

Volume 8, Number 2

ISSN 2576-2699



International Conference Proceedings

July 24 – July 31, 2024

Editor

Dr. Laurent Josien, SUNY Plattsburgh

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DECODING FOOD NEOPHOBIA: A REGRESSION RECIPE OF CULTURAL INTELLIGENCE AND RACIAL DIVERSITY

**Kevin Berry, Northern Michigan University
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ABSTRACT

Recent research underscores the intricate connections between food neophobia, cultural intelligence, racial diversity, ethnic identification, and behavior tendencies (Berry et al., 2023; Li & Nguyen, 2021). Anderson and Zhou (2019) suggested that communities with greater racial diversity and a higher number of ethnic backgrounds identified tend to exhibit lower levels of food neophobia. Exposure to diverse culinary practices and ingredients through cultural interactions promotes familiarity and acceptance of new foods. These interventions help individuals develop cultural competence and increase their acceptance of unfamiliar foods, thereby fostering inclusive food environments.

FOOD NEOPHOBIA

Food neophobia refers to the reluctance or fear of trying new or unfamiliar foods, influenced by cultural upbringing, personal experiences, and exposure to diverse culinary traditions. Food neophobia is commonly measured using the Food Neophobia Scale (FNS) (Damsbo-Svendsen et al., 2017; Pliner & Hobden, 1992). Genetic and environmental factors such as cultural exposure can braise the development of food neophobia (Kaar et al., 2016). Children exposed to a wider variety of foods earlier in life tend to have lower levels of food neophobia (de Lauzon-Guillain et al., 2012).

CULTURAL INTELLIGENCE

Cultural intelligence (CQ) represents an individual's ability to understand and effectively navigate cultural contexts and differences (Ang & Dyne, 2008). CQ involves awareness of cultural norms, adaptation of behavior in multicultural contexts, sensitivity to cultural differences, and effective communication across cultures. The measurement of cultural intelligence typically involves scales that assess different facets of an individual's ability to understand and engage with cultural differences. One widely used measure is the Cultural Intelligence Scale (CQS) developed by Ang et al. (2007). The CQS includes four dimensions: cognitive, metacognitive, motivational, and behavioral aspects of cultural intelligence.

RACIAL DIVERSITY

Racial diversity denotes the presence of various racial or ethnic groups present in a specific environment or community. The number and representation of ethnic backgrounds indicate the cultural richness and diversity within a population (Berry, 2005). Behavioral tendencies encompass the habitual actions, preferences, and responses of individuals within social settings (Markus & Kitayama, 1991). These tendencies are shaped by cultural upbringing, exposure to diverse environments, levels of cultural intelligence, and attitudes towards cultural diversity.

PURPOSE OF THE STUDY

The influence of racial backgrounds on cultural intelligence is significant. Studies have indicated that exposure to diverse racial backgrounds enhances cultural intelligence by providing individuals with opportunities to engage with different cultural perspectives and practices (Early & Ang, 2003). Cultural intelligence plays a critical role in shaping individuals’ attitudes towards food neophobia and their ability to adapt to diverse culinary environments. The purpose of this study was to determine if the number of identified racial backgrounds links to and influences food neophobia behaviors.

RESULTS OF THE STUDY

A survey consisting of the Food Neophobia Scale (FNS), Cultural Intelligence Scale (CQS) and other demographic questions was administered to 172 undergraduate college students at a Northwestern United States university. Through a regression analysis, results indicated that, as the number of racial backgrounds self-reported by the survey participants increase, cultural intelligence behaviors and actions measures encourages a decrease in food neophobia.

TABLE 1
Regression Analysis
Dependent Variable
Food Neophobia

Variable	β	t-statistic	p-value
Constant	39.926	13.548	<.001
NumberRacialBackgrounds	-5.970	-3.505	<.001
CQ Behavior/Action	-1.846	-3.138	.002
* Significant at p< .05			

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PERFORMANCE ASSESSMENT OF LEADING LUXURY AND MAINSTREAM AUTOMOTIVE BRANDS USING LINEAR PANEL REGRESSION MODELS

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ABSTRACT

Successful companies build sustainable competitive advantage (SCA) by building strong brands, offerings (products, services, ideas), and relationships (BOR) with their customers. This study develops a customer journey map (CJM) by integrating essential literature on brands, offerings, and customer relationship management (CRM). It is important to recognize that an organization's offerings have many attributes and customers evaluate different attributes at different stages in their CJM. A CJM can be integrated with service blueprints for effective organizational performance.

Performance ratings of companies' offerings by leading independent organizations are important since they influence customers' perceptions about these organizations' brands, offerings, and CRM. This study utilizes panel data from Consumer Reports publications over the last seven years about performance differences among 32 leading automotive brands. This study analyzes the impact of different types of predictors on the performance ratings of leading automotive brands over time by using several linear panel regression models. The variability (heterogeneity) in panel data arises from changes within brands over time and from differences among brands at a given point in time. The various panel regression models utilized in this study capture both types of heterogeneity in panel data to provide multiple perspectives on the relationships among predictors and automobile ratings. The findings provide useful insights to managers in their planning for sustainable competitive advantage (SCA).

MOBILE PAYMENTS OVERWHELM THE TRADITIONAL PAYMENT SYSTEMS IN CHINA AND SOME IMPACTS ON FOREIGN INVESTORS AND TOURISTS

Chiang-nan Chao, St. John's University
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ABSTRACT

Mobile payment has accelerated banking industry's transition to a new level of mobility around the world, particularly in China where this transition is led by innovative high-tech companies like Alibaba and WeChat. The Covid-19 pandemic further accelerated this transition since the users favored contactless mobile payments. This trend presents a huge challenge to the banking industry that needs to be better prepared for its future to meet customers' rapidly changing demand. This study investigates Chinese consumers' preferences between mobile payment and card payment platforms on seventeen salient attributes and offers some insights so the banking industry could better serve its customers.

This is an empirical study that utilizes a survey instrument to collect information about Chinese banking customers' ratings of these salient attributes of mobile payment and card payment platforms. Paired t-tests and other methods are used to understand how users' ratings of mobile payment and card payment differ on these salient attributes. Correlations and factor analyses are utilized to identify the underlying dimensions of these salient attributes of banking. The results show that the Chinese respondents strongly prefer mobile payments to card payments on several attributes, as they believe that mobile payments are reliable, dependable, accurate and easy to carry around. A factor analysis identified three dimensions that underlie these seventeen salient attributes of online banking. These dimensions are: (1) Payment accuracy, safety, and convenience; (2) Freebies and low interest loans; and (3) Large transaction alerts and low interest credits. The findings suggest that mobile payment will continue to dominate its market in China in the foreseeable future. At the same time, the uncertainty persists due to political shift to more regulations of private high-tech companies, as the government feels some threats of the big five state banks.

In recent years, the Chinese government has put more surveillance on its citizens as well as foreigners, thus the advantages of mobile payment systems create hurdles for foreign investors who are stranded for making or transferring payments in/out China, as the authors interviewed some people who recently travelled in China.

CREATIVE PERSONAL IDENTITY AS A RESOURCE IN THE JOB DEMANDS-RESOURCES MODEL: A CATALYST FOR EMPLOYEE ENGAGEMENT AND JOB PERFORMANCE

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ABSTRACT

The Job Demands-Resources (JD-R) model has traditionally focused on job-related resources in predicting employee engagement and performance. However, this article explores the potential of creative personal identity (CPI), integrating creativity into one's self-concept as a personal resource within the JD-R framework. Although not explicitly included in existing taxonomies of personal resources, we argue that CPI can act as a catalyst for employee engagement and performance. Based on existing literature, we propose that CPI empowers employees to navigate job demands, enhances engagement, and improves job performance. We examine the mechanisms through which CPI operates, including enhanced problem-solving, adaptability, and innovative thinking. Additionally, we discuss practical implications for organizations, suggesting that fostering CPI through recruitment, training, and supportive work environments can unlock employees' full potential and drive organizational success.

INTRODUCTION

Employee engagement and performance are crucial for organizational success in today's competitive business landscape. The Job Demands-Resources (JD-R) model (Schaufeli & Bakker, 2004), a widely recognized framework, sheds light on the factors influencing these outcomes. While the model primarily emphasizes job-related resources, the role of personal resources in shaping employee experiences and behaviors is gaining recognition (Bakker & Demerouti, 2017). Lee, Rocco, and Shuck (2020) reviewed 137 articles on *resources* and *engagement* and developed a taxonomy of differentiating resources. In their resource categorization table, there are 43 different personal resources, and creativity does not appear. We contend creativity is a potentially powerful catalyst for engagement and performance. However, its integration within the JD-R model is almost always an outcome variable. This article proposes that creativity, specifically creative personal identity, empowers employees to navigate job demands effectively, enhance engagement, and improve performance.

LITERATURE REVIEW

Creativity is a cornerstone of organizational success. It drives innovation, fuels overall performance, and results in tangible and intangible business outcomes, fostering sustainable competitive advantage (Choi et al., 2021; Zhou & Shalley, 2008). When employees direct their creative energies toward organizational goals, businesses thrive, especially in the face of rapid technological advancements and dynamic organizational changes (Samani et al., 2014). As Proctor (1991) aptly noted, creative problem-solving methods are necessary to overcome challenges.

Cultivating creativity among young adults fosters adaptability and encourages unconventional solutions, ultimately leading to improved performance (Foster & Scleicher, 2022; Larraz et al., 2012). One way to cultivate creativity in employees is by developing their creative personal identities. Personal identity is a set of beliefs an individual holds critical to their self-concept (Brewer, 1991). Creative personal identity is the belief that creativity is essential to one's self-concept (Farmer, Tierney, & Kung-McIntyre, 2003).

The Job Demands-Resource Model (JD-R Model) provides a comprehensive framework for understanding individual behavior within organizations, linking it to specific job characteristics categorized as either job demands or job resources (Bakker & Demerouti, 2011). This model has far-reaching implications for various organizational practices, including identifying multiple predictors of job performance (Wesson et al., 2022).

Within the JD-R model, creativity and innovation are typically treated as dependent variables (Chen & Huang, 2016; Eldor & Harpaz, 2015). However, creativity is seldom considered an antecedent that influences work behaviors (Kim & Kwon, 2020). A comprehensive review of innovative behavior within the JD-R model consistently positions creativity as an output rather than an input (Kim & Kwon, 2020; Mauno & Toyama, 2016). By viewing creativity as an antecedent in addition to an outcome, organizations can unlock a broader range of initiatives to harness its benefits fully.

Creative Personal Identity (CPI) is the unique way individuals integrate their creativity, self-expression, and work-related identity (Beghetto, 2006), and emerges from the integration of creativity and work-related identity. It allows individuals to express their unique perspectives and ideas within their job roles, contributing to fulfillment and engagement (Tierney & Farmer, 2011). Several studies have explored the relationship between CPI and work outcomes. Research suggests that individuals with high CPI are more likely to be innovative, adaptable, and resilient in facing challenges (Beghetto & Kaufman, 2014). These qualities are crucial for navigating the dynamic nature of the modern workplace and contributing to a thriving organization. Therefore, organizations that prioritize the development of employees' creative personal identity through a supportive and encouraging work environment can effectively enhance engagement and drive positive work outcomes.

PROPOSITIONS

Based on the literature review, this paper offers the following propositions:

- *P1*: Creative personal identity will positively affect employee engagement.
- *P2*: Employee engagement will mediate the relationship between creative personal identity and job performance.
- *P3*: Creative personal identity will help mitigate job demands.

Proposition 1 posits that creative personal identity (CPI) will positively influence employee engagement. This proposition is grounded in the understanding that CPI enables individuals to align their intrinsic values and interests with their work tasks. Such alignment fosters a heightened sense of purpose and enjoyment in one's work, leading to intrinsic motivation – the drive to engage in activities for their inherent satisfaction rather than external rewards (Ryan & Deci, 2001). This intrinsic motivation can propel employees to exceed expectations, going beyond mere compliance to actively seek out challenges and opportunities for growth.

Furthermore, CPI allows individuals to express themselves creatively and contribute meaningfully to the workplace. This sense of creative expression and meaningful contribution strengthens the psychological connection employees feel towards their jobs, leading to higher levels of job satisfaction (Amabile & Kramer, 2011).

The combined effect of intrinsic motivation and job satisfaction is a natural catalyst for increased engagement. When employees find meaning and purpose in their work by expressing their creativity and applying their unique skills (Bakker, 2011), they are more likely to be fully present, energized, and dedicated to achieving organizational goals.

Proposition 2 posits that employee engagement will mediate the relationship between creative personal identity (CPI) and job performance. This suggests that CPI's positive impact on job performance is not direct but channeled through its influence on employee engagement.

Research supports the notion that creative individuals are more likely to generate innovative ideas, solve complex problems, and adapt to changing circumstances (Mumford et al., 2002). This ability to think outside the box can increase efficiency, reduce stress, and create a more positive work environment for all employees.

Moreover, creative individuals are often more adaptable to change due to their inherent inclination to embrace new ideas and think unconventionally. This adaptability is particularly valuable in today's fast-paced work environments, where the ability to adjust to evolving demands and navigate uncertainty is crucial for sustained performance (Helfat et al., 2007).

Creativity also enhances problem-solving skills. Creative individuals are adept at identifying challenges, generating alternative solutions, and implementing innovative approaches (Puccio et al., 2018). This problem-solving prowess enables them to overcome obstacles and find novel solutions, even in complex and dynamic work settings.

Furthermore, creativity fosters adaptability. In an era of rapid change and uncertainty, adapting to new situations and embracing novel ways of working is paramount (Helfat et al., 2007). Creative individuals are well-equipped to navigate these challenges with their openness to change,

willingness to experiment, and capacity to adjust their strategies. This adaptability enhances job performance and keeps them engaged and motivated in adversity. In essence, creative personal identity fuels a range of cognitive and behavioral processes that collectively enhance employee engagement and, through this engagement, drive superior job performance.

Proposition 3 posits that creative personal identity (CPI) can serve as a buffer against job demands. This proposition stems from the understanding that creative individuals can generate alternative solutions and reframe problems (Zhou & George, 2001). This cognitive flexibility allows them to approach challenges with a broader perspective, reducing the perceived intensity of job demands and minimizing their potential negative impact on well-being. By reframing problems and exploring diverse solutions, creative individuals are less likely to feel overwhelmed or stressed, thus mitigating the risk of burnout.

Moreover, engaging in creative activities can serve as a stress-relief mechanism, providing an outlet for emotions and promoting relaxation. This can be particularly beneficial in demanding work environments, where the ability to unwind and recharge is crucial for maintaining a healthy work-life balance and preventing chronic stress.

Creativity also fuels innovative thinking. Organizations can foster a culture of innovation by encouraging employees to think outside the box and explore unconventional ideas (Amabile, 1988). This culture of innovation drives organizational growth and competitiveness and empowers employees to take ownership of their work and find creative solutions to job demands.

Individuals with a strong CPI are often characterized by curiosity, imagination, and a willingness to take risks. These qualities can lead to developing new products, services, or processes that benefit the organization and provide employees with a sense of accomplishment and fulfillment, further mitigating the adverse effects of job demands.

