura y la tecnología son fundamentales para implementar la estrategia de servicio. Sin embargo, no permitir llegar muy lejos sin personas con la actitud, los conocimientos y las destrezas indispensables para convertir en realidad la estrategia. Los factores críticos para vincular la estrategia de recursos humanos a la estrategia de servicio son: reclutar y seleccionar personas inclinadas al desempeño, con una actitud de servicio, desarrollar sus capacidades, cultivar su libertad para actuar, orientarlas para que obren concertadamente, crear el clima propicio para el logro.

Los empleados son la compañía, en un hospital los pacientes tienen contacto directo con el personal y en la manera en que sean tratados es la manera en que juzgaran a toda la organización. Con este trabajo de investigación se puede contribuir a tener una base de información para los investigadores en los temas de servicio de hospitales pequeños ayudando a dar una respuesta mas a las exigencia de servicios hospitalarios que la comunidad exige. Dentro de las propuestas de aplicación esta la estrategia de servicios en base a lo que se planteo, llevando a cabo un seguimiento mas profundo a la presente investigación, pues dichos resultados obtenidos pueden contribuir a que los sectores de salud busquen la manera de conocer cuales son los aspectos que requieren ser analizados, estudiados y evaluados para desarrollar mejores métodos o técnicas que les permita detectar sus posibles fallas, y establecer mejoras continuas, las que se traducen en mayores beneficios tanto para la organización como para sus empleados.

De igual forma desarrollar una base de datos que les permita tener acceso a lo que en términos de calidad en el servicio esta surgiendo. La implementación de un servicio extraordinario requiere de una reestructuración total, un cambio total en todos los sentidos, este cambio no puede ser de manera inmediata, se tiene que empezar poco a poco compartiendo la estrategia con todos los miembros del personal y estos tienen que volverlo una rutina diaria, adaptar la estrategia a cada decisión tomada. Se recomienda tener una selección de personal adecuada. Concluimos reconociendo que la calidad es un concepto complejo y difícil de llevar a cabo, pero una vez que se hace filosofía en una organización resultara en una forma mas fácil de administrar y de mantener satisfechos a los clientes. La calidad en el servicio es un concepto que va de la mano con toda la organización y que cuando se lleva a cabo de la forma adecuada se puede garantizar una permanencia en el mercado, lealtad y satisfacción de todos los que se involucren con la organización.

Los centros hospitalarios sobre la base de los resultados obtenidos en ésta investigación podrán evaluar las estrategias que de acuerdo a sus prácticas administrativas consideren que puedan utilizarse mejor. Debido al alcance de la investigación, los resultados no pueden generalizarse a todos los centros hospitalarios. Futuras investigaciones podrán evaluar otros elementos como el ambiente organizacional, tipo de liderazgo, tamaño de hospital y otras regiones geográficas con el objetivo de replicar este estudio.

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IMPLANTACIÓN DEL BALANCE SCORECARD EN LAS MIPYMES DE LA INDUSTRIA DE LA CONSTRUCCIÓN

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ABSTRACT

La presente investigación es un estudio descriptivo cuasi-experimental, de la herramienta del despliegue de planeación Balanced scorecard, su desarrollo e implantación en las Mipymes de la industria de la construcción. Actualmente, las organizaciones son demasiado complejas. Pese a la falta de competitividad las micro, pequeñas y medianas empresas, generan 80 por ciento de los empleos en Latinoamérica. Para el análisis se realizó un estudio causal comparativo entre las empresas más representativas de la industria de la construcción en la zona norte de México. El enfoque del proyecto estuvo fundamentado en las cuatro dimensiones del Balanced Scorecard. El factor principal del estudio reconoce que dentro de la empresa la clave son sus empleados. De esta manera, se enfatizaron las conclusiones respecto a la importancia del clima laboral en la organización. Los resultados obtenidos permiten determinar que una estrategia correcta de implantación de la herramienta, lleva a resultados exitosos dentro de las empresas. Las conclusiones y recomendaciones finales del estudio poseen valor metodológico para los investigadores interesados en el medio ambiente de las Mipymes. Futuras investigaciones podrán analizar la implantación de la herramienta en otros tipos de industrias o solamente utilizando algunas de las dimensiones.

INTRODUCCIÓN

Desde la década de 1980, se ha presentado un amplio debate sobre el valor de los medibles financieros así como de la medición del desempeño. Algunos señalan que los medibles tradicionales de rentabilidad evalúan sólo la actividad pasada y que las estrategias de evaluación del desempeño requieren de una visión a largo plazo (Chakravarthy, 1986). Otros han argumentado que los números generados por los sistemas de contabilidad han fallado para apoyar las inversiones en tecnología, recursos humanos, innovación y otros esenciales desarrollos necesarios para competir en una economía globalizada (Eccles, 1991).

A principios de los 1990's, Kaplan, un profesor de contabilidad de la universidad de Harvard, estaba preocupado porque los medibles financieros proporcionaban una pequeña visión dentro del potencial de las empresas para ofrecer valor y crecimiento continuo. Kaplan y Norton, un conocido consultor de los Estados Unidos, decidieron realizar una investigación para conocer las mejores prácticas para medir el desempeño en las corporaciones norteamericanas. Los resultados de dicha investigación dieron los elementos para proporcionar una nueva herramienta administrativa para la evaluación de las organizaciones.

El balanced scorecard (BSC) fue introducido como un medible del desempeño para evaluar tanto la actividad tangible e intangible de los activos de una empresa (Kaplan y Norton, 1996). Ellos consideraron que los actuales medibles del desempeño, basados en datos financieros, eran obsoletos y no proporcionaban respuesta correcta sobre la actividad de la organización. El acercamiento del BSC fue presentado para mover a las empresas de una perspectiva fundamentada en medibles financieros a un acercamiento más balanceado que considerara cuatro perspectivas de una organización exitosa: aprendizaje y crecimiento, finanzas, clientes y procesos internos.

Sobre la base de la herramienta del BSC, resulta interesante cómo su uso puede brindar elementos valiosos a las Mipymes y en especial a las empresas de la industria de la construcción. Las Mipymes juegan un rol fundamental en casi todas las economías del mundo; sin embargo, su importancia es mayor en los países en desarrollo por su papel en la creación de empleos y generación de recursos. En los países en vías de desarrollo con grandes sectores informales o de microempresas, las PyMEs representan el sector medio en la estructura de tamaños, aspecto que explica en gran medida su importancia estratégica.

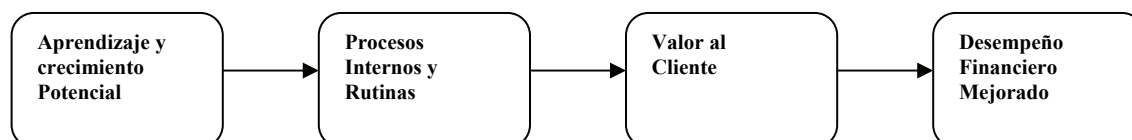
En materia de estructura organizacional, las PyMEs son en promedio considerablemente menos complicadas que la microempresa que consta en gran medida de trabajadores autónomos y que en ocasiones trabajan en compañía de unos cuantos miembros de la familia, lo que redundaría en que con frecuencia la cantidad de empleados es menor a 5. Por otra parte, las PyMEs son, en promedio, bastante menos complejas en estructura que las sociedades anónimas y otras grandes empresas que constan de varios niveles de administración, muchas categorías de empleados, entre otros aspectos importantes.

REVISIÓN DE LITERATURA

En los pasados 20 años se ha presentado una revolución en las técnicas y teorías para la medición del desempeño y en gran medida el BSC es el marco más popular. Esta teoría ha sido tan ampliamente aceptada que el Harvard Business Review la menciona como una de las ideas administrativas que más influencia tuvo en el siglo XX (Sibbert, 1997). El BSC intenta medir los activos intangibles de una organización y considera el valor del capital intelectual y el capital humano.

La relación causal del marco de referencia de las cuatro perspectivas del BSC, si es adecuada, brinda una liga entre inversión en capital humano, las rutinas y procesos de una organización, valor al cliente y el desempeño financiero de una organización. La figura 1 presenta la relación causal de las cuatro perspectivas del BSC y como cada una intenta desarrollar valor dentro de la organización.

Figura 1: Descripción de las Relaciones Causales Entre las Cuatro Perspectivas del Balanced Scorecard



La perspectiva del aprendizaje y crecimiento describe una inversión de la organización en capital intelectual y humano con un enfoque en el crecimiento futuro. Kaplan y Norton (2006) extienden la perspectiva a tres categorías de la capacidad de la organización: empleados; sistemas de información; motivación, empoderamiento y alineación. La perspectiva de los procesos internos y las rutinas, considera la perspectiva de la eficiencia y efectividad de los procesos de negocio y rutinas y son apoyados por la perspectiva del aprendizaje y crecimiento.

La perspectiva del cliente es el corazón de la estrategia y ajusta la dirección para cómo el crecimiento y el valor se presentarán. Los autores establecen que la perspectiva del cliente requiere estrategias específicas sobre la relación con los clientes. El mapeo de las estrategias permite desarrollar las actividades para un desempeño mejorado. Este marco del BSC ha sido evaluado por la mayoría de las disciplinas administrativas y académicas. Los estudiosos de la contabilidad han escrito ampliamente y tomado posiciones positivas y negativas sobre la herramienta (Corrigan, 1995; Booth, 1996; Hussain, 1996; Johanson, Eklov, Holmgren y Martensson, 1998; Lawton, 2002).

De alguna manera, el BSC en su forma simple ha permanecido sin cambios de su forma original (Kaplan y Norton, 1996). Por otra parte, algunos autores han identificado una segunda y tercera generación del

desarrollo del balance scorecard (Egalson y Waldersee, 2000; Kennerly y Neely, 2000). Los mayores cambios en este concepto generacional vienen del uso organizacional y retos de académicos y practicantes. Los mayores retos se refieren al filtro de seleccionar reportes específicos de medibles, hacer racimos agrupando medibles en cuatro perspectivas y la causalidad y los efectos de las relaciones entre las perspectivas.

El BSC ha sido retado por lo costoso de su desarrollo y la necesidad de contar con soporte para su implementación. Desde el año 2000, numerosas compañías de software se han asociado con consultores del BSC para desarrollar soluciones y bases de datos que recolectan la información y generan reportes de resultados en tiempo real. Desafortunadamente, el BSC puede ser visto más como un sistema de medibles, dado que algunas empresas compran el software, introducen cientos de medibles y ellos piensan que ya tienen una “estrategia con enfoque en la organización” (Kirby y Smiesing, 2003).

De acuerdo con Kaplan y Norton (1996), la implementación de un programa efectivo de BSC requiere al menos de 16 semanas. La complejidad de la organización y la introducción del software pueden extender el tiempo de la implementación. Dicha implementación debe ser considerada una intervención estratégica de amplias dimensiones y manejada como un cambio en las funciones administrativas (Cumming y Worley, 2005).

En empresas donde no existe un acuerdo unánime entre los directivos, también puede ser que la empresa se encuentre en un proceso de crecimiento o que se quiera aprovechar el potencial de los empleados sin perder el control de la empresa, el BSC no debe utilizarse como un modelo de control, sino como un modelo de aprendizaje.

Desde una perspectiva científica, la presente investigación aporta elementos valiosos para las empresas en general y para las de la construcción en particular para implementar la metodología del BSC. Desde una perspectiva social, permite a las empresas que adoptan ésta herramienta, enfocar sus esfuerzos de manera equilibrada para el logro de los objetivos y los elementos para alcanzar la rentabilidad y equilibrio organizacional.

METODOLOGÍA

Dado el propósito fundamental de este estudio, un estudio causal comparativo, cuasi experimental fue llevado a cabo. Se trato de una comparación de dos empresas, las más representativas de la zona geográfica. Este estudio comparativo, describe el impacto financiero de la empresa que implementó el BSC y comparó estos resultados con la otra organización que no tenía una estrategia para reportar los resultados operacionales. La metodología es cuasi experimental dado que la muestra no fue seleccionada aleatoriamente. De acuerdo a Campbell y Stanley (1963), los estudios cuasi experimentales se refieren a experimentos que limitan la asignación aleatoria.

Después de décadas de evolución del BSC en la que han aparecido miles de artículos que lo critican y cientos que declaran su éxito en la implementación tanto en organizaciones públicas y privadas, es importante entender cuál es el impacto, si lo hay, que la estrategia ha tenido en el desempeño de las organizaciones. Por otra parte, la pregunta de investigación que guía a investigar las diferencias en el desempeño entre empresas que han madurado en la implementación del BSC y otras que no han seleccionado implementar la estrategia como medible o simplemente para medir los resultados de su progreso es: ¿Cuál es el impacto del BSC en el desempeño de las empresas de la construcción?

El BSC puede ser considerado una herramienta de implementación de una intervención estratégica integrada, lo cual es un proceso deliberado y coordinado que lleva a una realineación entre el medio ambiente y la orientación estratégica de la empresa, resultando en un mejoramiento en la efectividad y el

desempeño (Greiner y Bhambri, 1989). A pesar de ello, el BSC ha recibido amplias críticas que alegan casualidad (Norreklit, 2000). De esta manera, en este trabajo se presenta la hipótesis que se pretende probar a través de los instrumentos metodológicos, de manera que la hipótesis de trabajo que se propone es la siguiente:

H1: Empresas que utilizan el balanced scorecard tienen diferente desempeño financiero que aquellas que no lo utilizan.

La recolección de los datos se realizó con autorización de las empresas. Dos años comprendió el periodo de análisis. Los años de análisis fueron del 2003 al 2004. Los elementos considerados fueron los siguientes:

1. Ingresos
2. Rentabilidad
3. Total de activos
4. Capitalización anual del mercado
5. Retorno anual en activos

Una vez establecidos los responsables e indicadores de cada uno de los objetivos, se describió un calendario de reuniones mensuales del equipo directivo con relación a la revisión como parte del seguimiento. Una de las actividades posteriores en cada una de las empresas fue de crear una estructura organizacional soportada en equipos de trabajo, considerando que para el inicio de la investigación, sólo funcionaban como departamentos. Una de las empresas estaba localizada en Ciudad Juárez, México y la otra en Mexicali, México.

RESULTADOS

El objetivo fundamental del estudio fue el de investigar y describir, si lo hay, el impacto que el BSC tiene en el desempeño financiero de las empresas de la construcción. Métodos de análisis estadístico fueron realizados utilizando hojas de Excel y el SPSS 13.0. El procedimiento utilizado para la prueba de la hipótesis consistió en calcular la capitalización del mercado y el regreso en activos como una entrada para el análisis en SPSS. Las hojas de Excel fueron convertidas a una base de datos de SPSS y todas las estadísticas fueron desarrolladas en el software del SPSS. Información adicional fue desarrollada utilizando los datos recolectados.

La capitalización anual del mercado fue calculada sobre la base de:

Precio de la acción X Cantidad de acciones

El retorno anual en activos se calculó de la siguiente manera:

Ingresos netos/ Total de activos

Los resultados de estos cálculos fueron anotados en hojas de trabajo de Excel y formaron parte del análisis final del SPSS. Se debe resaltar que únicamente la información final fue transferida y convertida a la base de datos de SPSS.

Dos métodos de análisis estadístico fueron utilizados en este estudio para la prueba de la hipótesis. El primer método, la estadística descriptiva fue utilizada para evaluar las medidas de tendencia central y las desviaciones. Un análisis de MANCOVA fue utilizado para medir todas las variables independientes y las variables dependientes. Para comprender la contribución de cada variable dependiente se realizó una prueba F. Los resultados de esta prueba mostraron que significancias estadísticas fueron alcanzadas con toda la combinación de variables excepto la capitalización del mercado.

De acuerdo con Weinfurt (1995), la variable capitalización del mercado no debe ser removida de la fórmula simplemente por razones estadísticas, dado que el valor teórico de la variable debe ser

considerado. La capitalización del mercado fue introducido como un medible externo de la organización, mientras que los otros medibles forman parte del desempeño interno de la empresa. Mientras que ANCOVA amplía el número de variables independientes que pueden ser utilizadas en un t-test, MANCOVA es simplemente un ANCOVA que puede manejar múltiples variables dependientes. Un estudio de MANCOVA permite al investigador utilizar múltiples variables dependientes para hacer más fácil la determinación de cuál factor es más significativo o más importante.

La estadística descriptiva muestra la revisión demográfica de las empresas utilizadas en el estudio.

Tabla 1: Estadística Descriptiva del Uso del BSC de Acuerdo al Ingreso

Uso del BSC	Millones
<i>No</i>	<i>\$179.84</i>
<i>Sí</i>	<i>\$209.50</i>

Tabla 2: Estadística Descriptiva del Uso del BSC y los Ingresos Netos

<i>Uso del BSC</i>	<i>Millones</i>
<i>No</i>	<i>\$8.8</i>
<i>Sí</i>	<i>\$25.4</i>

Tabla 3: Estadística Descriptiva del Uso del BSC y el Retorno Sobre la Inversión

Uso del BSC	ROI
<i>No</i>	<i>1.35</i>
<i>Sí</i>	<i>2.79</i>

Adicionalmente se realizó un estudio de MANCOVA usando los resultados del desempeño de ambas empresas para investigar el principal efecto del uso del BSC en las variables de desempeño de ingreso, ingreso neto y el retorno sobre la inversión. Los resultados del estudio de MANCOVA se muestran en la tabla 4.

Tabla 4: Resultados del Análisis de MANCOVA

Variables Independientes	Wilk's Lamda	F	p
Empresa	.772	2.942	.011
Balanced Scorecard	.848	2.983	.04

Los resultados obtenidos en el análisis multivariado muestran una significancia estadística sobre el efecto de la empresa y el uso del balanced scorecard.

DISCUSIÓN

Revisar los enunciados de la misión y desarrollar planes anuales se ha convertido en una actividad rutinaria de la mayoría de las organizaciones, pero la disciplina para desarrollar métricos que permitan medir el éxito de los planes y sobre todo ligarlos a la estrategia de la organización no se ha convertido ni en una rutina ni en una disciplina. El BSC es un marco con múltiples perspectivas para desarrollar métricos que reclaman apoyo para la estrategia de una organización. Este estudio fue emprendido para explorar el impacto de la implementación del BSC. Este estudio analizó los efectos que produce implementar la herramienta en empresas de la construcción.

El propósito del estudio fue entender el impacto de la implementación del BSC en empresas de la industria de la construcción. Los resultados obtenidos sirven para responder a la pregunta de investigación planteada en este estudio, sobre si existe un mejor desempeño en aquéllas que lo adoptan. El análisis de los datos fue realizado utilizando MANCOVA. Los resultados obtenidos mostraron una significancia estadística tanto para las empresas como para la adopción del BSC.

Los estudios del desempeño organizacional introducen el conflicto dentro del proceso de cambio organizacional. Mientras estos introducen el cambio como un punto de vista positivo, pudiera decirse que el cambio dentro de las organizaciones es introducido para desarrollar capacidad, participación y aprendizaje. El cambio organizacional frecuentemente es justificado con la meta del mejoramiento del valor económico y una claridad en las estrategias.

Kaplan y Norton (1996), describen al BSC como una causa y efecto del aprendizaje, procesos, rutinas, satisfacción del cliente y resultados financieros. Esto es ciertamente un juego de complejas variables organizacionales, por lo que resulta difícil de creer que alguna práctica pudiera ser medida como estadísticamente significativa. Justo si una práctica es encontrada como estadísticamente significativa, es improbable que una actividad por sí sola cause resultados significativos. Debe considerarse que el liderazgo, el talento, la economía en general, las estrategias y la competencia participan en los resultados.

Uno de los mayores retos del BSC es la supuesta relación de la causa y efecto con las cuatro perspectivas planteadas por la herramienta. Los resultados de este estudio no pueden declarar que el BSC no se puede considerar como un elemento del éxito de una organización; sin embargo los resultados de este estudio mostraron que la empresa que implementó el BSC tuvo un mayor retorno sobre la inversión.

Existen algunos factores que limitan la generalización de los resultados de este estudio. Este estudio es limitado por el enfoque del BSC como una variable independiente del desempeño financiero. El BSC es probablemente más complejo que una variable independiente como, idealmente representa el desarrollo del capital humano el mejoramiento de los procesos y la satisfacción del cliente en la más llana implementación. Adicionalmente, una limitación de ésta clase de estudio, es si no existe un esfuerzo para entender y predecir los posibles resultados de nuestras acciones, dado que las empresas más grandes suelen ser más conservadoras en sus acciones.

Otra limitación de este estudio es la falla sobre la validez y confiabilidad del instrumento utilizado para la recolección de la información. Durante el periodo de estudio, la economía y las regulaciones del medio ambiente fueron cambiando. La economía fue saliendo de una recesión al inicio del estudio y se fue moviendo a tiempos más prósperos. Es importante reconocer estos cambios, pero este estudio asume que estos cambios impactaron a las empresas en periodo.

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INVERSIÓN EN TECNOLOGÍAS DE INFORMACIÓN EN EMPRESAS DE MANUFACTURA, UN ANÁLISIS COSTO BENEFICIO

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ABSTRACT

Esta investigación descriptiva analiza la aplicación de las tecnologías de información en la industria de manufactura de tamaño mediano, realizando un análisis del costo beneficio utilizando el modelo de Hsu-Hua Lee para apoyar las estrategias de inversión. El efecto de los retornos de tal inversión es expresado como una función de variables medibles. Actualmente en las empresas investigadas, los gerentes dudan si una buena inversión en tecnología de información es una herramienta adecuada para afrontar las presiones comerciales y de la competencia. La falla en el análisis costo-beneficio puede afectar la toma de decisiones en relación a los planes estratégicos de las empresas. De esta manera, resulta importante que los responsables del manejo de los recursos cuenten con elementos objetivos que les facilite la toma de decisiones. Los resultados obtenidos sugieren que los directivos no conocen objetivamente el retorno de la inversión, ya que su regreso no es directamente en dinero. Asimismo, se logró determinar que mantenerse actualizado en tecnologías de información mejora la comunicación y la relación con clientes y proveedores. Recomendaciones para las empresas del ramo y para futuras investigaciones son incluidas.

INTRODUCCIÓN

La presente investigación examina las acciones que toman los gerentes de tecnologías de información en sus decisiones de inversión. Las prácticas actuales demuestran que en ocasiones la inadecuada toma de decisiones al adquirir equipos de TI con altos costos no garantiza ni la implementación adecuada ni la obtención de los objetivos para la que fueron adquiridos. Estas decisiones frecuentemente causan daños y debilitan la estructura dentro de las empresas.

Asimismo, la resistencia al cambio tanto de los empleados como de los directivos que trabajan en la organización, usualmente se convierte en un factor que limita el uso óptimo de los equipos adquiridos. Si los gerentes no detectan la importancia de sus inversiones económicas en un análisis costo beneficio, así como la importancia de los departamentos de TI, para el logro de los planes estratégicos de las organizaciones, fuertes repercusiones pueden ser enfrentadas y la falta de competitividad se convierte en un riesgo.

Es importante que los responsables de tomar decisiones, realicen análisis adecuados en cuanto a las condiciones de sus departamentos de TI, la relación con otros departamentos y el futuro que puede alcanzar la empresa con cimientos sólidos, considerando las tendencias en el mercado y en las empresas de la competencia. La incertidumbre y ambigüedad de las tecnologías de información, un desarrollo relativamente reciente de gran ventaja, representa un interesante contraste en la estabilidad de las organizaciones.

Afortunadamente los cambios acelerados y la toma de decisiones sobre la tecnología ha permitido que el poder de los sistemas computacionales se duplique cada año (Neudecker, 2006). Incurriendo en millones de costos durante un periodo de dificultades financieras para las empresas de manufactura, las inversiones en tecnología que son difíciles de medir, enfrentan una propuesta ambigua. Las tecnologías de información son sin duda responsables de muchas de las bendiciones y de no pocas enfermedades de la sociedad actual. Quizás nos encontremos ante la presencia de un “culto a la información”, como Roszac

(2006) lo llamó. Tal vez sea que las computadoras representen una “definición de tecnología” lo cual podría afectar profundamente nuestro proceso de pensamiento y trabajo (Bolter, 2004).

REVISIÓN DE LITERATURA

La aparición de las computadoras y las computadoras personales, marcó el inicio de una transformación en los procesos de información dentro de las empresas. Con el rápido avance en los microprocesadores y la fibra óptica, las empresas han experimentado un incremento sustancial en la adquisición de tecnologías de información. El punto central de la era de la información ha sido de importancia crítica para la administración de las empresas. La administración de la información es la única área de los negocios en que la inversión ha aumentado más rápido que lo ha hecho el crecimiento económico (Keen, 2001).

La inversión en tecnologías de información se incremento de \$55 a \$190 billones de dólares, una tasa anual de crecimiento del 15%. De la misma manera en que el gasto ha crecido, la información ha sido reconocida como un recurso vital de los negocios que debe ser efectivamente administrada. Otro aspecto de igual o mayor valor lo representa el recurso humano de las organizaciones. Las teorías sobre el capital humano haciendo énfasis en la contratación de empleados y su tasa de retorno de inversión han predominado en los estudios económicos.

Los determinantes económicos del comportamiento organizacional mucho menos atención (Breneman, 2005). La teoría microeconómica, el cuerpo de conocimiento desarrollado para este tópico, ha sido raramente utilizada dentro de las empresas. La falta de atención ha tenido como consecuencia un pequeño cuerpo literario y una escasez en el análisis de las empresas desde una perspectiva de la teoría tradicional de las organizaciones. Adicionalmente, se ha incrementado la literatura que critica este punto de vista. Los críticos caen dentro de dos amplias categorías. Unos puntualizan que las empresas persiguen algún otro objetivo que maximizar las ganancias tal es la teoría de la maximización de las ventas de Baumol (1959) y la de maximización de la utilidad de Williamson (1970).

Las otras afirman que las empresas no buscan la maximización como fin último. Así, encontramos la teoría de la satisfacción de Simon (1947), La teoría del comportamiento de la empresa de Cyert y March (1963) y la teoría de la evolución de la empresa de Winter (1964). Sin embargo, la teoría tradicional de las organizaciones es un modelo práctico para el análisis de cómo las empresas se comportan y sirven como una herramienta útil para el comportamiento económico de las empresas (Garvin, 1980).

La Economía de las TI

El desarrollo de las computadoras incluye una literatura extensa en algunos campos de estudio. El surgimiento del estudio económico de las tecnologías de información fue marcada por Sharpe (1969). Su obra la economía de las computadoras, fue diseñada para aquéllos que están involucrados o pueden convertirse en tomadores de decisiones tanto en la selección, financiamiento, compra o uso de las tecnologías de información.

El problema detrás de la diversidad de la literatura radica en amplio enfoque del tema. La perspectiva del usuario final es ampliamente diferente al punto de vista del productor del software o el hardware. Los usuarios estudiando la información del sector y su impacto en la economía nacional o los gerentes buscando computarizar sus funciones en la empresa. Esto ha producido un amplio debate en la literatura existente tratando con cuatro áreas distintas pero interrelacionadas (Gotlieb, 1985):

1. Análisis de las funciones de un sistema dado, incluyendo capacidades, cargas de trabajo, resultados, financiamiento y clasificación de sistemas.
2. Problemas de los usuarios, incluyendo atributos de la información, flujos de información, análisis costo beneficio y desarrollo y mantenimiento.

3. Producción y competencia dentro de la industria, incluyendo desarrollo tecnológico, estructura de la industria, costo y estrategia de precios y comercialización.
4. Políticas, concentrándose en las políticas nacionales e internacionales.

Dado que el enfoque de este estudio se concentra en el análisis costo-beneficio de la adquisición de tecnologías de información en empresas de manufactura, la importancia del medio ambiente tecnológico será descrita a continuación.

Los estudios organizacionales en las empresas de manufactura se encuentran fundamentados en el amplio cuerpo de la teoría organizacional, la cual ha sido desarrollada en varias disciplinas como la administración de negocios, sociología, sicología, ciencias políticas y administración pública. El rango por enfatizar es amplio, cubriendo los mecanismos mecánico-rationales y teorías de la burocracia de W. Taylor y Max Weber a principios de 1900 y más tarde las críticas de Herbert Simon y de otros desde 1950.

Siete son los modelos, el modelo colegiado, el modelo político, el modelo burocrático, el modelo de la anarquía organizada, el modelo racional, el modelo de contingencia y el modelo de sistemas de libre acople que desde las empresas la teoría organizacional provee elementos dentro del contexto de las organizaciones en el cual las adquisiciones son realizadas.

El modelo colegiado, este representa el tradicional punto de vista de las empresas y enfatiza la estructura no jerárquica en las organizaciones (Millet, 2002). Las implicaciones para este concepto son claras. El sentido implícito de igualdad entre pares, excluye la imposición de una jerarquía burocrática en la toma de decisiones. Las decisiones, así, son el resultado de un consenso de comités a autorizados o de otros grupos de poder. El modelo colegiado antepone la existencia de un consenso e ignora el poder investido en jerarquías burocráticas.

El modelo político, este modelo contrariamente, los conflictos que surgen entre los miembros de la empresa (Balbridge, Roberts y Weiner 1984). La empresa es dividida en funciones y departamentos, lo cual produce diferentes propósitos dependiendo de los intereses de los grupos internos, incluyendo empleados administrativos, directos e indirectos. La distribución de poder entre estos grupos, el proceso político empleado para resolver disputas y los efectos subsecuentes sobre las políticas, proporciona revelaciones importantes dentro del comportamiento en las empresas.

El modelo de la anarquía organizada, algunos investigadores han descrito las empresas como una anarquía organizada (Cohen y March, 1986). Las empresas, de acuerdo a este punto de vista, comparten tres características generales, lo cual las hace diferentes de otras entidades: Las preferencias son problemáticas, el uso de la tecnología no es claro y la comunicación es fluida. Bajo estas circunstancias el proceso de toma de decisiones se vuelve crítico. Factores tanto como el tiempo y los tiempos de entrega, la forma de presentación, la coincidencia y la facultad relativa de los problemas asume una importancia mayor en los resultados.

El modelo racional, tiene sus orígenes en la teoría microeconómica de las empresas, el método científico y los sistemas básicos de administración como planeación, programación y sistemas de presupuestos así como la administración por objetivos (Winstead y Ruff, 1986). El modelo considera la existencia de valores a priori, los cuales son entendidos y compartidos. Propósito de unidad, tecnologías claras y tiempo secuencial son los supuestos (Chaffee, 2001).

El modelo de contingencia, representa la crítica al alcance mecanicista de la administración y la toma de decisiones desde un punto de vista orgánico de las empresas y del modelo de contingencia creado para ello. Las dos principales ideas manejadas por este modelo son a) diferentes clases de empresas son

necesarias para tratar con diferentes mercados y condiciones tecnológicas, y b) las organizaciones trabajando en medios ambientes turbulentos e inciertos requieren alcanzar un alto grado de diferenciación más que las organizaciones menos estables y complejas (Lawrence y Lorsch, 2004).

La revisión de literatura sirve para establecer los constructos y plantear los objetivos de la investigación, de esta manera, el objetivo general de investigación plantea:

Determinar el costo-beneficio del adecuado uso de las tecnologías de información en las empresas maquiladoras de Ciudad Juárez.

De esta manera, este estudio se propone determinar la relación del costo-beneficio con el uso correcto de las TI.

METODOLOGÍA

En Ciudad Juárez, se encuentra una cantidad considerable de empresas tanto pequeñas, como medianas y grandes, las cuales generan movimiento y crecimiento de una parte importante de la economía en México. Para responder a las hipótesis planteadas y cumplir con los objetivos de la investigación fue necesario acotar la población de estudio y obtener la muestra de las empresas que manejan tecnologías de información.

Para medir los constructos de las variables desconocimiento sobre el costo-beneficio, poca inversión y aplicación de la tecnología de información se realizó un estudio cuantitativo transversal, de alcance descriptivo no experimental. Considerando la variable dependiente costo-beneficio, una investigación causal prospectiva fue realizada. Los estudios causales nos brindan la oportunidad de predecir el comportamiento de una o más variables a partir de otras, una vez que se establece la causalidad.

Personal administrativo y técnicos del departamento de sistemas respondieron a un cuestionario de 20 preguntas de opción múltiple. Este instrumento fue aplicado a 40 personas, 12 de ellas de manera directa y 28 a través de correo electrónico. Esto se llevo a cabo, con la finalidad de aprovechar los mecanismos de las TI y lograr un mejor resultado considerando que, por las actividades propias de cada uno de los encuestados fue complicado realizarlo en forma directa. Al aplicarlo por correo todos los 28 encuestados respondieron positivamente con todo el cuestionario completo y el tiempo máximo de respuesta fue de 4 días.

Para obtener el número de cuestionarios por aplicar se procedió a desarrollar la fórmula estadística para la determinación de muestras en poblaciones finitas:

$$n = \frac{\sigma^2 N p q}{e^2 (N-1) + \sigma^2 p q}$$

Tomando en cuenta que la media con un 95% de nivel de confianza es de 1.96 y un error estándar de $\pm 5\%$ la fórmula queda como sigue:

$$n = \frac{(1.96)^2 (45) (.5) (.5)}{(.05)^2 (45-1) + (1.96)^2 (.5) (.5)}$$

$$n = 43.218 / 1.0704 = 40 \text{ cuestionarios}$$

Lee (2004), realizó un análisis de los modelos de beneficios de la inversión y partiendo de ellos, sugiere una metodología que puede ser utilizada para predecir los beneficios de la inversión antes que ésta sea hecha y justificar los proyectos de mejora. Este modelo puede ayudar a la industria a llevar a cabo una selección óptima en las decisiones. La función objetivo puede ser optimizada y las inversiones relevantes tales como las de TI son obtenidas. Lee utiliza el método secuencial cuadrático para optimizar la función. El problema es transformado en un más fácil sub-problema, el cual puede ser resuelto utilizando la base de un proceso interactivo. A cada mayor interacción se realiza una aproximación de la función de

Hessian-Lagrian utilizando una actualización del método de Cuasi-Newton. Este es utilizado para realizar una programación cuadrática del sub-problema, cuya solución es utilizada para una línea de investigación.

RESULTADOS

Llevadas a cabo las interacciones, los resultados obtenidos son presentados. El 79% de los encuestados considera que la administración ejecutiva comprende los riesgos que implica tomar decisiones rápidas y de manera acertada a la hora de decidir inversiones relacionadas con las TI.

Se obtuvo que el 75% de los encuestados considera que la empresa en que laboran sigue una actitud de seguidora del mercado en cuanto a la adquisición de TI y el 20% considera que normalmente se mantienen rezagadas del mercado.

Contrariamente, el 85% de los encuestados manifestaron que la inversión de la empresa en TI, va en congruencia con los objetivos estratégicos de la empresa, mientras el restante 15% considera que las inversiones se realizan sin planeación y rumbo definido. Respecto al aprovechamiento de las TI por los usuarios, los encuestados consideraron que solamente existe entre un 26 a un 75% de eficiencia en el uso de los equipos.

Asimismo, el 92% de los encuestados considera que el orden y aprovechamiento sobre la relación costo-beneficio de las inversiones se encuentra entre el 26% y el 75%.

DISCUSIÓN

Considerando los resultados obtenidos de las interacciones, se puede concluir que los directores de las empresas maquiladoras encuestados tienen conocimiento del costo-beneficio de la inversión en TI. Es claro que la medición sobre el valor que pueda tener la información para las empresas comprende una gran cantidad de variables. El momento en que es necesaria la inversión, el proceso o flujo que se pretenda seguir, el peso específico para un departamento o función juegan un rol fundamental.

El de realizar un análisis costo-beneficio en el impacto de la toma de decisiones en la organización, es fundamental para la obtención del apoyo gerencial. El análisis debe beneficiar las relaciones entre los costos de proyectos, los beneficios obtenidos y el conjunto de sistemas que interactúan en un retorno de la inversión rentable. Asimismo, el uso de ésta metodología podría ser aplicable a cualquier proyecto de inversión, principalmente a las decisiones de inversión en TI.

Los costos de los proyectos relacionados con la inversión podrían resultar simples de cuantificar, no así los beneficios que se obtienen. Debido a la complejidad de la medición de los beneficios y costos intangibles, es recomendable que la medición y valoración del aprovechamiento se realice en proyectos que, por su magnitud, tengan un impacto económico significativo en las organizaciones.

Para los proyectos de inversiones pequeñas, pudiera sólo considerarse identificar los costos y beneficios tangibles, sin profundizar en los beneficios intangibles, considerando que para este tipo de proyectos se minimiza la importancia de los beneficios ocultos. Es importante considerar que para los proyectos que implican inversiones importantes, un análisis costo-beneficio puede por sí sólo no ser una guía precisa para tomar una buena decisión.

Para ello resulta fundamental considerar otros aspectos importantes, como la seguridad que proporcionará el proyecto para la toma de decisiones de la empresa, su contribución como elemento de creación de ventaja competitiva o herramienta estratégica en la organización. Esto podría fortalecer las relaciones con proveedores y brindar un mejor servicio al cliente.

Por otra parte, los resultados obtenidos en los cuestionarios realizados permiten concluir que la causa de la poca inversión en TI en las empresas de manufactura en Ciudad Juárez, no es el desconocimiento del costo-beneficio de las inversiones tecnológicas. El aspecto fundamental son los costos de la inversión. Entonces resulta importante que los gerentes de las empresas comprendan que no se realiza un gasto, sino una inversión. Esto traerá múltiples beneficios directos e indirectos a las organizaciones.

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LAS RELACIONES PÚBLICAS EMPRESARIALES EN SITUACIONES DE CRISIS

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RESUMEN

Las Relaciones Públicas Empresariales (RPE) son una disciplina científica creada y definida en el año 1923 por el Dr. Edward L. Bernays Freud en los Estados Unidos, con el objeto de persuadir a los públicos de los que depende una organización generando credibilidad y confianza. La profesión se basa para su conocimiento científico en las ciencias sociales y políticas, así como en las económicas y para su aplicación en el arte de saber combinar estas ciencias. La profesión de Relaciones Públicas, persigue interpretar los deseos del público ante los propios clientes y los del cliente al público beneficiando al cliente. En conclusión un consultor en Relaciones Públicas es un experto en Públicos y las relaciones con estos.

En interés de introducir el Modelo de RPE de la ESERP de Barcelona, España en México, se dio inicio a una colaboración científica con la Universidad Autónoma de Coahuila, Unidad Torreón en su Facultad de Contaduría y Administración que comienza con el análisis de las características especiales de crisis de inseguridad que se producen actualmente en México y que está provocando significativos daños en la economía y la sociedad mexicana, continua la investigación con el estudio y evaluación de la factibilidad de aplicación de este modelo y su adecuación a las condiciones mexicanas; mostrar los avances de esta colaboración es uno de los objetivos de este artículo.

A su vez se desarrolla, bajo una óptica de Relaciones Públicas Empresariales, una exposición como resultado de esta investigación de los distintos sucesos de crisis, complementando así el enfoque de gestión empresarial.

INTRODUCCIÓN

La temática que se trata en este artículo es fruto original de la demanda del empresario de Europa y está centrada en las situaciones de crisis que ocurren en las empresas y cómo se pueden solucionar con una metodología estructurada según el caso y el tipo de crisis.

México vive actualmente una severa crisis de inseguridad caracterizada por daños en la economía los que se manifiestan por cierre de comercio y servicios estimados estos cierres en un 30 y 50% respectivamente así como por disminución de la calidad de la producción principalmente por la emigración de técnicos de alto nivel así como por la ausencia de créditos lo que genera bajas ventas, cierre de empresas y por ende afectaciones en el nivel de vida. De igual forma la sociedad mexicana se siente atemorizada y eso le hace descender su calidad de vida.

Con todos estos antecedentes se hace más necesaria la búsqueda de soluciones que vayan de la mano del actuar universitario y principalmente en instituciones como la FCA Unidad Torreón que define su misión dentro de los parámetros de Universidad Comprometida.

Este compromiso de la universidad para con la sociedad, sus profesores, alumnos y sistema empresarial se manifiesta a través de la incorporación de más de dos mil alumnos en apoyo a la producción los cuales mediante el aprendizaje experiencial y con la guía de sus profesores están al pendiente de todo lo que

afecta el buen funcionamiento de la sociedad. Es un momento trascendental el que le corresponde jugar a la universidad y es por ello que resulta de vital importancia el estudio de todo lo que se relacione con situaciones de crisis de manera que se pueda establecer un modelo mexicano para actuar en estas circunstancias e incorporar en las Cámaras de Comercio y en las grandes empresas la figura del Relacionista Público como vocero de estas instituciones que tiene el deber de explicar a la sociedad los pasos que se dan para minimizar estas crisis y hacer menos dañino su impacto.

La problemática de las Relaciones Públicas en situaciones de crisis es de un alcance inabordable, por ello se concretará en objetivos más reducidos: objetivos empíricos u operativos. Se trata de una combinación de objetivos descriptivos propios de las investigaciones de las ciencias sociales y de objetivos explicativos que intentan averiguar el dar respuesta a las cuestiones de la demanda empresarial en cuanto a las situaciones de crisis.

En este caso no se trata de una dicotomía explicación / descripción, sino de una complementariedad para aproximar la realidad que se analiza. No existe un método científico único universalmente reconocido. Existen características que componen el método científico y que se han de procurar seguir con rigor, de ahí la denominación rigor científico: objetivos claros, diseño operativo, validez y fiabilidad en la recogida de datos, un análisis riguroso de los mismos y unas compulsiones ajustadas.

Aunque en este artículo hay inclinación por paradigmas cualitativos, eso no significa que se haya renunciado a análisis cuantitativos, no son incompatibles.

En el caso específico de México y en particular de la zona conocida como la Comarca Lagunera, primer radio de acción de la FCA Unidad Torreón, el contribuir a incorporar a la actividad empresarial no sólo los Planes de Contingencia sino su manejo en situaciones de crisis por Relacionistas Públicos es de suma interés y actualidad y esto denota la importancia de este tema.

Las Relaciones Públicas Empresariales son una disciplina científica creada y definida en el año 1923 por el Dr. Edward L. Bernays Freud en los Estados Unidos, New York con el objeto de persuadir a los públicos de los que depende una organización por y para la causa de su cliente, generando credibilidad y confianza. La profesión se basa para su conocimiento científico en las ciencias sociales y políticas, así como en las económicas y para su aplicación en el arte de saber combinar estas ciencias, de ahí que las Relaciones Públicas sean un arte aplicado a unas ciencias sociales, económicas y políticas, con el objeto final de persuadir y en base a los resultados que nos dan esos conocimientos aplicar unas técnicas que pueden ser de empresa (como ejemplo: la utilización de la gestión empresarial basada en la actividad eficaz que proporciona un rendimiento en beneficios, una alianza estratégica, compartir información, métodos, marketing y finanzas, análisis FODA, (fortalezas, oportunidades, debilidades y amenazas) o de comunicación, (como ejemplo: el marketing, la publicidad, la propaganda, la promoción, la “publicity”, el “networking”), siempre y cuando el caso lo requiera. Son aún muchos las nuevas relaciones públicas los que piensan que la profesión gira en torno a la comunicación. Nada más lejos de la realidad, esa es otra profesión, la de director de comunicación. Esta profesión, persigue interpretar los deseos del público ante el cliente y los del cliente al público beneficiando al propio cliente y para eso también a la opinión pública, de la que depende la institución para la que se trabaja con el objeto de mantener, aumentar, potenciar, consolidar o fidelizar la credibilidad y confianza de los públicos hacia la empresa. En conclusión un consultor en Relaciones Públicas es un experto en Públicos y las relaciones con estos.

LOS SUCECOS IMPREVISTOS O ACCIDENTALES DEL MODELO DE ESERP, BARCELONA VALORADOS DENTRO DEL CONTEXTO MEXICANO ACTUAL

Los expertos consultados entienden que por encima de los sucesos considerados en el modelo español como sucesos imprevistos o accidentales, existe actualmente, tal como se trató en la Introducción, un

efecto inseguridad que hace que se dispare la crisis tanto en empresas industriales como de comercio y servicios y las sociedades financieras lo que acentúa y multiplican todos los nocivos efectos de una crisis.

Se debe trabajar por tanto en un modelo mexicano que contemple no sólo las características del modelo español de la ESERP y sus situaciones de crisis sino que tenga en cuenta las nuevas situaciones de crisis que conforman el panorama actual de la sociedad mexicana uno de cuyos roles está llamado a interpretar la FCA Unidad Torreón.

CONCLUSIONES

Las relaciones establecidas entre la ESERP de España con la Universidad Autónoma de Coahuila a través de la FCA Unidad Torreón una de cuyas expresiones son las relacionadas con el tema de este artículo muestran una nueva faceta de integración en actividades científicas de actualidad con aplicación en el sector empresarial que coadyuvará a ser más exitosa la relación universidad empresa que desarrollan en sus respectivos países y que a la vez permitirá un amplio intercambio de experiencias incrementando la cultura de ambas instituciones universitarias.

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LA SATISFACCIÓN DE LOS EMPLEADOS DE LAS OPERADORAS TURISTICAS EN LA CIUDAD DE CANCÚN: UN ESTUDIO PARA INCREMENTAR SU COMPETITIVIDAD

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RESUMEN

La Cadena de Utilidad en el Servicio, herramienta clave de la mercadotecnia y El Modelo Mexicano de Competitividad 2008, documento directivo de la estrategia empresarial son combinados creativamente en este estudio donde se analiza y valora la fortaleza del primer eslabón de esta Cadena dentro del ramo turístico en algunas operadoras de la ciudad de Cancún, Quintana Roo. Este primer eslabón se relaciona específicamente con los guías de turistas y su labor de ofrecer servicios que reditúan a los clientes reflejando esto en aumento de ingresos y utilidades. El Modelo Nacional de Competitividad 2008 producto del Instituto para el Fomento a la Calidad Total, A.C., fortalece esta investigación al ser un poderoso impulsor para el desarrollo de una nueva cultura de gestión caracterizada por el enfoque a resultados, la mejora continua, la flexibilidad y la creación de valor como estrategias fundamentales para alcanzar y mejorar la competitividad de las organizaciones mexicanas.

Los líderes de las empresas de servicios turísticos saben que hoy por hoy los guías de turistas son un reflejo de la calidad de su empresa, representan la primera imagen del servicio que perciben los turistas y por lo tanto significan un eslabón o pieza clave fuerte para promover o maximizar la lealtad y satisfacción del cliente. El estudio por tanto comprende una investigación descriptiva que tiene el objetivo de analizar cual es la percepción de los guías de turistas con respecto a los sentimientos que tienen hacia su trabajo, hacia sus colegas y hacia su compañía. Información que servirá de base para analizar la “fuerza” o “solidez” de los eslabones de la cadena de utilidad en el servicio y sugerir medidas que permitan disminuir o cerrar las brechas para elevar el nivel de satisfacción en el trabajo del guía, y de esta manera incrementar la competitividad.

INTRODUCCIÓN

Quintana Roo es un estado que ofrece diferentes atractivos turísticos como son: sol y playa, zonas arqueológicas, centros nocturnos, parque temáticos entre otros. Capta la tercera parte de las divisas turistas que ingresan al país. El promedio anual de ocupación hotelera en los últimos tres años ha sido cercana al 80% con bajas registradas únicamente en los periodos correspondientes a la afectación causada por huracanes de importancia. En términos generales el estado de Quintana Roo esta recibiendo cerca del 40% del total de los turistas que ingresan a México.

Cancún una de las principales ciudades del estado de Quintana Roo por sus atractivos turísticos cuenta con una afluencia turística del 43% de los visitantes que se recibieron durante el 2007. Por lo anterior se convierte en el principal destino del estado y aquí se concentra una gran parte de los operadores turísticos.

Los operadores turísticos son aquellos agentes que participan en la actividad turística, generalmente, en calidad de intermediarios entre el consumidor final (el turista, la demanda turística) y el producto turístico (bien o servicio, destino turístico), aunque puede extender su acción intermediadora al resto de la oferta complementaria (restauración, hotel, conjunto de la oferta de alojamiento.) (OMT, 1994)

Tabla 1: Afluencia de Turistas al Estado en el 2007

Destino	Enero – Diciembre
Cancún	3,004,802
Cozumel	553,327
Chetumal	493,008
Isla Mujeres	117,316
Riviera Maya	2,836,934
Estado	7,005,386

Fuente: Indicadores Turísticos diciembre 2007; SEDETUR

El estudio que se lleva a cabo es el desarrollo del primer eslabón de la cadena de utilidad en el servicio, los guías tienen contacto directo con el cliente y son un reflejo de la calidad de la empresa para la que laboran.

El objetivo de esta investigación es conocer la percepción de los guías de turistas con respecto a los sentimientos que tienen hacia su trabajo, hacia sus colegas y hacia su empresa, para valorar la calidad interna de su trabajo y promover la lealtad del cliente.

La problemática radica en el desconocimiento de las condiciones laborales (calidad interna del servicio) que tienen los guías de turistas de las operadoras turísticas para desempeñar sus actividades y poder proporcionar un servicio satisfactorio.

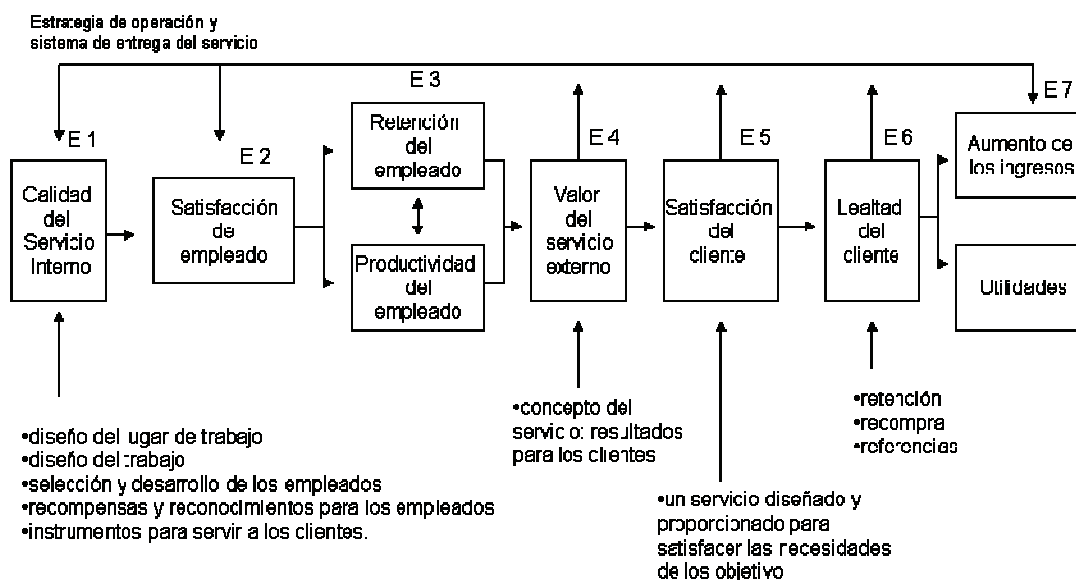
REVISIÓN LITERARIA

La Cadena de Utilidad en el Servicio es un modelo de la Universidad de Harvard que indica que para lograr un incremento en las utilidades de la empresa, se debe vincular la satisfacción del cliente interno con la satisfacción del cliente final.

Lovelock hace una aplicación de los estudios de Heskett formulando la Cadena de Utilidad en el Servicio asignando valores sólidos a las medidas de servicio de una empresa, relacionando las utilidades con el valor del servicio creado por los empleados satisfechos.

Hoy en día los servicios requieren técnicas de medición innovadoras como el impacto de la satisfacción, la lealtad y la productividad de los empleados sobre el valor de los productos y servicios proporcionados (Lovelock y Reynoso, 2004); Por lo tanto gerentes líderes buscan desarrollar niveles de servicio y de satisfacción que tengan un impacto competitivo generando valor por medio de empleados satisfechos, leales y productivos. La Cadena de Utilidad en el Servicio consta de varios eslabones como lo indica la figura 1

Figura 1: Los Eslabones En La Cadena De Utilidad En El Servicio



Fuente: Lovelock y Reynoso (2004) Administración de Servicios
E significa eslabón.

Los eslabones se basan en las siguientes premisas:

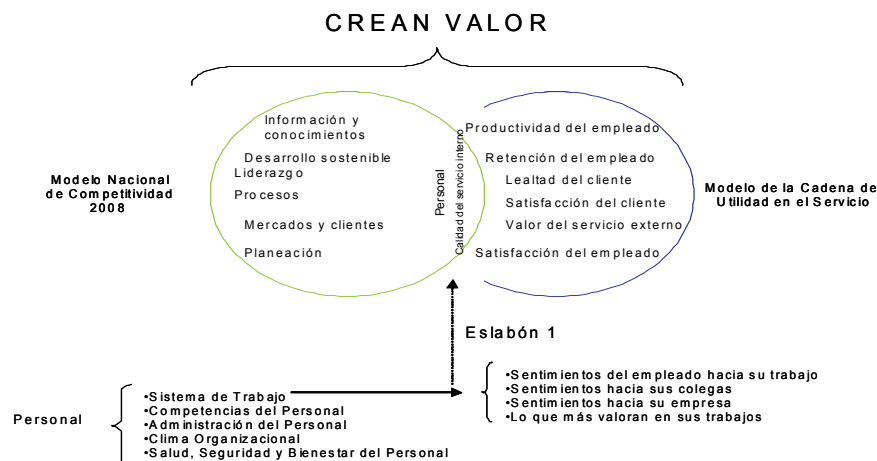
1. La lealtad del cliente impulsa las utilidades y el crecimiento.
2. La satisfacción del cliente impulsa la lealtad del cliente.
3. El valor impulsa la satisfacción del cliente.
4. La productividad de los empleados impulsa el valor percibido por el cliente.
5. La lealtad de los empleados impulsa la productividad.
6. La satisfacción de los empleados impulsa la lealtad.
7. La calidad interna impulsa la satisfacción de los empleados.

Dentro de los impulsores de valor que indica el Plan Nacional de Competitividad 2008 se encuentran: Liderazgo, Planeación, Mercados y Clientes, Procesos, Información y Conocimiento, Desarrollo Sostenible y Personal.

En este caso nos enfocaremos al Personal: Este impulsor es donde converge nuestro estudio ya que se enfoca en cómo las empresas alcanzan un alto desempeño cuando se orientan a las competencias del personal y el sistema de trabajo. La competitividad de la organización depende en gran medida del involucramiento y la motivación del personal. La satisfacción del personal impacta de manera positiva en el uso óptimo de sus competencias, y esto genera un clima orientado a la plena realización de su potencial. Finalmente el clima del trabajo se refleja en las condiciones ambientales que soportan la salud, higiene y seguridad.

Como primera etapa de cada una de las evaluaciones de los eslabones de la cadena de utilidad en el servicio este estudio se centrará únicamente en el primer eslabón: Calidad del servicio interno considerándolo como el principio de la cadena de utilidad en el servicio mientras que el Modelo Nacional de Competitividad 2008 se concentrará en el elemento del personal específicamente en el rubro de Sistema de Trabajo.

Figura 2: Convergencia entre la Cadena de Utilidad del Servicio y el Modelo Nacional de Competitividad 2008



Lovelock señala una auditoria para cada uno de los eslabones, expresadas como interrogantes que se resumen en la Tabla 2.

Tabla 2: Fusión de Interrogantes Entre Modelos

<i>CADENA DE UTILIDAD EN EL SERVICIO</i>	<i>MODELO NACIONAL DE COMPETITIVIDAD 2008</i>
Eslabón 1. Calidad en el servicio interno	Sistema de Trabajo
¿Los empleados saben quiénes son sus clientes?	¿Con qué instrumentos e incentivos cuenta el personal para apoyar la generación de proyectos encaminados al análisis de oportunidades de mejora e innovación?
¿Los empleados están satisfechos con el apoyo tecnológico y personal que reciben en el trabajo?	¿Con qué mecanismos de comunicación ascendente y descendente apoya el flujo de las contribuciones del personal en cuanto a la mejora e innovación?
	¿Cómo soporta y mantiene un ambiente de trabajo que facilite la creación de relaciones interfuncionales que generen apoyo y conduzcan a un mejor desempeño?

Fuente: Elaboración propia

DISEÑO DE LA INVESTIGACIÓN

Se realizó un estudio teórico de los métodos tanto de la Cadena de Valor en el Servicio como del Modelo Nacional de competitividad para ubicar el eslabón número 1 y poder conjuntarlos para obtener preguntas más certeras y concretas de la calidad interna del servicio.

El objetivo general de este estudio es conocer la percepción de los guías de turistas de las operadoras turísticas de la ciudad de Cancún con respecto a los sentimientos que tienen hacia su trabajo, hacia sus colegas y hacia su empresa, así como las condiciones labores en la que se desempeña actualmente.

El diseño del cuestionario fue conceptualizado a través de un grupo de expertos, profesores de la Universidad del Caribe, de los departamentos de Turismo Sustentable y Negocios Internacionales, buscando una mayor rigurosidad al estudio.

Después de seleccionado el grupo de expertos se comenzó a aplicar el método Delphi para el procesamiento de sus criterios y opiniones acerca de las preguntas que se realizarían a los guías, se inició esta etapa con entrevistas cerradas de los autores y con expertos para buscar consenso acerca del contenido y redacción de las preguntas. En ese acto de entrevista se le mostró individualmente a cada uno de ellos una versión inicial de 20 preguntas conformadas a partir de los conceptos principales de la Cadena de Utilidad en el Servicio y del Modelo Nacional de Competitividad 2008, tras dos rondas Delphi se logró llegar a un consenso entre los autores y los expertos y se redujo el número de preguntas de 20 a 13 optimizando su redacción final

La muestra se obtuvo mediante el muestreo no probabilístico ya que no se cuenta con bases de datos confiables que nos indiquen el número total de guías que trabajan en las operadoras turísticas en la ciudad de Cancún, levantando un total de 86 encuestas.

El levantamiento de las encuestas se realizó en diferentes puntos de la ciudad de Cancún debido a que desde muy temprano salen a tour, pasando hotel por hotel para recoger a los turistas o se quedan de ver con ellos en un punto de reunión.

El tipo de muestreo no probabilístico que se siguió fue el muestreo por bola de nieve o recomendación, que consiste en el procedimiento de identificar y calificar a un conjunto de encuestados (guías de turistas) prospectos iniciales que pueden a su vez, ayudar identificar a otros guías adicionales para incluirlos en el estudio, este tipo de muestreo aplicó debido a que la compilación de una lista completa de unidades muestrales es tarea casi imposible, por la falta de información.

RESULTADOS DEL ESTUDIO

- Se encuestaron a 86 guías de turistas, que representan el 21% aproximadamente de la población total de guías, los cuales trabajan en 23 operadoras turísticas de Cancún. Dentro de las operadoras turísticas se encuentran: Cancún Sightseeing, Emotions Tours, Incentivos Vacacionales (IVI), Mayaland entre otras.
- De los 86 guías, únicamente 29 de ellos que corresponden al 33.7% cuenta con un contrato de base y 57 que corresponde al 66.3% de los guías cuentan con un contrato temporal.
- Observamos que dentro del nivel de agrado o desagrado:
 - El 78% de los guía se sienten feliz con su trabajo.
 - El 73.6% no quisiera cambiar de profesión u oficio.
 - El 67.1% quiere seguir laborando con la empresa.
- Con respecto a la comunicación:
 - El 57.8% de los guías nos dicen que existe una adecuada comunicación entre el equipo del mismo departamento.
 - El 77% nos dice que no hay incertidumbre respecto a sus funciones
 - El 52% ocasionalmente esta en desacuerdo con sus superiores

CONCLUSIONES

En este primer acercamiento del eslabón número uno de la cadena de utilidad en el servicio conjuntamente aplicado con una parte del Modelo Nacional de Competitividad 2008, nos centra en las percepciones que tienen los guías de turistas con respecto a su trabajo que desempeñan, con sus colegas y hacia su compañía, con la finalidad de que las empresas lo utilicen como un factor que impulse la competitividad.

Con lo anterior podemos concluir que a pesar de que hay ciertas deficiencias en el primer eslabón, los guías de turistas poseen una percepción favorable hacia su profesión, que en muchos casos han desempeñado por años. Esto nos permite investigar los medios de satisfacción que emplean las empresas para la satisfacción de los empleados, que es el segundo eslabón y poder proponer ideas para que se vayan fortaleciendo cada uno de los eslabones de la cadena de utilidad en el servicio y poder cumplir con la estrategia de desarrollar programas para promover la calidad de los servicios turísticos y satisfacción turística.

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PROGRAMAS UNIVERSITARIOS ASOCIADOS A MICROS Y PEQUEÑAS EMPRESAS A TRAVÉS DEL SERVICIO SOCIAL

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RESUMEN

El presente estudio, trata de la participación que en la formación integral de los futuros profesionistas, ha tenido el servicio social asociados a programas universitarios, particularmente en la Facultad de Ciencias Administrativas (Facultad) de la Universidad Autónoma de Baja California (UABC) en México. Considerando la relevante importancia que la formación de profesionales integrales y con responsabilidad social, tiene en el desarrollo económico, social y productivo de la entidad, se presenta los resultados que se han obtenido de asociar materias con programas de servicio social, con el propósito de vincular a los futuros profesionistas a los sectores productivos y sociales, fomentando en ellos sentidos de responsabilidad, solidaridad y compromiso.

PALABRAS CLAVES: Servicio social, formación integral, programas universitarios

INTRODUCCIÓN

En las últimas décadas, México se ha visto inmerso en los cambios que han afectado al mundo, originados principalmente por la globalización. Estos cambios propiciados por el exterior e incrementados por los cambios políticos dados hacia lo interior, han afectado las condiciones económicas, políticas, sociales, culturales y de seguridad pública del país. En este contexto, se debe considerar la importancia de que las instituciones públicas y privadas desarrollen estrategias que permitan acciones dinámicas que hagan frente a los cambios complejos en los distintos ámbitos económicos, políticos, sociales, culturales y de seguridad que la sociedad mexicana demanda.

Las instituciones de educación a todos los niveles y principalmente las de nivel superior, analizan el papel que desempeñan en las estrategias de desarrollo y crecimiento de la sociedad mexicana, por lo que dentro de los planes de estudios se deben tomar en cuenta acciones que propicien la formación integral de los futuros profesionistas que participaran en dicho desarrollo y crecimiento.

En este sentido, la “Asociación Nacional de Universidades e Institutos de Educación Superior” (ANUIES), ha favorecido la creación de actividades tales como la vinculación y el servicio social, que a la vez que coadyuvan en la formación integral de los estudiantes de educación superior, también han logrado que se apoye a las empresas en su desarrollo económico, principalmente de las micro y pequeñas empresas.