Creative personal identity can equip individuals with various cognitive and behavioral tools to cope with job demands more effectively. This includes problem-solving skills, stress-relief mechanisms, and a propensity for innovative thinking. By fostering CPI, organizations can empower employees to thrive in challenging work environments and maintain their well-being.

CONCLUSIONS

In conclusion, this article has argued for recognizing creative personal identity (CPI) as a personal resource within the Job Demands-Resources (JD-R) model. Our analysis of existing literature and theoretical propositions suggests that CPI plays a multifaceted role in the workplace, influencing employee engagement, job performance, and coping with job demands. Future research should explore the complex relationship between CPI, job demands, and resources. In particular, empirical studies are needed to test the propositions in this article and investigate the specific mechanisms through which CPI influences employee outcomes. Additionally, research could examine the role of organizational culture and leadership in fostering CPI and creating a work environment where creativity thrives. By recognizing the significance of CPI as a personal resource, organizations can enhance employee engagement and performance and cultivate a more innovative and adaptable workforce poised to meet the challenges of the ever-evolving business landscape.

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EARLY PLANNING, COLLABORATION AND THE ROLE OF SOCIAL MEDIA: A MODEL FOR FUTURE EVENT SUCCESS. LESSONS LEARNED FROM ECLIPSE 2024

**Danielle C. Foster, Ohio Northern University
David M. Savino, Ohio Northern University**

ABSTRACT

A total solar eclipse is a natural astrological phenomenon that is a special event in the infrequent interludes when it occurs. Two recent total solar eclipses in the United States occurred on August 21st, 2017, and more recently on April 8th, 2024. Besides the unique phenomena created by such an event, many other anticipated and unanticipated consequences exist. As was initially learned in 2017, such events are best experienced and handled if deliberate and detailed planning takes place before they occur. Because of the interest and curiosity associated with a total solar eclipse, many people travel miles to experience it in the best geographic viewing locations, many of which are small towns and villages not generally equipped to handle such an event or the sudden influx of large crowds of people. This paper examines the process that many cities, towns, brands and companies across the country went through to prepare for and better handle the expected massive influx of interested observers and the important lessons learned that may have significant implications for local communities as well as business practices. States, cities, and brands that planned early, created strategic plans, and effectively leveraged marketing tools clearly saw the highest economic benefit. The total solar eclipse on April 8th, 2024 showcased the potential for organizations and brands to create impactful campaigns that educate, engage and drive brand awareness while also promoting scientific inquiry and promoting a sense of community.

BRING BACK THE DRESS CODE: NAVIGATING SOCIALLY ACCEPTABLE DRESSING IN AMERICA

Debra Y. Hunter, Troy University

ABSTRACT

The problem of socially acceptable dressing among Generation Z and Millennials is multifaceted, reflecting an interplay of cultural, social, and individual factors in contemporary society. As these cohorts navigate a world increasingly influenced by digital media, globalization, and progressive social norms, their fashion choices often serve as a form of personal expression and identity. Though individuals are encouraged to exercise individual freedoms of expression, certain espoused fashion statements in public settings present a challenge to socially acceptable societal norms and business etiquette. Controversial fashion trends include athleisure and casual wear in formal settings, revealing and provocative clothing, graphic and political statements t-shirts, visible tattoos and atypical body piercings represent examples of the ongoing evolution of personal expression through fashion. The controversies stem from tension between embracing contemporary ideas and maintaining traditional standards in public settings including classrooms to workplace settings. The pressure to conform to evolving standards of social acceptability can create tensions between individuality, societal expectations, and business dress codes. This abstract explores the underlying dynamics shaping dressing norms among these generations, examining how factors such as social media influence, cultural diversity, and shifting gender norms contribute to their fashion choices. Additionally, it considers the implications of these trends for social cohesion, inclusivity, and the future of fashion. We examine Self-Presentation Theory (Leary and Kowalski), Social Identity Theory and Expectancy Theory (Vroom) in helping individuals understand how to present themselves in a manner that will lead to positive outcomes, recognition, and respect in the workforce. Understanding these dynamics is crucial for addressing the broader challenges of acceptance, self-expression, and diversity in modern society.

ARISING A.I. - DRIVEN OPPORTUNITIES FOR SHORT-TERM RENTAL INDUSTRY ENTREPRENEURS

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ABSTRACT

The Short-Term Rental (STR) industry presents several opportunities for entrepreneurs, along with certain risks. Many of these risks are traditional in nature such as competition based on price, location, amenities, and area attractions associated with various properties. Additional risks come from communities that may wish to limit, tax, or otherwise impose operational restrictions on hosts, some of which may change guest experiences. Well known intermediaries such as Vrbo, Airbnb, Booking.com and others are continuing to invest in technologies e.g., Artificial Intelligence (A.I.) that are shaping guest experiences as well as the way hosts operate. For example, Airbnb lists over 60 different categories of properties that renters can search, and A.I. is being used to match persons and their preferences to these with increasing granularity. For years, the hotel industry has offered some variations such as guest rooms versus suites, the number of beds, and “bare bones” or more robust amenities. However, with STR industry offerings ranging from RVs to houses, yurts and boats (and many more property types) the ability to collect and mine more data is helping to add personalization to searches. A.I. is driving new paradigms in property management, efficiency, guest interaction, and personalization. It can scour millions of listings in real-time by leveraging much deeper levels of property data to pull forward the unique characteristics of a property that match the guests’ personalized search criteria.

Customer service will improve if the A.I. powering guest communication could learn more about guests’ interests, preferences, and needs. There are limitations associated with A.I. The STR industry is still just scratching the surface of what’s possible, and the technology is only as useful as the information that it is given. A.I. requires multiple layers of data, and the scale of that data will determine how and to what extent it can be leveraged. New platforms will continue to emerge in the wake of broader and deeper data collection. A.I. is paving the way for smarter and more efficient communication (very immediate, very detailed, and very personal). Despite the hundreds of variables with properties, A.I. is capable of handling that volume of data to better meet guest desires by presenting more detailed listings than what we’ve seen before.

Keywords: *small business, entrepreneurship, short-term rentals, hospitality, tourism, artificial intelligence (A.I.)*

DESIGN CONCEPT: COMBINING FINANCIAL TECHNOLOGY IMPLEMENTATION WITH TAX PAYMENT SYSTEM DESIGN

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ABSTRACT

Within the state budget, taxes play a significant role as state revenue. The State Budget of the Republic of Indonesia has set a target of Rp 1,498.9 trillion for tax revenues in 2017. In order to meet this aim, the Ministry of Finance of the country makes every effort to reform fiscal policy. One of the initiatives carried out by the Directorate General of Taxation is the application of the electronic deposit slip and e-billing tax payment system. Electronic billing, or "e-billing," is an online service that makes use of the system to process tax payments using a code that is issued. The tax payment system relies on the taxpayer's self-assessment to make deposits or tax payments on their own. Innovations in the finance business, particularly financial technology, emerged as a result of technological developments. a business that used financial technology in the payment system and operated in the finance sector. Opportunities for electronic financial transaction services may arise under this type of circumstance. This study offered a tax payment system design that uses a service-oriented architecture (SOA) methodology to interface with the financial technology sector. Technology architecture, data modeling, service use case diagrams, and system integration designs are among the designs covered in this study. In an attempt to use financial technology to create alternative tax payment transactions and meet the state revenue objective, a conceptual design is achieved.

Keyword: *Financial Technology, e-billing, tax payment, integration design, and service-oriented architecture.*

INTRODUCTION

Leveraging taxation to promote economic development is the goal. The development of capital management is critical to a nation's economics. The government of Indonesia continues to rely on taxes as its primary source of national income in the State Budget for 2017. Rp 1, 498 trillion, or around 85.6%, of all state revenue comes from taxes (Ismail, 2016). In addition to taxes, the state received funding for its budget via grants from both domestic and foreign sources and the administration of non-tax state resources (Melatnebar et al., 2022).

Tax is defined as an obligatory contribution to a country that is owed by an individual or entity that is forcefully based on the law, without receiving any direct benefits and being used for the purposes of the country for the greatest prosperity of the people, as per Article 1 paragraph 1 of Law No. 16 of 2009 concerning the fourth amendment to Law No. 6 of 1983 concerning General Provisions and Tax Procedures (Ismail et al., 2012). As per the tax definition, the state treasury receives incoming tax money that is not directly felt by the taxpayers or the public (Wuarmanuk, 2019). To keep the wheels of government turning, tax revenue is distributed for economic development. The State Budget or APBN allocates tax funds for the construction of public infrastructure, including as roads, bridges, and facilities, with the consent of the government and the House of Representatives (DPR) (Abbas et al., 2021a). General allocation funds, health, education, and public transportation systems, state and military security, food and fuel subsidies (BBM), and other programs are also funded in part by taxation (Wuarmanuk, 2019).

The Directorate General of Taxes, which operates under the Ministry of Finance of the Republic of Indonesia, is in charge of managing taxes in the country. In performing its functions, the Directorate General of Taxation is required to support, administer, and oversee the public taxation that is levied against taxpayers. State and local taxes are typically distinguished when assessing data from tax collection agencies (Abbas et al., 2021b). According to statistical data sourced from the official website of the Directorate General of Taxation, the SPT's tax compliance reporting ratio is at around 54.54% of taxpayers, which includes taxpayer agencies, taxpayer non-employee personal, and taxpayer employees (Melatnebar, 2018b). Taxes like income tax (PPH), value-added tax (VAT), luxury goods sales tax (PPnBM), stamp duty, land and building tax (PBB), and other municipal taxes that are levied against certain taxpayers (Abbas et al., 2021b).

According to the data, the state of tax compliance still revolves around how little people know and comprehend how crucial it is to pay taxes. Not to mention the bureaucratic procedures involved in paying taxes and the presence of certain groups that inappropriately use taxes. The state budget aim of taxes has been met in part by the government's ongoing attempts to engage the people (Rahmawati & Melatnebar, 2023). In order to pay tax arrears and ransom payments, the Directorate General of Taxation is working to implement a tax amnesty program or a taxpayer elimination program that includes tax payable, administrative sanctions, and tax penalties that have not been reported in the Notice Letter (SPT) (Melatnebar, Benyamin; Susanti, 2022).

Nowadays, convenience of use is brought about by technological advancements, particularly in the financial sector where paying taxes is concerned. Through a variety of characteristics that are integrated into the information system, Fintech innovation in financial technology has the ability to alter the financial business model. This phenomena of technology and money together promotes inclusive financing (Odhiambo & Odada, 2015). Regarding the tax payment procedure, the tax payment system in Indonesia has developed over time. Direct payments were initially made to the State Treasury Office, followed by payments made through banks called the Bank of Perceptions. Later, banks started to use the Government Revenue Module (MPN) online banking facility to access the information system of the Online Banking System (Purba et al., 2023).

Since July 1st, 2016, the Government Revenue Module of the Second Generation (MPN-G2), which makes use of an electronic billing and filling system, has been the method used to pay

taxes. E-billing is a payment method that makes use of digital media to make it easier to issue billing codes for paying taxes. Utilizing the MPN-G2 tax system has several advantages, including the ability to calculate VAT, PPh, e-billing, e-invoicing, and e-filing all in one application. Thus, the user is spared from entering the same information over and over. Additionally, because the system can automatically fill in the Deposit Type Code and Tax Account Code, the accuracy level of this system can decrease errors in human transaction reporting (Herculina et al., 2022). Next, the reality of real-time transactions that are directly entered into the state treasury's and the Directorate General of Taxes' systems. It can also simultaneously create billing codes for many NPWPs. The term "NPWP" refers to the taxpayer identification number that they use when filing their taxes.

E-billing services have been utilized by collection agents, like Banking and Post, to facilitate the tax payment procedure. Financial technology companies may be able to participate in initiatives to enhance tax-abiding society by means of this system, which is subject to additional review. Fintech's existence is supported by Financial Services Authority (POJK) Regulation Number 77 / POJK.01 / 2016 on lending and borrowing services. By integrating the e-billing system with the financial technology sector, it is possible to link the tax payment business process (Melatnebar, 2018a). The availability of multiple options for paying taxes presents an opportunity to compensate taxpayers by fostering innovation in financial technology. in order for taxpayers or all societal strata to experience the convenience of tax payment facilities. In these situations, system integration between the various back office system activity information systems is necessary to perform system functions. systems that are able to connect the e-billing system's external system performance. The technique and procedures for information system integration call for the use of a technological architecture model in order to address this issue. This study employs Service-Oriented Architecture (SOA) as its methodology (Surya et al., 2021).

Applications of SOA across a variety of industries, including robotics, healthcare, and e-governance portals, have grown popular (Abbas et al., 2021b). Software architecture known as Service-Oriented Architecture (SOA) is constructed based on the ideas of service-oriented design. Service-oriented architecture, on the other hand, is defined as a method of creating and integrating software [4]. Enabling banks to reconfigure current IT assets as new assets or customer requests arise is a key objective of utilizing Service-Oriented Architecture (SOA) to simplify payments. This might potentially eliminate the need to develop or buy new applications (Wi, Peng; Sumantri, Farid Addy; Melatnebar, 2022).

An architecture design model based on Service Oriented Architecture (SOA) that combines the financial technology industry with Indonesia's e-billing system for tax payment was proposed in this study. Through the convenience of financial transactions made possible by Fintech, the resulting integration model seeks to integrate the tax payment system. The Directorate General of Taxation should be able to achieve its goal of raising state revenue through taxes with the help of the suggested model.

RELATED TO WORD

This study makes reference to the literature on the techniques employed to integrate the system with the Service Oriented Architecture (SOA) methodology and the technology employed to deploy financial technology.

A study that connected the Consumer Service (SC) and Service Provider (SP) and used the Service Oriented Architecture (SOA) to merge two upgrades. It seeks to provide services for the mobile web service verification component that meet customer needs (Li et al., 2023). Improved mobility of SOA through the use of Service Upgrade (SU) allows it to obtain Service Providers for necessary services and provide new services to Consumer Services in the event that the mobile web service verifiers are lacking in the necessary services. With a ratio of 49.04%, the survey demonstrates that most respondents are in favor of using qualitative data to validate the suggested SOA architectural questionnaire (Dahri et al., 2019).

The study suggested integrating Web Services into Service Oriented Architectures (SOA) for government systems. The environmental license web service at Jordan's environment ministry serves as the case study for that research. Additionally, system integration is being pursued because the Jordanian government requires cooperation and facilitation between the private sector and non-governmental organizations (NGOs) in order to provide services to its citizens (Eduardo Lora; Johanna Fajardo-González & Lora, n.d.).

Dependency analysis in SOA was covered in another study reference. This study aims to provide insight into the coherence of the architectural style and programming paradigm with regard to SOA use. A software service's ability to provide and receive depends on other software services in this system [7]. Impact analysis, or knowing which components are affected when a component malfunctions, and dependency about software component root cause analysis, or figuring out the cause of the component by looking at the dependencies of other components, are the two purposes of understanding SOA-based system dependencies .