En Baja California

El estado de Baja California, se ve envuelto en el mismo afán de crecimiento económico, social, político, cultural y de seguridad, por lo que fomenta la formación de profesionistas con una integración de conocimientos, valores y de responsabilidad social. Como institución de educación superior pública se crea en 1957 la Universidad Autónoma de Baja California (UABC), la cual siempre preocupada por cumplir con su responsabilidad de contribuir al bienestar de la sociedad bajacaliforniana, evalúa de manera permanente todos sus programas y planes de estudio.

En la Universidad Autónoma de Baja California:

La Universidad, comprometida con el estado, ha actualizado su modelo educativo en el que, relacionado con el tema, “resalta la relevancia social del conocimiento de las universidades”, mencionando en este sentido que “es el *aprendizaje en servicio* o *aprender sirviendo*, que se basa en el concepto del servicio social, pero con un componente de aprendizaje que puede o no ir asociado a créditos, o ser parte de los requisitos de una asignatura (Rhoads, 1997)”.

Asimismo, establece que la “idea fundamental del aprendizaje en servicio es que los estudiantes aprendan y se desarrollen a través de la activa participación en experiencias comunitarias dentro de programas de servicio social, particularmente aquellos organizados y liderados por los académicos, en los cuales los alumnos participantes tienen la oportunidad de aplicar, en apoyo a su comunidad, los conceptos e instrumentos aprendidos (Yates y Yuniss, 1999), además de reforzar su sentido de identidad e igualdad social, y estimular sus valores morales, sociales y cívicos, como los de reciprocidad y solidaridad.”

La universidad “estructura la etapa terminal de los planes de estudio bajo una perspectiva de educación y formación en el ámbito profesional, reconociendo el aprendizaje en el aula, pero valorando la formación en ambientes externos.” Una de las estrategias que se establecieron para el logro de estos fines, de acuerdo con la reglamentación vigente, fue el determinar que el servicio social se estructurará en dos etapas; la primera de ellas consiste en el conjunto de actividades que en beneficio y con la colaboración de la comunidad, realicen obligatoriamente los estudiantes, y que no requiere necesariamente de los conocimientos y habilidades que se estudia; y la segunda etapa consiste en la realización obligatoria de actividades temporales que ejecuten los estudiantes y pasantes de las carreras técnicas y profesionales, tendientes a la aplicación de conocimientos que hayan obtenido en las aulas, y que implique su ejercicio en beneficio de la sociedad.

Es importante mencionar que la universidad establece como objetivo del servicio social de todas las profesiones que se ofertan en ella, el que “debe ser realizado como una retribución a la sociedad por los beneficios de ellos recibidos a través de la educación. El compromiso, no es de tipo mercantil entre un acreedor y un deudor, sino fundamentalmente de tipo moral, el cual forma y desarrolla en el estudiante una actitud de servicio a la comunidad como profesionista, complementando así su educación con ejercicios prácticos de campo, y aprovecha su fuerza creativa para que, su lucro personal sirva a la comunidad con eficiencia”(Reglamentos universitarios).

De esta forma, se pretende que el estudiante contribuya al mejoramiento de las condiciones de vida de los sectores sociales menos beneficiado además de cumplir con un requisito indispensable para la obtención del título profesional que lo habilitará para el ejercicio de su profesión. Otro de los objetivos esta en relación con la promoción de la formación del futuro profesional en la que el servicio social es de vital importancia tanto en la formación del estudiante como en la capacitación y práctica profesional que a través de él también se desarrolle un alto nivel de competitividad.

En la Facultad de Ciencias Administrativas de la ciudad de Mexicali

La Facultad de Ciencias Administrativas (Facultad), campus Mexicali, de la UABC, siempre preocupada por su participación en la formación de profesionistas que contribuyan al desarrollo del bienestar social de la comunidad en la cual se inserta, tiene como responsabilidad la creación, administración y seguimiento de programas de servicio social que coadyuven en el mejoramiento de la calidad de vida tanto de sus propios estudiantes y egresados, como con las personas físicas y morales que forman la sociedad mexicalense del estado de Baja California.

En la actualidad (2008), la Facultad cuenta con 365 programas de servicios sociales profesionales registrados; de éstos programas, 122 corresponden a programas que la propia Facultad crea para vincularse directamente con diversos sectores de la sociedad, además de contribuir a la formación profesional del alumnado. Tanto la reglamentación universitaria como los propios de la Facultad, consideran distintos programas de servicio social; entre ellos se encuentran los programas de servicio social asociados a la currícula, es decir aquellos programas que a través de la participación en una materia puedan contribuir al mejoramiento y desarrollo de la sociedad, así como en la que el estudiante pueda cumplir con su carga académica, aplicar de forma práctica los conocimientos que esta adquiriendo.

Planteamiento del Problema

La intención del servicio social en origen es la retribución a la sociedad de los beneficios que cada estudiante recibe a través de su formación; considerando además el aspecto formativo del estudiante al estar realizando actividades de índole social.

En particular, el servicio social que se presta en las profesiones de las áreas administrativas dificulta la creación de programas que realmente vengán a resolver los problemas de orden administrativo de la población más desprotegida del país. Bajo estas circunstancias, las universidades se han dado a la tarea de vincular los programas y planes de estudios con el sector productivo y que conjuntamente con el servicio social puedan cumplir con la retribución a la sociedad, creando una conciencia de servicio y una formación en el conocimiento integral del estudiante al vincularse en áreas donde puedan aplicar dichos conocimientos, habilidades y actitudes en formación.

El planteamiento de este caso, es analizar si los programas de servicio social profesional que son vinculados a los programas y planes de estudios, crean una conciencia social además de una formación integral en los estudiantes.

Objetivo: La Universidad Autónoma del estado de Baja California tiene como una de sus premisas y objetivos más importantes, el mantener una estrecha vinculación con el mercado laboral, también tiene como objetivo importante el formar universitarios comprometidos con su entorno, por lo que en la última década se han intensificado los trabajos para que los programas de servicio social tanto comunitario como profesional que son autorizados, cumplan con sus cometidos de desarrollar la cultura del servicio social en beneficio de la colectividad y de formación integral de sus estudiantes.

En este contexto, el objetivo de este trabajo es señalar las aportaciones que generan los programas de servicio social asociados a las materias incluidas en un plan de estudios, exponiendo los casos particulares de las materias de “Auditorías Administrativas” y “Auditorías Especiales” que se asocian a programas de servicio social profesional dirigidos a micro y pequeñas empresas, de las carreras de Licenciados en Administración de Empresas y de Licenciados en Contaduría de la Facultad de Ciencias Administrativas, campus Mexicali, de la Universidad Autónoma de Baja California, así como el impacto que a la fecha se pueden evidenciar.

REVISIÓN LITERARIA

La UNESCO y el Banco Mundial, han manifestado que en la actualidad, la riqueza o pobreza de las naciones dependen de la calidad de la educación superior, dando a conocer en el informe elaborado por un grupo de especialistas participantes de la “Conferencia Mundial sobre la Educación Superior para el Siglo XXI” (1998), modificando la visión sobre el papel estratégico de la educación superior en los esfuerzos conducentes al desarrollo económico y social de los países, identificando los obstáculos que debe superar la educación superior.

Para tal fin, se menciona el papel estratégico que se les reconoce a las instituciones de educación superior, para generar su propia transformación para que su labor sea más pertinente a las necesidades sociales estableciendo mecanismos de vinculación con el sector externo, de los cuales destaca de manera sobresaliente el servicio social. En este contexto, también se manifiesta que para dar respuesta a los desafíos que la actualidad impone como es la globalización, es formar una sociedad global con valores comunes y bajo un contrato moral o una ética global, esencial para la supervivencia de la especie humana. La educación superior también debe asumir el compromiso ético y social en todas sus funciones universitarias.

La Constitución Política de los Estados Unidos Mexicanos, establece en su artículo tercero el derecho a recibir educación, la cual es canalizada a través de la Secretaría de Educación Pública. Asimismo, en su artículo quinto, establece el derecho que todos los mexicanos tienen de ejercer un trabajo, profesión o actividad que mejor le acomode. Bajo el marco de éstas dos premisas, el servicio social surge como una obligación que se tiene de que los que tienen acceso a la educación superior, correspondan con sus conocimientos al desarrollo nacional; las instituciones de educación superior, tienen por tanto la responsabilidad de establecer los mecanismos necesarios para que el servicio social, se instituya como un deber moral y ético, el cual debe ser cumplido por convicción y en beneficio de la sociedad en general y en particular de los más desprotegidos de ella.

Las universidades tienen obligación de hacer eco de esta premisa, formando profesionistas que sean capaces de corresponder a con sus conocimientos a su entorno social y económico con un sentido moral y ético, considerando al servicio social como un deber moral y ético en la formación de estudiantes de nivel profesional, el cual contribuirá a consolidar y fortalecer la función social educativa, que ayude a solucionar los problemas y que promueva el desarrollo social, económico y de seguridad del país.

El gobierno de México, dentro de su estructura cuenta con la Secretaría de Educación Pública (SEP), como responsable de administrar los recursos que permitan que todos los mexicanos tengan acceso a la educación. En lo referente a la educación superior la SEP establece la normatividad que debe ser cumplida entre la que se encuentra lo referente al cumplimiento del servicio social como respuesta a lo que la sociedad aporta para la formación de los profesionistas para que a su vez estos retribuyan a la misma sociedad con el aporte de sus conocimientos en la parte que les corresponda.

En atención al desarrollo económico de las micro, pequeñas y medianas empresas, el gobierno mexicano cuenta con la Secretaría de Economía (SE) que en su misión define que es la “institución que promueve e instrumenta políticas públicas y programas orientados a crear más y mejores empleos, más y mejores empresas y más y mejores emprendedores”. La SE tiene implementados diversos programas y acciones entre los que se cuentan los que otorga para que las universidades apoyen el desarrollo de emprendedores, la creación de nuevas empresas y asesoría a las empresas en desarrollo.

También se encuentran en México, algunas asociaciones que se han formado para vincular la labor de las universidades con el gobierno y la sociedad; a través de estadísticas, indicadores y propuestas de mejora. La ANUIES es la asociación rectora en la definición del rumbo que deben seguir las universidades e instituciones de educación superior en México y considerando de importancia lo referente al servicio social ha generando información valiosa en este sentido, creando la Comisión Nacional de Servicio Social. En el contexto de la vinculación, la ANUIES cuenta con una dirección de fomento a la extensión y vinculación, la cual tiene como misión “trabajar conjuntamente con las instituciones de educación superior para fortalecer la extensión de la cultura y los servicios a través de estrategias y acciones que permitan su interacción con la docencia y la investigación, así como lograr que sus actividades tengan

mayor impacto en el desarrollo de la educación superior en su vinculación con los diferentes sectores de la sociedad.

La UABC hace eco a estos imperativos manifestados en el ámbito internacional y nacional, considerando en su plan de desarrollo institucional 2006-2010, una serie de puntos en los que queda asentado el papel que juega en la sociedad bajacaliforniana de contribuir al logro de una sociedad y un mundo más justo, democrático, equitativo y respetuoso de su medio ambiente, y entre los aspectos más relevantes, tiene como misión “la formación integral, capacitación y actualización de profesionistas autónomos, críticos y propositivos, con un alto sentido ético y de *responsabilidad social* y ecológica, que les facilite convertirse en ciudadanos plenamente realizados, capaces de insertarse en la dinámica de un mundo globalizado, de enfrentar y resolver de manera creativa los retos que presenta su entorno actual y futuro”.

Los enfoques que esta misión da a través de su visión, resalta lo relativo a los estudiantes, creando una visión de su futuro campo de ejercicio profesional y de su área de especialización, fortaleciendo su actitud emprendedora y su contacto con el ejercicio de la profesión mediante los programas de vinculación, *de servicio social* y prácticas profesionales, los cuales se ubican tanto en organizaciones sociales como productivas.

Es importante mencionar que el modelo educativo que la UABC impulsa, se basa en un enfoque de educación flexible y de competencias, centrado en el aprendizaje del alumno y fundamentado en la evaluación colegiada; logrando éste con un currículo que incluya toda la generación de conocimiento que se logra con la investigación y el *servicio social*, debiendo ser esta educación pertinente y de retribución a la sociedad.

En particular, se pretende generar un ambiente de aprendizaje y sensibilidad entre los estudiantes respecto de sus *compromisos sociales* y la superación de los límites que imponen los recursos disponibles, que incentive su creatividad y apoye sus propuestas, que motive su participación y proporcione oportunidades de apreciar y aprovechar sus talentos, trabajando en conjunto con sus compañeros y en vinculación con el contexto externo que lo rodea.

Dentro de este marco de referencia, la Facultad ha contribuido al logro de su propia misión y visión, a través de la evaluación permanente de sus planes de estudios y de actividades que incentiven en los alumnos los valores mencionados, preparándolos para enfrentar los retos que la globalización impone, tales como el trabajo en equipo, la mejora continua de calidad y la construcción de una sociedad más productiva, justa y equitativa.

METODOLOGÍA

Los pasos que se siguieron en esta metodología fueron los siguientes:

Primero.- Análisis documental para referenciar el marco legal, y educativo, que existe en México en relación con el servicio social y en la formación de una conciencia social responsable y ética, obteniéndose información de las siguientes fuentes:

1. Constitución Política de los Estados Unidos Mexicanos
2. Estructura y disposiciones del gobierno en México referentes a la educación superior y al desarrollo económico de la sociedad mexicana.
3. Información de investigaciones sobre el servicio social, generadas por la Asociación Nacional de Universidades e Instituciones de Educación Superior (ANUIES).
4. Plan de Desarrollo Institucional de la UABC.
5. Revisión bibliográfica, sobre el servicio social.

Segundo.- Revisión de los planes y programas de estudio y programas de servicio social de los últimos seis años de la unidad académica de la institución educativa en la que nos insertamos.

Tercero.- Descripción de los resultados obtenidos de programas de servicio social asociados a las materias de auditoría que se vinculan a las micro y pequeñas empresas en Mexicali, Baja California, México.

RESULTADOS

En el año 2000 se incluye en los programas de servicio social la modalidad de “asociados a la currícula”, es decir que simultáneamente a la adquisición del conocimiento en el salón de clases, el alumno prestará servicio social en el sector externo en el cual aplicará dichos conocimientos bajo la tutela del profesor de la materia. En el año 2002 se generó el nuevo plan de estudios para las licenciaturas de contaduría, de administración de empresas, de negocios internacionales y de informática, en el cual se incluye materias obligatorias de AUDITORÍA. La inclusión de programas de servicio social asociados a la currícula permitió que el nuevo plan de estudios por competencias, contribuya a la formación de un profesionista integral, con visión ética, capaz de responder a su compromiso con la sociedad en un ambiente de justicia social.

Características generales de los programas de servicio social asociados a programas de estudio:

Los programas de servicio social profesional asociados a la currícula, tiene como características principales las siguientes:

- El servicio social es obligatorio para todos los alumnos, se consideran diversas opciones de cumplimiento de esta obligación, el que se asocia a la currícula es uno de ellos.
- Puede asociarse a materias obligatorias y optativas de octavo y noveno semestre.
- Se vincula al sector público en todas sus áreas y al sector productivo solo si se trata de micros y pequeñas empresas que requieran servicios profesionales que les ayuden en sus fases de creación, permanencia y desarrollo.
- Permite la integración de equipos multidisciplinarios.
- Son materias que requieren un enfoque práctico.
- Permite la integración de equipos de alumnos multidisciplinarios.
- Permite que el alumno pueda aplicar los conocimientos adquiridos en un contexto real.

b. Resultados obtenidos de la aplicación de programas de servicio social asociados a materias de las áreas de auditoría.

Las materias de octavo semestre de auditoría administrativa para Licenciados en administración de empresas y de auditorías especiales para Licenciados en contaduría, presentan características que permiten la generación de programas de servicio social asociado a la currícula.

- En los años 2005, 2006, 2007 y 2008, se han aplicado 50 auditorías a micro y pequeñas empresas tanto de los sectores de servicios como comerciales.
- Han participado 102 alumnos, los cuales han manifestado que la aplicación del programa de auditoría en las empresas les ha ayudado a fortalecer los conocimientos adquiridos en el aula, además de lograr la satisfacción de ayudar a las empresas en sus funciones administrativas y operacionales.
- A través del ejercicio de auditorías administrativas y operacionales, se ha informado a la micro y pequeña empresa de la problemática que enfrenta proporcionándole un diagnóstico de su situación en el cual se incluyen recomendaciones y sugerencias para

- mejorar sus fortalezas, aprovechar sus oportunidades, enfrentar de manera efectiva sus debilidades y eliminar las amenazas que el entorno le presenta.
- La problemática que han enfrentado los alumnos en el ejercicio de su servicio social, ha sido en tres aspectos principales relacionados con las empresas:
 - a. Que acepten la participación de alumnos en la evaluación de sus procesos administrativos.
 - b. Que proporcionen información relacionada con su contabilidad y con el pago de sus impuestos.
 - c. Que cuenten con recursos disponibles para llevar a cabo las recomendaciones que surgen del diagnóstico que se les presenta con motivo de la auditoria realizada.
 - De entrevistas a 15 alumnos que han presentado el servicio social asociado a la currícula en las materias de auditorías en comento, 6 de ellos manifestaron que a través de esta actividad pudieron definir el área de auditoria como un área de preferencia para el ejercicio profesional, 2 lograron un empleo en la empresa donde se desempeñaron y los otros 7 manifestaron que les fue útil como aprendizaje significativo.
 - Los alumnos que se han inscrito en estos programas, han podido cumplir en tiempo con el requisito de prestar servicio social para lograr su titulación.

CONCLUSIONES

Considerando el objetivo planteado, a continuación se relacionan las principales conclusiones:

- Los programas de servicio social, han permitido generar una conciencia social en los alumnos que les ayudará en su ejercicio profesional .
- La práctica desarrollada ayuda a los alumnos en su formación profesional integral, considerando la parte de compromiso social hacia la comunidad.
- Fomenta en los alumnos, actitudes de solidaridad, responsabilidad, humanismo y reciprocidad
- Les ha permitido a los alumnos cumplir con un requisito de egreso que presenta dificultades de tiempo para su realización.
- Promueve la vinculación docente-alumno-empresa.
- Las empresas se sienten apoyadas por la universidad al recibir el beneficio de un diagnóstico administrativo de las actividades que desarrolla.
- El diagnóstico en las empresas, ha provocado cambios en sus estructuras administrativas, coadyuvando en el uso eficiente de sus recursos.

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LA GESTIÓN DEL CONOCIMIENTO Y LOS EQUIPOS DE TRABAJO: UNA INTERRELACIÓN NECESARIA

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RESUMEN

La Gestión de Conocimiento se ha convertido en una necesidad de las organizaciones que compiten en mercados dinámicos y competitivos. La conversión del conocimiento en el recurso productivo determinante para diferenciar a las organizaciones de sus competidores ha impulsado la búsqueda de instrumentos que permitan su detección, captación, transferencia y gestión. El artículo tiene como objetivo determinar el papel de los Equipos de Trabajo en la gestión de conocimiento de las organizaciones. ¿Son los Equipos de Trabajo instrumentos favorecedores de la Gestión del Conocimiento? ¿Cómo los Equipos de trabajo benefician las prácticas basadas en la Gestión del Conocimiento? ¿Son necesarios los ET para la implantación de estrategias basadas en la GC?

PALABRAS CLAVES: Sociedad del Conocimiento, Gestión del Conocimiento, Equipos de Trabajo.

ABSTRACT

The Management of Knowledge has become a necessity of the organizations that compete in dynamic and competitive markets. The conversion of the knowledge in the determining productive resource to differentiate the organizations from its competitors has impelled the search of instruments that allow their detection, pick up, transference and management. The article must like objective determine the function of the Teams Work in the management of knowledge of the organizations. Are the Teams Work beneficial instruments of the Management of the Knowledge? How the Teams Work benefit the practices based on the Management from the Knowledge? Are necessary TW for the implantation of strategies based on the Management of Knowledge?

KEYWORDS: Society of the Knowledge, Management of the Knowledge, Teams Work.

INTRODUCCION

El cambio tecnológico acelerado de las últimas dos décadas, ha obligado a las organizaciones a impulsar su competitividad con herramientas que anteriormente eran desconocidas o que al menos no se instrumentaban de manera consciente por parte de ellas. En esas condiciones, no hay duda acerca de la importancia que representa el conocimiento como recurso indispensable, único, para el éxito sostenible en cualquier organización (Nonaka, 1991; Koguy y Zander, 1992).

Si bien la Gestión del Conocimiento aparece como estrategia en la década de los 90, su fundamento teórico se ubica en los trabajos de los economistas neoclásicos: Machlup (1962), Bell (1976) y Arrow (1962) y de los economistas evolucionistas (neoschumpeterianos), inspirados en los aportes de Schumpeter (1912); Dosi (1988), Nelson y Winter (1982), entre otros. Dichos trabajos, menos recientes que los trabajos de Nonaka y Takeuchi (1995), Drucker (1994) o Lundvall (1992), han conformado la base teórica que sustenta la necesidad de la Gestión del Conocimiento como un activo o factor de producción.

La llamada “sociedad del conocimiento” enunciada por Drucker, se compone de un conjunto de información, inteligencia y experiencia práctica que, gestionado constituye la base de las cualidades diferenciadoras de las organizaciones de hoy. Por ello, la posibilidad de no sólo adquirir información sino de transformarla en conocimiento, compartirlo e integrarlo a las prácticas cotidianas de la organización,

constituye la capacidad organizativa más importante para enfrentar el entorno que caracteriza la dinámica organizacional. Todo ello requiere de la instauración de condiciones de gestión adecuada que sea capaz de integrar de manera consciente prácticas cotidianas orientadas a fomentar factores e instrumentos que faciliten la generación, transferencia, integración y utilización del conocimiento. Los esfuerzos organizativos que permiten gestionar los procesos y actividades asociadas al conocimiento se ha denominado “Gestión del Conocimiento” (GC).

El conocimiento reside en el complejo sistema de procesos que da como resultado, la materialización de los bienes o servicios. Según Múnera y Franco (2002) existen dos soportes básicos del conocimiento:

- a) Los recursos humanos que intervienen en los procesos de producción o de soporte organizacional (formación, capacidades, cualidades personales, entre otras).
- b) La información manejada en dichos procesos, que capacita a estas personas a incrementar su formación o habilidades para el desarrollo de sus tareas.

De la fusión de estos dos soportes emerge el conocimiento. De manera, que en la medida que la estructura organizacional facilite la sincronía entre persona e información se creará un entorno de conocimiento. Este es uno de los objetivos esenciales de la gestión del conocimiento.

De esta concepción acerca del conocimiento y la información manejada han surgido nuevas áreas de trabajo vinculadas a la creación de nuevos modelos organizacionales. Según Drucker (1994), en nuestro tiempo existe una transformación en la concepción del conocimiento. Este ha pasado de una situación *aplicable a ser* a otra *aplicable a hacer*, es decir, de una situación referida al desarrollo intelectual de la persona a otra como factor de producción tomando como base su utilidad. En este sentido, el conocimiento se convierte en un instrumento o medio para obtener resultados.

Por ello, mucho antes en su obra *The Age of Discontinuity* (1968), Peter Drucker ya había estudiado cuatro esferas principales de discontinuidad: a) la explosión de la nueva tecnología, cuyo fruto son nuevas industrias importantes, b) el cambio de la economía internacional a la economía mundial, c) una nueva realidad social y política de instituciones pluralistas y; d) el nuevo universo de los conocimientos basado en la educación masiva, esferas que le dan sustento a afirmaciones posteriores del autor sobre la sociedad del conocimiento.

La economía contemporánea obliga a un constante intercambio de datos e información, supone la interacción entre individuos y grupos en búsqueda de una visión compartida vinculada a una distribución equitativa de conocimiento que promueva conocimiento organizativo. Precisamente, los equipos de trabajo se presentan con una forma organizativa favorecedora para gestionar el conocimiento dentro de una organización, en ellos se distribuye el trabajo en base a las competencias, existe un alto nivel de compromiso de cada integrante, se estimula el desarrollo de nuevas competencias y experiencias de aprendizaje y la autoevaluación es indispensable para garantizar el aprovechamiento de la masa de conocimiento acumulado presente en la organización.

El presente artículo analiza los fundamentos teóricos de la GC y de los ET. Cuales son las fuentes teóricas, tanto en la economía neoclásica como en la evolucionista que han contribuido a formar un cuerpo de conocimiento acerca de la GC?, ¿Son los Equipos de Trabajo instrumentos favorecedores de la Gestión del Conocimiento?, ¿Cómo los Equipos de trabajo benefician las prácticas basadas en la Gestión del Conocimiento? ¿Son necesarios los ET para la implantación de estrategias basadas en la GC?.

LA ECONOMÍA NEOCLÁSICA: CONTRIBUCIONES TEÓRICAS A LA GESTIÓN DEL CONOCIMIENTO

En una revisión de la literatura hemos identificado como fuentes teóricas que sirven de antecedentes a los conceptos que se enmarcan en la llamada Economía Basada en el Conocimiento, por un lado, los economistas neoclásicos y por otro, economistas que se ubican dentro de la tendencia neoschumpeteriana: los evolucionistas.

En el ámbito académico neoclásico, se han aceptado a F. Machlup (1962) y Daniel Bell (1976) como los autores centrales para la formulación de la economía y sociedad basada en el conocimiento.

El primero, en su trabajo “La producción y distribución del conocimiento en los Estados Unidos” a partir del estudio de un grupo de industrias, llega a la conclusión de que para 1958 en los Estados Unidos, las industrias que él denominó como del conocimiento aportaban ya cerca del 29% del PIB y que para 1959 poco menos del 32% de la fuerza de trabajo estaba involucrada en las actividades de producción, transmisión y almacenamiento de información. Machlup aporta una clasificación del conocimiento al dividirlo en práctico, intelectual, vulgar o de entretenimiento, espiritual e involuntario.

Estas ideas son continuadas por Robert Lane, que propuso la idea de una sociedad del conocimiento, que la define como “aquella en la que, en mayor grado que en otras sociedades, sus miembros: a) investigan las bases de sus creencias sobre el hombre, la naturaleza y la sociedad; b) se guían por normas objetivas de verificación y, en la educación superior, siguen reglas científicas de comprobación y deducción en la investigación; c) dedican importantes recursos a esa investigación, y cuentan por tanto con una amplia reserva de conocimientos; d) acumulan, organizan e interpretan el conocimiento en un esfuerzo constante para sacar consecuencias de utilidad inmediata; e) emplean ese conocimiento para iluminar sus valores y metas, así como para avanzar en ellos (Sánchez, 1999).

Partiendo de estos antecedentes, Bell (1976) hará su propuesta de sociedad postindustrial, denominación que trata de acentuar la diferencia de aquellas ideas del industrialismo y el crecimiento al estilo de Rostow de las décadas de los cincuenta y sesenta, señalando que la sociedad postindustrial es una sociedad del conocimiento dado que las fuentes de innovación derivan cada vez más de la investigación y del desarrollo –produciéndose una nueva relación entre la ciencia y la tecnología dado que el conocimiento teórico pasa a ser central – y porque la carga de la sociedad descansa cada vez más en el campo del conocimiento –esto medido en el PIB y en el empleo-. Esto lo demuestra a través de una amplia revisión de las estadísticas de los años sesenta y setenta, y considera que la sociedad postindustrial está por emerger en los próximos treinta o cincuenta años, iniciando por su estructura social (economía, tecnología y sistema de trabajo) y después se verán sus consecuencias sobre la política y la cultura. En este sentido plantea que el concepto de sociedad postindustrial es una generalización amplia que incluye cinco componentes característicos:

Un sector económico: el cambio de una economía productora de mercancías a otra productora de servicios;

Una distribución ocupacional: la preeminencia de las clases profesionales y técnicas;

Un principio axial: la centralidad del conocimiento teórico como fuente de innovación y formulación política de la sociedad;

Una orientación futura: el control de la tecnología y de las contribuciones tecnológicas;

Una forma de tomas de decisión: la creación de una nueva “tecnología intelectual”.

Precisamente, el propio proceso de innovación hace que el conocimiento teórico adquiera relevancia y se imponga sobre el empírico tanto en la organización de la toma de decisiones como en la dirección del cambio, codificándose en sistemas abstractos de símbolos. En este sentido Bell señala que los nuevos métodos para el desarrollo del conocimiento tecnológico permitirán que las sociedades postindustriales puedan alcanzar una nueva dimensión del cambio social. La conclusión explícita de Bell es clara: “una sociedad postindustrial es aquella en la que será cada vez más necesario tomar decisiones concientes” (Bell, 1976, p. 63).

Para Bell, en la sociedad postindustrial ocurre una consolidación de la ciencia y de los valores cognoscitivos como necesidad institucional básica de la sociedad, donde la toma de decisiones - cada vez más técnicas- involucra a los científicos y economistas más directamente en los procesos políticos; por lo que, la intensidad de las tendencias existentes hacia la burocratización del trabajo intelectual crea una serie de limitaciones a las definiciones tradicionales de los valores y empeños intelectuales. En la sociedad postindustrial de Bell, la creación y extensión de una “inteligencia” técnica plantea problemas cruciales sobre la relación entre el técnico y el intelectual, a partir de la formación de una estructura social, donde el Status, eje de la estratificación, se basa en el conocimiento –estructura horizontal-, y el Situs -estructuras verticales- viene determinado por las colocaciones de las actividades ocupacionales.

Como podemos apreciar, Bell nos plantea una nueva sociedad con clases sociales diferenciadas con base a su posición con respecto al conocimiento, con sus actividades jerarquizadas. En este sentido es aún más clara la posición de Drucker, quien afirma que “el verdadero recurso dominante y factor de la producción absolutamente decisivo no es ya ni el capital, ni la tierra ni el trabajo; es el conocimiento. En lugar de capitalistas y proletarios, las clases de la sociedad postcapitalista son trabajadores de conocimientos y trabajadores de servicios” (Drucker, 1993).

Otro economista neoclásico que aporta una interesante propuesta para la formación de un marco teórico acerca del papel del conocimiento y el aprendizaje es Kenneth Arrow.

El enfoque arrowiano acerca del cambio tecnológico y el aprendizaje endógeno que realizan las organizaciones, no viene del tronco central de la economía neoclásica, sino al parecer lo hace de la psicología experimental. En su artículo clásico, “The Economic Implications of Learning by Doing” (1962), la firma ya no es una entidad perfectamente informada y racional, sino que es una entidad con “racionalidad limitada”, imperfectamente informada, propensa a encarar búsquedas de información tecnológicas, gastando en investigación y desarrollo. Arrow demostró además la significación del aprendizaje por la práctica. Para él, la empresa aprende a hacer mejor sus tareas a medida que aumenta el volumen de producción. El “learning by doing” de Arrow nos lleva a mirar a la firma como si esta produjera no ya exclusivamente un bien o un servicio, sino como si fuera una organización social, que también produce conocimientos nuevos acerca de cómo hacer mejor lo que hace. De esta forma, la acumulación de experiencia, conjuntamente con la producción, genera un flujo incremental de conocimientos que permiten mejorar gradualmente el estado de la tecnología prevaleciente. Por tanto, la visión de Arrow nos lleva a dejar de considerar la firma como una combinación de precios y cantidades (modelo convencional) y fuerza a verla como una organización social, que además de asignar recursos, también produce y trasmite conocimientos. Esta contribución de Arrow ha ejercido una gran influencia en el análisis posterior en lo que respecta al ritmo de aprendizaje tecnológico de las firmas o industrias, así como los mecanismos de formación de precios en mercados sujetos a fuertes incrementos de productividad originados en el cambio tecnológico “adaptativo”.

Por otra parte, en otro de sus trabajos de gran relevancia e influencia en la profesión (Arroz, 1962) enfatiza el papel de la información y del conocimiento como bien público, demostrando la incapacidad del mercado para asignar los recuperar necesarios para las actividades de investigación y desarrollo. Y

plantea: "...ninguna cantidad de protección legal puede convertir algo tan intangible como la información en un bien completamente apropiable".

A ECONOMÍA EVOLUTIVA: LA HERENCIA SCHUMPETERIANA

En este epígrafe nos proponemos presentar el aporte de la llamada economía evolucionista, sin embargo es menester adelantar, que esta corriente de pensamiento es amplia, heterogénea y relativamente reciente, aunque tiene como un elemento básico y aglutinador el hecho, de que considera a J. A. Schumpeter, como una de las fuentes teóricas y metodológicas más importante de sus trabajos. En la medida que estamos tratando un problema de gestión empresarial, los principales economistas que más han contribuido, desde el enfoque evolucionista a enriquecer un cuerpo teórico que sirva a la gestión del conocimiento, han sido; R. Nelson, S. Winter y G. Dosi..

La herencia schumpeteriana aporta una interpretación muy amplia de la actividad económica que ha permitido ser apropiado sus resultados por economistas que trabajan tanto la empresa como la teoría económica. Para una parte importante de los seguidores de Schumpeter, su aporte fundamental radica en el reconocimiento del "proceso de destrucción creadora", el cual recoge todo el proceso de cambio permanente a que está sujeto el sistema productivo. Se descubre en la obra de Schumpeter, la misma preocupación marxista acerca de la evolución de los fenómenos y sobre todo la perspectiva de largo plazo, es decir, su destino final. Al respecto escribió: *«El punto esencial que hay que tener en cuenta consiste en que, al tratar del capitalismo, nos enfrentamos con un proceso evolutivo»* (Schumpeter, p. 120). La evolución, el cambio, el desarrollo, son rupturas dinámicas que están motivadas por la emergencia de innovaciones que tienen lugar en el proceso económico como consecuencia de factores endógenos. Aquí el economista austriaco rompe de cualquier forma con la economía neoclásica, adoptando otras posiciones heterodoxas como la incertidumbre, la imperfecta información y el desequilibrio. Para Schumpeter, a diferencia de la economía convencional que había heredado de Walras la teoría general del equilibrio, la ruptura de éste es originada por las propias empresas que son quienes lo crean a través del proceso discontinuo de creación innovaciones. Cada nuevo equilibrio, es una posición mejor. De este modo, bajo la concepción schumpeteriana son posibles conductas diferenciales entre firmas, "leds" innovativos y cuasirentas que el modelo de equilibrio elimina por definición.

Nelson y Winter, a partir de la crítica al enfoque ortodoxo de la teoría económica propuesta en el libro *An Evolutionary Theory of Economic Change (1982)*, propusieron una concepción alternativa sobre la teoría de la firma consistente con la concepción schumpeteriana del cambio económico. Ambos autores retomaron líneas del pensamiento clásico junto a conceptos propios de la teoría evolucionista de Darwin, como "selección", "mutación", "adaptación", etc. tomados de la biología, para sobre esta base rechazar los presupuestos de equilibrio, sustituyéndolos por los desequilibrios reales e incertidumbre, donde la competencia obliga al desplazamiento de los más débiles por aquellos que mejor se adaptan. Plantea Nelson al respecto: "Una premisa esencial de la teoría evolucionista es que el mundo es demasiado complejo para que una empresa lo comprenda completo, en el sentido en el que una empresa entiende su mundo en la teoría neoclásica" (Nelson, 2000).

Nelson y Winter en el proceso de construcción de su teoría evolucionista sobre la firma rechazan la concepción neoclásica que no incorpora la incertidumbre, el desequilibrio y donde los conocimientos se producen y corporizan en un código generado por los departamentos de investigación y desarrollo (I+D) de las organizaciones. Siguiendo la lógica de ese enfoque, este conocimiento codificado, resultado de los esfuerzos de I +D en el sector público o en el privado, se derraman hacia los usuarios como bienes públicos e internamente en las organizaciones, los conocimientos se difunden a los departamentos de producción, comercialización y llegan al mercado en forma de innovaciones de procesos y productos. En la medida que los conocimientos estén codificados, sus usuarios pueden reproducir las instrucciones respectivas sin mayores detalles, por tanto, la tecnología es según este enfoque un factor exógeno.

Estos dos economistas evolucionistas siguiendo a Schumpeter colocan a la tecnología como el problema económico más importante y consideran al progreso técnico como un proceso evolutivo, de competencia, de ganadores y perdedores a partir de la existencia de múltiples propuestas compitiendo entre sí (Nelson, 1991). La parte medular de la obra de estos economistas radica en el papel que le confieren a las llamadas rutinas organizativas. Según Nelson y Winter, las rutinas definen el conjunto de actividades que una organización es capaz de hacer fiablemente, definiendo la vida particular de cada firma. Las rutinas son estructuras previsibles y regulares de comportamiento que conducen a esquemas repetitivos de actividad y constituyen la memoria organizacional que orienta la toma de decisiones en la empresa. Pueden ser entendidas como comportamientos que se estiman apropiados y efectivos para los contextos en donde son empleados; por tanto, su uso resulta racional, aunque la firma no proceda a realizar comparaciones en todo el espacio nocional de comportamientos posibles (Nelson, 2000).

Por otro lado, las firmas se distinguen a partir de las competencias específicas de "resolución de problemas" (problem-solving) acumuladas en cada una, las cuales van a influir decisivamente en su capacidad para generar y adoptar innovaciones, es decir, atribuyen una importancia decisiva a las peculiaridades de cada empresa, a sus capacidades de innovación que "estarán definidas y restringidas por las habilidades, experiencias y conocimientos..." (Nelson, 1991). Sin duda, con sus trabajos de principios de los años 80 y los posteriores, Nelson y Winter abrieron el camino para una reinterpretación alternativa de la firma, con conceptos tales como aprendizaje en sus diversas modalidades, conocimiento y cambio tecnológico, que luego han sido incorporados a la gestión del conocimiento. La concepción de ellos se ha ido enriqueciendo con el aporte de otros economistas que compartían una similar afinidad teórica fundamentada en las tesis básicas schumpeterianas.

En esta misma línea, Dosi continúa los trabajos de Nelson y Winter, aportando conceptos que pretenden modelar el comportamiento desigual de las empresas. En Dosi (1988) hay una crítica rigurosa de la acepción de tecnología implícita en la teoría neoclásica, la cual es identificada con la información aplicable generalizadamente y materializada en un conjunto de instrucciones que, seguidas con precisión, llevan a un resultado especificado. El conocimiento tecnológico se concibe como explícito, articulado, imitable, codificable y perfectamente transmisible. Las firmas pueden producir y usar innovaciones a partir de un pool de conocimiento científico-tecnológico que, según los casos, será o no de acceso gratuito, pero que siempre entregará un conocimiento codificado y fácilmente reproducible. A su vez, la tecnología se percibe como enteramente realizada con anterioridad a su incorporación a la esfera productiva (no hay retro-alimentación proveniente de esta última) y, en general, se ignoran las innovaciones provenientes de actividades no formales. La ciencia, además, se concibe como situada afuera del proceso económico. Subyacente a esta concepción se encuentra el llamado modelo lineal de innovación. Allí, la aparición de nuevas tecnologías sigue una secuencia temporal bien definida que comienza con actividades de I&D, es seguida por una fase de desarrollo y finalmente arriba a las etapas de producción y comercialización (OECD, 1992).

A partir de estos economistas, mucho antes que Nonaka y Takeuchi (1995), los evolucionistas destacan un conjunto de rasgos de la tecnología que desafían la concepción neoclásica. Sus argumentos se pueden subsumir en una serie de "oposiciones" relativas al conocimiento tecnológico; la primera de ellas distingue entre conocimiento articulado y tácito, y alude a la imposibilidad general de escribir instrucciones precisas (blueprints) que definan la manera de emplear una determinada tecnología. En segundo lugar, se diferencian las tecnologías "universales" -conocimiento, generalmente científico, difundido y referido a principios generales de vasta aplicación- de las específicas -conocimiento relativo a "maneras de hacer cosas", muchas veces producto de la experiencia-. También se distinguen las tecnologías públicas -por ejemplo, libros- de las privadas -por su carácter tácito o por estar protegido a través de patentes, secreto comercial, etc.- (Dosi, 1988). Asimismo, las tecnologías difieren en su grado de imitabilidad y en la medida en que sus principios básicos son entendidos.

Para Dosi (1988) y los economistas evolucionistas, la mayor parte del conocimiento tecnológico se puede caracterizar como tácito, específico, de difícil transferibilidad e imitación y no siempre completamente entendido; por ende, el cambio técnico es, en general, acumulativo y "local". No sólo la naturaleza de las técnicas en uso determina el rango y la dirección de las posibles innovaciones, sino que generalmente la probabilidad de realizar avances tecnológicos en firmas, organizaciones y aún naciones es función del nivel tecnológico alcanzado por ellas. A su vez, las firmas que encuentran mejores técnicas -probablemente porque usan mejores reglas de búsqueda-, se expandirán más que las otras. Las asimetrías o brechas tecnológicas entre firmas -y naciones- surgen como una consecuencia natural de estas tendencias.

Obviamente, la noción de función de producción aparece cuestionada. No se puede asumir que las firmas -y menos aún los países- acceden a una función de producción común, ya que la imitación no es trivial. Además, las firmas no operan en una función de producción completa sino en algunos, o en un punto específico del set de combinaciones tecnológicas; su progreso técnico está localizado alrededor de ése o esos puntos. Cada firma puede emplear con confianza sólo un número limitado de técnicas y necesitará un cierto esfuerzo de I&D y learning by doing para dominar otras; incluso, habrá algunas otras técnicas sobre las cuales la firma tiene aún mayores incertidumbres y cuyo dominio requeriría esfuerzos substanciales de aprendizaje (Nelson, 1982).

En muchos sectores, el aprendizaje tecnológico no se hace a través de una actividad especializada clasificable como I&D, sino que predominan diversas vías menos formales (learning by doing, learning by using, etc.). En consecuencia, la distinción neoclásica entre sustitución de factores dentro de una función de producción y movimientos de la función de producción se desvanece, ya que cómo se mueve la función de producción depende muchas veces del punto en el cual se está operando al presente (Nelson, 1982).

A su vez, los resultados de las actividades de búsqueda son estocásticos y no predecibles. Al embarcarse en actividades innovativas, las firmas están motivadas por la percepción de alguna oportunidad inexplorada, pero tal percepción difícilmente puede incluir el conocimiento detallado de todos los eventos posibles, combinaciones de insumos, características de los productos, etc.; en otras palabras, ni la solución de los problemas, ni las consecuencias de las acciones pueden ser conocidos ex ante con precisión -especialmente en las etapas tempranas de una determinada tecnología- (Dosi, 1988). Además, si las tecnologías no se entienden bien, la idea de un set de posibilidades de invención es engañosa. También la elección de tecnologías es un tema más complejo y sutil que lo que supone la ortodoxia, ya que no existe un conjunto bien definido de opciones tecnológicas. Juzgar como funcionará una tecnología creada por otra firma es un asunto complejo y necesariamente cada firma desarrollará unas versiones idiosincráticas con variantes -algunas intencionales y otras no- respecto del original.

En base a estas nociones, el evolucionismo postula que existen patrones regulares de avance del conocimiento tecnológico a nivel microeconómico o sectorial. A partir de ciertas rupturas (breakthroughs) científicas y/o tecnológicas, se encontrará inicialmente un potencial tecnológico en búsqueda de ser explotado. Ese potencial se desarrollará a través de determinadas líneas, denominadas trayectorias tecnológicas (TT). Una TT implica una definición de los problemas relevantes y de los patrones de investigación, de las necesidades a satisfacer y de los principios científicos y la tecnología material a utilizar. Asimismo, determina las oportunidades para realizar innovaciones y los procedimientos básicos para explotarlas. Una vez constituido una determinada TT, las actividades innovadoras se hacen fuertemente selectivas y acumulativas en la adquisición de las capacidades para resolver problemas; al mismo tiempo hay un efecto de exclusión, ya que los esfuerzos y la imaginación de los ingenieros y de las organizaciones en donde trabajan están sesgados en direcciones precisas y se hacen "ciegos" respecto de otras posibilidades tecnológicas (Cimoli y Dosi, 1994; Dosi, 1988).

LOS EQUIPOS DE TRABAJO: INSTRUMENTOS PARA GESTIÓN DEL CONOCIMIENTO

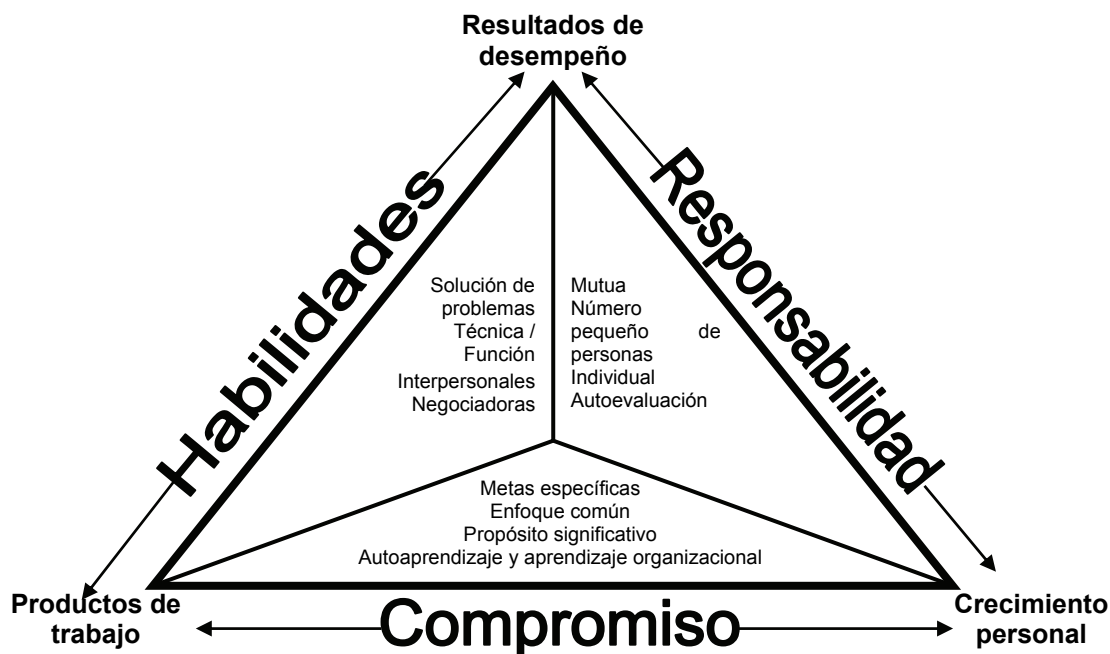
El debate que acompaña a la GC trae asociado casi por necesidad la discusión acerca del papel de los Equipos de Trabajos (ET) en organizaciones donde se trabaje en base a la gestión de ese recurso. La formación de ET está directamente relacionada con la misma esencia del GC: la necesidad de compartir conocimientos y colaborar entre los empleados de una organización para potenciar el resultado final. No es casual que el auge de los ET coincide con la difusión de estudios acerca de experiencias empresariales sobre GC a finales de los 80 y sobre todo a principios de la década siguiente. Por consiguiente, proponemos que los ET son parte de la esencia misma de la GC y por consiguiente, contribuyen a la realización más plena de los objetivos de ésta. Esta contribución se realiza en dos planos (Franco y Velázquez, 2000). Uno, desde la perspectiva individual y otra desde la perspectiva organizacional. En el primer caso, trabajar en equipo se justifica por razones de seguridad, autoestima, de beneficios mutuos y de sociabilidad. En el segundo, se argumenta la posibilidad de reunir habilidades más allá de las que un individuo puede adquirir, se crea sinergia, un mayor compromiso y desarrollo de los trabajadores, se genera aprendizaje organizacional y se incrementa la creatividad. Por ello, Franco y Velázquez (2000) reconocen como uno de los mecanismos más poderosos de intermediación y de GC se encuentra en los espacios de intercambio donde operan las redes sociales.

Nonaka y Takeuchi (1995) distinguen dos tipos de conocimiento: el explícito –aquel que puede ser estructurado, almacenado y distribuido– y el tácito –aquel que forma parte de las experiencias de aprendizaje personales de cada individuo y que, por tanto, resulta sumamente complicado, si no imposible, de estructurar, almacenar en repositorios y distribuir. Por lo que respecta al conocimiento explícito, queda claro, pues, que es posible y conveniente almacenarlo en bases de datos, bases documentales, intranets/extranets y sistemas de información. Sin embargo, dado las características del conocimiento tácito no resultará factible estructurarlo y almacenarlo, por lo que la mejor estrategia para gestionarlo será fomentando la creación de ET, de redes de colaboración entre las personas que componen la organización (sharing networks) e incluso con personas externas a la misma y la elaboración de mapas de conocimiento al que todo el mundo pueda acceder y en el que se especifiquen los conocimientos de cada uno de los miembros de la organización. Una vez localizado, el conocimiento tácito será tanto más valioso cuanto mayor sea su incorporación al saber hacer de la organización y a su proceso productivo a través de herramientas como los ET, los cuales propician e impulsan la colaboración y el intercambio entre los integrantes para aprovechar y potenciar el valor de los conocimientos disponibles en la organización.

Un ET, según Katzembach y Smith (1995:52) “es un número pequeño de personas con *habilidades* complementarias que están *comprometidas* con un propósito común, con metas de desempeño y con una propuesta por la que se consideran mutuamente *responsables*”.

Estos autores, consideran como elementos básicos del equipo (ver figura N° 2), los resultados de desempeño, los productos de trabajo colectivo y el crecimiento personal, esto a partir del desarrollo de habilidades, el compromiso y la asunción de responsabilidades.

Figura N° 2: Elementos Básicos Del Equipo



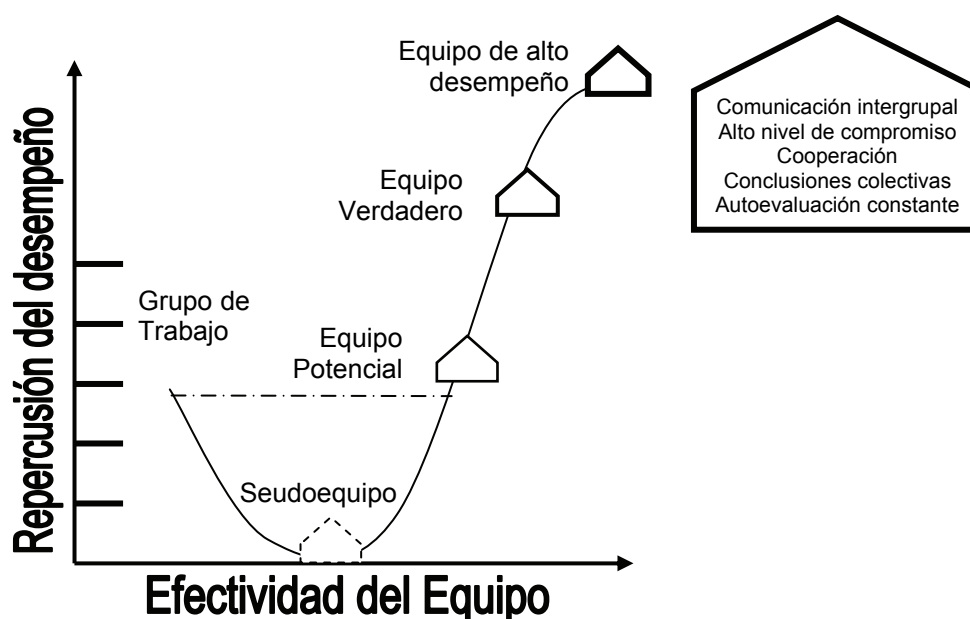
Fuente: Adaptado, Franco y Velásquez (2000).

La globalización de la economía y las nuevas tecnologías han marcado el tránsito de las organizaciones burocráticas a organizaciones descentralizadas que superan las tradicionales estructuras jerárquicas y rígidas hacia formas organizacionales más flexibles, donde la comunicación permite dar significado a la diversidad de datos del contexto actual y así estructurar respuestas oportunas ante un entorno cambiante, para progresivamente gestionar las transiciones como algo rutinario. Por ello, el desempeño colectivo dentro de las organizaciones adquiere mayor relevancia, siendo los mecanismos para mejorarlo objeto de interés no sólo del sector académico sino también del sector empresarial, siendo ampliamente aceptado que el recurso estratégicamente más importante que poseen las empresas para competir en el entorno dinámico actual es su conocimiento organizativo (Zárraga, 2003).

Un ET genera una sinergia positiva por medio de un esfuerzo coordinado. Sus esfuerzos individuales dan como resultado un nivel de desempeño mayor que la suma total de los insumos individuales transformando grupos en equipos eficaces y productivos. La curva de desempeño del ET (ver figura N° 3) refleja cómo las personas se deben comprometer a correr riesgos de conflicto, producto del trabajo conjunto y de la acción colectiva, necesarios para crear un propósito común, un conjunto de metas, una propuesta, una responsabilidad mutua. El ET es motivado por un compromiso común entre sus miembros, más que por su líder. A partir de esa interacción se estimula la transmisión y gestión del conocimiento, por lo cual, cuando un ET funciona, el conocimiento, la información, la circulación.

Los grupos de trabajo se caracterizan por tener un desempeño promedio, ya que sin considerar la sinergia como eje fundamental de su rutina grupal, están orientados al logro del objetivo por lo cual la eficacia de los mismos es pocas veces cuestionada. Los grupos de trabajo son equipos de trabajo potenciales, que bien pueden permanecer indefinidamente en ese punto o estabilizarse como un ET verdadero, el cual más temprano que tarde empezará a establecer sus propios objetivos ajustando su conducta a proyectos más exigentes, iniciando así un Equipo de Alto Desempeño.

Figura 3: Curva de Desempeño



Fuente: Adaptado, Franco y Velásquez (2000).

Por consiguiente, los ET funcionan como herramientas que permiten gestionar el conocimiento en aquellas organizaciones que se involucran en procesos de cambios organizacionales en función de mejorar su desempeño final. Son creados dentro de la organización para cumplir ciertos objetivos, los cuales se relacionan directamente con parte de las metas de la GC. Por ello, consideramos que los ET favorecen la GC, ya que tienen entre sus objetivos fundamentales (figura nº 4): a) la competitividad, b) la efectividad, c) la innovación y d) el clima organizacional.

Al hablar de competitividad, es necesario mencionar que los ET promueven la disciplina para la ejecución de planes, el desarrollo de competencias y herramientas para solventar problemas o situaciones difíciles, la interacción entre los individuos y el aprovechamiento del conocimiento colectivo (sinergia), así como las relaciones internas y externas que garantizan los insumos indispensables para conseguir las metas del equipo y a su vez las de organización.

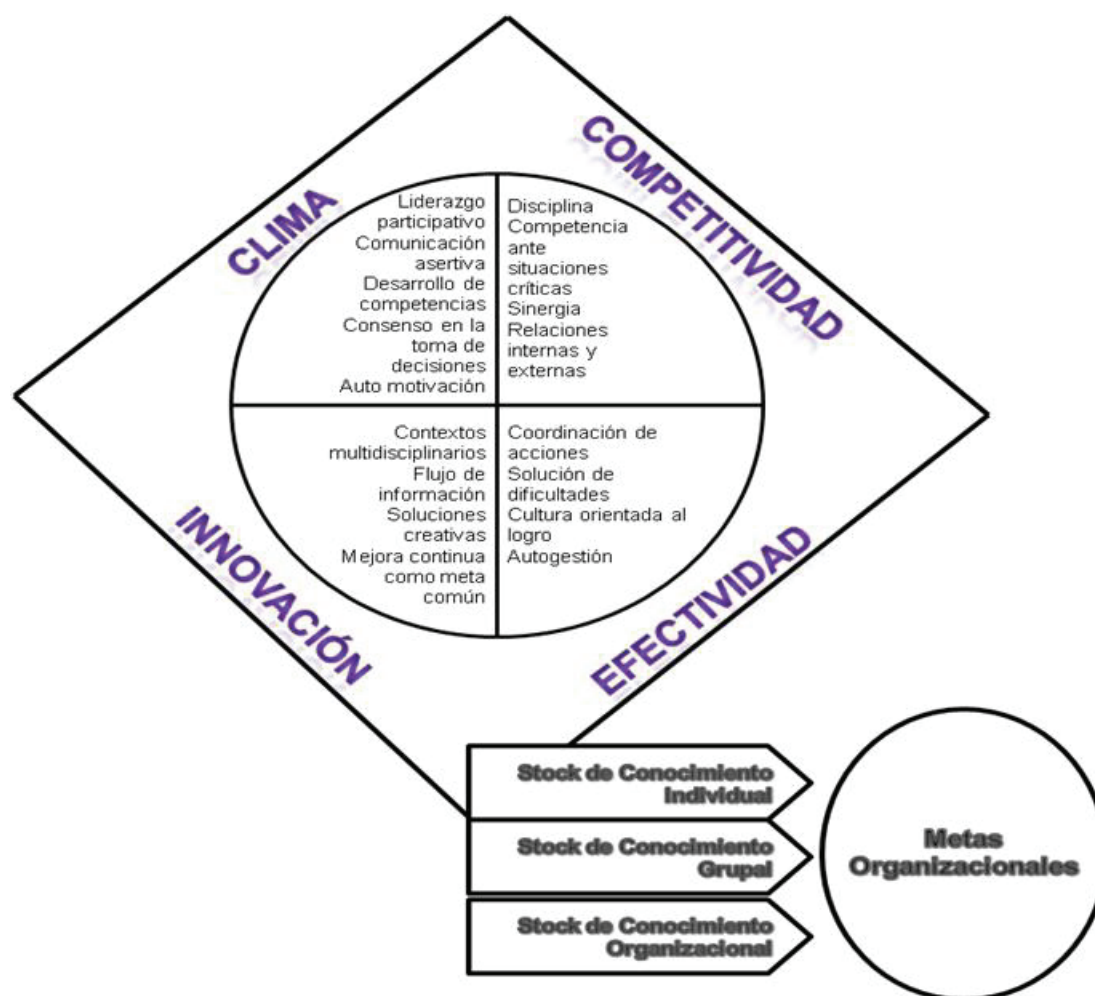
Por otra parte, la organización del trabajo en equipos multidisciplinares y autogestionados facilita la creación y transmisión de nuevo conocimiento (Forcadell y Guadamillas, 2002). La efectividad como propósito de los ET se logra a través de la coordinación de las acciones previstas, la solución de situaciones adversas que causen un efecto entrópico en los planes establecidos y la promoción de una cultura orientada al logro y la autogestión de los equipos.

Uno de los propósitos de la GC es conectar a las personas entre sí para que éstas se vinculen con la información y convertir ésta en conocimiento y por tanto motivar la creatividad y la innovación (Gunnlaugsdottir, 2003). Los ET desarrollan actividades que les lleva a interactuar en contextos multidisciplinarios, generar e intercambiar información entre los integrantes, promover la creatividad y la mejora continua como una de sus metas primordiales. Estas acciones propician la innovación organizacional y la búsqueda del conocimiento donde quiera que esté localizado. La creación de nuevos conocimientos, que pasan a formar parte de la base de la organización y se ponen a disposición de los

integrantes de la misma, sustenta el desarrollo de innovaciones (Nonaka, 1994; Nonaka y Takeuchi, 1995).

Favorecer un clima organizacional que incentive la productividad, requiere de un liderazgo participativo y de una comunicación asertiva entre los integrantes del equipo, como con otros equipos internos o externos. Además un clima organizacional de esta naturaleza facilita el desarrollo de competencias a raíz de la vivencia misma de trabajar en equipo, así como el logro de consensos en la toma de decisiones (Zárraga, 2003). Estas condiciones hacen posible el diseño de planes de automotivación que energizan el trabajo del equipo, fomentando la transferencia de conocimiento tácito (Nonaka, 1994) y el incremento de los stocks de conocimiento de las tres dimensiones de aprendizaje organizacional: a) individual, b) grupal y c) organizacional (Prieto, 2003).

Figura N° 4: Objetivos Organizacionales De Los Equipos De Trabajo



Fuente: Elaboración propia.

CONCLUSIONES

La EBC supone el tránsito a una nueva etapa de desarrollo, donde el conocimiento se transforma no solo en el principal insumo de las actividades económicas, sino también en su producto más valorado. Precisamente, para que realmente el tránsito a esta “nueva era” impacte a la economía – en indicadores de

crecimiento y bienestar- de los países desarrollados y en desarrollo derivado de incrementos de la productividad, son necesarios cambios económico-organizativos profundos en las organizaciones que permitan aprovechar el potencial completo que las nuevas tecnologías lleva asociado.

En condiciones de la EBC, el conocimiento además de individual, es preferentemente colectivo y organizativo; es decir, un componente indispensable del conocimiento depende de las formas de dirección consolidadas en la organización, de las formas colectivas de trabajo, de los programas y procedimientos, del modo en que se transmite la información, y, en definitiva, de las rutinas organizativas (Nelson y Winter, 1982).

Vincular el desempeño y la efectividad de los ET con respecto a la GC, sugiere la consideración de las siguientes premisas, las cuales caracterizan el funcionamiento de los ET como instrumentos indispensables para gestionar el conocimiento:

- a) Los ET juegan un papel fundamental en la GC, pues la sinergia propia de éstos favorece los procesos de identificación, creación, desarrollo, evaluación, transmisión y utilización de conocimiento.
- b) La diversidad y la complementariedad de habilidades y conocimientos de sus miembros, potencia y enriquece la transformación de información en conocimiento.
- c) Los ET contribuyen al afianzamiento de una cultura organizativa sólida donde se fomenta el aprendizaje colectivo: aprendizaje organizacional.
- d) Puede reducir las barreras para compartir e integrar conocimiento, tales como: desigualdad de estatus, distancia entre individuos y desaliento para compartir experiencias.
- e) La inexistencia de celos profesionales motiva a los integrantes del equipo a compartir sus conocimientos a fin de incrementar la creatividad de todos los miembros.
- f) En este contexto, se configura un ET cohesionado y coordinado que permite gestionar el conocimiento colectivo con el aprovechamiento del mismo al máximo.

Por consiguiente, la implantación de los Equipos de Trabajo, responde a una necesidad objetiva del mismo proceso de trabajo, y las organizaciones están abocadas, si aspiran a obtener los rendimientos esperados de sus inversiones en TIC, a poner en correspondencia, las formas del conocimiento con el modo en cómo se organiza. Esto implica una reforma estructural de todo el modelo organizativo de la empresa, donde los Equipos de Trabajo son una forma organizativa, adecuada a las formas de conocimiento propias de la Economía Basada en el Conocimiento.