The study covered how to effectively integrate and serve new concepts through the implementation of Web services and Service Oriented Architecture (SOA). To make it simple to develop new concepts for already-existing services, this enables the company to add new, standard-grained, abstract layers that are straightforward to integrate with both new and old systems. Reductions in expenses, code size, and management are possible when using SOA with this service [9]. The handling of information systems integration problems is a challenge for web services. In order to preserve service engagement, privacy is crucial when using online services. But in the lack of methods that reduced the number of credentials in the interaction system—like bargaining for the generality of credentials and substituting credentials between customers and providers. The research in this instance covered a method for protecting online service privacy using certificate authority as a third party, encryption, and negotiation. The novel method was discovered to have a minimal privacy disclosure for web service interaction.

A global publication that covered the maturity model for defining and delivering service-oriented architecture (SOA) within an enterprise. by contrasting the SOA maturity model according to maturity level, evaluation parameters, and evaluation technique. The conclusion on

the development of maturity level was discovered to be achieved by modifying the level described in the adoption of innovation idea; additionally, SOA needs to be examined from both an information technology and business standpoint [3]. According to the research, SOA adoption has been boosted by its purported advantages, which include flexible reconfiguration and lower development costs.

Implementing Service-Oriented Architecture (SOA) in the healthcare industry involves outlining the essential components and introducing the ideas. The creation of SOA-based home healthcare systems was the main goal of this project. Functionality, security analysis, and semantic operability are discussed in terms of the study's proposed architecture, which consists of two subsystems: one that is housed at the patient's home and the other at the clinic or healthcare provider (Ojo et al., 2023). The integration point of sale terminal with the financial institution is one of the other journals associated with this research. The publication's main topic was Web Services for Financial Institutions. This journal demonstrates how transactions made using web services might get competitive. In this instance, the research method shows a group research technique using an approach from Burstein and Gregor.

RESEARCH METHODOLOGY

The methodology utilized in this study began with the steps of identifying taxation difficulties, including tax functions, applicable laws, targeted tax revenue levels for the state, challenges with tax payments, and the execution of the current tax payment system. Fig. 1 illustrates the steps taken in this study.

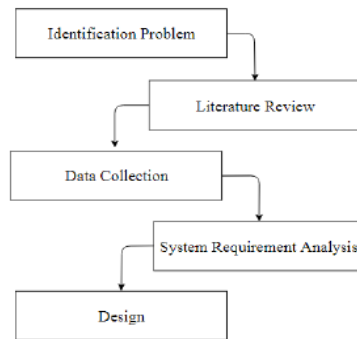


Fig.1. Research Stages

This research not only finds issues with taxes but also points out areas where the tax payment system might use some assistance. There is a chance to pay taxes in several methods. The method being used now is mostly focused on e-billing. The technology allows either bank or post-perception payments to be made for taxes after the billing code has been created. Payments made by bank can be made online, through mobile banking, ATMs, teller counters, and banks (Oktari, Yunia; Melatnebar, Benyamin; Kurniawan, 2021).

This study made the case that there are opportunities in finance that can be taken advantage of. The application of financial technology, which helps to convert the cash payment system into

a cashless payment system, is one example of how technology is developing to facilitate innovation and ease in the financial sector. This innovation was created to enable more transparent and inclusive finance and to make payments easier to make. The magazine (Mu, 2022), which uses money transactions for cooperative members and links third parties as payment providers, is one of many studies on the use of financial technology.

Financial technology is a catch-all term used for sophisticated, primarily internet-based technologies in the financial sector, according to a research by Thomas F. Dapp (Yazid et al., 2020). The range of developing financial technologies, including payment, peer-to-peer (P2P) lending, crowdfunding, and so forth. Utilization is employed in this instance by the Fintech business sector, which moves especially to handle payments. In addition, literature reviews are part of the research stages. A review of techniques for systems integration development is part of this literature analysis. To integrate the system, comprehend the fundamental ideas and model planning. The integration model that was chosen adjusts to the needs of the system. Next, choose the integration model that will enable you to process and administer the systems that will be integrated (Melatnebar et al., 2020).

The Service-Oriented Architecture (SOA) integration paradigm serves as the foundation for this study. Service Oriented Modeling and Architecture (SOMA) is the method used in SOA development. An information system can be developed using the flexible system-of-a-kind (SOA) paradigm. Process operations on SOA can be simplified greatly, which facilitates and expedites work completion. Some tasks, such checking, storing, or retrieving a medical record when interacting with validation and identical data only once, do not require repeated execution. It will be simpler and quicker for connected organizations to develop applications using the same source.

Parts of the application architecture are packaged as services in the information system design known as service-oriented architecture [16]. In order to increase system quality and achieve rapid realization at low cost of system development, SOA offers a design framework. The Service Oriented Architecture framework can be viewed as seven layers of architecture, starting at the bottom and working your way up to the operational systems layer, enterprise components layer, service layer, business processes layer, access layer, integration layer, management and security layer, according to research.

Data regarding the integrated system is gathered following a review of the literature on the Service Oriented Architecture (SOA) methodology. In order to gather data, one must first identify the data required for the purpose of charging tax payment forms, issue billing codes, and integrate e-billing systems with Fintech companies in a way that facilitates payment. Upon completion of the problem identification process, the next essential step is to conduct a system requirement analysis. One feature that is said to improve system functionality is system requirements analysis. requirements analysis for e-billing systems and the Fintech sector. This relates to the data since the system needs it in order to be integrated with electronic billing. Furthermore, it's important to comprehend the technology being utilized to construct Service Oriented Architecture (SOA). Following analysis of the system requirements, the design process was carried out. The design is made up of a SOA-assisted technology architecture, a data model, a use case diagram, a service, and a service integration architecture, all of which will be covered in more detail in the results and discussion section (Melatnebar, 2019).

RESULT AND DISCUSS

The findings of identifying a problem by understanding the business processes that took place, such as data modeling, use case diagrams, system requirements analyses, technology architecture designs, service use cases, and service integration designs using Service Oriented Architecture (SOA), were discussed in this section.

Business Methods

The Government Revenue Module with e-billing system has been implemented in Indonesia as the tax payment mechanism. Fig. 2 generally depicts the business procedures that this study suggests.

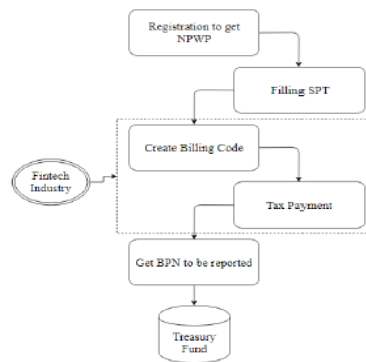


Fig.2 Business Method

Numerous financial services, including neighborhood banks, are connected to the Directorate General of Taxation's e-billing system. Currently, the tax payment process requires taxpayers to employ e-billing capabilities. When a taxpayer registers at the Tax Office and satisfies the objective and subjective standards, they are the ones who initiate the business process in taxes and acquire NPWP. Once all the taxes charged have been calculated, the taxpayer must fill out the SPT or tax return. In addition, the tax mechanism under investigation is currently processing tax payments. Billing and payment codes are created during this phase.

By initially filling out the Tax Account Code and Deposit Type Code on the application form, the taxpayer completes the billing code using the e-billing system. After that, the user's email will contain the billing code. Once a billing code has been created, the taxpayer must use a bank account to complete the payment transaction. Money transfer will occur once the nominal balance is sufficient to cover the tax payment. Use the application to confirm your tax payment in order for the successful transaction data to show a success message. This study aimed to integrate e-billing with a financial technology industry system for tax payment. You can use the Service Oriented Architecture (SOA) technique to accomplish system integration through web services. Users do not need to have a bank account in order to use this integrated system to top-up balances on Fintech accounts and pay taxes. The internet-connected desktop, laptop, or smartphone can also

be utilized with this platform. Next, as a note or proof of transaction to be reported, the taxpayer will receive a Proof of State Receipt. With the consent of Parliament, the financial transactions will be utilized for the community's advantage and entered into the state treasury under the state budget or state revenue budget. The suggested business process differs from the current one in that the payment process is managed by the financial technology sector. The following Table 1 provides an explanation of the analysis of system needs for users based on the business proposal.

Table 1. System prerequisites

No	Conditions	Justification
1	The billing code may be published by the system.	The user can create billing after completing SPT, and the billing code can then be published.
2	The payment transaction procedure can be controlled by the system.	The Fintech industry account is used for the payment procedure, with a top-up balance, and the taxpayer verifies the payment using the application.
3	The system has the ability to validate NTPNs.	Through a taxpayer payment transaction, the system may carry out verification.
4	The BPN format is one that the system can send.	The system notifies the taxpayer by email of the transaction in the form of a BPN once payment verification is complete.

To evaluate the requirements for data exchange and to integrate applications with disparate platforms, it is necessary to identify issues with this business process. The Fintech sector manages payment data, which needs to be integrated with the e-billing system. Effective data management was made possible by this integration working with the Fintech firm or industry in the payment system. Thus, using the Service Oriented Architecture (SOA) method, it requires a plan in the form of architectural design. The process of creating invoices and paying taxes is linked to the financial technology sector. The system needs that are analyzed in this study are those that users will need to integrate the system. According to its purpose, the system needs to be able to combine the Fintech business with the e-billing system. The system's data must also be exchanged or transferred correctly and effectively in order to meet business process requirements.

Technology Architecture Design

Architecture in technology design defines the connection between the systems that are integrated into the web service. The technology employed in the Service Oriented Architecture methodology presents a number of benefits and drawbacks. The technology is defined as the best standards in the SOA approach, according to BPEL (Business Process Execution Language) and RESTful [18]. In order to raise the caliber of network services, this study employed REST technology. As a secure service and a component of the design, it was evident [19]. In this study, the transaction procedure is handled by the Payment Service Provider's own server. In addition, Biller and Settlement have the ability to communicate with one another via the server. The accompanying Fig. 3 illustrates the technological architectural design.

Information Representation

In order to create an integration between two or more systems, the primary system that will serve as the model for the other systems that need to be integrated must have its data model modified to match that of the primary system. The primary system in this research is e-billing, and the integrated Fintech industry system has the ability to modify the e-billing system's data model. To model the data integration for publishing billing codes and payment transactions, certain data must be sent, including taxpayer, deposit, tax, and payment account data.

It is necessary to define detail data, such as the taxpayer's identity with NPWP, the tax account code's unique number, and the deposit code depending on the type of valid tax, in order to publish the billing code and payment transaction. The e-billing system database has this type of required data, which ought to be integrated with the Fintech industry system. Upon obtaining knowledge of the necessary data to be transferred into e-billing and Fintech sector systems, a relational data model, such as a class diagram, was created to comprehend the data flow according to the entity. The accompanying Fig. 4 illustrates the data modeling design.

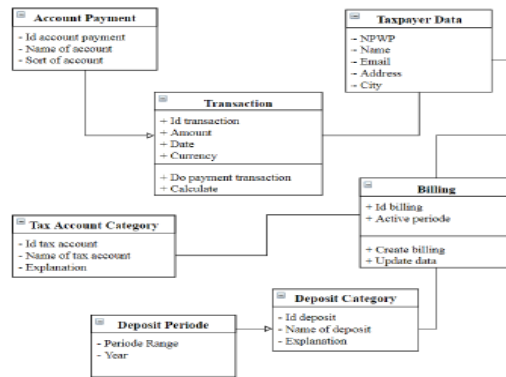


Figure 4. Information modeling

Utilization Case Illustration

Users of the system are among the stakeholders involved in system integration. In this study, the taxpayer, biller, settlement, and payment provider are actors involved in the systems integration process. In the integration system, each actor has a certain role to play. In this use case, the taxpayer completed the payment process using the online service. The system can perform a transaction involving the transfer of data into the payment provider via the web service.

The specific roles of the actors are as follows: the taxpayer is required to create bills and make tax payments; the payer is responsible for managing the payment transactions process after receiving the validated NTPN and submitting the note of transaction that was completed by the taxpayer in the form of BPN. The settlement is a third party involved in the system that verifies compliance with tax payments in the form of NTPN and notifies the taxpayer. In this case, the

payment provider is the Fintech industry, which is connected through system integration. The use case diagram for this study's integration pattern is displayed in Fig. 5.

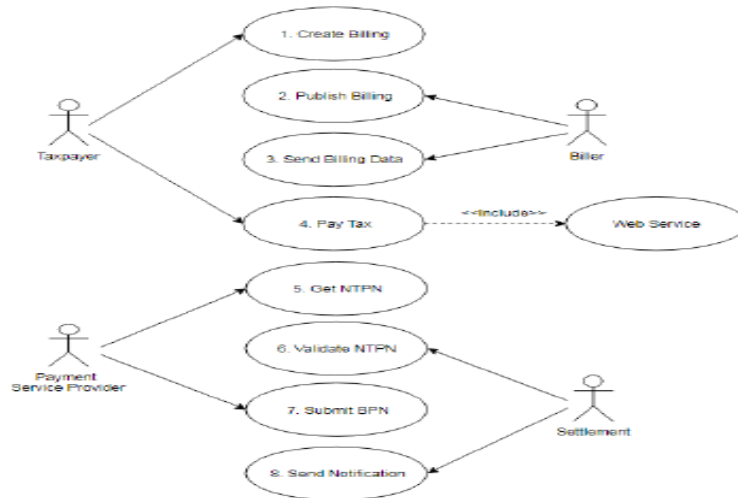


Fig 5. Use Case Diagram

Creation of a Services Use Case

Understanding the range of services that are developed and integrated is necessary for the design of the service use case. It seeks to make interactions between networked services easier to see in general.

Middleware enables systems in the Fintech business to be connected via an integrated system in the display layer to an e-billing system with a large database. The e-billing system with the database and interface was specified by layer in the data. The integrated system's business process-based workflow is referred to as the "logic layer" in this context.

System Integration Design

The Service Oriented Architecture (SOA) approach's layer needed to be understood throughout the system design phase, according to the integration architecture. In this study, Fintech Systems A, B, and C are used to model the integrated system architecture using the Service Oriented Architecture (SOA) technique in the context of an e-billing system within the Fintech business. This architecture model can develop ways to communicate the agency's applications by leveraging web services with RESTful middleware. The level of service interface that can be displayed generally was made possible by this service-oriented architecture. Web services technology offers a means of conducting transactions, enabling the application to function effectively in linking the interface inside the application design.

Various applications, including web and mobile applications, ATMs, Teller Banks, and Post Perception, are used to pay taxes. The necessary data can then be transferred from the Tax Payment System-owned source database through the presentation layer, such as a web browser, by Fintech System, a third party integrated with the system using web services. In order to link and communicate with current systems, the integration explained via REST protocol. By

connecting to Indonesia's tax payment system via the cashless payment sector, which has adopted financial technology, the design presented in this paper is intended to be used for e-billing, which has been made available by the Directorate General of Taxation

CONCLUSION

A model for architectural design that combines the e-billing system's tax payment with the financial technology sector's payment system is the research's output. In this study, the Service Oriented Architecture (SOA) approach to REST technology was employed as the design model. Data modeling, use case diagrams, service use cases, technology architecture design, and system integration architecture were all incorporated in the design.

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REGULATION FAIR DISCLOSURE: A CASE STUDY IN SEC ENFORCEMENT

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CASE DESCRIPTION

The primary subject matter of this case concerns Regulation Fair Disclosure (Reg FD). Secondary issues examined include corporate governance, internal controls, and investor relations. The case has a difficulty level of four, appropriate for senior level courses in accounting and finance but can also be used in graduate level courses. The case is designed to be taught in approximately one class hour and is expected to require approximately two hours of outside preparation by students.