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ORGANIZACIONES SOCIALES ANTE EL RETO DE LA LEY DE TRANSPARENCIA DEL ESTADO DE CHIHUAHUA, MEXICO

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RESUMEN

Durante décadas, la opacidad en la forma de gobernar fue una de las principales características de los gobiernos corporativistas mexicanos. En el año 2002, se implementa una Ley de Transparencia federal, este hecho fue de gran impacto, puesto que se reconoció oficialmente como un derecho ciudadano el acceso a la información pública del ámbito federal, algo nuevo en México. En el Estado de Chihuahua, México, la propuesta de una ley de transparencia que obligara al gobierno estatal a reportar sobre las actividades realizadas con recursos públicos se convirtió, en un inicio, en un proceso de negociación entre organizaciones sociales y el gobierno estatal, que culminó con una Ley de Transparencia Estatal que obligan tanto al gobierno estatal como a las organizaciones sociales que reciben apoyos económicos provenientes del erario público a hacer transparentes sus actividades y la aplicación de sus recursos.

PALABRAS CLAVE: sector social, organizaciones de la sociedad civil, transparencia, rendición de cuentas.

INTRODUCCION

El neoliberalismo y las corrientes democratizadoras promulgadas por organismos internacionales como el Banco Mundial y la Organización de las Naciones Unidas, fueron puestas en práctica en México, en parte por el déficit fiscal del gobierno mexicano que desde décadas atrás intentó resanar con préstamos provenientes de dichos organismos y por presiones de movimientos sociales que se gestaron en México desde la década de los sesenta. De las ideas democratizadoras surge la necesidad de promover la confianza en las instituciones que debería obtenerse entre otras cosas, mediante la confianza en los procesos electorales y la rendición de cuentas gubernamental.

Dadas las características socio políticas en México en donde no existía una cultura de rendición de cuentas, se reconocen como dos grandes avances en la materia la creación del Instituto Federal Electoral (IFE) el cual fungiría como un organismo autónomo encargado de organizar, supervisar y contar los votos de las elecciones federales y el Instituto Federal de Acceso a la Información Pública (IFAI) quien tiene por objetivo proveer de información a los ciudadanos que les permita tener un conocimiento directo de las funciones, acciones, resultados, estructura y recursos asignados del gobierno (Laborde:2003) haciendo efectivo de esta manera, el derecho de acceso a la información pública sustentada en el artículo sexto de nuestra Constitución.

La obligación de rendir cuentas se hace extensiva a aquéllas organizaciones no gubernamentales que reciben fondos del erario público, entre ellas las organizaciones de la sociedad civil, a quienes además se les transfiere la responsabilidad de obtener resultados sobre ciertas exigencias internacionales hechas a los gobiernos.

En el plano estatal, motivadas por los avances a nivel federal, las organizaciones sociales chihuahuenses se interesaron por promover una Ley de Transparencia Estatal que otorgara el derecho del ciudadano a obtener información sobre la manera en que los funcionarios estatales realizan sus funciones y aplican los recursos, de igual manera, se buscaba una reciprocidad por parte de las organizaciones sociales que obtuvieran recursos provenientes del erario estatal. En ambos casos se reconoce un derecho del ciudadano por obtener información y una obligación de las instituciones en otorgarla aún cuando esta información no forme parte de los procesos sistematizados. El objetivo del presente artículo es identificar de qué manera la Ley de Transparencia Estatal impactó en el desarrollo y los procesos administrativos internos de las organizaciones sociales, así como las relaciones con el gobierno estatal.

REVISION LITERARIA

Muchos autores coinciden en las bondades que otorga la transparencia al permitir mayor accesibilidad del gobernado y a la vez, se le reconoce como una fórmula institucional que combina la administración de la información pública con el derecho a la información del ciudadano (Uvalle: 2007) otros establecen el beneficio al reconocer que habrá menor corrupción si existe mayor transparencia (Vergara: 2005) para Labelle, presidenta de Transparencia Internacional la corrupción genera pobreza (Ramos: 2007) comprobándose que los países más pobres son los que más corrupción sufren (Transparency internacional: 2007).

Sin embargo, llevar a la práctica la idea de la transparencia plantea ciertas fallas en su aplicación en las instituciones (Arellano: 2007) debido principalmente a que este concepto debe pasar por procesos de asimilación y aceptación dentro de las organizaciones. La transparencia por sí sola no puede implementarse en una institución si no tiene el soporte de una racionalidad institucionalizada a la que se le conoce como profesionalización. La profesionalización es una práctica con finalidad racional. En el pensamiento weberiano, la racionalidad consiste en adecuar los medios a la finalidad deseada, con el fin de garantizar la máxima eficiencia posible en el logro de sus objetivos. Todos los procedimientos deben establecerse para prever con anticipación las situaciones y estandarizar su ejecución para que el sistema alcance la máxima eficiencia (Weber: 2004). La preocupación por la eficiencia provoca que se tienda a exagerar la necesidad del rendimiento de cuentas gerencial, (Christensen y Per Laegreid: 2001) por lo que puede correrse el riesgo de perder la capacidad de adaptación a las problemáticas sociales.

METODOLOGIA

El objetivo de la presente investigación es la de describir una problemática por lo que su diseño es descriptivo y requirió recolectar la información necesaria recurriendo a fuentes primarias. Por lo tanto, se realizó investigación documental y se llevaron a cabo varias entrevistas semi estructuradas a representantes de organizaciones sociales, representantes de unidades de información así como a ciudadanos pioneros de la Ley de Transparencia en Chihuahua. De dichas entrevistas, se desprendieron los principales temas a analizar y en los cuales se profundizó durante la organización de un foro en donde se reunió a un panel de expertos que incluyeron representantes del sector social así como representantes del Instituto Chihuahuense para la Transparencia y Acceso a la Información Pública (ICHITAIP).

El presente artículo es el resultado de la aplicación de la metodología y que permitió desarrollar los siguientes temas de análisis: negociación y discusión con respecto a la generación de la ley y cómo han impactado las obligaciones legales adquiridas por las organizaciones sociales en su proceder administrativo.

RESULTADOS

Durante décadas, la discusión de varios organismos internacionales se centró en el tema de la democracia, llegando a la conclusión de que ésta no existiría mientras los gobiernos nacionales no transparentarán y justificarán sus actos ante la sociedad que gobiernan. El acceso a la información oficial se establece como un derecho Humano reconocido en la Comisión Interamericana de Derechos Humanos que permitiría garantizar el control democrático de la entidades públicas y promover la rendición de cuentas dentro del gobierno (Humans Right Watch: 2006).

En el año 2002 México acepta este proceso de transparencia creando la Ley de Transparencia Federal, con el fin de promover la confianza de los ciudadanos, según el Barómetro Global de la Corrupción 2004, (Transparency International: 2004) en este país se tiene más confianza en los organismos no gubernamentales que en los partidos políticos, parlamentos, policía, sistema legal y judicial. Muchas organizaciones sociales chihuahuenses no son ajenas a las corrientes democratizadoras, reconocen la necesidad de democratizar las instituciones gubernamentales y sociales, y que para lograrlo, deberían empezar por abrir las estructuras gubernamentales ya no aludiendo a la buena voluntad de los funcionarios estatales sino recurriendo a una obligación legal establecida.

El diseño de la Ley de Transparencia inició como una propuesta de varias organizaciones sociales, basándose en la Ley de Transparencia Federal y en las de varios estados del país. Sin embargo, el proceso de convencimiento a los representantes del gobierno estatal no fue sencillo, ya que la transparencia nunca fue una práctica común entre los funcionarios de gobierno. En un inicio, la propuesta de una Ley de Transparencia no fue bien recibida algunos representantes del Congreso del Estado, quienes consideraron que tal ley promovía el morbo de los ciudadanos así como el exceso de trabajo y el estrés de sus funcionarios públicos.

Durante el año 2004, la red ciudadana conformada por seis organizaciones sociales en el Estado, organizaron un foro convocado por 22 organizaciones sociales, académicas y empresariales así como medios de comunicación, como resultado de este foro, se presentó una propuesta de ley ante la Comisión de Gobernación y a las diversas fracciones parlamentarias. (IFAI: 2004) y en ese mismo año, presentaron una petición ante el Congreso del Estado para ser incluidas formalmente en el diseño e implementación de la Ley de Transparencia.

La propuesta incluyó ocho principios rectores que se enfocaban al reconocimiento del ciudadano por obtener información pública, a la obligación de rendir cuentas de los funcionarios y la necesidad de establecer los mecanismos necesarios para obtener la información clara, precisa y oportuna. De dicha propuesta de ley, emana el Instituto Chihuahuense para la Transparencia y Acceso a la Información Pública (ICHITAIP) el cual fungiría como intermediario entre los usuarios y los sujetos obligados.

Las principales discusiones entre el Congreso y las organizaciones sociales se realizaron en torno a dos temas fundamentales, establecer mecanismos que permitieran dar seguimiento al dinero y la imparcialidad del consejo del ICHITAIP, por lo que se llegó al acuerdo de que este instituto, para ser transparente, debería conformarse por representantes ciudadanos. Finalmente, en el 2005, se aprueba la Ley de Transparencia para el estado de Chihuahua dando origen al ICHITAIP, un organismo público autónomo al que se le asigna la facultad de garantizar que los sujetos obligados cumplan con la ley, el derecho a solicitar y recibir información pública, sancionar a los servidores públicos que incumplan la ley y solucionar conflictos entre las personas y los sujetos obligados en materia de información pública. (www.ichitaip.org: 2008)

Es así, que para efectos de esta ley, se consideran como sujetos obligados, todas aquellas personas u organizaciones que reciban recursos públicos. Su obligación se limita a declarar sobre la aplicación de los recursos públicos y las decisiones que se tomaron sobre éstos. Por lo que se incluyen como sujetos

obligados a todas aquellas organizaciones gubernamentales y no gubernamentales que utilicen recursos del erario público.

Dentro de las organizaciones no gubernamentales se encuentran las Organizaciones de la Sociedad Civil (OSC) consideradas como instituciones de origen privado y finalidad pública que adquieren auge a finales de los años ochenta como consecuencia del desencanto hacia el gobierno y la crisis fiscal por la que atravesó el país y a quienes el gobierno estatal delega recursos provenientes del erario público para cumplir con sus funciones.

De las 800 organizaciones (formales e informales) que se considera existen en el estado de Chihuahua, sólo 209 se registraron ante el ICHITAIP (Chihuahua.gob: 2008), lo que indica que aproximadamente una cuarta parte de las organizaciones sociales reciben o recibieron recursos del gobierno del Estado. Estas organizaciones están obligadas a reportar las solicitudes de información recibidas, tramitadas y resueltas mensualmente, por escrito y a la Unidad de Información del ente público que les otorga el recurso, además, deberá publicarse en su sitio de internet de manera anexa a su información pública de oficio.

El registro de las organizaciones sociales ante el ICHITAIP, permite que los ciudadanos indaguen sobre la manera en que fueron aplicados los recursos recibidos por estas organizaciones.

Sin embargo, este derecho ciudadano parece no aplicarse lo suficiente, de las 209 organizaciones registradas solo al 10% se le ha requerido de información en el año 2008, tal vez esa es la razón de que los diversos entrevistados no perciben cambios en su actuación como consecuencia de la Ley de Transparencia, por el contrario de organizaciones educativas y gubernamentales quienes han tenido que invertir fuertes cantidades de dinero para dar cumplimiento a la información solicitada por los diversos usuarios.

CONCLUSIONES

En el México democrático de hoy, el debate, el disenso y la crítica son reflejo de una vitalidad social que se expresa abiertamente; de una ciudadanía más informada, exigente, consciente de sus derechos y sobre todo más participativa en todos los sentidos.

La participación de organizaciones sociales en el diseño de políticas públicas fue crucial para la implementación de la Ley de Transparencia estatal, logrando que se abrieran las estructuras gubernamentales hacia la sociedad, permitiendo de esta manera, hacer del dominio público las actividades realizadas y los recursos públicos aplicados. Aquellas organizaciones sociales que recibieran recursos provenientes del erario público también se convirtieron en sujetos obligados bajo esta ley. A partir de la aplicación de la ley, los ciudadanos que así lo deseen, tienen el derecho de obtener la información que soliciten relacionada con los recursos públicos y las decisiones que se tomaron sobre los mismos.

Sin embargo, se observa la existencia de un desinterés ciudadano quien parece no haber reconocido todavía los beneficios obtenidos al fomentar mediante preguntas una mayor transparencia sobre el uso de los recursos públicos y que de no hacer efectivo su derecho al acceso a la información, la ley no ofrecerá los beneficios esperados para la sociedad, entonces, ¿qué se necesita para fortalecer al sector social? Lo que se hace necesario es establecer una mayor sinergia entre las dependencias gubernamentales y las organizaciones sociales, de tal forma que se analicen las realidades de la aplicación de la ley, para poder determinar que funciona bien y que debe ser modificado para obtener el resultado esperado.

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LA GESTIÓN DEL CONOCIMIENTO UN RECURSO VALIOSO Y FUENTE DE VENTAJA COMPETITIVA PARA LAS EMPRESAS

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RESUMEN

Ante la globalización, la sociedad de la información y del conocimiento, las estructuras sociales han sido transformadas en todos los ámbitos. Este estudio tiene como objetivo principal contribuir con un marco de referencia que pueda comprender y abordar el tema de gestión del conocimiento y como ha transformado la sociedad y la economía; considerándose un recurso significativo para las organizaciones, pasando a segundo termino los factores de producción (trabajo, tierra y capital), ya que estos pueden obtenerse si se cuenta con saber en el recurso humano otorgándole una ventaja competitiva sobre sus competidores.

Se llevo a cabo una revisión de las perspectivas teóricas de la gestión del conocimiento construyendo un marco teórico conceptual, siguiendo una metodología de búsqueda de literatura científica en el sentido de identificar un modelo conceptual con fundamentos teóricos del tema en una visión sistémica de empresa competitiva, creando valor a través de integrar, crear, combinar y aplicar el conocimiento. Teniendo como consecuencia el reconocerlo como un recurso estratégico en términos de competitividad. Concluyendo que el conocimiento es fundamental para la creación de la riqueza ya que con una adecuada gestión se producen una serie de beneficios organizacionales. Mejorando su potencial de innovación, calidad y excelencia operacional.

PALABRAS CLAVES: Conocimiento, ventaja competitiva y competitividad

INTRODUCCION

Ante la globalización, la sociedad de la información y del conocimiento, las estructuras sociales han sido transformadas en todos los ámbitos. En la opinión de (Canals, 2003), “la nueva economía”, generada por las nuevas tecnologías, la denominada “era digital” y/o “era de la información y el conocimiento” ha hecho que la gestión del conocimiento vaya adquiriendo cada vez más importancia. Asegura el autor que el conocimiento, tal como se entiende hoy día, es un recurso que no tan solo nos permite interpretar nuestro entorno, sino que nos da la posibilidad de actuar. De la misma manera (Serradell, 2003), observa que en los últimos tiempos, la comunidad científica ha venido mostrando un creciente interés por la gestión del conocimiento, interés que ha ido parejo al estudio de temas tales como la nueva economía, la visión de las empresas como organizaciones capaces de generar ventajas competitivas mediante el conocimiento, el capital intelectual, los activos intangibles entre otros.

De ahí que el conocimiento que tienen las personas en las empresas es lo que ha ocasionado que en la actualidad el recurso humano sea considerado el recurso más importante para las mismas; haciendo pasar a segundo termino los factores de producción (trabajo, tierra y capital), ya que estos pueden obtenerse si se cuenta con saber en el recurso humano otorgándole una ventaja competitiva sobre sus competidores.

Las organizaciones actuales y futuras solo podrán adquirir y mantener ventajas competitivas mediante el uso adecuado de la información y, sobre todo, del conocimiento. El tipo de conocimiento que puede aportar ventajas competitivas a una organización abarca un rango muy amplio que incluye desde aquel que se puede patentar hasta el conocimiento sobre las necesidades de los clientes, pasando por el

conocimiento que permite mejorar el servicio de atención posventa y optimizar los procesos de producción (Drucker, 1993; Black y Svan, 1997).

Siendo el conocimiento un recurso valioso, raro e inimitable (Barney, 1991), esencial, y como tal, fuente de ventaja competitiva (Grant, 1996), las empresas deben procurar la manera o forma de gestionarlo a fin de crear valor a través de integrarlo, crearlo, combinarlo y aplicarlo. Teniendo como consecuencia el reconocerlo como un recurso estratégico en términos de competitividad. De ahí la necesidad de estudiarlo, ya que este puede ser una fuerte ventaja competitiva sostenible si se fundamenta según lo describe en su investigación (Zapata, 2003), en dos propiedades importantes: Siendo la primera que el conocimiento este basado en la experiencia acumulada más que en la tarea. Implicando una gran cantidad de conocimiento tácito; lo que hace difícil de transferirlo de una firma a otra e imitarlo por sus competidores; pues entonces su ventaja competitiva se vería disminuida al poder ser imitable su conocimiento. La segunda sería que el conocimiento de la empresa no radica únicamente en los individuos, sino en la forma en que estos interactúan entre si. Según refiere la autora al citar los trabajos de Knudsen (1995) cuando este describe a Coleman autor del “capital social” y Prescott y Vischer autores del “capital organizacional” Se considera por lo tanto que es necesario comprobar si se ha cambiado la estrategia de algunas empresas, que han administrado, en el pasado, el conocimiento, y si reconocen sus ventajas al valorar a su personal y reconocer que la gestión del conocimiento puede ser la clave de la competitividad, del crecimiento sostenido y de la consolidación de la Sociedad del conocimiento buscando una gestión de conocimiento eficaz.

REVISION LITERARIA

Antecedentes De La Gestión Del Conocimiento En Las Organizaciones

Tenemos diferentes maneras de comunicarnos, la transmisión del conocimiento se lleva desde tiempos inmemoriales e históricamente se ha trasladado de generación en generación A través de la historia de la humanidad el hombre ha buscado siempre conocer; aunque la conciencia y los estudios sobre la nueva posición del conocimiento – y su generación organizada – en los sistemas económicos tuvieron sus inicios en los albores del siglo XIX, según refiere (Rivero, 2002), donde además afirma que hoy día el conocimiento constituye la principal fuente de ventajas competitivas sostenibles en el tiempo no es una utopía; es ya una verdad axiomática. Los antecedentes del conocimiento se buscan en la filosofía griega, se realizan desde tiempos de Platón quién distingue el conocimiento en varios niveles y grados en un proceso de intelecto discursivo. Aristóteles lo explica como relación lógica entre sujeto conocedor y objeto conocido, en una forma pasiva de captación del pensamiento cósmico, según cita en su investigación (Pacheco, 2004).

Características Del Entorno

Ante un entorno empresarial competitivo e incierto, donde la única certeza es el cambio, las empresas deben de tener en cuenta que el conocimiento de sus empleados se esta convirtiendo, cada día en mayor grado, en su recurso mas valioso. Si bien el conocimiento es un recurso; una gestión eficaz del mismo requiere inversión de dinero o trabajo, como puede ser: su captura, es decir, la creación de documentos, su conversión y su revisión, así como el desarrollo de infraestructuras tecnológicas y aplicaciones para su distribución, la formación de los empleados en una mentalización para que no tan solo creen conocimiento sino que lo compartan para que las empresas logren generar stocks de conocimientos tanto individual, colectivo como organizacional de punta; ya que para muchas de ellas; los últimos años se han caracterizado por un incremento en la competencia y rápidos cambios tecnológicos, debiendo buscar nuevas formas de administrarlas a fin de buscar obtener resultados diferentes con acciones diferentes.

¿Qué Es El Conocimiento?

La real academia española define “Conocimiento” como “Acción y efecto de conocer”, donde “conocer” se define como averiguar por el ejercicio de las facultades intelectuales la naturaleza, cualidades y relaciones de las cosas. Para la filosofía el “conocimiento” ha ocupado un lugar importante dentro del trabajo de muchos pensadores a través de la historia tales como Platón, Aristóteles, Rene Descartes Emmanuel Kant, Hegel, Marx, entre otros Sin embargo en la opinión de Pavez (2000), la definición del termino “conocimiento” esta lejos de ser única y precisa.

¿Qué Es La Gestión Del Conocimiento?

En estudios realizados por Wiig (1997), la gestión del conocimiento vista como un proceso, esta integrada por la generación, la transferencia y la utilización del conocimiento dentro de la empresa. Por otro lado afirma Malhotra (1997) “La gestión del conocimiento es la combinación de sinergia entre datos, información, sistemas de información, y la capacidad creativa e innovadora de seres humanos.” En una visión estratégica de la gestión del conocimiento que considera la sinergia entre lo humano y lo tecnológico, basados en la distinción del viejo mundo de los negocios y el nuevo mundo de los negocios. Llevándolos al reto de asegurar el enfoque de la sinergia entre datos e información procesada por las tecnologías de la información (TIC), y la capacidad creativa e innovadora de sus recursos humanos. Debiendo comprender estos multi-equipos que la aplicación de las nuevas tecnologías a sus contextos empresariales, les permitirán el poder delegar o programar a través de éstas, determinadas tareas que permitan el éxito de la sinergia a fin de generar valor y que, a su vez exijan creatividad e innovación.

¿Qué Es La Ventaja Competitiva?

A mediados de la década de los sesentas, H. Igor Ansoff, reconocido como el padre del pensamiento estratégico moderno, introduce la matriz Foda en el análisis de opciones estratégicas. Pero es a partir de la década de los ochenta que Michael E. Porter se convierte en el autor más destacado en estrategia competitiva, donde el mismo propone un nuevo enfoque para la planeación estratégica, y escribe que la “ventaja competitiva nace fundamentalmente del valor que una empresa es capaz de crear para sus compradores. Estas ventajas han variado en el contexto de los últimos años desde los desde conceptos como liderazgo en costos, diferenciación a conceptos como estrategia competitiva basada en capacidades y recursos debido a la facultad de la organización de enfrentar el dinamismo del medio interno (operar) y el medio externo (mercado) en el cual pretende participar.

METODOLOGIA

Este estudio tiene como objetivo principal contribuir con un marco de referencia que pueda comprender y abordar el tema de gestión del conocimiento y como ha transformado la sociedad y la economía; considerándose un recurso significativo para las organizaciones, pasando a segundo termino los factores de producción (trabajo, tierra y capital), ya que estos pueden obtenerse si se cuenta con saber en el recurso humano otorgándole una ventaja competitiva sobre sus competidores.

Teniendo como ámbito espacial y temporal respectivamente la ciudad de Mexicali, Baja California a realizarse en dos momentos del periodo de Julio del 2007 a Julio de -2008 Cuenta dentro de su justificación la importancia teórica de realizar el primer estudio sobre el tema con la importancia practica de poder manejar los términos y su aplicación en las organizaciones. Encontrando su valor metodológico en proponer un modelo de evaluación de los programas de gestión del conocimiento en las organizaciones regionales buscando su desarrollo y por ende que logren ser competitivas.

En un primer momento se inicio con una revisión de las perspectivas teóricas de la gestión del conocimiento a fin de construir un marco teórico conceptual, siguiendo una metodología de búsqueda de literatura científica en el sentido de identificar un modelo conceptual con fundamentos teóricos del tema en una visión sistémica de empresa competitiva, para en un segundo momento diseñar un modelo propio que cree valor empresarial a través de integrar, crear, combinar y aplicar el conocimiento. Pretendiendo el poder implementarlo en las empresas de Mexicali, Baja California a fin de llevar al cabo el primer estudio sobre el tema en nuestra región.

RESULTADOS

En la revisión del estado del arte en la gestión del conocimiento se ha detectado que la gestión del conocimiento se encuentra en un estado de bastante movimiento. Las diferentes visiones en torno al tema han generado una serie de modelos propuestos que crean expectativas, actividades, roles y tecnologías, que han apuntado a dar apoyo al desarrollo del recurso humano en las organizaciones, pero sin fijar un rumbo o marco que permita establecer claramente como implementar la gestión del conocimiento. En la bibliografía, consultada sobre el tema para la realización del presente estudio, se observan tres grandes tendencias: autores y teorías que enfatizan en el manejo efectivo de la información para incrementar el conocimiento, otros que enfatizan en la gestión de las tecnologías y finalmente, otros que priorizan el incremento del conocimiento de los profesionales de la organización buscando que se pueda desarrollar y a fin de generar cambios en la forma de construir, aplicar y desarrollar el conocimiento, entendido como soporte para la innovación y uso efectivo en la creación de su ventaja competitiva.

Los trabajos recopilados son en su mayoría realizados por autores españoles, cubanos y algunos de Argentina, Chile y en una menor proporción México., Por lo que se encuentra pertinente el continuar con los trabajos del presente estudio a fin de ubicar en este contexto la realidad de nuestra región, con el propósito de poder implementar un modelo propio y adaptado a nuestra idiosincrasia ya que no hay que dejar de reconocer que el conocimiento es un recurso estratégico en términos de competitividad.

CONCLUSIONES

El conocimiento es un recurso con el que cuentan todas las organizaciones, conformando diferentes stocks de conocimiento como pueden ser: el individual, colectivo y organizacional que no se debe dejar como tal, sino lo interesante es que este se utilice, se movilice y desarrolle, es decir gestionarlo de diferentes formas.

De ahí la necesidad de identificar las diferentes formas en que se encuentra en la organización. Esto nos motiva a seguir revisando el estado del arte a fin de aportar un modelo pertinente a nuestro entorno. Concluyendo que el conocimiento es fundamental para la creación de la riqueza ya que con una adecuada gestión se producen una serie de beneficios. Mejorando su potencial de innovación, calidad y excelencia operacional.

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EVOLUCIÓN DE LAS ESTRATEGIAS EN LA CARRERA DE INFORMÁTICA LOS ESTILOS DE APRENDIZAJE

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RESUMEN

En la actualidad no se puede desconocer la importancia que tiene el identificar los estilos de aprendizaje en los académicos universitarios de tal manera que permita lograr un cambio estructural y social de importancia en los educandos. En el presente estudio se pretende llevar a cabo la implementación de un sistema de información y la aplicación de un cuestionario que identifique el estilo de aprendizaje de todos los académicos de la carrera de informática a la par con los educandos, obteniéndose el perfil de los mismos, además de comparar los resultados, se brindará información a los docentes antes del inicio de semestre que le permita hacer su plan de clase y reforzar habilidades relacionadas con las estrategias de aprendizaje para mejorar el rendimiento y facilitar la adquisición de conocimientos a los estudiantes, proporcionándoles los recursos técnicos, humanos y materiales necesarios que incrementen su rendimiento académico.

Dentro de la Facultad de ciencias administrativas de la UABC se busca identificar los estilos de aprendizaje de los docentes de la carrera de informática, al mismo tiempo que se identifique el de los alumnos a través de un instrumento automatizado contestado antes del inicio de clases, permitiendo que el docente diseñe su Plan de clase e implemente estrategias didácticas creativas, acorde a su perfil y al perfil de grupo, permitiéndoles interactuar mutuamente con el material, y que ocurra un verdadero crecimiento intelectual.

PALABRAS CLAVES: Estilos de aprendizaje, estrategias, carrera de informática

INTRODUCCIÓN

En todo el mundo las personas son diferentes, tienen preferencias distintas, gustos, aun siendo de la misma familia, se observan grandes diferencias en la manera de arreglarse, la manera de saludar, la forma de comportarse, en la selección de alimentos, las formas de aprender. Por esta razón existen diversas formas de aprender. Por ello en las últimas décadas se ha dado mucha importancia a la investigación de los estilos de aprendizaje, para este punto es importante iniciar con una breve definición y explicación a la misma.(Ayala y Naranjo 2002)

Un estilo de aprendizaje está relacionado con las conductas que sirven como indicadores de la manera en que aprendemos y nos adaptamos al ambiente los estilos suelen ser predecibles, definen la forma de adquirir conocimientos, la estabilidad y la madurez de una persona. Por lo tanto los expertos dicen que los estilos constituyen un fenómeno que implica lo cognoscitivo y la personalidad. Cada persona tiene diversos estilos para aprender, enseñar y dirigir, aunque hay uno que predomina en algunas ocasiones. (Garza y Leventhal 2000)

Planteamiento del Problema

En la última década se han hecho algunos estudios en nuestro país en relación con los estilos de aprendizaje de los docentes de las Instituciones de Educación Superior, sin embargo eso hace suponer el escaso conocimiento que dichas instituciones tienen sobre las características académicas,

socioeconómicas y culturales de los docentes que imparten clases en las aulas si bien es cierto, que en la mayoría de las instituciones se pide a los alumnos cumplir con un “perfil de ingreso” a diferencia de los docentes; se considera éste como aquellos requerimientos para ingresar, los cuales están determinados por un título profesional, el dominio de ciertos conocimientos, la experiencia laboral, curriculum o recomendación, sin embargo cuantos de esos docentes que imparten clases no cuentan con los mínimos conocimientos de pedagogía o cursos de micro enseñanza y aunado un desconocimiento de su estilo de aprendizaje para aprender y otro para enseñar a los estudiantes. (Ayala y Naranjo 2002)

La Universidad Autónoma de Baja California y en particular la facultad de ciencias administrativas se ocupa constantemente por implementar acciones, estrategias con el propósito de mejorar el proceso de aprendizaje, en este momento la facultad se encuentra trabajando con un estudio que le permita conocer el estilo de aprendizaje de los docentes acorde al perfil del estilo de aprendizaje de los alumnos que año con año ingresan a esta Institución y que evolucionan dentro de la misma.

Actualmente se cuenta con una encuesta que se aplica a los alumnos de nuevo ingreso del cual se puede identificar su trayectoria académica, intereses vocacionales, diversas responsabilidades social, nivel socioeconómico, actividades culturales y deportivas, hábitos y condiciones de estudio, entre otros pero no se cuenta con un instrumento automatizado que identifique el estilos de aprendizaje de los docentes y alumnos antes de iniciar clases.

PARA ESTA INVESTIGACIÓN SE ESTABLECEN LOS SIGUIENTES OBJETIVOS:

Objetivo: Identificar los estilos de aprendizaje de los docentes y alumnos de la carrera de informática

Objetivos específicos:

- Elaborar un sistema automatizado para la aplicación del cuestionario
- Diseñar sus estrategias para la implementación al inicio de semestre

JUSTIFICACIÓN:

Los patrones de comportamiento diario pueden ser un reflejo de los procesos de pensamiento y están influidos por los estilos de personalidad. Cuando estos patrones afectan el aprendizaje, se denominan estilos de aprendizaje, y cuando afectan la enseñanza se llaman estilos de enseñanza.

En particular nosotros estaremos abordando de lleno los estilos de aprendizaje (Isauro Blanco 2000) escribe en su libro que uno de los pecados capitales de la educación es la rigidez con la que se aborda el aprendizaje y la enorme facilidad para desahuciar a los alumnos que no se adaptan a la escasa variedad de metodologías que es considerada como infalible; si alguna persona no aprende con esas fórmulas educativas, es porque no puede ni podrá aprender. El 75% de los maestros tienden a enseñar con el método analítico y secuencial, cuando el 70% de los niños y adolescentes no aprenden con ese estilo.

Ya hemos sostenido que no existen tanto problemas de aprendizaje, cuanto problemas de enseñanza; los educadores, padres y maestros, debemos saber más acerca de los diferentes estilos de aprendizaje y cómo podemos sintonizarnos con el canal específico de cada alumno; veremos, entonces cambios aparentemente mágicos. Para detectar el estilo de aprendizaje individual es necesario que los educadores se coloquen en diferentes perspectivas para que el perfil de cada alumno sea confiable; estas perspectivas pueden ayudarnos a encontrar el detalle fino que hace la gran diferencia en el aprendizaje. Para formar el perfil individual, acudiremos a varios factores que ayuden a explicar tendencias específicas frente al aprendizaje.(Blanco 2000)

Es necesario hacer una consideración referente a los factores fisiológicos que son modos de respuesta basados en la biología y se fundamentan en las diferencias sexuales, nutrición y salud, así como en las reacciones biológicas al ambiente físico. (Blanco 2000) Los factores fisiológicos demuestran sus efectos

con mayor evidencia en el ambiente escolar: un alumno con hambre, o que consume comida "chatarra", se comporta diferente a otro que es sano; los varones y las mujeres responden en formas variadas ante ciertas situaciones de aprendizaje. Sin embargo, los factores biológicos serán considerados fuera de los estilos de aprendizaje porque su efecto es generalizado en los alumnos, independientemente de sus preferencias o inclinaciones para el aprendizaje. .(Blanco 2000)

Las cualidades mentales emergen como dualidades; todos tenemos todas las características, pero tenemos tendencias innatas que nos orientan más a un polo de la dualidad, dando por resultado un conjunto de rasgos que sirven como mediadores en la relación con el aprendizaje.

MÉTODO

Para el desarrollo de este trabajo se propuso un estudio mixto de corte cualitativo y cuantitativo, toda vez que se aplique el cuestionario a la población de docentes y alumnos se llevará a cabo una entrevista que se complementará con la información estadística del tema analizado. El cuestionario se aplicará a los 50 docentes de la carrera de informática y a los 270 alumnos de la misma carrera al inicio de semestre. Los materiales que se aplicaran son, cuestionario de "estilos de aprendizaje" y una encuesta de percepción.

SITUACIÓN ACTUAL DEL ESTUDIO:

Es importante comentar que se cuenta con un instrumento que identifica cada estilo de aprendizaje así como su tabla de sugerencias acorde al mismo, con respecto a la automatización del mismo no contamos con un sistema por lo cual se diseñará uno para la realización del mismo.

APORTACIONES

- La elaboración de un sistema de informática automatizado para todas las carreras
- Identificar el perfil del docente de su estilo de aprendizaje
- Identificar el perfil del alumno de su estilo de aprendizaje
- Diseñar estrategias didácticas creativas al inicio del curso
- Incrementar la motivación y la efectividad de los educandos y docentes
- Incrementar sus estilos de aprendizaje.

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GERENCIA ESTRATÉGICA EN LAS PEQUEÑAS Y MEDIANAS EMPRESAS

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RESUMEN

El actual entorno empresarial requiere que los propietarios o directivos de las empresas estén preparados para hacer frente a situaciones en las cuáles una visión funcional de la operación de la organización, ya no es suficiente. Generalmente directivos de pequeñas y medianas empresas manejan en forma empírica una organización, desconociendo algunos conceptos, técnicas, herramientas y no han desarrollado las competencias específicas para responder adecuadamente a las necesidades de una gestión empresarial.

En consecuencia, es de vital importancia aumentar sus conocimientos y desarrollar en ellos, competencias específicas, que conduzcan hacia un nuevo contexto metodológico de gestión: “La gerencia estratégica”. Este nuevo entorno, da como resultado un elevado nivel de incertidumbre por la falta de conocimientos adecuados para decidir por donde iniciar, al enfrentarse a nuevas y cada día más difíciles situaciones empresariales, en donde se entrelazan problemas técnicos, coyunturales y humanos. La aplicación del proceso de gerencia estratégica, proporciona a los directivos de las pequeñas y medianas empresas las herramientas necesarias para afrontar los problemas cotidianos y hasta el hecho de poder anticiparse a ellos. Resulta necesario adquirir nuevos conocimientos, referencias conceptuales, metodologías e ideas, relacionadas con el proceso de análisis de situaciones y toma de decisiones, hacia una conducción exitosa de la organización.

PALABRAS CLAVES: Gestión empresarial, pequeñas y medianas empresas.

INTRODUCCION

El objetivo esencial de toda entidad es obtener un determinado resultado coordinando esfuerzos a través de relaciones de autoridad, tareas y funciones, es decir estableciendo lo que a cada uno corresponde hacer y ante quien debe de reportarse. El proceso de gerencia estratégica otorga la capacidad de poder formular, ejecutar y evaluar los procesos de una forma más efectiva.

La actual globalización geográfica y demográfica es uno de los motivos por lo cuál las organizaciones deben de competir de manera eficiente en los mercados mundiales, conduciendo a muchas empresas a variar y modificar su visión acerca de sus estrategias básicas como resultado de tendencias sociales, culturales, demográficas y geográficas. La gerencia estratégica es el proceso que proporciona las herramientas necesarias para la correcta conducción de un sistema de administración empresarial u organizacional, teniendo como pieza central de este proceso a la planeación, ya que con esta acción se establece la dirección que las entidades deben de asumir en el futuro y así encauzar el esfuerzo colectivo, en la dirección trazada.

Tomando en cuenta que los escenarios en que se desenvuelven las pequeñas y medianas empresas se presentan continuamente cambiantes e inestables, la gerencia estratégica otorga un modelo esencial de pensamiento y acción empresarial, vinculando continuamente la capacidad de la organización a su entorno, permitiendo una visión del futuro en diferentes escenarios.

Este proceso estratégico involucra verificar el ambiente, investigar alternativas de acción, identificar prioridades, definir la naturaleza del negocio, elegir estrategias y elaborar programas de acción. Todo esto se traduce en el plan estratégico global para la organización.

La gerencia estratégica permite a las entidades plantearse metas y objetivos a futuro y así mismo las estrategias para llevarlos a cabo, formulando una serie de decisiones a ejecutar, todo esto en consenso con todos los involucrados dentro de la empresa, permitiendo así comunicar las expectativas y aspiraciones de los grupos e individuos que conforman la organización. La formulación de estrategias incluye la identificación de las debilidades y fortalezas internas, la determinación de las amenazas y oportunidades externas, la definición de la misión y la visión, el establecimiento de objetivos a corto, mediano y largo plazo, el desarrollo de estrategias alternas, el análisis de dichas alternativas y la decisión de cuáles escoger.

Las decisiones estratégicas se basan más en criterios y análisis objetivos que en las experiencias o juicios pasados. La utilización de los conceptos y técnicas de la gerencia estratégica dan lugar a muchos beneficios, en principio que le permite a la organización estar en capacidad de influir en su medio, en vez de reaccionar ante él, ejerciendo de este modo algún control sobre su destino.

REVISION LITERARIA

¿Qué Son las Pequeñas y Medianas Empresas?

Son diversas las características que se toman en cuenta para contestar esta interrogante, algunos especialistas destacan la importancia del volumen de ventas, el capital social, el número de personas ocupadas, el valor de la producción o el de sus activos.

Un estudio realizado por la OIT (Organización Internacional del Trabajo) en setenta y cinco países encontró más de cincuenta definiciones distintas. La OIT define de manera amplia a las pequeñas y medianas empresas pues considera como tales, tanto a empresas modernas, con un máximo de 50 trabajadores, como a empresas familiares en la cual laboran tres o cuatro de sus miembros.

En México, cuándo se trata de reglamentar este tipo de entidades, usualmente se utilizan los montos anuales vendidos y/o el número de personas ocupadas o el valor de sus activos.

¿Cuáles Son las Características de las Pequeñas y Medianas Empresas?

De manera muy general todas las pequeñas y medianas empresas (Pymes) comparten casi siempre las mismas características, por lo tanto, y de acuerdo a Méndez (1996) las características generales con las que cuentan son entre otras que el capital es proporcionado por una o dos personas que establecen una sociedad, los propios dueños dirigen la marcha de la empresa aplicando una administración empírica, el número de trabajadores empleados en el negocio crece y va de 16 hasta 250 personas, dominan y abastecen un mercado amplio, aunque no necesariamente tiene que ser local o regional, ya que muchas veces llegan a producir para el mercado nacional e incluso para el mercado internacional. Continuamente están en proceso de crecimiento, la pequeña tiende a ser mediana y está aspira a ser grande. Obtienen algunas ventajas fiscales por parte del Estado que algunas veces las considera causantes menores dependiendo de sus ventas y utilidades. Su tamaño es pequeño o mediano en relación con las otras empresas que operan en el ramo.

METODOLOGIA

El objetivo principal de este estudio ha consistido en investigar si las pequeñas y medianas empresas tienen implementado el proceso de gerencia estratégica y que resultados han obtenido al llevar a cabo este estilo de planeación y administración dentro de las mismas. Tomando en cuenta la importancia que para una organización revierte el ser capaz de planear su propio futuro, a través de la formulación, ejecución y evaluación de acciones que permiten a una determinada entidad el logro de sus metas.

El estudio se enfoca en las pequeñas y medianas empresas dedicadas al sector comercio en la ciudad de Mexicali, Baja California, México y que cuentan con la característica de tener un tiempo de operación entre 5 y 10 años, ya que este período de tiempo indica que probablemente las empresas seguirán con una vida activa durante algunos años más.

Lo anterior está respaldado en la opinión de Poe (1980) y Ward (1987) que afirman que un tercio de estas empresas sobreviven a los fundadores, dos tercios a la segunda generación de los mismos y entre el 13% y el 15% a la tercera generación, por lo que es posible que estas entidades tengan establecido el proceso de gerencia estratégica.

La metodología utilizada consistió en un primer plano con la recopilación y clasificación de información documental sobre las pequeñas y medianas empresas desde un ámbito internacional hasta llegar al ámbito local, obteniendo con esto similitudes y diferencias en este tipo de organizaciones. Posteriormente se realizaron estancias de estudio en una muestra de empresas con la finalidad de observar directamente si existe una metodología para la planeación, y en caso de existir, como y por quién es llevada a cabo.

Con los resultados obtenidos de esta investigación se busca proponer a los directivos de las pequeñas y medianas empresas que fueron objeto de este estudio, el establecimiento y desarrollo adecuado del proceso de gerencia estratégica, asegurando con esto beneficios a corto, mediano y largo plazo.

RESULTADOS

Hoy en día las pequeñas y medianas empresas que se han mantenido operando durante determinado tiempo y que por lo tanto han pasado los primeros años que son difíciles para sobrevivir en el mercado, se enfrentan a la disyuntiva al momento de tomar la decisión de crecer en sus instalaciones, adquirir más equipos y contratar más empleados calificados, o tomar la decisión de invertir en la formulación de planes a largo plazo que conllevan gastos de contratación de personal especializado, capacitación y demás elementos necesarios para planear estratégicamente la vida futura de la entidad.

En el caso de que una pequeña y mediana empresa haya decidido desarrollar el proceso de gerencia estratégica es interesante conocer como ha tenido que modificar su estructura para llevar a cabo este procedimiento, ya que normalmente este tipo de empresas inician sin tener claramente definida su misión y su visión, piezas fundamentales en este proceso y así mismo carecen de una planeación a futuro simplemente empiezan a operar, fijándose metas sólo a muy corto plazo.

¿Quiénes llevan a cabo el proceso de gerencia estratégica? No sólo son los dueños de las empresas o los gerentes o los administradores, se involucra a todo el personal de la misma, por lo que se hace necesario que todos los integrantes de la entidad estén enterados de los planes que se tienen, por lo que la motivación juega un papel muy importante en este proceso.

Por la importancia que implica para las pequeñas y medianas empresas sobrevivir en el actual entorno competitivo se ha considerado pertinente proponer a los administradores de este tipo de entidades el

seguimiento en la aplicación del proceso de la gerencia estratégica como una herramienta para consolidar la vida futura de la organización.

CONCLUSIONES

En el actual entorno globalizado en que las empresas se desarrollan se hace necesario allegarse de todos aquellos conocimientos, estrategias y herramientas que puedan proporcionar una seguridad a los encargados de manejar su administración, de que están siguiendo el camino adecuado para lograr no solo la supervivencia, sino el éxito y la consolidación de las mismas.

Con el establecimiento correcto del proceso de gerencia estratégica se concluye que es posible obtener beneficios para el buen funcionamiento administrativo en las pequeñas y medianas empresas, logrando con esto afianzar su permanencia en el mercado y coadyuvando a engrandecer la economía de un país.

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LA ADMINISTRACIÓN DE LA INTELIGENCIA EMOCIONAL EN LOS DIRECTIVOS DE LAS IES PÚBLICAS- UABC

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RESUMEN

Desarrollar la administración de la inteligencia emocional como una habilidad en los directivos es fundamental para incrementar la competitividad en las instituciones académicas de educación superior, tradicionalmente la inteligencia cognitiva (intelectual) era considerada el principal elemento para predecir el éxito académico, y por ende su desarrollo profesional. Las instituciones educativas requieren directivos, personal académico que estimulen y que creen un ambiente de confianza y de satisfacción laboral tanto a sus docentes y administrativos y como consecuencia se verán beneficiados alumnos y todo el personal del entorno académico. El presente estudio tuvo como objetivo identificar la inteligencia emocional en directivos de acuerdo al modelo de (Goleman); para el desarrollo de este trabajo se propuso un estudio mixto de corte cualitativo y cuantitativo, y se propone la elaboración y creación de un instrumento o modelo que logró identificar las características de los directivos en la manera en como se relacionan en su institución académica.

PALABRAS CLAVES: Administración, inteligencia, emocional, directivos.

INTRODUCCIÓN

Como sucede con muchos de los nuevos enfoques directivos, los componentes de la inteligencia emocional, separadamente, no es nada nuevo. Se trata de temas dentro de la administración que desde hace años son objeto de estudio e inclusive de programas de capacitación, tanto de directivos como de profesionales. Lo novedoso es su integración en un sistema coherente de actitudes y comportamientos que numerosas investigaciones evidencian que pueden proporcionar resultados exitosos en el desempeño individual, en las relaciones interpersonales, en el trabajo de dirección y en diferentes esferas de la vida académica, personal y profesional.

La administración de la inteligencia emocional como profesión hoy en día es el área profesional que se dedica al estudio y formación de especialistas en dirigir el trabajo humano e integrarse en equipos, con el fin de elevar la competitividad de las instituciones académicas y comunidades sociales productivos del sector público y privado. La administración de la inteligencia humana es un acto de coordinación humana (individual y grupal) para alcanzar objetivos. El ser humano hoy en día requiere mayor y mejor coordinación con sus semejantes, anteriormente cuando comenzó a vivir en comunidades y en consecuencia, socializar, para lo cual se vio en la necesidad de mejorar sus habilidades administrativas y emocionales al momento de realizar una tarea en conjunto. Claro esto en el transcurso del tiempo y más en los últimos años no ha sido fácil para ninguna de las instituciones u organizaciones.

PLANTEAMIENTO DEL PROBLEMA

Sin embargo aunque es un tema que ha tenido a investigadores y especialistas enfocados en el área, nos damos cuenta como hoy en día nos enfrentamos a nivel mundial con una gran cantidad de organizaciones, instituciones que se desintegran por el descontrol y la mala administración de las

emociones, el manejo inadecuado de la administración y sobre todo lo que repercute en el buen desempeño de cualquier institución académica.

Para nuestra universidad es muy preocupante que nuestros directivos que encabezan cada facultad cuenten con todas las habilidades emocionales y cognitivas requeridas para tener un liderazgo efectivo y competitivo. Dentro de la uabc se pretende con la identificación de la inteligencia emocional de los directivos, obtener un instrumento estandarizado y validado para nuestra población, de tal manera que se incorpore en la selección de los directivos para cada facultad y además fortalecer los puestos directivos con programas de capacitación en el área de tal manera que se incorpore dentro de los programas educativos que impacten en las aulas académicas

JUSTIFICACIÓN

Para llevar a cabo una administración de la inteligencia emocional en las instituciones académicas es importante afrontar grandes y rápidos cambios, ser más creativos a fin de impulsar la innovación, manejar enormes cantidades de información, además que necesita nuestra universidad aumentar la fidelidad de los docentes-alumnos, buscar que se encuentren más motivados y comprometidos a trabajar mejor juntos. Utilizar mejor los talentos especiales disponibles en una fuerza laboral diversa. Tomar buenas decisiones acerca de nuevos modelos educativos, alianzas estratégicas, mas que desgastarse en hacer lo contrario porque con ello lo que se provocaría sería el descontrol de las emociones y la mala administración y dirección de ellas.

Si los directivos son las personas responsables de asegurar que una institución logre sus metas, ¿Qué significa el término administración? En la actualidad, las personas se refieren a la administración como un grupo de gerentes en una organización. La administración se basa en las tareas y actividades que se implican en la dirección de una organización o una de sus unidades, planeación, organización, control y dirección. (Bateman 2004). Es por ello que los directivos deben desarrollar la habilidad de motivar a los subordinados, dirigir a otros y elegir los canales de comunicación más eficaces y resolver conflictos. (Goleman, 2004),

METODOLOGÍA

Para el desarrollo de este trabajo se propuso un estudio mixto de corte cualitativo y cuantitativo, se llevó a cabo un censo, donde se aplicó 22 instrumentos del inventario de IE a directivos de nuestra universidad, se procesó la información en el programa estadístico spss. El instrumento está organizado por 12 competencias distribuidas en 4 Cluster de las competencias del trabajo en equipo. Fig 1. cluster de inteligencia emocional Richard Boyatzis y Daniel Goleman



CONCLUSIONES

La IE en México en el área administrativa educativa es casi desconocida tanto en forma teórica como empírica, no obstante el presente estudio nos permitió identificar el nivel de inteligencia emocional de nuestros directivos distinguiendo el cluster 4 :

Cluster 4: Gestión de las relaciones:

H: Resolución de conflictos: Resolver desacuerdos

I: Colaboración y cooperación: Trabajar con los demás en la consecución de una meta común.

J: Influencia: utilizar tácticas de persuasión eficaces

K: Liderazgo: Inspirar dirigir a grupos y personas

L: Trabajo en Equipo y colaboración: Crear una visión compartida y sinergia en el equipo de trabajo, trabajar con los demás en la consecución de metas comunes.

Como el área a desarrollar más en nuestros directivos, incrementar la capacidad de influencia y liderazgo, mejorar la empatía, y las habilidades de análisis social y potenciar el rendimiento laboral sin embargo para lograr ello es importante que nuestra institución se encuentre en el momento adecuado para crear y desarrollar y administrar la inteligencia emocional ya que el éxito de ello dependerá del clima de la organización.

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INNOVACION Y ESCALAMIENTO DE PROCESOS Y PRODUCTOS EN UNA EMPRESA MAQUILADORA DE AUTO PARTES EN EL NORTE DE MEXICO.

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RESUMEN

La innovación juega un papel determinante en el escalamiento de procesos y productos en cualquier organización, el caso de estudio nos muestra como el escalamiento de procesos y productos en las empresas de la industria maquiladora, son detonadores del desarrollo de capacidades de procesos tecnológicamente cada vez más complejos. En esta empresa maquiladora en México ubicada en la frontera norte, se ejemplifican los resultados obtenidos a través de la innovación y el escalamiento de procesos, tanto como la mejora en algunos de los indicadores de desempeño como son la calidad, productividad y otros. Aquí se muestran las diversas trayectorias del aprendizaje y la evolución de sus capacidades, así como el apalancamiento en las técnicas de mejoramiento continuo para la realización de la transferencia de tecnologías y el escalamiento de productos y procesos.

INTRODUCCIÓN

Los países desarrollados son aquellos que han desarrollado la tecnología que les permita obtener no solo el crecimiento sino un desarrollo sostenido, cubriendo las necesidades de la industria y de todos los protagonistas de su sociedad.

México es un país, que desde hace algún tiempo ha mantenido la etiqueta de estar “en vías de desarrollo” sumergido en un continente en donde la mayoría de los países están clasificados como el tercer mundo o subdesarrollados, pese a tener una generación de su producto interno bruto en el 2007 de más de 1.3 billones de dólares y ocupar la posición número 12 en el cuadro comparativo de las economías del mundo aun no logra el desarrollo que desde el siglo pasado se esperaba.

No es extraño que se señale como una de las causas de este retardo en el desarrollo, a la falta de generación de tecnología propia. El bajo nivel de investigación y desarrollo, aunado a una pobre generación de patentes e inventos, con poca vocación de innovación y desarrollo tecnológico. Por esa razón se decidió investigar de qué manera se estaba generando la tecnología en México, se quiso saber que si no se estaba generando la propia, si se estaba realizando alguna transferencia de estas tecnologías, a través de otros mecanismos.

Se encontró que una de las formas de transferencia de tecnología se estaba realizando a través de algunas multinacionales, las cuales tienen subsidiarias establecidas en México, bajo el régimen de la Industria maquiladora, (Dutrenit, Vera-Cruz, 2002), efectuándose de manera mas fuerte en los estados fronterizos del norte, en ciudades claramente definidas, Ciudad Juárez, Tijuana y Matamoros.

La industria maquiladora se clasificó en varias generaciones (Carrillo, 2001), para ello se utilizó de ejemplo a Delphi Corporation, empresa multinacional con una amplia gama de operaciones en varios estados de la Republica y con un centro técnico (Tecnológico y Financiero) ubicado en Cd. Juárez, esta clasificación ha sido criticada por otros investigadores, aduciendo que Delphi no es el ejemplo mas representativo de la industria maquiladora, y que algunas del resto de las empresas, no necesariamente han seguido la evolución que tuvo esta multinacional.

Sin embargo, resulta interesante revisar el proceso que está viviendo esta empresa y de qué manera se está dando la innovación, la transferencia de tecnología, el escalamiento de productos y procesos y en consecuencia el desarrollo del recurso humano mexicano. Se analizaron la trayectorias de aprendizaje de acuerdo con Mertens y Palomares (2003), para detectar y establecer los procesos que se llevaron a cabo en la innovación y el aprendizaje de los empleados mexicanos en la subsidiaria denominada Rio Bravo Eléctricos XX.

El crecimiento de esta planta en conjunción con el Centro Técnico (En lo sucesivo cuando en el documento se refiere al Centro Técnico, debe entenderse como un centro tecnológico, en el cual se genera, produce y reproduce tecnología, ya que para algunas personas, la conceptualiza) provocó un escalamiento de productos y procesos, así como un desempeño en la mayoría de los indicadores de desempeño muy buenos, generando una espiral positiva de crecimiento y desarrollo en la planta y en el centro técnico también.

REVISIÓN LITERARIA

Se realizó un análisis detallado de las investigaciones efectuadas con anterioridad, analizando el problema desde diferentes ángulos, uno de ellos desde el aprendizaje organizacional, así mismo desde la perspectiva de la innovación, revisando también el proceso de diseño de productos y de manera no tan profunda los enfoques de la calidad, vinculada al diseño, esto para establecer de qué manera se dieron los procesos de escalamiento de productos y procesos.

En el Manual de Frascati (1993) encontramos que la innovación tecnológica y científica puede considerarse como la transformación de una idea o un producto nuevo o mejorado introducido en el mercado, en un proceso nuevo o mejorado utilizado en la industria o el comercio, o desde una perspectiva en servicios sociales. El término innovación puede tener diferentes contextos y la definición escogida dependerá de los objetivos particulares de la medida o análisis.

La innovación tecnológica incluye nuevos productos y procesos y cambios tecnológicos significativos en productos y procesos. Una innovación se ha implementado si se ha introducido en el mercado (innovación de producto) o utilizado en un proceso productivo (innovación de proceso).

Innovación incluye un conjunto de actividades científicas, tecnológicas, organizativas, financieras y comerciales. I+D solamente una de estas actividades y puede realizarse en diferentes fases del proceso de innovación, actuando no solamente como fuente original de ideas sino también como forma de resolución de problemas que pueden aparecer en cualquier punto de la implementación (Manual de Frascati (1993). Por encargo de la OCDE se creó la metodología normalizada propuesta para las encuestas de investigación y desarrollo experimental, un grupo de expertos definieron el manual en 1963 en Frascati cerca de Roma. Ha pasado por varias revisiones y adecuaciones).

Schumpeter y Kinght en los años 1939 y 1967 respectivamente, destacan el concepto de cambio que conlleva la innovación, por otra parte, Drucker en el año 1981, introduce el impacto social que supone, y en cambio Sidro, a finales de la década de los ochenta, la entiende como una serie de etapas mediante las cuales una idea aplicada a un producto satisface una necesidad en el mercado, mientras que Nonaka y Takeuchi destacan el continuo proceso de aprendizaje.

Según Pavitt (1989), las actividades innovadoras, a nivel de gestión empresarial, están marcadas por los siguientes parámetros:

- Supone una continua e intensa colaboración entre grupos funcionales y profesionales. I+D, marketing, producción, etc., colaboran para la creación e implantación de la innovación.
- Son, inevitablemente, actividades llenas de incertidumbre.
- Pueden ser acumuladas en la Memoria colectiva de las empresas.
- Son altamente diferenciadas, en el sentido de que las capacidades adquiridas tienen aplicación en una estrecha banda de acción

Ya en fechas más recientes, Shapiro (2005) define a la innovación como la capacidad de una empresa para cambiarse a sí misma repetida y rápidamente con el fin de seguir generando valor. No sólo se trata de tener nuevas ideas, sino también de contar con una innovación generalizada y la habilidad de la organización, a todos los niveles, para evolucionar y situarse un paso por delante de la competencia. En el imprevisible mundo actual, la empresa que puede adaptarse rápidamente al cambiante entorno tendrá con seguridad una importante ventaja competitiva.

En cuanto al aprendizaje Organizacional, se revisaron la aportaciones de Chris Argyris así como Hedberg, Weick y Roberts, Fioles y Liles entre otros, los cuales señalan la importancia del aprendizaje organizacional como elemento básico para el desarrollo de ventajas competitivas.

Peter Senge (1992), refuerza la importancia del aprendizaje organizacional, y señala que las organizaciones que aprenden son organizaciones inteligentes y es debido a que utilizan un enfoque sistémico en sus procesos.

Nonaka (1994), sugiere 2 tipos de conocimientos el conocimiento explícito, que es un conocimiento formal y sistemático el cual puede ser fácilmente comunicado y compartido y el conocimiento tácito, el que define como modelos mentales, creencias, experiencias y perspectivas individuales; el cual es muy personal y difícil de comunicarlo al resto de la organización.

Así mismo en las investigaciones latinoamericanas, han sido varios los autores que han profundizado en el tema con diferentes enfoques, se puede mencionar a Gabriela Dutrenit (2003), Alexandre Vera-cruz (2003), Figueiredo (2005), los cuales han realizado diferentes investigaciones en un contexto más cercana a la de la realidad de nuestro país.

Aprendizaje Organizacional (AO) es el proceso por medio del cual el conocimiento y los cambios valiosos de la organización se dirigen al mejoramiento de las habilidades de solución de problemas y capacidades para la acción.(Probst y Buchel, 1997)

De acuerdo con Bob Guns (1996) el Aprendizaje Organizacional, consiste en, adquirir y aplicar los conocimientos, técnicas, valores, creencias y actitudes que incrementan la conservación, el crecimiento y el progreso de la organización. Es innegable que quien no conoce su historia, está irremediabilmente condenado a repetirla, si una organización no aprende de sus errores, es proclive a volver a cometerlos.

METODOLOGÍA

El estudio es cualitativo con una estrategia de estudio de caso, entrevistas abiertas y análisis narrativo (Galindo; 1998). El término cualitativo sugiere una búsqueda de la comprensión de la realidad mediante un proceso interpretativo; en este trabajo los objetivos buscan comprender cómo se aprende en una relación y esto se refleja en escalamiento de productos y procesos. El estudio de caso se lleva a cabo en la planta Río Bravo Eléctricos XX, empresa subsidiaria de Delphi Corporation y el Centro Técnico. Las entrevistas a profundidad se realizan con Ingenieros que participaron en los proyectos de diseño y escalamiento de productos, también se revisan los registros de la organización.

Como se analizaron documentos de la planta y del Centro Técnico se recurrió al campo de las ciencias del lenguaje. La emergencia de los discursos se puede analizar por medio de tres grupos de procedimientos de control: exclusión, control interno y control de las condiciones de utilización. Así, el análisis del discurso conduce a la comprensión de la formación ideológica y, por tanto, a la formación de lo institucional. Develar la ideología implica acercarse a lo orgánico e histórico de la institución para construir la coherencia de un horizonte para las vivencias de los sujetos sociales, independientemente de las determinaciones en el campo de las contradicciones sociales, porque requieren establecer la existencia material de los individuos; es decir, la serie de prácticas de la estructura institucional (Haidar; 1998).

Por otra parte, considerando que las instituciones se manifiestan en la práctica de los individuos que las conforman y sus materialidades, la entrevista, como técnica de investigación, es una forma de comunicación primaria capaz de aproximarse a la intimidad de la conducta social de los sujetos. La entrevista enfocada es funcionalmente más estructurada y definida conceptualmente; el sujeto nos interesa porque se conoce de antemano su participación en una experiencia que ha motivado el diseño de la investigación. La experiencia subjetiva que se narra es una experiencia mediada por el acontecimiento (Haidar; 1998).

“La entrevista cualitativa puede desentrañar, con mayor profundidad, el proceso significativo estructurante de la visión subjetiva de un comportamiento objetivo”

La entrevista cualitativa favorece la reflexión del propio entrevistado en el proceso de racionalización objetiva de su vida, mediado por el contacto con el otro, el sujeto extraño que es el investigador y que intenta actuar como facilitador de esa reflexión con fines de conocer y compartir, expresarse o manifestarse (Sierra, 1998).

RESULTADOS

Se establecieron 3 etapas de evolución de las capacidades tecnológicas adquiridas en la planta RBEXX, se utilizó para definir las la taxonomía propuesta por Bell y Pavitt (1995) y los ajustes realizados por Dutrenit, Vera-Cruz y Arias (2002), Ariffin y Figueiredo (2001).

Las capacidades Innovativas básicas, se establecieron en el periodo del año 1996 al 1999 como la primer etapa, en la cual se caracterizó por procesos de ensamble manuales, la toma de decisiones se realizaban en la matriz, pocos productos, los gerentes eran extranjeros, y el 100 de los proveedores eran de origen foráneo.

Las capacidades Innovativas intermedias, que fue la segunda etapa y abarco del año 2000 al 2003, se agregaron más productos, se inicio el proceso de capacitación a los ingenieros mexicanos en los nuevos procesos y productos, se inicia el proceso de manufactura esbelta, se inicia la transferencia de las decisiones a los nuevos gerentes mexicanos.

Las capacidades Innovativas avanzadas, que es la tercera etapa inicio desde el año 2003 a la fecha, en este periodo de tiempo, se iniciaron procesos de integración vertical, se produjo el diseño de nuevos productos, se inicio el uso de procesos automatizados, las gerencias estaban ocupadas en un 100% por mexicanos y los proveedores extranjeros se redujeron a un 70%.

Algunos de los puntos que se destacan en el aprendizaje organizacional y el escalamiento de capacidades tecnológicas son:

- La responsabilidad de la rentabilidad que recae en la planta manufacturera, cambiando el esquema de ser solo un centro de costos, esto provoco que se establecieran las unidades de

negocios denominadas “cadenas de valor” con lo cual se definió más claramente las responsabilidades.