CASE SYNOPSIS

The Securities and Exchange Commission (SEC) adopted Regulation Fair Disclosure (Reg FD) in the year 2000 to regulate the disclosures made by corporations to investors and other stock market participants, including Wall Street financial analysts. The goal of Reg FD was to “level the playing field” to prevent Wall Street financial analysts from obtaining material private information from corporations before such information was made available to the general public, including the stakeholders of the corporation such as investors. In 2021, more than 20 years after the adoption of Reg FD, the SEC charged AT&T Inc. with repeated violations of Reg FD during 2016. According to the SEC, the aim of these repeated violations was to influence the forecasts of Wall Street financial analysts, so as to make it unlikely that AT&T Inc. would fall short of Wall Street financial analyst forecasts. In 2022, without admitting or denying the allegations made by the SEC, AT&T Inc. settled with the SEC for a fine of \$6,250,000. This fine was the largest fine paid by a corporation in a Reg FD case!

AN ACCOUNTING UNIT'S DEVELOPMENT OF A MISSION STATEMENT AND STRATEGIC PLAN

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ABSTRACT

It is important for organizations to have a mission and a strategic plan. These provide guidance that helps ensure that the organizations' goals and objectives are met. This is no different for a university's Accounting Department (Unit) in a School of Business. As accounting educators, who teach the importance of planning and evaluation of such strategic plans, it is critical that we too plan for the future and evaluate the effectiveness of meeting those plans. In addition, AACSB accreditation standards for both business schools as well as accounting units (departments) require business schools and accounting units to have suitable missions and strategic plans.

Our Accounting Department initially began the process of developing a mission statement and strategic plan in 2013, when we began the process of obtaining separate AACSB accounting accreditation. At that time, we created a broad mission statement and strategic plan but did not define well the strategic goals, objectives, initiatives, and metrics. Over time and in consultation with various stakeholders including students, faculty, advisory council members and administration, the development process has evolved. As such, the department recently crafted a comprehensive plan that includes a vision, mission, strategic initiatives, actions to achieve the initiatives and appropriate metrics. The development process has also taught us that stakeholder input is essential and that plans at the accounting unit level need to align with the business school and university strategic plans. We have also learned that the plan should be continuously evaluated, and necessary changes made to stay current with changes in the accounting profession. This has led us to what we believe is a mission, strategic plan, and processes that will lead to appropriate continuous improvements in outcomes, engagement, innovations, impact, and practices. This paper details our development process and the lessons learned. Other accounting departments and business schools might find our experience helpful as they look towards developing their own missions and strategic plans.

A FRAMEWORK FOR USING VIRTUAL EXPERIENCES IN AUDITING COURSES

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ABSTRACT

Auditing is a subject matter area in which it is often difficult to obtain practical experience without completing an internship before graduation. Instructors often struggle to explain, and students often struggle to understand auditing concepts without the perspective of how an audit of the financial statements is conducted in the real world. This paper introduces a framework for the use of virtual work experiences that help students understand the different parts of the financial statement audit process. Forage has partnered with leading accounting firms to offer free virtual experiences in auditing to students around the world. It is expected that students will not only benefit from the specific experiences in auditing, but that these experiences may also help them become more interested in auditing as a profession. Lastly, these virtual experiences help meet the latest iteration of the AACSB accreditation standards for both business and accounting by fostering a unique environment for students to develop technical and professional skills and apply said skills in a real-world environment.

EVALUATING HOW HEALTH AND HUMAN SERVICES NONPROFITS CAN HELP CREATE ENTREPRENEURIAL ECOSYSTEMS IN ALABAMA'S BLACK BELT REGION

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INTRODUCTION

For the past 20-plus years, the United States has been presented with a medical firestorm that has left health professionals, educators, policymakers, and community leaders scrambling to react positively and proactively. The significant emergence of opioid addiction and mental health issues has affected every fabric of modern-day life. Nowhere has this been more noticeable than in rural America. In areas already affected by low job opportunities, depopulation, low educational attainment rates, and substantial health disparities, the tsunami of opioid and mental health issues further stressed an already precarious arena. The evidence of these two medical issues is apparent, from physical sickness to broken homes to an exasperated medical infrastructure. But what about the effects of opioid addiction and mental health challenges from an economic standpoint? Furthermore, how can these issues affect individuals looking to become entrepreneurs and provide self-sustenance to their lives and loved ones?

The work of nonprofits typically goes without notice throughout most of the world. However, in local areas, particularly rural areas, nonprofits can play a vital role, encompassing social development, quality of life issues, empowerment, women's and child development, education, and citizen awareness and confidence. (Jayadatta, 2023). They can also contribute to economic growth by employing people as "connectors" of resources to other financial activities. So, can health and human services (HHS) nonprofits contribute to economic development by providing services to the community so that individuals can be physically and mentally healthy?

OPIOID ABUSE AND MENTAL HEALTH CHALLENGES INHIBIT ENTREPRENEURIAL ECOSYSTEM CREATION

What was once named for the rich soils that spurred an expansive agricultural landscape through the U.S. southeast, the Black Belt region is now synonymous with many of the social, health, educational, and economic ills that come with being an under-resourced region of America. Through recent, limited qualitative research by this author, with healthcare ambassadors, the opioid abuse and mental health challenges of the Black Belt region in the West Alabama region impede many quality-of-life issues in this region. Among these are creating economic development initiatives, including creating entrepreneurial ecosystems. Through empirical data, the results indeed show the effects of the opioid and mental health challenges in the U.S., and in particular,

rural regions such as the West Alabama area. Within the past ten years, the opioid epidemic has taken an enormous toll on America, causing an unprecedented loss of life, amassing approximately 70,000 deaths, including a significant economic burden of roughly \$78 billion spent treating opioid-related substance use disorders in 2013 alone (Eyer et al., 2023). In Alabama, from 2006 to 2014, the death toll due to opioid overdose rose by 82%, and new evidence suggests that Alabama overdose deaths increased by 31% in 2020 and 25% in 2021 (Eyer et al., 2023). Regarding mental health challenges in rural America, 54.2% of residents of rural areas develop a mental health disorder at some point in their lives, amounting to over 30 million people (Milette-Winfrey et al., 2020). These numbers represent the many challenges that rural areas face in addressing the mental health issues in their communities, which also include poverty, isolation due to geography, mental health stigma, limited providers, cultural differences, and other problems that prevent the medical services needed to engage and retain mental health clients.

In close-knit rural communities across the U.S., all aspects of life are interconnected, including education, health, economic development, and social life. For entrepreneurial ecosystems to exist in rural areas, all the elements of rural life must support the ecosystem. Individuals, other businesses, nonprofits, the government, and all other stakeholders are needed to create a flourishing entrepreneurial ecosystem. The geography-specific location of entrepreneurialism is paramount for the success of entrepreneurs (Roundy, 2019). To build a whole entrepreneurial ecosystem, groups of small businesses must succeed, and whether there is a more significant anchor business depends on many factors of the specific geographic location. In rural communities, where the population is not large, communities need as many fully healthy individuals as possible to create an entrepreneurial infrastructure and actual customers to purchase products and services.

The more significant effect of small rural areas known for opioid abuse and mental illness, which prohibits its citizens from becoming productive citizens, is that investment in terms of people power and financial resources will not come to the rural area. Rural areas are already critically under-resourced. One significant example is how many regions of rural America lack basic internet broadband. In some areas, it is spotty; others have no access. The lack of experienced, knowledgeable leaders to solve some of the areas' most pressing issues is also lacking in rural areas. These issues combined feed into lackluster growth and prosperity in rural areas. Citizens who can no longer support themselves with no substantive jobs move out. The "brain drain" phenomenon occurs when the younger, more educated citizens leave the area to live and work in more urban areas due to more diverse jobs and social opportunities. Against this backdrop, the population minimizes and loses government tax revenue sources: property, sales, and income.

As mentioned in the detailed problem section of this project plan, the statistics on opioid addiction and mental health challenges in rural America are staggering. In 2019, 21% of adults in rural areas reported at least some form of mental illness (Lee et al., 2022). The Black Belt region of Alabama is not immune to these health issues. Studies have shown that leaders in this community recognize that the cases of mental health challenges and substance addiction present major health problems in their communities (Newman et al., 2023). The more significant stresses on the mental health of individuals in the Black Bet include food insecurity, transportation insecurity, and high threats to personal safety (Lee et al., 2022).

What has been debated in the past 20 years by academics, governments, and policymakers is the classic “chicken or the egg” syndrome. Does opioid addiction and mental health challenges occur due to poor economic development, or does economic development occur due to a population involved in opioid addiction and has mental health issues? Government studies have not conclusively determined whether poor local financial problems have been associated with drug overdoses in the past 20 years (McGranahan & Parker, 2021). The past 20-30 years have shown a decline in manufacturing jobs in rural areas, with plants and industries either shutting down or moving to a foreign location. This has been a particular burden on working males aged 25-54. Academics and economic development professionals have also debated whether it is better to try and attract a new manufacturing plant to a rural area or do a better job of supporting local entrepreneurs. This problem project is not designed to answer that dilemma. Instead, this project is to help evaluate and understand how health and human services can support the issues of opioid addiction and mental health challenges in rural Alabama and, by doing so, support the efforts of creating entrepreneurial ecosystems.

Nonprofits hover around this “middle earth” area between private industry and government. Nonprofits in local communities know “the lay of the land” and can serve as local connectors to the government. The argument could be made that any work done by local nonprofits can contribute to local economic development (Jayadatta, 2023). It is this foundational theory that this project paper bases its position on the importance of HHS nonprofits in contributing to entrepreneurial ecosystems.

As previously stated, opioid addiction and mental health challenges inhibit entrepreneurial ecosystem creation in rural Alabama’s Black Belt region. The following provides solutions on how HHS nonprofits can assist local enterprises, governments, and policymakers address the above health issues to help spur growth in entrepreneurial ecosystems. Three possible solutions that this research could discover could be greater collaboration between the health and human services nonprofits and the local governments, business leaders, and policymakers to do a better job working with each other for the nonprofits to provide services and resources in areas that they may already offer, but perhaps need to reach a different or more extensive audience. Another solution may be for the nonprofits to act as “connectors” to larger nonprofits or educational institutions such as colleges or public libraries that can provide more education and outreach services to combat the opioid and mental issues facing the community. Finally, nonprofits can provide a different set of leaders at the “stakeholders table” when it comes to making critical decisions for the community due to their knowledge and expertise of the opioid and mental health issues in the community and how the leaders in the community need to consider these issues when it comes to creating or expanding an entrepreneurial ecosystem.

RESEARCH METHODOLOGIES

The research conducted can help examine the following problem: Do opioid abuse and mental health challenges inhibit entrepreneurial ecosystem creation in Alabama’s Black Belt region? Potential research opportunities for this project include quantitative research methodology for HHS nonprofits in the Alabama Black Belt region. This includes reviewing the players (HHS

organizations) in the community who are addressing opioid and mental health issues. Survey these organizations to see how many individuals they serve with these issues. Discover from the organizations what financial and personnel needs are needed to address these issues. From a funding standpoint, nonprofits must determine if they have the financial integrity to show capacity and analyze current private and public support for outreach and education. Research a working list of potential private and public funders. Analyze the data of different audiences and write a case for support to attract funding. To build an entrepreneur ecosystem in the region, data on the following can be analyzed: Survey the local chamber to find potential entrepreneurs. Present data to local civic groups on opioid addiction and mental health issues in the community. This will show the business community the pockets of health issues that are not being addressed.

SUMMARY/CONCLUSION

It is of great hope that this comprehensive project on how to tackle the issues of opioid addiction and mental health challenges in the rural Black Belt area of Alabama by involving health and human services (HHS) nonprofits can, in turn, lead to a foundation for an entrepreneurial ecosystem in the area. In the starkest terms, this is a herculean task involving many stakeholders who have yet to work together historically. HHS nonprofits bring different and extensive experiences and knowledge to help instigate entrepreneurial activities. The very nature of nonprofits constantly scrambling and fighting for every dollar to fulfill their missions relates very well to the scrappy mentality of entrepreneurs. The notion of continuous hope against all odds also plays well in entrepreneurial ideas. Some best practices regarding the make-up of nonprofit board composition often mention a designation of a board spot just for a local entrepreneur.

Alabama's Black Belt region needs assistance and has needed aid for decades. Although economic development professionals can spend time, often in years, trying to persuade an industrial plant to set a footprint in the area, tackling the issues of opioid addiction and mental health challenges requires attention now. By providing this relief, entrepreneurs can be recruited to formalize their enterprises. Building a business takes work under perfect circumstances. Finding startup funds to work in the Black Belt propels many issues. HHS nonprofits can provide the critical link to addressing health issues and forcing entrepreneurial ecosystems into existence.

Often, HHS nonprofits are accused of putting a “band-aid” (often in literal terms) on complex issues and not getting to the root of the problem. With diverse, courageous leaders stepping into the decision room, the Black Belt region could finally have an opportunity to move forward in initiatives that will bring positive economic changes and a sweeping energy of cooperation that has been so needed in this rural, under-resourced community.

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THE EFFECT OF BOARD COMPOSITION ON LONG-RUN FIRM PERFORMANCE: NASDAQ VERSUS NYSE

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ABSTRACT

Historically, legislators and regulators sided with agency theorists who asserted that the best way to mitigate agency problems was to strengthen corporate governance. After several corporate scandals in the late 1990s and early 2000s, the SEC adopted several board-independence requirements in 2003 for firms listed on NASDAQ and NYSE. Based on previous literature related to agency theory and the effect of board composition on firm performance, we know that increased monitoring and strengthened oversight mechanisms, resulting from board independence, improved the overall long-run performance of publicly traded companies. The purpose of this study is to determine whether the strengthened corporate-governance mechanisms affected the performance of U.S. companies traded on NASDAQ differently from U.S. companies traded on NYSE. We expect the more stringent measures adopted for NYSE firms will have a greater effect on long-run firm performance than the less stringent measures adopted for NASDAQ firms.

We conducted the study with a sample of 381 firms and 5,005 firm-year observations from U.S. companies traded on NASDAQ and a sample of 857 firms and 11,632 firm-year observations from U.S. companies traded on NYSE over the period 1997-2012. We analyzed the data using a difference-in-difference-in-difference methodology and used Tobin's Q to measure firm performance, the primary dependent variable, because the market-based measure is forward looking while reflecting the effects of current decisions. As an alternative to Tobin's Q , we used operating return on assets (OROA) as a measure of firm performance. Both calculations measure how well firms used their assets to provide returns to shareholders.

Using both Tobin's Q and OROA as proxies for firm performance, we found that independent boards significantly improved the long-run performance for firms listed on NYSE but had no impact on NASDAQ firms. Consistent with agency theory, our results indicate that companies perform better under stringent corporate-governance mechanisms imposed by independent boards. Our contribution to the literature is finding that there was a significant difference in the impact of the 2003 mandate on firm performance for NYSE and NASDAQ firms.