- El esfuerzo mayúsculo que se realizó para establecer un entrenamiento en mejoramiento continuo y manufactura esbelta, a través de 3 tipos de talleres, en los que se involucraban todos los niveles jerárquicos de la planta.
- El enfoque para mejorar la estructura de costos a través del programa “Targeting cost” (El programa Targeting Cost, fue una tecnología que se trajo de las plantas establecidas en Europa, el cual establece cual es el nivel óptimo de los elementos que integran el costo del producto y se inician talleres de mejoramiento continuo para poder lograrlos y si es posible superarlos. Su principal propósito es mejorar la rentabilidad de la planta de una manera sistemática, ordenada e inteligente).
- Se nota la evolución de la organización al compartir con sus proveedores los aprendizajes de mejoramiento continuo y manufactura esbelta, para cerrar el círculo con la cadena de suministros.
- La autonomía que se obtiene para poder alterar, modificar y rediseñar algunos de los equipos utilizados para los procesos de manufactura.
- La creación del programa Zero Defect Launch (ZDL), el cual tiene como propósito principal disminuir la probabilidad de falla de los lanzamientos de nuevos productos y/o procesos, a través de un seguimiento pormenorizado de todos los elementos que se involucran en el proceso y que podrían fallar al arranque de un producto, estableciendo actividades para disminuir el riesgo.

El incremento de las capacidades tecnológicas se da de la misma manera en el centro técnico (diseño tecnológico), se utilizó el mismo instrumento para evaluar el desarrollo de la misma (Bell y Pavitt, 1995), y los aspectos destacables son los siguientes:

- El uso de proveedores locales para los materiales indirectos y los servicios de maquinados, lo cual ayudó a crear empresas en la localidad (Cd. Juárez).
- La creación, implementación y uso del proceso de desarrollo del producto (PDP) herramienta fundamental del proceso de aprendizaje organizacional en la empresa.
- El desarrollo de prototipos para los productos no solo de las plantas en México, sino también para las que están ubicadas en Estados Unidos y otros países.
- Resalta la vinculación que se dio con las plantas manufactureras, lo que permitió un desarrollo más armónico en el diseño y producción de nuevos productos.
- Así mismo las conexiones, acuerdos y convenios establecidos con las universidades locales, que ayudan a que el aprendizaje organizacional no sea solo de los empleados mexicanos, sino también de algunos estudiantes de Cd. Juárez.
- El uso de las “lecciones aprendidas” como síntoma de aprendizaje organizacional y socialización de los mismos aprendizajes.
- El incremento de patentes obtenidas por ingenieros mexicanos es el mejor ejemplo del incremento de las capacidades tecnológicas y el resultado del aprendizaje organizacional.

EL PROCESO DE APRENDIZAJE Y DE LA TRANSFERENCIA DE TECNOLOGÍA

De acuerdo con las trayectorias de aprendizaje de Palomares y Mertens 2002 se pueden describir de la manera siguiente los cuatro tipos de aprendizajes, que se dieron en la planta y el Centro Técnico, que reflejan la innovación y el mejoramiento continuo.

Aprendizajes Desde Arriba

Este tipo de aprendizaje se da generalmente en las empresas líderes y grandes, se parte de los cambios en los procesos productivos donde la planeación y la ejecución de la trayectoria la realiza la gerencia, siendo el trabajador el objeto del aprendizaje en el proceso de cambio.

En el caso de RBEXX el aprendizaje desde arriba se dio en el periodo en el cual se inició la operación de la primera planta de la división de sistemas térmicos de Delphi en México, cuando era administrada por personal Norteamericano, el cual conocía y era experto en los procesos productivos, los sistemas de ingeniería, así como el conocimiento del equipo y la maquinaria y fueron enseñando a los ingenieros mexicanos, entrenó a los operadores, así como a los supervisores de producción transfiriéndoles sus conocimientos y experticidad.

Aprendizaje Acotado y Controlado

Esta trayectoria de aprendizaje se caracteriza por la limitación extrema en el proceso de aprendizaje, el cual es racionado intencionalmente para el operario; todo lo contrario del personal de mandos medios y superiores quienes están involucrados en los procesos dinámicos de aprendizaje en áreas como informática, mercadotecnia, gestión de calidad, control de costos y competencias nuevas. Esto se dio en la primera etapa de evolución de RBEXX.

En el caso de la planta motivo de estudio esta fase se dio cuando se establecieron los conceptos básicos de los sistemas de calidad, al mismo tiempo se mando a algunos de los ingenieros mexicanos contratados en la primera etapa, a la Ciudad de Lockport en el estado de Nueva York en los Estados Unidos de Norteamérica, para que aprendieran los sistemas de calidad, de costeo, los sistemas para el manejo de proyectos, el aprendizaje del diseño de empaques y productos. Así mismo se contrató personal que ya tenía experiencia sobre los sistemas de Delphi y que trabajaban en otras divisiones de la corporación en México, especialmente de Packard Electric.

Marcas de Referencia

En esta trayectoria las organizaciones aprenden averiguando como funcionan otros y, a partir de ahí, tratan de adoptar y de adaptar estos conocimientos para que se realicen en sus propias organizaciones. El aprendizaje se deriva de las organizaciones que han obtenido excelentes resultados o que han desarrollado los mejores procedimientos para procesos concretos.

La manera en que se presentó esta trayectoria en esta planta, fue en la segunda etapa ya que se utilizó de manera muy intensa la técnica de “Benchmarking” Jesús Olivas en ese entonces Gerente de Planta, buscó cuales eran las mejores plantas que tenia Delphi en México, en Europa y Sudamérica, estas plantas fueron visitadas, se aprendió de los sistemas que ellos tenían, se mejoraron los sistemas utilizados por RBEIX esta una de las mejores de Packard en México, así como los de Donchery en Francia y la planta de Piracicaba en Brasil. De las plantas establecidas en Los Estados Unidos se aprendió muy poco y solo como aprendizaje acotado.

Las Mejoras Continuas

En este último estilo las organizaciones aprenden mejorando constantemente lo que han hecho, dominando cada uno de los pasos de sus procesos, antes de continuar con otro proceso. Tiene como base por lo regular la participación de los empleados al conformar círculos de control de calidad, grupos para resolver problemas o equipos de trabajo auto dirigido; estos equipos o grupos son responsables de dar solución a los problemas o asuntos identificados por clientes internos y externos. Al igual que el primer estilo se trata de organizaciones que aprenden de la experiencia directa, así como la explotación de procedimientos ya existentes.

RBEXX, aprendió utilizando esta trayectoria al final de la fase II y principalmente en la fase III, ya que ahí fue cuando el mejoramiento continuo comenzó a tener más orden y coordinación imitando de una forma muy similar, a los sistemas utilizados por Toyota.

El aprendizaje tal y como se mencionó en otros apartados de esta investigación se dio de la siguiente manera:

1. El aprendizaje del sistema de producción flexible, se inició con un involucramiento de todos los niveles de la organización especialmente de los niveles gerenciales más altos de la organización.
2. Se involucró también a los propios operadores, partiendo del principio, que quien mejor conoce un proceso es aquel que se encuentra realizando el mismo durante un turno de 8 horas. Además de que tomarlo en consideración implica un respeto al operador mismo.
3. Los mejoramientos fueron graduales, es decir la transformación y mejoramiento de una celda de producción se dio en varias etapas y no en una sola, obteniendo con ello un mejoramiento sostenido e irreversible.
4. Se escogió primero una celda de un producto específico, en este caso fue la celda número tres de los AD's acumuladores deshidratadores, una vez mejorada la celda a un buen nivel, se inició la transformación de las demás celdas del mismo producto. Una vez terminada el área de AD's, el mejoramiento comenzó con las celdas de HVAC (Aires acondicionados), comenzando con el de la celda 929N, uno de los aires acondicionado para un vehículo producido en California, Estados Unidos por la coinversión entre GM y TOYOTA. Y así sucesivamente hasta terminar con todos los productos y procesos de la planta.
5. Tanto fue el éxito y los resultados tan palpables y claros, que RBEXX de copiador se convirtió en modelo para ser copiado. Fue nombrada planta modelo de la Corporación a nivel mundial.
6. Se agregaron mas miembros al grupo dedicado al mejoramiento continuo también se inició un proceso para transferir la responsabilidad de los mejoramientos al supervisor de producción, buscando con ello despertar el sentido de propiedad por parte del dueño responsable del proceso productivo, al mismo tiempo que se perpetúa el mejoramiento continuo.
7. Se utilizaron diferentes técnicas para la solución de problemas tanto de los procesos como de calidad dentro de la planta y con los clientes, para ello se utilizaron técnicas tales como: Seis Sigma, Shainin, 5 Porqués, Sistema de Solución de problemas de Delphi.
8. Se inició el proceso de apoyo a los proveedores con un bajo desempeño de sus componentes que vendían a RBEXX, creando de esa manera un círculo virtuoso en el que todos los involucrados, tanto clientes, planta y proveedores salían ganando, y lo más importante es que los medidores de desempeño de la organización reflejaban la solidez de los mejoramientos.

Niveles de Desempeño de la Planta

El análisis del aprendizaje organizacional, aunado al escalamiento de productos y procesos se debe ver reflejado en los resultados que miden el desempeño de la organización. Se obtuvieron y analizaron los siguientes indicadores del desempeño de Rio Bravo Eléctricos planta XX, especialmente las relacionadas

con la calidad, productividad, ventas, desperdicio de materiales (scrap), entrega a tiempo a los clientes y el involucramiento de los empleados.

Los resultados que se encontraron en la revisión documental realizada a los registros de la empresa así como los datos recabados en las entrevistas realizadas nos reflejan los siguientes resultados.

Calidad, la calidad de los productos alcanzo niveles de clase mundial, ya que los errores medidos en partes por millón, pasaron de 431 en 1998 a solo 3 en el 2007.

La productividad medida en el número de horas-hombre necesarias para producir un producto se incremento de 678 PPH en el 2000 a 1951 en el 2006 PPH. (Parts Per Hundred Hours, Partes por 100 horas hombre).

La entrega a tiempo de los productos que fabrica medida como el cumplimiento a las ventanas de embarque esto es, el cliente establece una ventana de tiempo para recoger sus productos todos los días, ese tiempo es de un rango de 30 a 45 minutos, si el material no está listo, se falla la ventana de embarque, en el año 1998 el cumplimiento era de un 87%, para el 2007 era del 100% con tres años consecutivos de un desempeño al mismo nivel.

CONCLUSIONES

Es evidente que el crecimiento y desarrollo tanto del Centro Técnico que Delphi tiene ubicado en Cd. Juárez, así como una de las plantas que fabrica productos automotrices térmicos, se dio de manera paralela, toda vez que crecieron las capacidades de diseño y la innovación y el escalamiento de productos y procesos en Rio Bravo Eléctricos se dio de manera evidente sobre todo en la segunda y la tercera etapa. El diseño y rediseño de los aires acondicionados, los rediseños de la maquinaria y equipo, las modificaciones a los procesos y la llegada de nuevos productos y la integración vertical (Condensadores, moldeo, estampado, evaporadores, compresores, etc.) ejemplifican la innovación y el escalamiento de productos y procesos.

En la medida que se fueron incorporando procesos en la planta RBEXX, por ejemplo los condensadores de Generación II, el aire acondicionado dual (2 temperaturas una para el conductor y otra para el pasajero), los acumuladores deshidratadores, los compresores, los evaporadores, el proceso de moldeo y estampado, en la misma medida las capacidades de diseño, se fueron incrementando en el centro técnico y se inicio el diseño de procesos más complejos tecnológicamente hablando como los acumuladores deshidratadores en la segunda etapa o los compresores en la tercera, así mismo los ingenieros aprendieron a diseñar los productos, diseñar los empaques y diseñar procesos especiales de validación y prueba, incrementándose con esto las capacidades tecnológicas del personal del centro de diseño, de manera simultánea con la planta generando una sinergia en la transferencia de tecnología.

En cuanto al aprendizaje organizacional, en este caso, se pueden identificar las trayectorias de aprendizaje de acuerdo con Mertens, de la siguiente manera:

- a) El aprendizaje de arriba hacia abajo se dio en la primer etapa cuando los gerentes estadounidenses, iniciaron el proceso de transferencia del conocimiento y tecnología enseñando a los empleados Mexicanos,
- b) La segunda trayectoria del conocimiento acotado y controlado se dio cuando algunos de los ingenieros y profesionistas contratados por la planta fueron trasladados a la casa matriz ubicada en Lockport N.Y. en Estados Unidos en donde aprendieron conocimientos específicos respecto a la función que ejecutarían en la planta y el centro de diseño, los periodos de tiempo fueron

variables, dependiendo del conocimiento a aprender y la función a desarrollar, algunos duraron de 1 a 3 meses y otros periodos de hasta 2 años.

- c) La tercer trayectoria de aprendizaje, se llevo a cabo cuando los directivos decidieron iniciar un proceso de “Benchmarking”, se inicio en la parte interna, lo cual provoco una interacción entre la planta y el centro de diseño, para copiar y adoptar las mejores prácticas, y luego se continuo con otras plantas en Estados Unidos y Europa, de la misma manera se realizaron visitas a plantas que no pertenecen a Delphi y que manejaban sistemas o conocimientos dignos de ser adoptados.
- d) La cuarta trayectoria de aprendizaje se dio a través del mejoramiento continuo, ya que la planta entera fue transformada de manera constante y permanente, las pequeñas transformaciones que se dieron, siguiendo el ejemplo de la parábola de la “rana hervida” de Peter Senge en donde se muestra como los cambios graduales de mejoramiento, son mejores que los cambios drásticos y en corto tiempo. Tanto el centro de diseño como la planta RBEXX, realizaron grandes cambios y un constante mejoramiento continuo a través de pequeñas transformaciones se hicieron grandes revoluciones en ambas partes.

Ahora bien, habiendo expuesto los argumentos sobre transferencia de tecnología, aprendizaje organizacional, las capacidades de diseño y la innovación y el escalamiento de productos y procesos, pudiera resultar perfectamente factible, establecer que “la innovación, el escalamiento de productos y procesos en la planta de manufactura Río Bravo Eléctricos XX está estrechamente vinculada al aprendizaje organizacional generado en la transferencia de tecnología y a la adquisición de capacidades de diseño del Centro Técnico.

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EMPLEO CALIFICADO Y MERCADOS DE TRABAJO. EL CASO DE MEXICALI

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RESUMEN

En el presente documento se hace un análisis de la situación actual que guarda el mercado de trabajo en Mexicali, Baja California para el segundo semestre de 2007; los resultados encontrados se comparan con la percepción de los estudiantes egresados de las carreras administrativas del campus Mexicali de la Universidad Autónoma de Baja California, bajo la perspectiva de un análisis de oferta y demanda en el mercado de trabajo. La información para el documento proviene de dos fuentes: 1) el seguimiento de vacantes de empleo del principal diario local (La Voz de la Frontera); y 2) una encuesta interna de la Facultad de Ciencias Administrativas aplicada al 20% de los estudiantes egresados durante el periodo 2004:1-2008:1. Con lo anterior se pretende generar una breve fotografía de la situación que presenta el mercado laboral desde la perspectiva de la oferta (trabajadores) y la demanda (empresas). Esto evidentemente tiene implicaciones claras de políticas públicas, debido a que si el principal objetivo de las universidades públicas estatales es el de generar una mayor cantidad de espacios para los jóvenes que egresan del nivel medio superior, la pregunta inmediata sería entonces, determinar los posibles impactos que esto tendría en el mercado de trabajo. Las preguntas que deberían seguir los análisis que relacionen el mercado de trabajo y la educación superior, son en el sentido de determinar los posibles impactos que esto tendrá en los mercados de trabajo (sobre todo con aquellos trabajadores que poseen bajos niveles de cualificación); además cabría preguntarse si el incremento en la oferta de trabajo de mano de obra capacitada ha sido correspondido por la creación de empleos bien remunerados, o de sí en el futuro todos los integrantes de la fuerza de trabajo poseerán un título universitario y estarán trabajando por un salario mínimo.

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LA DEMANDA DE EMPLEO EN BAJA CALIFORNIA: PROFESIONALIZACIÓN Y SALARIOS MÍNIMOS

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RESUMEN

En el presente documento se realiza un análisis referido a la evolución que ha presentado la variable de empleo, desde una perspectiva de demanda, para el estado de Baja California. El análisis se realiza teniendo como fuente de información, las distintas vacantes surgidas en las bolsas de trabajo en Internet. La revisión de los datos, muestra una evolución considerable en cuanto a las plazas que aparecen en este medio de información, del orden de 40,000, tan solo en el presente año, valores que son consistentes con las estimaciones estatales en términos de la generación de empleo regional por parte de las autoridades. Además, se documenta la demanda de empleo de acuerdo al grado de escolaridad, a los años de experiencia y a la especialidad de los candidatos, necesarias para ocupar tales vacantes; cabe destacar, que la mayoría de los puestos de trabajo que se publican están referidos a las áreas administrativas, contables e ingenierías, en niveles de auxiliares, empleados generales y técnicos, lo que redundaría en bajos niveles salariales. Finalmente, se encuentra que a pesar de que existe una relación positiva entre salario, nivel educativo y años de experiencia, esta no es estadísticamente significativa.

PALABRAS CLAVE: Demanda de empleo, Baja California, bolsas de trabajo, educación, desempleo, experiencia

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LAS HABILIDADES MATEMÁTICAS Y VERBALES DE LOS ESTUDIANTES UNIVERSITARIOS: UNA APLICACIÓN DEL ANÁLISIS DE VARIANZA

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RESUMEN

Las evaluaciones académicas internacionales como PISA, han ubicado a México en el penúltimo lugar de los países miembros de la Organización para la Cooperación y el Desarrollo Económico, mientras que en las evaluaciones nacionales como EXCALE y ENLACE, los estudiantes mexicanos presentan resultados inadecuados en las capacidades matemáticas y lectoras. Particularmente, en la prueba ENLACE, la mayoría de los estudiantes de educación media superior obtuvieron calificaciones no aprobatorias en estas dos vertientes lo que en el mediano plazo terminara reflejándose de forma negativa en sus estudios universitarios mediante un incremento en los índices de reprobación, deserción y eficiencia terminal. En ese marco, en el presente documento se utiliza la técnica denominada Análisis de Varianza (ANOVA) para identificar a aquellas instituciones de educación media superior cuyos procesos de enseñanza-aprendizaje permiten a los estudiantes alcanzar un mejor desempeño en sus estudios universitarios. Evidentemente, esto permitirá detectar las mejores prácticas en estas instituciones, las cuales pueden ser aplicadas al resto de los niveles educativos y por lo tanto, elaborar una propuesta de política educativa estatal única que incentive el fortalecimiento de las habilidades de los estudiantes en estas dos áreas básicas para su formación profesional y, el posterior desempeño en el mercado laboral.

PALABRAS CLAVE: Matemáticas, Lectura y Redacción, Educación Media Superior, UABC, ANOVA, Educación Superior.

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LA MOVILIDAD ACADÉMICA Y ESTUDIANTEL Y SUS EFECTOS EN EL CRECIMIENTO Y DESARROLLO ECONÓMICO REGIONAL

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RESUMEN

En el presente trabajo se realiza una breve descripción de la situación actual del sistema educativo superior de México, y en un segundo momento, el análisis se centra en la Universidad Autónoma de Baja California; en esta última se caracteriza la evolución de la variable de movilidad estudiantil e intercambio académico al interior de la misma y de forma particular, en la Facultad de Ciencias Administrativas. En el trabajo, se tratan de identificar aquellos elementos claves de la movilidad estudiantil y académica, que apoyen e incentiven el desarrollo económico y social regional a través de la conformación de redes de trabajo e investigación, el fortalecimiento de habilidades individuales y la adquisición de conocimientos de vanguardia ó frontera susceptibles de ser aplicados en el estado. Para documentar lo anterior, se aplica un pequeño cuestionario a los estudiantes y profesores que recientemente han formado parte de la movilidad nacional e internacional para determinar en primera instancia los principales factores que influyeron al momento de elegir una universidad de destino y si los conocimientos o la experiencia adquirida, han sido incorporados en los procesos de enseñanza aprendizaje de estos dos agentes, así como en el desempeño de sus actividades en el sector privado.

PALABRAS CLAVE: Movilidad académica y estudiantil, UABC, Baja California, crecimiento Económico

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CAPACIDADES TECNOLÓGICAS REGIONALES Y SU MEDICIÓN: EL CASO DEL NORESTE DE MÉXICO

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INTRODUCCION

Desde la década de los 80 (aunque hay muchos trabajos que anteceden a esta fecha) irrumpe en el debate académico un enfoque crítico a la corriente convencional de la economía acerca de la tecnología y el crecimiento económico, que ha sido llamado evolucionista, estructural o neoschumpeteriano. El desarrollo de esta concepción, alternativa a la ortodoxa, sobre la innovación y el cambio tecnológico ha estado determinado por la contradicción que se produce entre; por un lado, el enfoque convencional de la tecnología, cuyo tratamiento predominantemente atemporal, como variable exógena y "conjunto de instrucciones", es particularmente inadecuado para lidiar con los procesos de cambio; y, por otro, la necesidad de explicar el cambio tecnológico y los procesos innovadores en su estructura interna, su papel en el proceso de reestructuración de las economías, así como la posición de éstas en la economía mundial. El enfoque tradicional neoclásico ha abordado la tecnología partiendo de determinados supuestos que se materializan en las curvas de producción isocuantas y que dan lugar, a su vez, a una función de producción, en la que el cambio tecnológico se asume como el tránsito de una función de producción a otra que se traslada hacia el extremo superior. A lo sumo, es capaz de focalizar dos posiciones distintas bajo la óptica de la estática comparada, donde el proceso de transición es dejado de lado. Es en este marco, en el que el cambio tecnológico ha merecido referencias secundarias, casi siempre bajo el rótulo sugestivo de "selección de técnicas", entre las que sobresale el criterio de racionalidad microeconómica optimizadora, atribuida a la empresa capitalista frente a alternativas tecnológicas predeterminadas o, como decía Joan Robinson, dadas "por Dios y los ingenieros". A partir del cambio que se produce en el objeto central de la economía, con el desarrollo del marginalismo y el triunfo de la metodología positivista, lo que llevó a que la economía abandonara casi completamente el estudio de las relaciones entre el cambio tecnológico y el desarrollo económico.

La teoría evolucionista sobre el cambio tecnológico tiene en J.A.Schumpeter a una de sus fuentes teóricas más reconocidas, para este economista la innovación constituye el principal motor del desarrollo económico. Schumpeter adopta un modelo evolutivo de análisis de los fenómenos económicos, en donde el empresario, como agente innovador, desempeña una función decisiva. Esta corriente del pensamiento económico centra su atención en el análisis de los procesos de generación y difusión de nuevas tecnologías en relación con su naturaleza e impactos, destacando su interrelación con la dinámica industrial y la estructura de los mercados y, en este último caso, incluso construyendo modelos de simulación. Los criterios metodológicos son el desequilibrio y la incertidumbre, y el principio teórico, la competencia.

En el sistema conceptual que proponen, ocupan un lugar central los conceptos de paradigmas y trayectorias tecnológicas, desarrollados originalmente por R. Nelson, S. Winter y G. Dosi, desde una perspectiva microdinámica y continuados posteriormente con una visión macro, en cuanto al paradigma en particular y su relación con los ciclos largos inherentes al desarrollo económico, por C. Freeman y C. Pérez. Un concepto poco explorado teóricamente pero de un profundo corte evolucionista ha sido el de capacidades tecnológicas, el cual ha tenido una repercusión muy importante en la medida en que se ha convertido en un objetivo de las políticas económicas, tanto de las empresas como de los gobiernos que

están interesados en su construcción para a través de ellas disponer de ventajas competitivas en determinados sectores o industrias.

APRENDIZAJE Y CAPACIDADES TECNOLÓGICAS

El término capacidades tecnológicas es muy reciente en la literatura económica. Ha sido introducido por la economía evolutiva ante la necesidad de explicar las cambiantes condiciones de desarrollo contemporáneo determinadas sobre todo por el papel decisivo que tienen la innovación, la tecnología y el aprendizaje tecnológico en las transformaciones que sufren en la actualidad todas las economías. La economía convencional con posterioridad también ha incorporado el término de capacidades tecnológicas pero su acepción no incorpora plenamente el concepto de aprendizaje; la experiencia acumulada, como factor de incremento del conocimiento; y cuando lo admite, según J. Katz (1998, p. 485): “lo hace de manera determinística, con lo cual se pierde de vista la incertidumbre y el ensayo y error, que normalmente rodean el acto de búsqueda de nuevos conocimientos científico-técnicos”. La concepción neoclásica tradicional asume que el conocimiento científico-tecnológico es información perfectamente codificable, con una transferibilidad perfecta en el mercado, como cualquier otro producto. Según este enfoque, el aprendizaje se realiza en forma casi automática, con la puesta en marcha de la tecnología instalada por lo que sus costos de transmisión son nulos. Se parte del supuesto de que las empresas tienen acceso a toda la información necesaria para el aprendizaje interno y que no existen obstáculos a la difusión de esa información en la industria. Además, la competencia es lo suficientemente poderosa como para que se copie la conducta innovadora de las firmas pioneras.

En cambio, la economía evolucionista parte de que los conocimientos no son perfectamente codificables y existen importantes costos en su transferencia. Por tanto, se parte de una acepción de la tecnología completamente diferente, donde ésta es entendida como conocimiento con características y componentes muy específicos, inherente a su origen y producción y que dificultan el proceso de su transferencia y de adopción por los compradores (adoptadores). Por tanto, la transferencia va acompañada de incertidumbre y conlleva a la realización de importantes esfuerzos endógenos de aprendizaje tecnológico basados en la acumulación de capacidades, que deben dar lugar a un incremento de la productividad y la eficiencia, y consecuentemente a un flujo constante de innovaciones en materia de productos y procesos. Precisamente, en la velocidad que siga el proceso de crecimiento económico, su senda en el tiempo, condiciona la intensidad del proceso de acumulación de experiencia y aprendizaje. La productividad del trabajo (W), se puede representar entonces como una función de la inversión acumulada (G):

$$W = b G^u$$

Donde b y u constantes, G positiva y menor que 1.

El incremento de la productividad del sistema deriva de la existencia del factor acumulativo, la experiencia y de unas economías externas que genera el proceso de aprendizaje. Bajo este marco teórico, las capacidades tecnológicas incorporan: las fuentes de investigación científica (en especial, centros de investigación fundamental), los agentes de la innovación tecnológica (Centros de I+D), las empresas productoras de tecnologías y las tecnologías mismas, ya sean incorporadas o desincorporadas (TEP, 1999). Un componente importante son las calificaciones educativas que poseen los recursos humanos, así como las habilidades y el aprendizaje que los trabajadores adquieren en las empresas, pues una condición necesaria para la adquisición de las tecnologías es la educación y el entrenamiento del personal responsable. S. Lall (1992), reconocido especialista en política industrial y tecnológica plantea, que sobre todo lo más importante es la forma en como una institución o empresa combina los elementos de tecnologías, calificaciones educativas, las habilidades y el aprendizaje, para funcionar como una organización, con interacción constante entre sus miembros, flujos efectivos de información y decisiones, y una sinergia que es mayor que la suma de las habilidades y conocimientos individuales.

Por capacidades tecnológicas algunos autores hacen referencia al uso y adopción del conocimiento que realiza cualquier organización como resultado de la interacción que se produce entre la infraestructura tecnológica (capital tangible) y los trabajadores (capital intangible); ya sea en la producción, en la ingeniería, en la innovación, con el fin de mantener la competitividad, tanto en precio como en calidad (Kim, 2001). El aprendizaje es un proceso fundamental para entender el concepto de capacidades tecnológicas, de hecho, está ampliamente reconocido que el desarrollo de capacidades tecnológicas es un proceso de aprendizaje tecnológico (Bell, 1984; Bell y Pavitt, 1997). Mediante éste se realiza la conversión del conocimiento tácito a explícito y viceversa, en un proceso en espiral que conduce a la creación y acumulación ulterior de capacidades y por consiguiente al incremento mismo del conocimiento (Nonaka, 1995).

¿De que dependen las capacidades tecnológicas y por consiguiente su capacidad de aprendizaje? Dependen de múltiples factores, pero el punto de partida y más importante, es la base de conocimientos existente, la cual constituye la fuente básica del aprendizaje tecnológico de cualquier organización, pues determina directamente el desenvolvimiento actual y el crecimiento de los conocimientos futuros. El proceso mismo de aprendizaje enriquece también la base de conocimientos de cualquier organización a partir de la experiencia. Sin embargo, la base de conocimientos crece básicamente a través de diferentes mecanismos, entre los que se encuentran; la transferencia tecnológica desde otras organizaciones, la obtención de licencias para la explotación de patentes, las publicaciones científicas, la movilidad laboral y la educación formal a través de cursos de diferente tipo que permiten difundir conocimientos ya maduros (por ejemplo, el manejo de determinadas técnicas).

El proceso de aprendizaje también está afectado por la capacidad de absorción de las empresas (Economía y Tecnología, TEP). Este concepto, muy dependiente de capacidades tecnológicas, es vital para comprender el funcionamiento y la sobrevivencia de las empresas y comprende; las capacidades que tienen las empresas de asimilar, emplear, adaptar y modificar las tecnologías existentes y que las empresas pueden adoptar desde su entorno. Por tanto, las capacidades de absorción dependen también de la base de conocimiento existente en la organización y además, de lo que Kim (1998) ha llamado intensidad del esfuerzo, refiriéndose con ello a los gastos que las organizaciones realizan para internalizar las tecnologías que son producidas por terceros.

Autores como Lall (1992) reconocen la importancia de distinguir en la construcción de capacidades tecnológicas, factores propios de las empresas y los que son característicos a nivel de país (régimen de incentivos, estructura institucional y dotación de recursos- inversión física, capital humano y esfuerzo tecnológico). De aquí que el desarrollo de capacidades es el resultado de la interacción de la estructura de incentivos con los factores institucionales, los esfuerzos tecnológicos y los recursos humanos disponibles. Por consiguiente, las capacidades tecnológicas existen en distintos niveles; a nivel microeconómico –las empresas- y también a nivel de país, sectorial y regional (Lugones, et.al., 2007). Este último nivel ha sido el menos abordado en los estudios referenciales sobre el tema.

Capacidades Tecnológicas, Territorio Y Sistema De Innovación

El desarrollo de capacidades tecnológicas es un componente fundamental de la industrialización y por consiguiente del desarrollo económico. Esto está determinado por varias consideraciones. Primero, como plantea N. Rosenberg, en su clásico "Inside de black box: Technology and economies" (Rosenberg, 1982), las innovaciones y aplicaciones tecnológicas son generadas a partir de la demanda de su entorno inmediato, por tanto, deben ser más funcionales para el sistema productivo y el mercado en que son diseñadas. Segundo, las tecnologías y los servicios auxiliares a ellas asociados, generan una demanda de inversión, de gran importancia para la reanimación económica. Tercero, el desarrollo de capacidades tecnológicas locales, reduce el gasto en importaciones de equipos y el pago de royalties, así como tiene garantizada una demanda externa para sus innovaciones, dado la etapa actual de transición tecnológica.

Cuarto, la velocidad de cambio tecnológico actual, ligado al tránsito al nuevo paradigma técnico-económico, provoca que la transferencia del producto tecnológico, aún cuando su trayectoria innovadora no se haya agotado, es mucho menos relevante que "la capacidad, institucional, científica y técnica de generar nueva información y de desarrollar sus aplicaciones. La capacidad tecnológica es la energía de la nueva economía. Cuanta mayor capacidad propia de generar tecnología tiene un país, mayor es el margen de maniobra de que dispone para mejorar su situación relativa en la economía internacional y viceversa. El factor más importante en el desarrollo tecnológico es la existencia de un medio científico-industrial, que se auto-refuerce constantemente, suscitando en su seno procesos de aprendizaje, de competencia, de colaboración y de intercambio de información" (Castells, M. et al, 1986, p. 435).

A pesar de las diferencias existentes entre los distintos enfoques -clusters, distritos industriales y sistemas de innovación-, los tres coinciden en adjudicarle un alto grado de importancia a las externalidades y la proximidad geográfica como factor explicativo de la innovación. Un reconocido especialista en el cambio tecnológico, J. Fagerberg, realizó un estudio empírico de 27 países de la OCDE y semi-industrializados -Brasil, México, Argentina, y la primera generación de los nuevos países industrializados (NIC's) de Asia; Hong Kong, Corea, Taiwán-, con el propósito de conocer la relación entre el nivel y capacidad tecnológica y el crecimiento económico. En su análisis, estableció una serie de relaciones estadísticas entre el PIB per cápita (T), un indicador de insumos tecnológicos (RD) -% de I+D sobre PIB- y otro indicador de resultados tecnológicos, EPA (relación entre patentes generadas y valor de las exportaciones). Sus resultados demostraron que existe una estrecha relación positiva entre productividad y capacidad tecnológica y una relación aún más estrecha entre los resultados comerciales de dicha capacidad tecnológica (patentes) y productividad. A modo de conclusión, Fagerberg plantea, que "... para dar alcance a los países desarrollados, los resultados obtenidos aquí sugieren que los países semi-industrializados no pueden confiar sólo en la combinación de tecnología importada e inversiones, tienen que incrementar sus capacidades tecnológicas nacionales"(Fagerberg, J., 1988, p. 415). Para este autor, el resultado exitoso en el desarrollo económico por parte de los NIC's asiáticos, se debe a la combinación de actividades tecnológicas endógenas y altos niveles de inversión.

Efectivamente, en el rápido crecimiento económico de estos países asiáticos y en el éxito mantenido en los mercados mundiales, ha tenido una gran importancia su determinación a pasar al dominio de tecnologías de amplia aplicación y relevantes en el paradigma actual -factor clave-, es decir, tecnologías como la microelectrónica y la de información. El "potencial tecnológico global", como llaman Dosi y Cimoli (1992) a las capacidades tecnológicas de cada país, depende de la capacidad nacional para dominar los procesos de producción, imitación e innovación de una serie de bienes, que son determinantes por su vinculación directa con la producción del factor clave de cada paradigma técnico-económico.

La creación de capacidades tecnológicas endógenas genera una serie de beneficios dinámicos para esas industrias de mucha importancia. A parte de la reducción significativa de los costos asociados a la transferencia de tecnologías, las capacidades locales propias permiten una diversificación independiente hacia nuevas áreas de ventajas competitivas, mucho más de lo permitido por los inversores extranjeros, que controlan completamente la misma tecnología. Estas condiciones, obligan a las firmas a desarrollar más capacidades avanzadas y conocimientos técnicos, que los necesarios simplemente para operar con una tecnología importada.

El desarrollo de capacidades investigativas y tecnológicas locales puede producir también un conjunto de externalidades y vínculos de gran relevancia. Estas nutren la producción local de bienes de capital y de componentes, y permiten la acumulación de conocimientos técnicos para aplicarlos en otras industrias o incluso, en competidores. Esto conduce a la interacción entre la industria y la infraestructura tecnológica (universidades, institutos de investigación, centros de garantía de la calidad y otros) y, por consiguiente, a la preparación de la fuerza de trabajo necesaria.

Un componente muy importante en la capacidad tecnológica del territorio lo forman, los sistemas de educación y científicos. Estos son los responsables de la preparación y adecuación de la fuerza de trabajo actual y futura, a los requerimientos del proceso productivo, ya sea de bienes o de servicios, y de la adaptación e innovación tecnológica. En las épocas de transición en el paradigma, como en la actualidad, esta responsabilidad de los sistemas de educación y científico se acentúa y es más complicada; la tasa de innovación tecnológica es mayor, por lo que aumentan significativamente las exigencias al proceso de aprendizaje. El paradigma dominado por la microelectrónica y la información, incrementa los requerimientos mínimos; el tránsito del dominio de una técnica electromecánica a industrias donde lo dominante es la tecnología electrónica y la gestión de información, incrementa el papel del aprendizaje previo en el sistema de educación y preparación de la mano de obra.

El desarrollo de un sistema educativo y científico capaz de responder a las exigencias que en última instancia, impone el paradigma técnico-económico, es "un factor de valoración de las ventajas/desventajas que se cuenta entre las condiciones previas esenciales para el aprendizaje tecnológico sectorial" (Cimoli, M. y Dosi, G., 1992, p. 40).

MEDICIÓN DE LAS CAPACIDADES TECNOLOGICAS

Son diversas las investigación que se han ocupado de medir las capacidades tecnológicas de las empresas, sectores y territorios (nacional, regional, local) (Furman et al., 2002; Archibugi y Coco, 2004; Faber y Heslen, 2004; Zabala-Iturriagoitia et al., 2007b y 2007c). Debido a ello, las propuestas de indicadores para medir actividades de investigación y desarrollo, producción científica y de innovación han tenido una importante difusión en los últimos años (Manual de Oslo, 1992 y 2005; Manual de Frascati, 1994 y 2002; Den Hertog et al., 1995; Leydesdorff, 2001). Archibugi y Coco (2004) han desarrollado esfuerzos integradores importantes en la construcción de medidas para las actividades de investigación y desarrollo e innovación en lo que a capacidades tecnológicas se refiere y consideran que:

a) Las capacidades tecnológicas de una nación están compuestas por una variedad de recursos de conocimiento y de innovación. Una medida comprehensiva debe ser capaz de tomar en cuenta las actividades que están codificadas, así como las que son tácitas (Lundvall, 1992). Algunas de las capacidades están desincorporadas, como las nuevas ideas y los inventos; otras están incorporadas en equipos, maquinaria e infraestructura, mientras que otras están incorporadas en las habilidades humanas (Pianta, 1995; Smith, 1997; Evangelista, 1999).

b) La integración de nuevos sistemas tecnológicos requiere del dominio de las tecnologías previas, lo que permite a los agentes económicos construir competencias de una manera acumulativa (Pavitt, 1988; Bell y Pavitt, 1997). A menudo los nuevos sistemas convierten a los previos en obsoletos (Juma y Konde, 2002).

c) Los diversos recursos de capacidades tecnológicas son más probablemente complementarios que intercambiables. Tener una alta tasa de infraestructura sin suficiente fuerza de trabajo calificada puede ser inútil, y viceversa (Abramovitz, 1989; Maddison, 1991). Asimismo, una integración exitosa a lo largo de varias olas de innovaciones tiene el efecto de multiplicar los impactos económicos y sociales (Antonelli, 1999; Amable y Petit, 2001).d) La creación y la mejora de las capacidades tecnológicas involucran un elemento crucial de "esfuerzo" tecnológico. El acceso a la tecnología avanzada es una condición necesaria pero debe ir acompañado por inversiones sustantivas con un propósito claro para ser absorbida, adoptada y aprendida (Pietrobelli, 1994; Lall, 2001).

e) Dado que las diferencias entre las capacidades tecnológicas de los países son colosales, una medida que las abarque debería de tener en cuenta componentes que son específicos para las naciones desarrolladas y los que corresponden a países en desarrollo (Lall, 2001). A partir de estos hallazgos, el presente trabajo se propone avanzar en la presentación de un conjunto de

indicadores para la medición de las capacidades tecnológicas a nivel de región que intente cubrir las deficiencias anteriores y considerando las especificidades de las economías en desarrollo y de la regiones.

LA CAPACIDADES TECNOLOGICAS EN LA REGION NORESTE DE MEXICO.

Datos Generales Básicos de la Región Noreste de México

La Región Noreste de México se distingue por su ubicación geográfica en el Golfo de México y limitando con el estado de Texas, uno de los estados más dinámicos en términos de desarrollo económico del sur de los Estados Unidos Existen distintas clasificaciones acerca de la Región Noreste que se distinguen en incluir diversos estados del norte del país. Hemos tomado el criterio de la proximidad geográfica y la concentración territorial para tomar como regiones del noreste las siguientes: Coahuila, Nuevo León, San Luis de Potosí y Tamaulipas.

Los datos geográficos administrativos básicos aparecen en la tabla 1. Estas entidades abarcan un espacio del territorio nacional del 18% y sólo vive el 11% de la población con el 7.74 del total de los municipios del país. Esto indica que la región es relativamente poco poblada comparada con otras regiones del país, como la Región Centro.

Tabla 1: Datos Geográfico-administrativos Básicos Referentes a la Región Noreste (2006)

<i>Estado</i>	<i>Superficie (km2)</i>	<i>Población (2006)</i>	<i>Núm. de municipios</i>
Coahuila	151.563	2,495 200	38
Nuevo León	64.220	4,199 292	51
San Luis Potosí	60.983	2,410 414	58
Tamaulipas	80.175	3,024 238	43
Subtotal	356.941	12, 129 144	190
México	1,964,375	103,263 388	2454
Participación del Región Noreste en el total	18.17	11.74%	7.74%

Fuente: CONACYT (2006), Estado del arte de los sistemas estatales de Ciencia y Tecnología.

Como indica la tabla 3, en la región se genera casi el 15% del producto nacional con cerca del 12% de la población ocupada y sólo el 6.5% de las unidades económicas. Estos datos indican que el noreste de México predomina la mediana empresa y también grandes; pues la proporción de unidades económicas allí localizadas es mucho menor que otras regiones del país. En el caso particular de Nuevo León, produce el 50% del producto regional con el 54% de la población ocupada y el 56% de las unidades económicas.

Tabla 3: Datos Económicos Básicos de la Región Noreste y México (2003)

<i>Estado</i>	<i>Superficie (km2)</i>	<i>Población (2006)</i>	<i>Núm. de municipios</i>
Coahuila	151.563	2,495 200	38
Nuevo León	64.220	4,199 292	51
San Luis Potosí	60.983	2,410 414	58
Tamaulipas	80.175	3,024 238	43
Subtotal	356.941	12, 129 144	190
México	1,964,375	103,263 388	2454
Participación del Región Noreste en el total	18.17	11.74%	7.74%

Fuente: Anuario de Estadísticas por Entidades Federativa, 2007.

Con relación a la industria manufacturera, la región se produce la quinta parte del producto manufacturero del país, sólo superado por la Región Centro. La Región noreste ocupa también el 20% de la población

activa y menos de un 10% de las unidades económicas lo que indica la existencia de empresas manufactureras grandes y medianas en la región.

Tabla 4: Datos básicos de la industria manufacturera referentes a la Región Noreste y México (2003)

	<i>Valor agregado censal bruto</i>	<i>Personal ocupado</i>	<i>Núm. de unidades</i>
Coahuila	48,811,506	213,947	6,149
Nuevo León	90,661,630	324,856	10,823
San Luis Potosí	20,155,158	87,060	6,319
Tamaulipas	36,670,455	211,921	6,744
Subtotal Región Noreste	196,298,749	837,784	30,035
México	927,987,255	4,198,579	328,718
Participación de la Región	21.15%	19.95%	9.13%

Fuente: Anuario de Estadísticas por Entidades Federativa, 2007

En fin, la Región Noreste es una de las regiones del país con mayor capacidad productiva acumulada lo que se evidencia es lo datos referidos anteriormente. La región tiene algunas peculiaridades que es importante destacar. Una de ellas son las grandes diferencias entre entidades. Destaca el papel de Nuevo León como entidad que concentra la mayor parte del producto, del personal ocupado y de las entidades económicas de la región. En cambio, San Luis de Potosí, es con diferencia, el estado más retrasado de la región en todos los indicadores mencionados.

Indicadores de Capacidades Tecnológicas de la Región Noreste de México

A partir de la revisión de la literatura y de los antecedentes respecto de la medición de capacidades tecnológicas, se identificó un conjunto de indicadores que pretenden cubrir tres dimensiones claves:

- a) La base disponible (recursos humanos, infraestructura)
 - b) Los esfuerzos realizados para el incremento y la consolidación de las capacidades (adquisición de conocimiento, I+D, SNI y otros), y
 - c) Los resultados logrados a partir de las capacidades existentes (patentes, publicaciones).
- a) Base disponible.

Para cuantificar indicadores de la Base disponible hemos seleccionados aquellos que tienen que ver con la formación de recursos humanos fundamentalmente. Indicadores de Base disponible comprende las capacidades que una región desarrolla para producir conocimiento propio o adquirirlo y adaptarlo a las necesidades del territorio. En la construcción y acumulación capacidades regionales también tiene una importancia de primer orden la infraestructura existente. La infraestructura disponible expresa la calidad del recurso humano en el proceso de su formación.

Tabla 5: Base disponible-Recursos Humanos en el Territorio (2005)

Entidades	Tasa de	Población de 5 años y	Alumnos en	Alumnos de
Coahuila	96,6	680,899	4,607	3,225
Tamaulipas	95,3	795,754	9,910	4,148
Nuevo León	96,8	1,064,687	6,481	10,625
San Luis Potosí	89,9	712,001	3,041	1,768
Subtotal Región Noreste	95,1	3,253,341	24,039	19,768
México	91,45	28,588,713	146,308	150,852
Participación de la región		11.38%	16.43%	13.10%

Fuente: Anuario de Estadísticas por Entidades Federativas, 2007.

La Región Noreste de México es evidente las capacidades creadas en el ámbito de preparación de los recursos humanos. Esta región ocupa en el país una posición de muy destacada en esta área, sólo detrás nuevamente, de la Región Centro, donde se concentran los principales centros de educación del país. Sin embargo, el noreste supera la media del país en estos indicadores. Sobre todo en los alumnos de posgrado es muy relevante la posición de Nuevo León como entidad para atraer estudiantes en este nivel de enseñanza. Es importante comparar el número de alumnos de posgrado por 10 000 habitantes entre el país y la región. En la Región Noreste llega a 16.29, superior a la media del país (13.2) e inferior a la del Centro (21.1) (Rozga Luter, 2006).

- c) Los esfuerzos realizados para el incremento y la consolidación de las capacidades (adquisición de conocimiento, I+D y otros).

En lo referente de esfuerzos podemos mencionar todos aquellos indicadores que contribuyen a la construcción de las capacidades tecnológicas. Uno de ellos tiene que ver con el número de miembros del Sistema Nacional de Investigadores, un indicador que refleja el esfuerzo de la región y las instituciones. Los datos demuestran que la región aún está retrasada considerablemente con relación al país. En el caso del número de SNI por 100 000 habitantes, el noreste está por debajo considerablemente en este indicador a nivel de país. Solo Nuevo León muestra cifras muy destacadas, pues supera la cifra del país en el doble de miembros de SNI, 18.3, mientras que en México es de 8.1 (Tabla 6).

Es importante el papel de la inversión extranjera directa (IED). Es fuente de creación de empleos y de conocimientos; y por consiguiente origen de las derramas que pueden beneficiar el territorio. El efecto de las inversiones extranjeras directas ha sido objeto de estudio en muchas investigaciones en América Latina y en México en particular (Dutrenit y otros). En el caso del noreste de México el volumen de IED ha sido fundamental para el desarrollo tecnológico de determinados sectores y en la generación de empleos. Sólo destacaremos aquí, que nuevamente el estado de Nuevo León, supera con creces al resto de las entidades, aunque es importante señalar que los otros estados fronterizos, Coahuila y Tamaulipas son destino importante de IED sobre todo en la frontera, donde se han desarrollado importantes áreas de concentración de empresas maquiladoras de muy diversos sector.

Tabla 6: Esfuerzos para la construcción de capacidades tecnológicas de la Región Noreste y de México

	Sistema Nacional de		Inversión	Gasto federal descentralizado ejercido	Recursos FOMIX
	Miemb	Número		para la educación por entidad federativa	
Coahuila	185	6,3	167.1	5,990.1	52,000 000
Tamaulipas	106	2,5	400.2	6,984.4	97,150 000
Nuevo León	441	18,3	1,809.6	6,206.7	262,700 000
San Luis	251	8,3	123.5	6,018.8	48,000 000
Región	983	8,1	2,500.4	25,200.1	459,850, 000
México	13,485	13,05	23,230.1	208,232,20	1.880, 804,550

Fuente: INEGI, 2006, 2007. CEPAL, *Inversión extranjera en América Latina y el Caribe*, 2001, 2003, 2004, 2006 y 2007.

Es interesante señalar como la región ha captado casi la cuarta parte de los recursos FOMIX lo que de alguna manera demuestra el papel de la investigación y la dedicación a la innovación en esta región. Aunque nuevamente hay que apuntar, que el 50% de esos recursos son captados en el estado de Nuevo León.

- c) Los resultados logrados a partir de las capacidades existentes (patentes, publicaciones).

Tabla 8: Resultados a Partir de las Capacidades Existentes

	<i>Patentes solicitadas</i>	<i>Coefficiente</i>	<i>de Patentes</i>	<i>Publicaciones</i>
Coahuila	26	0.104	4	17
Tamaulipas	7	0.023	(-)	6
Nuevo León	66	0.157	9	81
San Luis	4	0.016	2	9
Región	103 (18.2%)	0.084	15	113
México	565	0.054	11	574

Coefficiente de Inventiva es la Solicitud de patentes nacionales/10,000 habitantes. Fuente: Inegi, 2006. CONACYT, Informe Anual, 2006, 2007.

CONCLUSIONES

El trabajo que se presenta ha pretendido mostrar algunos datos acerca de las capacidades tecnológicas en la Región Noreste de México. En la primera parte se hizo una revisión de las perspectiva evolucionista acerca de sus aportes a la teoría de la capacidades tecnológicas y del aprendizaje y en su segundo momento, el papel del territorio en ese proceso. Indiscutiblemente uno de los debates más ricos que tienen lugar en la actualidad es que tiene lugar acerca de la medición de la innovación y el particular sobre el tema de análisis: las capacidades tecnológicas regionales. La literatura ha hecho énfasis ampliamente en el estudio de las capacidades tecnológicas a nivel de empresa y de país, sin embargo están casi ausentes del debate teórico, lo que tiene que ver con su enfoque territorial. Precisamente este trabajo está dirigido a eso, intentar cubrir un espacio que aún está por desarrollarse. En la parte aplicada se ha constatado que la Región Noreste ha desarrollado capacidades tecnológicas importantes pero aún hay debilidades significativas. Las debilidades más importantes de las capacidades tecnológicas de la región son:

Existe una gran heterogeneidad en las capacidades tecnológicas de la región. Hay una elevada concentración de los esfuerzos sobre todo en Nuevo León, en aspectos que tienen que ver directamente con la producción de conocimiento e innovación, mientras otros estados como San Luis presentan retrasos significativos, aunque en el número de SNI demuestra que recientemente ha habido algunos resultados en esta área. En cambio Tamaulipas y Coahuila muestra rezagos significativos pues se encuentran muy por debajo de la media nacional. Esto podría estar relacionado con las autoridades públicas estatales probablemente no tengan un compromiso similar al del Estado de Nuevo León.

. Existe un rezago aún importante con relación al centro de México en los resultados, indicadores que miden cuán bien se está produciendo el proceso de construcción de las capacidades tecnológicas. A nivel de país las patentes son aún muy pocas con las referencias internacionales y la región del noreste aún demuestra que queda mucho por adelantar y promover la necesidad de patentar los resultados del proceso de innovación.

El coeficiente de inventiva regional muestra un retraso considerable. Es México es de 0.05, mientras que en Estados Unidos es de 6.45. En la región también es evidente que ni siquiera se llega a la media nacional. Nuevo León aunque muestra un coeficiente superior, está muy lejos de los estándares internacionales.

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PRECEPCIÓN DE LAS NUEVAS ESTRATEGIAS DE VINCULACIÓN ENTRE LA ACADEMIA Y EL SECTOR ECONÓMICO: ESTANCIAS DE APRENDIZAJE

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RESUMEN

La vinculación es la parte medular entre la academia y el que hacer económico, por ello la Facultad de Ciencias aprobó en 2006 una nueva modalidad de aprendizaje, en la cual los alumnos de noveno en lugar de asistir a clases, viven la experiencia de participar en un proyecto dentro de una empresa, reforzando los conocimientos aprendidos en el aula y adquiriendo habilidades y actitudes, que de otra forma no podrían adquirir hasta su primer empleo. El presente estudio tiene como objetivo y conocer el sentir de los estudiantes y de los empleadores ante esta nueva forma de vinculación ¿Qué experiencia vivieron al participar en este proyecto? ¿Cómo mejorarlo? ¿Qué habilidades y actitudes requieren nuestros estudiantes para desempeñarse con éxito en el campo laboral? ¿Qué están dispuestos hacer los empleadores para que este tipo de proyectos crezcan?. Conocer la respuesta a estas y otras preguntas, nos da un panorama para llevar a cabo las actividades que permitan que este tipo de programas no queden como una estrategia temporal sino que sea una abra la una puerta para vinculación exitosa entre el quehacer económico y la academia.

PALABRAS CLAVE: Educación, Vinculación, Sector Económico.

INTRODUCCIÓN

La nueva estrategia de estancias aprendizaje establece un vínculo entre el sector productivo y la academia. La Facultad de Ciencias Administrativas busca mejorar este tipo de programas que permiten que los alumnos adquieran experiencia profesional ya que participan en un entorno laboral real además de ser un escaparate para los alumnos que están por egresar de tal forma que puedan ser identificados por los posibles empleadores y proporciona información valiosísima y certera el perfil del egresado que las empresas requieren.

"El objetivo de la vinculación, desde el punto de vista de la universidad, debe entenderse como el mecanismo que ayuda a elevar la calidad de la investigación y de la docencia universitarias y a lograr su mejor integración con las necesidades sociales. Desde el punto de vista de la empresa, la vinculación tiene como objetivo elevar la competitividad en el mercado a través del incremento de la productividad de procesos que aseguren una mayor producción de bienes y servicios por medio de la tecnología transferida desde la universidad, que corresponde en la mayoría de los casos a innovaciones tecnológicas que aseguran productos de mejor calidad y de menores costos", Acuña (1993).

Reséndez (1998) hace referencia a que las universidades "son organizaciones especializadas que la sociedad requiere principalmente para dotar de ciertas capacidades intelectuales y actividades socialmente destacables a una fracción más o menos amplia de sus jóvenes, antes de que éstos asuman responsabilidades en la vida social y en el trabajo", por lo tanto, a las universidades les corresponde la responsabilidad de preparar a sus egresados para que asuman desde los primeros años de su formación profesional, la responsabilidad de enfrentarse al ámbito laboral con los elementos necesarios y suficientes para incorporarse a un mercado de trabajo o bien para crear sus propias fuentes de empleo, y esto solo

será posible si no permanecen aisladas del ambiente laboral en el que la mayoría de sus egresados van a trabajar.

Por ello las universidades y las empresas deben mantener entre sí una intercomunicación continua por conveniencia mutua y obtención de beneficios para ambas partes.

Los propósitos o fines precisos que deben cumplir la vinculación universidad - empresa son, entre otros los siguientes:

- Afinar la concordancia de los programas y métodos educativos con las capacidades que las empresas requieren de sus profesionales y técnicos.
- Prever conjuntamente la posible evolución de las necesidades de las empresas y los jóvenes, pues las universidades no educan para hoy, sino para el futuro en que actuarán sus egresados. Tal previsión será más atinada si para ella se conjuga el saber de las empresas y el de las universidades, y no si cada una realiza aisladamente sus actividades.
- Llevar y traer conocimientos y avances técnicos entre universidades y empresas, pues cada una de ellas tiene en estos aspectos, en diferentes momentos y temas, alguna ventaja sobre su contraparte, y por tanto algo útil que ofrecer para su correspondiente misión.
- Atenuar el desconcierto o la sorpresa traumática que en los jóvenes produce el paso brusco de la escuela al trabajo.

"Establecer una comunicación más estrecha y frecuente entre las universidades y sus egresados ocupados en las empresas, como canal de *retroalimentación* para que las universidades conozcan mejor las cambiantes necesidades de las empresas en materia de aprovechamiento del conocimiento tecnológico y, de manera simétrica, para que el personal educado profesionalmente de las empresas se entere con igual oportunidad acerca del conocimiento tecnológico disponible en las universidades. Villarreal (1995).

PLANTEAMIENTO DEL PROBLEMA

De acuerdo con Gibbons (1998) , las tendencias del empleo, para el año 2020 el 90% de la mano de obra estará ocupada en la micro, pequeña y mediana empresa, tanto en el sector industrial como en el de servicios. Las unidades de producción de bienes y servicios serán más automatizadas y requerirán trabajadores calificados, lo que llevará a un desplazamiento paulatino de la mano de obra no calificada. Para enfrentar el problema del desempleo, la recalificación de la fuerza de trabajo jugará un rol de primera importancia, en el cual las IES, junto a otras instituciones de capacitación laboral, ocuparán un lugar estratégico ya que a futuro se espera que la vinculación entre educación y sector productivo se inscriba en el marco de la complementación de las políticas y programas de desarrollo social y económico en los sectores agropecuario, industrial y de servicios, y las políticas y programas de desarrollo educativo.

En respuesta a esto la universidad crea las Estancias de Aprendizaje, este tipo de programas permite la vinculación entre la academia y el sector productivo. El programa tiene como objetivo principal que los alumnos participen en el sector productivo para elevar la calidad de la educación esto es dar al sector productivo alumnos capaces de responder a sus necesidades.

PARA ESTA INVESTIGACIÓN SE ESTABLECEN LOS SIGUIENTES OBJETIVOS

Objetivo: Identificar la percepción de los alumnos y las unidades receptoras que participaron en el programa de Estancias de Aprendizaje.

Objetivos específicos

- Conocer la percepción de las Unidades Receptoras
- Conocer la percepción de los alumnos participantes
- Identificar según la percepción de los participantes debilidades y fortalezas de este programa.

JUSTIFICACIÓN

Una de las quejas del sector económico es la falta de experiencia de los egresados y ¿Cómo adquirirla? si no hay una vinculación estrecha entre el sector productivo y los futuros profesionistas. Con este panorama la Universidad Autónoma de Baja California y el Departamento de Formación Profesional y Vinculación someten diciembre de 2005 ante el consejo universitario una nueva modalidad de aprendizaje llamas Estancias de Aprendizaje. En esta nueva estrategia de aprendizaje y vinculación los alumnos de noveno semestre en lugar de asistir a la escuela, asisten a una empresa y participan en un proyecto de vinculación donde se les otorga créditos para completar su carga curricular. Dentro de la empresa el alumno es evaluado por medio de un supervisor de la misma empresa y asesorado por un académico dentro de su facultad y por sus propios maestros.

Durante estos tres años han participado 1,710 de las carreras de Licenciado en Contaduría, Licenciado en Administración de empresas, Licenciado en Informática y Licenciado en Negocios Internacionales. Logrando con gran éxito que muchos de alumnos se han contratados por la misma empresa en donde realizaron sus Estancias de Aprendizaje. Este panorama nos lleva a darles un seguimiento estrecho a este proyecto. La pregunta que surge es ¿Cómo mejorar este programa?, y la respuesta es sencilla preguntando a quienes han participado en el, por ello tanto alumnos como supervisores han sido encuestados y entrevistados para conocer su opinión y percepción ante esta nueva modalidad de aprendizaje.

MÉTODO

Para el desarrollo de este trabajo se aplicó una encuesta a las unidades receptoras “Empresas” y a los alumnos de la carrera de informática que participaron durante los últimos tres semestres.

Se aplicó encuestas a 25 unidades receptoras y 120 alumnos de la carrera de informática que participaron en las estancias de aprendizaje en los periodos 2007-2, 2008-1 y 2008-2.

Además se realizaron entrevistas a 30 alumnos y 15 unidades receptoras. De tal forma que la investigación fue de corte cuantitativo y cualitativo.

COCLUSIONES

Los resultados de esta investigación nos revelan que es lo que está sucediendo en la vinculación empresa-universidad y en base a ello trabajar para seguir mejorando este programa.

Según las percepciones de los alumnos esta experiencia fue en la mayoría de los casos muy gratificante ya que les permitió aplicar sus conocimientos, aprender y manejar equipos y programas sofisticados siempre con el apoyo de su supervisor, conocer un ambiente laboral real, enfrentarse y resolver problemas reales, sentirse parte integral de un equipo de trabajo, dar opiniones a sus supervisores y que estas sean tomadas en cuenta. Les permitió también aprender de sus errores y apoyarse en sus compañeros y equipo

de trabajo. Aprendieron a ser pacientes, tolerantes, responsables y a tomar nota de todas las instrucciones para llevar a cabo eficientemente la tarea encomendada así como aprender de la práctica todos los días, interactuar con los usuarios, adquirir seguridad, respetar un horario, cumplir en tiempo y forma con las actividades y crecer como persona.

Sin embargo algunos de ellos enfatizaron que su supervisor no siempre les resolvió todas las dudas, que en ocasiones no había suficiente comunicación y que muchos usuarios que solicitaban son personas difíciles de tratar a lo cual tuvieron que aprender a sobrellevar.

De parte de las empresas participantes la mayoría coincidió que los alumnos tenían buena disposición, eran entusiastas y responsables. Que les fue fácil trabajar en equipo y asignarles responsabilidades y que pudieron resolver satisfactoriamente los problemas a los que se enfrentaron. Lo negativo que resaltaron las empresas es que hubo alumnos con poca iniciativa, impuntuales o deficiencia para acatar órdenes específicas. También fue importante su aportación al programa educativo ya que hicieron la observación de las deficiencias de los alumnos en el área de programación específicamente para WEB y manejo del idioma inglés. Otra observación por parte de las empresas es que enfatizaron que lo importante del alumno no son tanto sus conocimientos sino sus actitudes, una ACTITUD positiva y proactiva lo que las empresas necesitan de los profesionistas.

En lo referente a la coordinación del programa las empresas opinaron que debe haber una comunicación más estrecha entre la empresa y el responsable de las estancias de aprendizaje, solicitaron participar en los programas de licenciatura para crear unidades de aprendizaje que pudiesen tomar los alumnos antes de participar en las estancias. Y crear otros programas de vinculación como incubadoras para formar los profesionistas especializados que se requieren.

Por lo anterior podemos concluir que vamos por buen camino, que existen elementos que se pueden mejorar, sin embargo apostarle a la vinculación es una forma de apostarle que nuestros egresados se integren más fácilmente al sector productivo una vez y aún antes de concluir su formación profesional.

Aportaciones

- Establecer canales de comunicación entre la academia y el sector privado
- Abrir el canal para mejorar los programas educativos de acuerdo a las necesidades del sector productivo.
- Permitir a los alumnos aplicar los conocimientos adquiridos en el aula y reforzarlos con la práctica real cotidiana.
- Crear una retroalimentación constante entre el alumno y el sector productivo.
- Establecer los primeros pasos para la creación de incubadoras.
- Permite a los alumnos adquirir seguridad y experiencia profesional.
- Permite a los alumnos insertarse más rápidamente al sector productivo.
- Crear nuevos vínculos y estrategias entre la academia y el sector productivo

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Finland
France
Germany
Ghana
India
Indonesia
Iran
Italy
Japan
Kingdom of Bahrain
Korea
Kuwait
Macedonia
Mauritius
Mexico
Nepal
Nigeria
Pakistan
Poland
Romania
Russia
Singapore
Spain
Taiwan, R.O.C.
Thailand
The Netherlands
Turkey
United Arab Emirates
United Kingdom
United States
Venezuela