EXPLORING POST-COVID CHANGES IN U.S. RELATIVE WAGE AND QUANTITY NEW HIRES INDICES ACROSS DEMOGRAPHIC GROUPS

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ABSTRACT

This research utilizes the New Hires Quality Index developed by researchers at the Upjohn Institute to investigate post-COVID changes in the relative wages and/or relative quantity of new hires across 31 different subgroups of workers. Merging Current Population Survey data with wage data from Occupational Employment Statistics, the researchers produce an index that captures changes in realized skill demand through changes in the occupation mix of new hires. The indices track at a high level whether new hires are taking higher- or lower-paying occupations. Moreover, the indices potentially provide more timely info on changes in the labor market for different groups since the focus is on new hires. Changes here are more noticeable than in aggregated data for all workers such as u-rate or LFPR.

The relative wage between two worker groups is the ratio of their own wage indices. For example, the relative wage for high-school dropouts versus high-school graduates is:

$$\text{Relative Wage} = \frac{\text{Wage index for high-school dropout}}{\text{Wage index for high-school graduates}}$$

The relative quantity of new hires between two worker groups is the ratio of their new hire indices. For example, the relative quantity of 16-19 year olds versus 25-54 year olds is:

$$\text{Relative Quantity} = \frac{\text{16-19 years old hired per 1,000 people}}{\text{25-54 years old hired per 1,000 people}}$$

For each of the 31 relative comparison groups, the two regressions below are run. These regressions allow for both a shift in intercept and change in trend starting with the onset of COVID in March 2020, data runs through March 2024.

$$\text{Rel } W = b_0 + b_1 * \text{date} + b_2 * \text{Mar20} + b_3 * \text{tc}$$

$$\text{Rel } Q = b_0 + b_1 * \text{date} + b_2 * \text{Mar20} + b_3 * \text{tc}$$

Where "date" is a time trend

"mar20" = 1 in March 2020 and after, 0 otherwise

*"tc" = Mar20 * date*

Results find a variety of outcomes across the 31 comparison groups; details are presented in the paper itself. Some changes in relative wage and quantity appear to be quite persistent while in other cases the initial change dissipates within several to twenty months. Key results are

highlighted and discussed, providing some insights into U.S. labor market changes since COVID for new hires.

INSTITUTIONAL CONTEXTS AND CORPORATE DIVERSIFICATION STRATEGY

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ABSTRACT

There has been a great deal of controversies concerning the performance implications of conglomerate (business group) strategy, often prevalent in emerging economies. The aim of this research is to develop a theoretical model that prescribes the viability of corporate diversification strategy in relation to institutional contexts. The theoretical model suggests that conglomerate strategy will be positively related to firm performance in institutional contexts where the functions of formal market controls and informal normative controls are inefficient, whereas focused/related diversification strategy will be positively related to firm performance in institutional contexts characterized by efficient market and normative controls. The framework synthesizing major theoretical perspectives will contribute to better understanding of the connection between institutional contexts and corporate diversification strategy.

Key Words: *Conglomerate, Focused strategy, Institutional contexts*

INTRODUCTION

The study of conglomerate strategy, often prevalent in emerging economies, and its impact on firm performance has been a major area of research (e.g., Khanna & Rivkin, 2001; Lee, Peng, & Lee, 2008; Ramaswamy, Li, & Petitt, 2012; Doh, Rodrigues, Saka-Helmhout, & Makhija, 2017). A fundamental concern is clarifying the role of institutional contexts for firm's strategic behavior and choices (Khanna & Palepu, 2000; Doh et al., 2017). Significant research in international business has focused on institutional deficiencies and inefficiencies in emerging economies and firms' strategic responses to the market imperfections (e.g., Khanna & Palepu, 1997; Henisz & Zeineer, 2003). The national contexts within which firms operate have systemic effects on the behavior of firms within the economy (North, 1990). Previous researchers have focused on the implications of institutional voids or market imperfections for firm strategy and suggested that conglomerate strategy would be a viable business model in emerging economies where institutional systems are absent or inefficient (e.g., Khanna & Rivkin, 2001).

However, there has been a great deal of controversies centering on the performance implications of conglomerate strategy (e.g., Palich, Cardinal, & Miller, 2000). In the practitioner circles, consultants and investors are pressuring business groups prevalent in emerging economies to reduce the scope of their business diversification, recommending a focused strategy with a few core businesses. Researchers focusing on managerial perspective suggest that conglomerate strategy would lead to inferior performance of affiliated firms due to diversification discount and lack of competitive advantage of affiliated firms involved in distinctively different industries

(Markides & Williamson, 1994). Previous meta-analytic research reviewing 55 previously published studies found that moderate levels of diversification showed higher levels of performance than extensive diversification, and performance decreases as firms change from related diversification to unrelated business diversification such as conglomerate strategy (Palich et al., 2000). On the other hand, researchers focusing on transaction cost economies have argued that conglomerate strategy leads to superior performance of affiliated firms in institutional contexts characterized by inefficient market functions (Peng & Health, 1996; Singh, Nejadmalayerib, & Mathur, 2007). Previous studies examining the performance implications of affiliated firms with business groups as compared to unaffiliated firms have found varying results (e.g., Chang & Hong, 2002; Chu, 2004; Purkayastha & Lahiri, 2016).

In this vein, the aim of this research is to develop a theoretical model that prescribes the viability of corporate diversification strategy in relation to institutional contexts. The theoretical framework presented in this research suggests a continuum of efficiency-inefficiency dimension in terms of formal market controls and informal normative controls that govern the behavior of economic players and further the transaction efficiency. The model proposes that conglomerate diversification will be positively related to firm performance in institutional contexts characterized by inefficient formal market controls and informal normative controls, whereas focused/related diversification will be positively related to firm performance in institutional contexts characterized by efficient market controls and normative controls. The framework synthesizing major theoretical perspectives on the subject will contribute to better understanding of the relationship between institutional contexts and corporate diversification strategy.

PERFORMANCE IMPLICATIONS OF CONGLOMERATE STRATEGY

A great deal of researchers in business and economics have been studying diversified conglomerate structure or business groups, described as a collection of firms characterized by an intermediate level of binding (e.g., Chang & Choi, 1988; Kim, Hoskinson, Tihanyi, & Hong, 2004). Conglomerates have group-affiliated companies that engage in businesses distinctively different from the core business area of the parent group. Some business groups operate as holding companies with full ownership in many enterprises and others are collections of publicly traded companies. It is a typical practice that a limited number of family members or relatives of the group chairman control the business group (Kim, et al., 2004). Conglomerates in many emerging economies have played a substantial role in the economy, such as Tata Group in India, CP Group in Thailand, Sallim Group in Indonesia, Samsung and LG groups (chaebols) in Korea, Ayla Corporation in the Philippines, and grupos in Latin America. Not only in emerging economies, in the U.S. there were business conglomerates until late 1970s, but the prevalence of conglomerates in the U.S. faded away in the 1980s.

The core issue in the discussion about conglomerates may be the diversification of business, specifically diversification into unrelated business arenas. Conglomerates are characterized or dominated by truly unrelated business activities in entirely different industries (Teece, 1982). The business structure of the conglomerate is not without economic justification. Parent company can tap personnel pool and fund from its affiliated firms and use them in expansion

into new businesses. Focal companies can utilize the same proprietary knowledge and technology when entering a new business by transferring resources and capabilities to its affiliated firms. Conglomerate structure also enables the business group to overcome external market imperfections commonly found in emerging economies (Chang & Choi, 1988). As firms' strategies reflect both formal and informal institutional contexts governing market and nonmarket exchanges, characteristics of institutions in the economy influence firms' strategic behavior and structural forms (Funk & Hirschman, 2017). Given the unique institutional environments in developing economies, conglomerate business model may be an effective structural form to overcome the institutional voids (Khanna & Palepu, 2000). Although there is no agreed upon explanations for the antecedents of business group, some motives may be firm's growth aspiration, risk reduction, and lowering the entry barrier involved in firm expansion.

The review of extant literature suggests that little congruence has been achieved among theorists and practitioners on the performance implications of conglomerate strategy (e.g., Palich et al., 2000). Traditional theory of the firm (e.g., Williamson, 1975) suggests that highly diversified firms may outperform less diversified firms when the institutional infrastructure is not well established, thus causing higher transaction costs. Conglomerate business form may allow efficient transactions inside and outside of the firm, increasing the speed in boundary expansion activities. On the other hand, the resource-based view (e.g., Montgomery & Wernerfelt, 1988) suggests contradictory prescription that the firms with less specific assets may pursue a diversification strategy but will experience lower firm performance. They emphasize the value of firm-specific assets and argue that the firms with more specific expertise may have lower levels of business diversification but earn higher profits. Anecdotal evidence suggests that heightened competitions in the industries have contributed to the dismantlement of many conglomerates in emerging economies, such as *chaebols* of Korea. A great deal of research has focused on the performance implications of conglomerate strategy, but little conclusive agreement exists both theoretically and empirically.

INSTITUTIONAL CONTEXTS AND CORPORATE DIVERSIFICATION STRATEGY: DEVELOPING A THEORETICAL MODEL

Corporate diversification represents a critical strategic decision that not only affects the business boundaries of the company, but also has long-term implications for the allocation of firm resources and capabilities (Jacquemin & Berry, 1979). Corporate diversification is also an adaptive response to environmental changes and the result of a firm's strategic pursuit to exploit market opportunities. Some companies choose to focus on their areas of core competence entering related business arenas (focused and related diversifiers), while other firms proactively seek business opportunities in distinctively different markets (conglomerate/unrelated diversifiers). A related diversification strategy represents a firm's domain expansion into closely related product markets for the purpose of achieving synergies via transfer of resources and skills (Porter, 1985). An unrelated diversification/conglomerate strategy seeks a proactive domain expansion into relatively unrelated product markets. Decisions to enter such unrelated product markets and subsequent

efforts to manage the resulting product/market diversity are characterized by informational complexity and higher coordination costs in integrating distinctively different business units.

The effectiveness of corporate diversification strategy and performance implications may be explored through the lens of institutional contexts that provide a playground for firms competing within the economy. Institutional contexts consist of governmental structures, rules, policies, market systems, cultural norms, ethics, among others. Institutions serve as ‘rules of the game’ (North, 1990) through their influence on economic transactions (Keefer & Knack, 1997). For instance, missing pieces in market infrastructure and absence of norms in business exchanges may hamper efficient transactions in doing business, thus constraining a full utilization of corporate resources. The theoretical model developed in this research (see Figure 1) identify two contextual factors of formal market control and informal normative control as underpinning institutional contexts that prescribe the viability of conglomerate versus focused/related diversification. The framework focuses on a continuum of efficiency-inefficiency dimension in terms of market controls and normative controls that govern the behavior of economic players in business transactions.

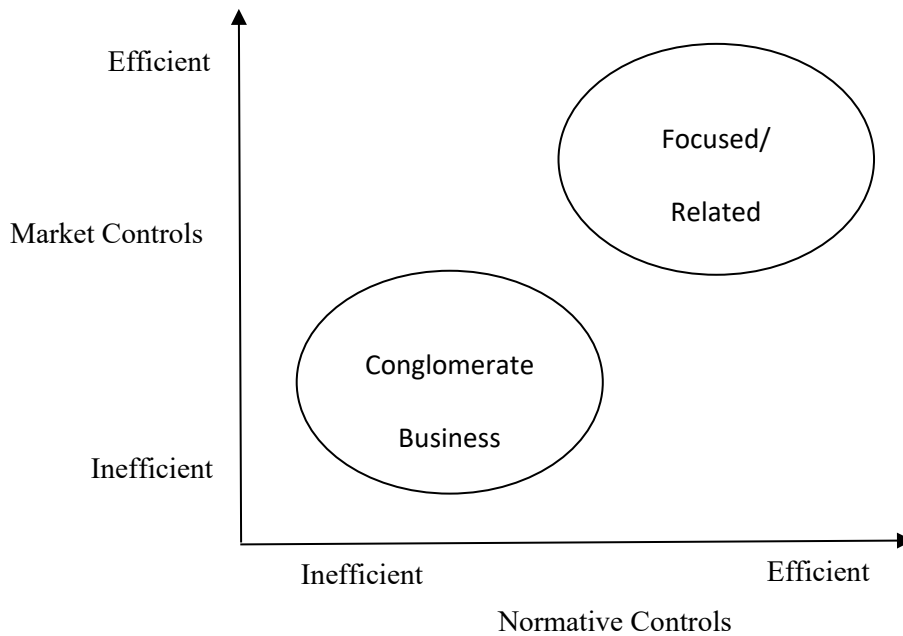


Figure 1. Institutional efficiency and corporate diversification strategy

Market Control Efficiency. Previous researchers have focused on how institutional features enable or disable organizational actions and strategies (e.g., Meyer & Peng, 2016; Dahan, Doh, Oetzel, & Yziji, 2010; Kostova & Hult, 2016). Institutional inefficiencies can occur in several institutional contexts, such as political, legal, and economic systems. Institutional conditions that constrain firms’ strategies, for instance, include an uncertain regulatory environment, unreliable

sources of capital market information, and inefficient judicial systems. A large portion of production factors in emerging economies are often state-owned and controlled, and firms face a higher degree of government interventions that distort the price mechanism in the market. Uncertainty in legal and regulatory enforcement increases opportunism in business transactions and contracts. These institutional inefficiencies decrease the efficiency of business exchanges between buyers and sellers, increasing the transaction costs.

Institutional inefficiencies in market control functions may legitimate conglomerate strategy (Khanna & Palepu, 2010). Firms facing institutional inefficiencies attempt to replace the external markets with in-house governance (Doh, Lawton, & Rajwani, 2012). Previous researchers focusing on corporate diversification have highlighted the internal market advantages derived from business diversification (Rumelt, 1982; Fisman & Khanna, 2004; Doh, Lawton, & Rajwani, 2012). Industrial organization economics suggests that diversified firms create and leverage market power advantages that are unavailable to a single-business firm (McCutchen, 1992). Conglomerates can leverage their established brand reputation for expansion into different product markets. Favorable reciprocal buying among the affiliated firms would yield increased opportunity for greater diversification and sustained losses can be funded through cross-subsidization (Lang, Poulsen, & Stulz, 1995; Kim & Song, 2016). Predatory pricing may be useful for conglomerates in driving existing rivals out of the market, while discouraging potential rivals (Schere, 1980). Risk reduction would be obtained by combining businesses with less than perfectly correlated financial flows (e.g., Barney, 1997), reducing the costs of capital. In terms of labor market, conglomerates creating internal labor markets can spread the fixed costs of educating their employees and future managers over the businesses in the group (Khanna & Palepu, 1997). Additionally, given the unpredictable government behavior and regulatory bureaucracy in emerging economies, conglomerates can spread the cost of lobbying local government (Delmas & Montes-Sancho, 2010). Therefore, a highly diversified conglomerate would be a viable business structure in institutional contexts characterized by heightened market imperfections.

In advanced economies, well-established strong market-supporting institutions enhance efficiency in market transactions. Specialized intermediaries in market infrastructure provide the requisite information, and contract enforcement is efficient in business transactions. Independent nonprofit consumer groups and government watchdog agencies are actively involved in protecting consumer interests. Consumers enjoy the surplus of products in the market and have power over companies. Data on customer tastes and behaviors are easily available to companies and consumers. Capital markets are efficient in collecting savings and channeling the capital into corporate investments. Investors have access to a free flow of largely accurate information about companies thanks to reliable and independent financial reporting. Regulatory systems are efficient and legal institutions are well established to enforce business laws. Governmental dissemination of information is relatively efficient and transparent.

In these institutional contexts where market control functions are efficient, the necessity to develop internal markets to fill the institutional voids becomes less salient. The benefits that business group-affiliated firms derive from internal capital, product, and labor markets are not significant because external market functions are efficient enough. Rather, firms in these institutional contexts would focus on their own expertise areas and core competencies to win the

market competition. From an organizational perspective, diversification discount associated with conglomerate strategy (e.g., higher coordination costs in integrating distinctively different business lines) outweigh the benefits accrued to conglomerate strategy. Furthermore, decisions to enter unrelated product markets and subsequent efforts to obtain synergies involve complex informational coordination and behavioral integration across business units. The corporate headquarters of conglomerates can be overwhelmed by the informational complexity in evaluating possible synergies and resource fits among affiliated firms. Therefore, focused/related business diversification would be a more viable business model in institutional contexts where market control functions are efficient.

Proposition 1. Conglomerate diversification will be positively related to firm performance in institutional contexts characterized by inefficient market control functions.

Proposition 2. Focused/related business diversification will be positively related to firm performance in institutional contexts characterized by efficient market control functions.

Normative Control Efficiency. Informal institutions also play a substantial role in market transactions, and formal and informal institutions interact with each other (Dhanaraj & Khanna, 2011; Doh et al., 2017). For instance, in institutional contexts characterized by inefficient market control functions, normative and cognitive institutions may be rich, serving as an alternative system of transactions that govern the transactional behavior among market players. Normative controls operate through more implicit, culturally constructed processes (Scott, 1995) and are shaped by traditions, values, ethics, standards, and norms. Normative controls set the conventions about expected behavior, facilitate efficient transactions, and shape the rules of the game in the market. Thus, the development of normative institutions underpins the market functions, reducing the transaction costs.

Filing institutional deficiencies and inefficiencies come at a cost. Inefficiencies in normative control systems may result in information asymmetries, incentive conflicts among market players, and a crisis of confidence in business transactions (Doh et al., 2012). Firms are pressured to identify business models and governance structures that fit their institutional contexts. To address institutional inefficiencies, firms may rely more heavily on normative controls to reduce the uncertainty in business transactions. The weak nature of institutions suggests that activities of firms revolve around social relationships, networks, or other connections. Individuals and firms often rely on informal networks and connections because the prevailing institutional conditions increase the likelihood of opportunism in business transactions and hamper efficient market transactions. Thus, interpersonal trust and networks serve as strategies to reduce risks of opportunism. The corporate structure of Keiretsu (networks and alliances among affiliated firms) in Japan, for example, highlight the role of networks and connections in business transactions. Sociological researchers argue that trust in relationships substitutes for incomplete contracts (Granovetter, 2005).

Corporations seek to substitute for missing institutions through reliance on a trusted network to mitigate risks in transactions (Landa, 2016). In this vein, conglomerate strategy, often characterized by concentrated ownership and strong integrative mechanisms inside the firm, would

promote the development of efficient normative controls that help reduce the coordination and transaction costs. For instance, conglomerates in emerging economies, such as Tata in India have large scale of investments in firm-specific training programs emphasizing their core values and norms, which, in turn, strengthens their normative control systems, a crucial component for the achievement of economies of scale and scope with conglomerate strategy. Conglomerate business forms may also enhance the firm's legitimacy and trustworthiness of the firm. Drawing on the institutional theory (DiMaggio & Powell, 1983), large established organizations such as conglomerates are more likely to obtain social legitimacy. Enhanced legitimacy of the firm plays a significant role in obtaining scarce resources including talents and attracting potential investors and customers. Moreover, previous researchers have also highlighted how firms use nonmarket strategies that are embedded in socio-political norms and networks (e.g., Fligstein, 1996; Funk & Hirschman, 2017). Firms use various nonmarket actions, such as exercise of political influence (Ramamurti, 2005), reciprocal relationship between the state and firms (Child, Rodrigues, & Tse, 2012), formation of partnership (Teegen, Doh, & Vachani, 2004), lobbying of government (Boddeyn & Doh, 2011), and other enactment activities. Conglomerates with heightened legitimacy in the economy leverage their unique networks in the use of these nonmarket strategies for firm growth. Conglomerates are often a part of lobbying bureaucrats gaining policy influence that favors their industries and firms. Therefore, conglomerate strategy would be a more viable business model in institutional contexts where the functions of normative controls are deficient or inefficient.

On the other side, in institutional contexts where the normative control systems are well established, the necessity to substitute inefficient normative controls becomes less salient. Rather, there are costs to such organizational arrangements of conglomerate. Conglomerates deal with overly complex organizational structures. The decision-making process associated with conglomerate strategy involves wide-ranging informational activities, such as the assessment of market opportunities new to the firm, the prediction of changes in distinctively different industries, and the assessment of resource availabilities for entering relatively unfamiliar markets to the focal firm. Due to the organizational complexity, inefficient decisions may persist, and conglomerates often fail to achieve synergies and economies of scope. Furthermore, conglomerate business forms (unrelated diversifiers) carrying a big battleship hinder the efficient and effective adaptations to fast-changing consumer needs and technologies in the industries. Managers of focused/related diversified firms are more attuned to changes occurring in their own expertise areas and industry environments. Therefore, focused/related business diversification would be a more viable business model in institutional contexts characterized by efficient normative controls.

Proposition 3. Conglomerate diversification will be positively related to firm performance in institutional contexts where normative control systems are inefficient.

Proposition 4. Focused/related business diversification will be positively related to firm performance in institutional contexts where normative control systems are efficient.

DISCUSSION

The theoretical framework developed in this research suggests that the viability of corporate diversification strategy and subsequent performance implications may be explored through the lens of market controls and normative controls that govern the behavior of economic players and transactions. The theoretical model proposes that conglomerate diversification would be more viable in institutional contexts where the formal market control functions and normative control systems are inefficient, whereas focused/related diversification would be more effective in institutional contexts characterized by efficient market controls and normative controls. A fundamental premise is that corporate diversification strategy (e.g., conglomerate versus focused/related diversification) reflects the institutional contexts that affect the efficiency in economic transactions. The framework is also consistent with the resource-based view of the firm, which suggests firms with more specific assets and expertise may have lower levels of diversification but obtain higher levels of firm performance. Strategic managers of firms are faced with complex diversification decisions as they confront different, often unique institutional contexts that either constrain their strategic choices or provide an opportunity to leverage their resources and capabilities. The theoretical model will contribute to a better understanding of the role of formal and informal institutional contexts for organizational actions and firm strategies such as corporate diversification. Multinational enterprises and domestic firms will be better informed by the framework in gauging their potential for growth, while minimizing strategic decision biases associated with business diversification. Further academic persistence and empirical testing will enhance the understanding of firm's strategic responses to socioeconomic institutional developments.

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TROUBLE IN TRANSCENDIA: AN EXERCISE IN CONFLICT DIAGNOSIS AND DISPUTE RESOLUTION

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CASE DESCRIPTION

The central focus of this exercise involves “conflict diagnosis and dispute resolution.” It is relevant for courses with the same title or, more broadly, in management classes that address negotiation, critical thinking, organizational behavior, and various leadership issues. The exercise provides valuable learning opportunities for students across different levels, from freshman to doctoral candidates, insofar as our society at-large excels at generating conflict but struggles to resolve it effectively. Accordingly, the ability to diagnose and successfully resolve conflicts is crucial for achieving harmony and productivity. The exercise can be conducted within a 90-minute to 3-hour timeframe, depending on the depth of debriefing desired. While students don’t need to prepare beforehand, instructors may choose to include a thorough post-exercise assessment and assignment.

CASE SYNOPSIS

George Santayana, the Spanish-American philosopher, is often credited with the insightful observation that “Those who cannot remember the past are condemned to repeat it.” This quote emphasizes the importance of learning from historical events to avoid making the same mistakes. Perhaps, however, the quote should be recast as “too often humans refuse to learn from history.” Indeed, history often reveals patterns of behavior that persist across generations, despite our access to information and knowledge. Remember, history isn’t just a collection of facts—it’s a dynamic narrative that shapes our present and future.

The Cuban Missile Crisis serves as a powerful historical event replete with teachable lessons. By recasting it in the mythical land of Transcendia, an engaging context is created that draws in today’s students, much like their fascination with video games. This whimsical approach allows them to learn while having fun, bridging the gap between historical facts and their sometimes-limited attention spans.

In this experiential and highly interactive exercise, students take on the leadership roles of Vuhspoochee (the United States), Tovarish (the Soviet Union), and Swamphaven (Cuba). Tovarish has deployed its menacing “Rainbow of Destruction” on the island of Swamphaven, which is a close neighbor of Vuhspoochee. Alarmed by this threat, Vuhspoochee is determined to strategically maintain its own weapon of mass destruction—the Pixiedust Cannon—in Gnomewood, a small territory bordering Tovarish. As the clock ticks, the parties engage in intense negotiations in an attempt to resolve the conflict peacefully and prevent the destruction of

Transcendia. Interestingly, regardless of whether the parallel to the Cuban Missile Crisis is recognized, all students enthusiastically immerse themselves in the tense dynamic at play. The exercise encompasses the diagnostic analysis of interest, rights, and power, along with negotiation and dispute resolution skills, and the many leadership lessons associated with the historical crisis.

CASE BODY

Background (Provided To All Participants)

In the magical realm of Transcendia, factions abound, yet violent conflicts have eluded them for centuries. Even the ancient disputes were rudimentary in nature. This prolonged era of peace owes much to Transcendia's geography: The two largest and most ideologically distinct factions, Vuhspoochee and Tovarish, find themselves separated by the vast Lochness Loch—a body of water so immense that it creates an almost alternate reality for each faction. As a result, Tovarish governs one half of Transcendia, while Vuhspoochee governs the other half.

Despite this enduring peace between ideological foes, a foreboding threat now looms. Although geographically distant, Vuhspoochee and Tovarish are embroiled in a bitter dispute. Vuhspoochee, self-proclaimed as a force of light and harmony, has stumbled upon evidence of a near-mythical ancient artifact—the ominous Rainbow of Destruction! Rumors suggest this artifact possesses unparalleled power, capable of bringing ruin not only to their own land but to the entire realm.

In recent months, Tovarish and its leader, The Overseer, have covertly transported materials across Lochness Loch to assemble the Rainbow of Destruction on Swamphaven, a small island near Vuhspoochee. Although not fully complete, the Rainbow of Destruction is already operational. The Overseer has cunningly positioned it close to Vuhspoochee, potentially for use against their rival. Tovarish's clandestine plans were proceeding smoothly until Vuhspoochee decided to investigate the rumors. They dispatched a dragon high above Swamphaven, ensuring stealth. To their horror, the dragon confirmed the near completion of the Rainbow of Destruction! Immediately, Vuhspoochee's royal leader, Zephyr, was alerted. Fearing the impending threat of the Rainbow of Destruction, Zephyr understood the need for decisive action to protect Vuhspoochee and perhaps the entire realm of Transcendia. Consequently, Zephyr swiftly ordered a blockade of further material transportation from Tovarish to Swamphaven using specially equipped "Dreamweavers"—boats that cast forcefield-like spells over the island of Swamphaven.

As tensions escalate, Swamphaven's leader, Empirac, and the citizens of Swamphaven find themselves caught in a crossfire. Some within Swamphaven, sympathetic to Vuhspoochee's ideals, are enticed by promises of aid and protection against Tovarish's presence in Swamphaven. Meanwhile, others, including Empirac, harbor distrust toward Vuhspoochee and align themselves with the enigmatic figures of Tovarish, drawn by the allure of power and mysterious knowledge. With events surrounding Swamphaven teetering on the edge, Transcendia is holding its breath, fearing that even the smallest spark could ignite a conflict engulfing the entire realm. The fate of Transcendia hangs in the balance as Vuhspoochee and Tovarich stand on the brink of war.

Parties Involved:

Vuhspoochee: Zephyr and the population of Vuhspoochee want the Rainbow of Destruction gone from Swamphaven.

Tovarish: The Overseer wants to keep the Rainbow of Destruction as a perceived source of ultimate power.

Swamphaven: Empirac desires to keep the Rainbow of Destruction for safety from Vuhspoochee's power.

Crucial Knowledge for ALL PARTIES:

The clock is ticking *closer and closer* to the completion of the most destructive weapon the land has ever seen. Everyone must play their cards perfectly, or Transcendia's first-ever violent conflict is guaranteed to be their last. **TIME IS OF THE ESSENCE! IF THIS CONFLICT IS NOT RESOLVED, THE DESTRUCTION OF TRANSCENDIA IS INEVITABLE!**

CONFIDENTIAL ROLE SHEETS AND EXHIBITS

[Omitted from Proceedings Version]

RECOMMENDATIONS FOR TEACHING APPROACHES

[Omitted from Proceedings Version]

How To Run The Exercise

The exercise allows for each group to have a minimum of three people (one person assigned to each role) and a maximum of six people (two people assigned as a team to play each role). There are three roles: Zephyr of Vuhspoochee, The Overseer of Tovarish, and Empirac of Swamphaven. Zephyr represents President Kenndy of the United States, who will spearhead the negotiation. With such a powerful empire, Zephyr can choose between power moves to bend the other groups to their will or a trilingual negotiation approach, to lead to a result with all three groups interests in mind. The Overseer represents the dominant nature of the Soviet Union and their leader, Nikita Khrushchev. They truly believe they have the right to have more power and land than the other factions, therefore their decisions will be a major factor in determining if Transcendia will find peace or face destruction. Empirac represents the outspoken Fidel Castro of Cuba. Although Empirac does not hold as much power as the leaders of either Vuhspoochee or Tovarish, Empirac must nevertheless advocate for Swamphaven at all costs because that is where the heart of the danger lies.

The characters are to be randomly assigned, and each member will receive 15 to 20 minutes to privately review the material before they are to meet in their groups. Each group will consist of at least one person playing each of the roles: Zephyr, Empirac, and The Overseer. If numbers require, Zephyr or The Overseer will have an advisor on their team (If there are teams, they will be able to meet to prepare together during the private review time). The instructor running the exercise should announce the following to all the participants: At any point during the negotiation, Zephyr and The Overseer may request to speak to another member privately, however, Empirac does not have the power to initiate a private conversation. Any member may deny the request to speak privately if they believe it is beneficial to their own interests or the interests of the group.

During the negotiation, approximately 15 minutes in, the instructor will introduce a critical piece of time-sensitive evidence (referred to as Exhibit 4). This evidence consists of an announcement that Vuhspoochee's beloved dragon, Penelope, has been shot down by Tovarish forces. The revelation of this information may significantly heighten emotions among the participants. To maintain peace in Transcendia, all group members must overcome their emotional turmoil. Subsequently, the instructor will extend negotiation time by an additional 15 minutes (ideally projected on a screen for all to see), creating a sense of urgency akin the Cuban Missile Crisis.

When the clock runs out the groups will be asked to write their decisions on the whiteboard for all to see. If they failed to reach a decision, Transcendia would cease to exist because that means mass destruction will have occurred. Only after the groups reveal their decision will they receive a handout detailing the specifics of the Cuban Missile Crisis (See Exhibit 5). You may also wish to show the class a brief (under 5 minutes) video on the Cuban Missile Crisis (*The History of the Cuban Missile Crisis*, 2017).

Subsequently, the class will engage in a discussion comparing the negotiation and dispute resolution tactics employed during the Cuban Missile Crisis with those utilized in the case exercise. The key takeaways from this activity are of utmost importance: when addressing future conflicts, it is essential to examine historical precedents (as George Santayana would certainly agree). For instance, The Treaty of Versailles, crafted in response to World War I, arguably contributed to the start of World War II. The vengeful and exclusionary nature of the treaty underscored humanity's inclination toward retribution, ultimately leading to a more devastating conflict and the use of the atomic bomb in World War II.

The takeaways from this exercise are extremely important because when handling future conflicts, it is important to look at how history has conducted itself in the past. The treaty drawn up in response to WWI, the Treaty of Versailles, arguably led to World War II. The revengeful and exclusive way the Treaty was written illustrated human's desire for punishment. This pattern of behavior inevitably led to an even greater conflict and the use of nuclear weapons in World War II.

POST-EXERCISE QUESTIONS FOR STUDENTS

The answers to these questions will be likely to vary widely. There are no black and white answers, as they call for student opinion. The questions are mainly designed to instigate thoughtful discussion and self-reflection by the students and to assist in guiding the instructors debrief.

Questions for Zephyr (President Kennedy):

- How and when did this conflict start?
- What do you think would be **Tovarish's** (Soviet Union) answer to how and when the conflict started?
- If the parties disagreed over how and when the conflict started, would that change the way you approached it?
- Would you consider striking first with the Pixie Dust Cannons to deter Tovarish?

Questions for The Overseer (Fidel Castro):

- How and when did this conflict start?
- What do you think would be **Vuhspoochee's** (U.S.) answer to how and when the conflict started?
- If the parties disagreed over how and when the conflict started, would that change the way you approached it?
- What is your ideal outcome for this scenario?
- How can you keep **Vuhspoochee** (U.S.) from launching a Pixie Dust Cannon attack on you?

Questions for Empirac (Khrushchev):

- How and when did this conflict start?
- What do you think would be **Vuhspoochee's** (U.S.) answer to that same question?
- What do you think would be the **Swamphaven's** (Cuba) answer to how and when the conflict started?
- Do you want to ensure your safety by helping to enact revenge on those who have wronged you in the past (Vuhspoochee)?
- If no violence arises from this conflict, how can you ensure your safety, now being an ally of Tovarish (and thus enemy of the nearby Vuhspoochee)?

It is true that the *answers* to how and when the conflict started may vary, but it is nevertheless important to establish each party's view of how and when a conflict started. Why? In a conflict situation, it is important to take a step back and imagine things from the other parties' perspectives to understand why they take certain actions. In conflict diagnosis analysis, this is known as "punctuation" (Dues & The Great Courses, 2010).

In his lecture series, Professor Dues elucidates the conception of "punctuation" within the realm of communication. Analogous to the role of punctuation marks in structuring sentences in grammar, individuals "punctuate" events distinctively during conflicts. This punctuation is essentially our interpretation of the sequence of events, upon which we construct cause-and-effect relationships. For instance, what Person A perceives as the cause of a conflict, Person B might view merely as a reaction to a preceding action. Comprehending these divergent punctuations is pivotal for efficaciously navigating through conflicts. (Dues & The Great Courses, 2010).

As an example, Vuhspoochee (U.S.) may believe the conflict started only when they discovered a destructive weapon in Swamphaven (Cuba), but Tovarish obviously felt threatened enough to build this weapon, indicating the conflict likely began much sooner for them. The power dynamics of Transcendia are similar to real world power dynamics, where smaller countries are coerced into doing things such as storing nuclear weapons in exchange for protection. Each group must set aside their emotions and say things that are effective. If the parties involved in conflict have rash reactions, they can cause a (literally) explosive tragedy.

Imagine what would happen if we all acted on the following mantra: "don't say or do what you feel like saying or doing, say or do what's effective." (Barkacs). This mantra requires individuals to go against their natural subconscious reactions and thoroughly think through their responses. In highly emotional times, revenge may seem most important. It is only later, after the

anger is diffused, that we realize revenge does not typically give the result you desired. The heuristic, then, is to say what you believe will be effective in getting the outcome you want. Of course, that also means behaving ethically (for example, a lie might get the outcome you want, but only in the short term).

CONCLUSION

The Cuban Missile Crisis remains a potent reminder of the dangers of nuclear proliferation and the imperative of diplomatic solutions to global conflicts. It serves as a testament to the power of leadership, communication, and negotiation skills in averting catastrophic outcomes. Trouble in Transcendia gives students an opportunity to practice, in a safe and enjoyable environment, the skills they will need to deal with conflict. As we tell our students, conflict is inevitable. How you handle it, however, is up to you.

REFERENCES

[Omitted from Proceedings Version]

WELLS FARGO SCANDAL: A CLARION CALL FOR SERVANT LEADERSHIP

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ABSTRACT

This teaching case involves the chief actor, Wells Fargo, embarking upon fraudulent business practices to make sales goals to better their bottom line. Employees were in the crossfire of the leadership's decision to commit fraud. The leadership at Wells Fargo failed their customers, employees, and themselves. There exists a need for a transformative type of leadership in the broad business world, which is called Servant Leadership. College students majoring in business/management will be taught the characteristics of Servant Leadership with the possibility that these potential business leaders will avoid the pitfalls of being leaders in the world of business by practicing some of the principles of Servant Leadership.

Key Words: *Cross-Selling, Fraud, Customers, Employees, Leadership, Servant Leadership*

ROLE OF GLOBAL COURSE CONTENT AND LIVED CROSS-CULTURAL EXPERIENCE IN DEVELOPING COLLEGE STUDENTS' CULTURAL INTELLIGENCE

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ABSTRACT

Role of global course content and lived cross-cultural experience in developing college students' cultural intelligence was explored with a population of college students in a study that was a part of a large scale Campus Climate Survey. Results revealed a significant positive impact of experience-based lived cross-cultural exposure (being a racial- or ethnic- minority, study abroad, lived abroad, or being proficient in foreign languages) on students' Cultural Intelligence (CQ) scores. Likewise, being a racial- or ethnic- minority, study abroad, lived abroad, or being proficient in foreign languages had a significant positive impact on students' preference for jobs with a global component (travel abroad, overseas assignments, etc.). This study also demonstrated that there is a significant positive relationship between the self-reported number of "global" courses taken and the student's CQ scores even in the presence of other potential predictors (age, GPA). This study also found a significant positive relationship between the self-reported number of "global" courses taken and the student's preference for global jobs.

KEYWORDS: *Creating value in higher education; cultural intelligence; global course content; study abroad; foreign language proficiency; minority students.*

INTRODUCTION

Long-term strategy of higher education institutions starts with the focus on creating greater value for their customers (students and employers). As Michael Porter famously formulated this strategic principle: "A company can outperform rivals only if it can establish a difference that it can preserve. It must deliver greater value to customers or create comparable value at a lower cost, or do both" (p. 62). Of course, there are many aspects of what constitutes greater value to college students and to their employers. A recent survey by the National Association of Colleges and Employers (NACE) found that 91% of graduating seniors would pursue a college degree again if they had the chance for a do-over. At the same time, the leading dimensions of college degree value to graduating seniors in NACE survey amounted to being confident about securing a meaningful work (70%), get a positive financial return on college investment (54%), and gaining financial security (52%) (VanDerziel, 2023). In other words, students expect college experience to make them more "employable" by gaining the desirable certifications, knowledge, and relevant competences.

One of these valuable competencies that students need to gain from their college experience is the ability to cope with cross-cultural situations in their future professional careers. In today's globalized world, professionals have to handle cross-cultural situations not only when they deal with the suppliers, buyers, or collaborators from overseas, but also when they deal with increasingly multicultural societies (e.g., their future customers, students, audiences, etc.) in their own country. However, of a variety of professional competences that students desire to get from their college experience, this particular kind tends to get insufficient attention from higher education administrators. This happens because, unlike other professional skill sets, development of students' cross-cultural competence happens across multiple programs and departments. In a way, development of this skill set happens due to the efforts of many, but the process tends not to be organizationally "owned" by anyone on campus. Most universities do not end up establishing a coordinating center that oversees the development of students' cross-cultural skills. We argue that development of students' cross-cultural capabilities should be an important planned outcome of higher education and organizational resources need to be allocated to achieving this outcome.

We argue that development of cross-cultural capabilities is a goal in itself: something that humans need to reach their full personal and professional potential in life. People need cognitive, emotional, social, and cross-cultural intelligence to become a well-functioning and a productive member of a human society. Higher education's role, therefore, along with other social institutions, is to facilitate a harmonious and balanced development of a student as an individual by helping them to develop these skills.

Another, more pragmatic take on cross-cultural capabilities, reflects a perspective taken by potential employers of today's college students. Hiring culturally competent employees provides tangible benefits to employers (e.g., Bücken & Poutsma, 2010; Fitzsimmons, 2013; Johnson et al., 2006; Setti et al., 2022). Empirical research provides evidence of employees' cross-cultural competence translating into a variety of performance enhancing outcomes for their organizations. In a scale validation study (Ang et al., 2007) have found that different components of cultural intelligence were positively related to cultural judgment and decision making (CJDM) as well as to cultural adjustment and wellbeing. In a similar vein, Chen, Liu, & Portnoy (2012) found a relationship between cultural intelligence and job performance. Zhang et al. (2022) found that cultural and emotional intelligence were positively related to knowledge management in a multinational company. Bücken et al. (2014) documented a positive effect of cultural intelligence on communication effectiveness and job satisfaction in employees of multinational companies. Imai and Gelfand (2010) found that cultural intelligence resulted in more effective cross-cultural negotiations. Therefore, by facilitating students' acquisition of cross-cultural skills, universities create value for the students by making them more desirable as job candidates.

Once we assume the inherent responsibility of higher education institutions for developing students' cross-cultural competences, the next step is to operationalize the concept of cross-cultural competence and to pinpoint the "points of contact" where coursework and campus life result in greater cross-cultural competence. We will start our discussion with an argument for why the concept of cultural intelligence is best suited for operationalizing professional cross-cultural competence. We propose that both relevant ("global") coursework and informal (we will refer to them as "lived") instances of exposure to cross-cultural environment will lead to greater levels of

cultural intelligence in students. We also expect that, as higher cross-cultural competence leads to students' greater appreciation of other cultures and enables them to notice more aspects of cross-cultural diversity, they start valuing all aspects of diversity more. Based on existing literature, we develop and test these propositions with a set of hypotheses. We conclude our paper with the recommendations for greater focus on cross-cultural competencies outcomes of higher education.

THEORETICAL BACKGROUND

Antecedents of Cultural Intelligence

In this study, we operationalized cross-cultural competencies using the concept of Cultural Intelligence (Earley and Ang, 2003) and the Cultural Intelligence Scale (Van Dyne, Ang, and Koh, 2008). Cultural intelligence (CQ) is defined as "an individual's capability to function and manage effectively in culturally diverse settings" (Ang and VanDyne, 2008, p. 3). Cultural Intelligence theory is based on the foundation of Sternberg and Detterman's (1986) framework of multiple intelligences. Using this perspective, Earley and Ang (2003) conceptualized the four dimensions of cultural intelligence as metacognitive, cognitive, motivational, and behavioral.

According to Ang and Van Dyne (2008), Metacognitive CQ reflects the mental capability to acquire and understand cultural knowledge. As Earley and Peterson (2004) explain it: "Adaptation across new cultural contexts requires that novel ways of dealing with others be discovered. Existing strategies must be adjusted, adapted, or reinvented depending on the situation and culture. Thus, CQ places a heavy emphasis on metacognition, or "thinking about thinking" (p. 105). Cognitive CQ reflects general knowledge about cultures and cultural practices. In other words ..."Cognitive CQ captures the what, who, why, and how of intercultural interaction." (Earley and Peterson 2004). Motivational CQ reflects individual capacity to direct energy toward learning about and functioning in cross-cultural situations. Behavioral CQ reflects a person's ability to acquire and use news interaction skills that are needed in a new culture (Ang and Van Dyne, 2008, p. 3).

Cultural intelligence is conceptualized as one of the components of intelligence which is complementary to cognitive, emotional, and social intelligence capabilities of an individual. None of the "other" components of human intelligence beyond Cultural Intelligence provides understanding of cross-cultural settings (Van Dyne, Ang, & Koh, 2008).

Of course, cultural intelligence is not the only available construct used to operationalize cross-cultural capabilities of an individual. In an extensive literature review, Andresen and Bergdolt (2017) identified the constructs of a "global mindset" (e.g. Lovvorn & Chen, 2011; Maznevski & Lane, 2003) and cultural intelligence (e.g. Earley and Ang, 2003) as the ones that have been most frequently utilized by researchers in the cross-cultural competencies domain. Of these two approaches, interpretation of "global mindset" research stream is complicated by differing conceptualizations of the key construct and the use of multiple scales for measuring global mindset (Andresen and Bergdolt, 2017). Cultural Intelligence (CQ) has a clear advantage as a construct due to its detailed and consistent conceptualization (Andresen and Bergdolt, 2017). Most empirical studies within the CQ research stream use the extensively validated CQ scale (Van Dyne, Ang, and Koh, 2008) which allows for reliable comparability of the findings.

In one of the early works on, Earley and Peterson (2004) defined the essential elements of cultural Intelligence training in a business context. Feeding country-specific information to global managers as it is often done in intercultural training is insufficient for facilitating growth of their cultural intelligence. What is needed is a simultaneous engagement of the head, the body, and the heart (Earley and Mosakowski, 2004). While Metacognitive and Cognitive CQ development are associated with acquiring extensive knowledge about other cultures and incorporating these new culture-specific schemas into one's concept of self. As Earley and Peterson (2004) point out: "Flexibility of self-concept and ease of integrating new facets into it are ... associated with high CQ because understanding new cultures may require abandoning pre-existing conceptualizations of how and why people function as they do." Motivational CQ is associated with self-efficacy (Bandura, 1986) which is defined as "a judgment of one's capability to accomplish a certain level of performance" (Bandura, 1986: 391). To motivate people for engaging in professional cross-cultural interactions, it is necessary to build up their level of confidence in handling such situations successfully: "One possible way is to expose an uninitiated person through a series of short, simple, and controlled intercultural interactions in a classroom setting." (Earley and Peterson, 2004, p. 111) Finally, methods of enhancing a person's ability to apply the knowledge and practice their motivation for interacting with other cultures is to help them to acquire a range of new behaviors compatible with another culture. As Earley and Peterson (2004) points out: "The behavioral aspect of CQ suggests that adaptation is not only knowing what and how to do (cognitive), and having the wherewithal to persevere and exert effort (motivational) but also having the responses needed for a given situation in one's behavioral repertoire. Lacking these specific behaviors, a person must have the capability to acquire them. CQ reflects a person's ability to acquire or adapt behaviors appropriate for a new culture (p. 108)." Essentially, developing Cultural Intelligence is a social and experiential ongoing learning process. This process has been explained with Kolb's Experiential Learning Theory (Kolb, 1984) as consisting of the stages of experiencing, reflecting, observing, and experimenting.

Applying the above perspective on intercultural training described in CQ literature (e.g., Earley and Peterson, 2004), we will attempt to identify the factors that might contribute to higher levels of CQ in student populations.

First of all, we expect that students who had a chance to immerse themselves in other cultures had a chance to acquire factual knowledge about other cultures (cognitive component), reflect on similarities and differences between their own and the host culture (metacognitive component), interact with people from another culture and, if these interactions were successful, to build up self-efficacy for further cross-cultural engagement (motivational component), and practice a range of new behavioral responses that match an intercultural context (behavioral component). Gelfand, Imai, and Fehr (2008) developed a theoretical model positing that intercultural contact is an important factor contributing to cultural intelligence. Empirical research supports this theorizing by demonstrating positive relationships between cross-cultural experiences and CQ (Ang, Van Dyne, & Koh, 2006; Ang et al., 2007; Gupta et al., 2013, Li et al., 2013, Tay et al., 2008). In a related research stream, short-term study abroad program was shown to result in increases in cultural well-being reported by the participants and in peer-rated suitability for overseas work (Peng, Van Dyne, and Oh, 2015). Therefore, we expect that those students who

participate in short-term study abroad and/or lived abroad will score higher on all four CQ components (metacognitive, cognitive, motivational, and behavioral).

As it was noted earlier, cultural intelligence theory posits that flexibility of self-concept and ability to vacillate between different social roles depending on the changing situation is one of the key contributing factors of greater cultural intelligence. Students who grew up as members of a racial and ethnic minority social group (e.g., Black, non-White Hispanic, Asian) learn to define their self-concept within the values and customs framework of their own culture (e.g., an Asian girl learns to fulfil her social role of a diligent learner and a dutiful and caring daughter at home shifting to a role of an outgoing fun-loving student-athlete as a member of her school volleyball team). While her teammates who are members of the majority (White Caucasian) social group will also shift between self-concepts as they transition between different social contexts throughout their day, the contrast between their family-and community-based cultural contexts and their public-life contexts will likely be less stark as it is for the members of the minority social groups. In other words, members of the minority social groups learn how to be multiculturalists out of necessity to navigate different cultural environments, while members of the majority group are less likely to develop ability to adapt to different cultural environments while living their everyday lives. In the parlay of the Cultural Intelligence theory, members of the minority group will likely have more flexible self-concepts in contrast to the majority group who are likely to have more rigid self-concepts. Even though we are not aware of prior research that directly tested the effect of the majority/minority group membership on CQ, a related study revealed the mediating effect of the effect of prior intercultural contact on development of cultural intelligence (Kim and Van Dyne, 2012). Based on the above considerations, we expect that members of the minority (non-Caucasian) groups will have higher CQ than members of the majority (White Caucasian) group.

Study of foreign languages is virtually impossible without absorbing some information about the cultural background of the countries where this foreign language is spoken. Study of foreign languages also frequently brings learners into direct contact with the native speakers of the language, therefore increasing intercultural contact. We expect that students who self-identify as being proficient in at least one foreign language will score higher on Cultural Intelligence. Overall, we posit that individuals with greater exposure to cross-cultural situations and multicultural social environment will score higher on Cultural Intelligence (CQ), specifically:

H1a: Students who participated in the study abroad program will have higher CQ scores compared to those who did not participate.

H1b: Students who lived abroad will have higher CQ scores than those who never lived abroad.

H1c: Minority (non-Caucasian) students will have higher CQ scores than White Caucasian students.

H1d: Students who speak at least one language other than English will score higher on CQ compared to those who only speak English.

Individuals who have greater experience with cross-cultural situations are more likely to feel more confident about their ability to handle future cross-cultural situations (e.g., Kurpis and Hunter, 2017; Steele and Laird-Magee, 2013). This is why we expect that they will anticipate being successful in those jobs that involve overseas assignments, international business travel, or negotiations with international customers/suppliers. For the purpose of this study, these kinds of

jobs will be referred to as “global jobs.” We predict that students who had more experience with cross-cultural situations will be more willing to take up “global” jobs. Specifically:

H2a: Students who participated in the study abroad program will have greater preference for “global” jobs.

H2b: Students who lived abroad will have greater preference for “global” jobs than those who never lived abroad.

H2c: Minority (non-Caucasian) students will have greater preference for “global” jobs than White Caucasian students.

H2d: Students who speak at least one language other than English will have greater preference for “global” jobs compared to those who only speak English.

As stated earlier, extensive study of other cultures, including historical and economic background that led to the formation of those cultures, is expected to lead to the increase in learners’ Cultural Intelligence. From this perspective, experience with “global” courses, defined as the courses with the substantial content focused on the study of other cultures and societies, including the study of their political, economic, and symbolic (art) manifestations, is expected to result in students’ higher CQ scores. As of today, only a limited number of studies empirically explored effects of “global” courses on students’ cultural intelligence (Eisenberg et al., 2013; Kurpis, 2009; Ramsey and Lorenz, 2016; Rosenblatt et al., 2013; Schumacher and Festing, 2020). Most of existing studies focused on identifying the most effective ways of raising cultural intelligence of students in a specific “global” course, while giving less attention to the cumulative effect of various intercultural course content received by students throughout their college experience. The context of this study (a large-scale campus climate survey) allows us to test the hypothesis that cumulative experience of exposure to a variety of intercultural training delivered in a wide range of “global” courses will have a positive effect on students’ cultural intelligence:

H3: There is a positive relationship between the number of “global” courses taken by a student and this student’s level of CQ.

Based on cultural intelligence theory, we expect that students who were exposed to cross-cultural content through their coursework will feel more confident about tackling “global” jobs and, therefore, will have a greater preference for “global” jobs. Existing empirical research that directly tests a relationship between exposure to cross-cultural course content and preference for global jobs is scarce. Some vicarious evidence suggests that intercultural experience results in students feeling more confident about tackling cross-cultural situations in the future (Kurpis and Hunter, 2017) or impacts their global job aspirations (Akkan et al., 2022). We set forth the following formal hypothesis:

H4: There is a positive relationship between the number of “global” courses taken by the students and their preference for “global” jobs.

METHODOLOGY AND RESULTS

Demographic Characteristics of the Sample

The data were collected by piggybacking on a large scale campus climate survey conducted in a medium-size private Catholic university in the Pacific northwest of the United States. Students voluntarily participated in this online survey. Participation was incentivized with a raffle of prizes among the participants. In total, 645 students provided responses, although many students chose to skip the answers to some of the questions. The sample was markedly skewed female (64.6%). Males comprised 35.2% of the sample. One respondent (0.2%) self-identified as a transgender individual. The overwhelming majority of students were White (76.9%), while the remaining 23.1% of the sample was comprised of the representatives of different racial and ethnic minorities, of which Multiracial (10.4%), Latino (6.5%), and Asian (3.7%) were the largest groups by size. Most of the respondents were undergraduate students pursuing different bachelor degrees (99.7%), with the remaining 0.3% of the responses provided by graduate students. Students of all academic levels participated, with 21.1% of them being freshmen, 22.5% - sophomores, 30.2% - juniors, and 26.3% - seniors. Most of the respondents were full-time students (98.3%) vs. part-time students (1.6%) and lived on campus (60.9%) vs. off-campus (39.1%). The age of the participants ranged from 17 to 56 years old, with 20.76 being the mean. Presumably, most of them experienced cultural socialization¹ in the United States, since 98.6% of the respondents self-identified either as born or naturalized citizens.

Reliability of the Measures

The 20-item Cultural Intelligence (CQ) scale (Van Dyne, Ang, and Koh, 2008) was used to measure Cultural Intelligence. This scale consists of four sub-scales: Metacognitive (sample item: "I am conscious of the cultural knowledge I apply to cross-cultural interactions"), Cognitive (sample item: "I know the cultural values and religious beliefs of other cultures"), Motivational (sample item: "I enjoy interacting with people from different cultures"), and Behavioral (sample item: "I change non-verbal behavior when a cross-cultural situation requires it"). Responses were recorded using a 6-point Likert scale, with response options ranging from 1 - Strongly Disagree to 6 - Strongly Agree. Respondents could opt out of answering CQ-related questions as well as of any other questions of the survey. Cronbach alpha values for each of the subscales exceeded the recommended reliability threshold of .7 (Nunnally, 1978): Metacognitive (.84), Cognitive (.86), Motivational (.86), and Behavioral (.91). Means were calculated to serve as summary measures for each of the CQ subscales. Specifically, the mean for the Metacognitive subscale was 4.37, Cognitive – 3.45, Motivational – 4.54, and Behavioral - 4.06.

A three item Preference for "Global Jobs" Index (PGJI) was created (sample item: "I prefer a job that requires a lot of overseas assignments"). This index was reliable (Cronbach α =.89), with the mean of 4.09.

¹ Cultural socialization is defined as the process through which children and adolescents learn about a culture and develop a sense of belonging to the cultural group (Umaña-Taylor and Fine, 2004).

Results

Hypotheses 1a-d proposed an effect of lived-based cross-cultural experiences on students' CQ levels. Testing for hypotheses 1a-d was performed by running independent samples T-test comparing the means for the two groups being compared in each hypothesis. The four CQ subscales served as dependent variables for each of the populations comparisons. Performing a separate test for each of the components of CQ (Metacognitive, Cognitive, etc.) as opposed to using a summary CQ score as a dependent variable, was chosen to reflect the original conceptualization of an individual's CQ as a unique combination of their metacognitive, cognitive, motivational, and behavioral cross-cultural capabilities. Knowing that a specific dimension of CQ (e.g., motivational) is low at the same time as the other three components are quite high will yield a different set of recommendations for designing intercultural training that will differ from intercultural training that is designed for people who are high on motivational and behavioral components but lack the cognitive and metacognitive capabilities. This approach favors a subscale-by-subscale analysis as opposed to staying focusing only on the overall CQ score. The results of testing for H1a-d are presented below in Table 1.

It appears that lived cross-cultural experiences resulted in a significant increase in Cultural Intelligence for all of the tested groups. Minority students scored significantly higher on CQ than White students. Students who studied abroad or lived abroad had significantly higher CQ compared to those who did not study abroad or never lived abroad, respectively. Students who gained proficiency in at least one foreign language also scored significantly higher on CQ than those who could communicate only in their native language. Overall, these findings provide an unqualified support for hypotheses 1a-d.

All comparisons of Preference for "Global" Jobs Index between groups with different amount of lived cross-cultural experience demonstrated significant differences between groups. Minority students had a significantly greater preference for "global" jobs. Proficiency in at least one foreign language was associated with a significantly greater preference for "global" jobs. Students who studies abroad or lived abroad had greater preference for "global" jobs compared to those who never studied abroad or lived abroad, respectively. These results provide full support to H2a-d.

In a similar vein, hypotheses H2a-d proposed a positive impact of lived cross-cultural experiences in preference for "global" jobs. Testing for hypotheses 2a-d was performed by running independent samples T-test comparing the means for the two groups being compared in each hypotheses. This test was performed for each of the CQ subscales, where a CQ subscale served as a dependent variable. The results of these tests can be seen in Table 2.

Hypothesis 3 about a positive relationship between the number of "global" courses and CQ was tested with the help of linear regressions. A series of four regressions was run, where one of the four subscales of CQ was a dependent variable. In all regressions used to test for H3, the self-reported number of "global" courses taken by each student, Age and Grade Point Average (GPA) served as independent variables. The Age and GPA variables were entered into the equation as additional predictors to control for the potential alternative explanations of variations in students' CQ levels. Results of these tests are summarized in Table 3.

Table 1. Comparison of Metacognitive, Cognitive, Motivational, and Behavioral CQ Subscale Values across Student Populations with a Varying Degree of Lived Cross-Cultural Experiences

	Metacognitive CQ subscale		Cognitive CQ subscale		Motivational CQ subscale		Behavioral CQ subscale	
	Means and standard deviations	T-values and significance	Means and standard deviations	T-values and significance	Means and standard deviations	T-values and significance	Means and standard deviations	T-values and significance
Study abroad (stabr.) participant vs. non-participants (nstabr.)	M _{stabr.} = 5.53, SD=.92; M _{nstabr.} = 4.30, SD=.95	t(588)= 2.691, p<.01	M _{stabr.} = 3.67, SD=1.02; M _{nstabr.} = 3.37, SD=1.05	t(589)= 3.203, p<.01	M _{stabr.} =4.88, SD=.94; M _{nstabr.} =4.40, SD=.96	t(588)= 5.435, p<.001	M _{stabr.} =4.36, SD=1.06; M _{nstabr.} =3.94, SD=1.14	t(572)= 4.009, p<.001
Did not live abroad (nlabr.) vs. lived abroad (labr.)	M _{nlabr.} = 4.25, SD=.94; M _{labr.} = 4.72, SD=.81	t(465)= -5.279, p<.001	M _{nlabr.} =3.28, SD=1.04; M _{labr.} =3.85, SD=.98	t(466)= -5.764, p<.001	M _{nlabr.} =4.29, SD=.91; M _{labr.} =5.04, SD=.87	t(466)= -8.539, p<.001	M _{nlabr.} =3.89, SD=1.03; M _{labr.} =4.25, SD=.84	t(455)= -5.369, p<.001
White Caucasian (wh.) vs. Minority (min.) students	M _{wh.} =4.30, SD=.94; M _{min.} =4.59, SD=.97	t(558)= -3.102, p<.01	M _{wh.} =3.35, SD=1.00; M _{min.} =3.77, SD=1.12	t(559)= -3.998, p<.001	M _{wh.} =4.48, SD=.95; M _{min.} =4.74, SD=.98	t(558)= -2.661, p<.01	M _{wh.} =4.03, SD=1.12; M _{min.} =4.09, SD=1.12	t(544)= -.513, n.s.
Proficiency in at least one foreign language (lang.) vs. proficiency only in English (Eng.)	M _{lang.} = 4.68, SD=.91; M _{eng.} = 4.21, SD=.93	t(572)= 5.616, p<.001	M _{lang.} =3.93, SD=1.02; M _{eng.} =3.82, SD=.97	t(573)= 8.099, p<.001	M _{lang.} =4.87, SD=.92; M _{eng.} =4.38, SD=.95	t(572)= 5.824, p<.001	M _{lang.} =4.43, SD=.1.09; M _{eng.} =3.86, SD=1.03	t(557)= 5.885, p<.001

Table 2. Comparison of preference for global jobs index values across student populations with a varying degree of lived cross-cultural experiences

	Study abroad (stabr.) participant vs. non-participants (nstabr.)		Did not live abroad (nlabr.) vs. lived abroad (labr.)		White (wh.) vs. Caucasian (cauc.) vs. Minority (min.) students		Proficiency in at least one foreign language vs. proficiency only in their native language	
	Means and standard deviations	T-values and significance	Means and standard deviations	T-values and significance	Means and standard deviations	T-values and significance	Means and standard deviations	T-values and significance
Preference for Global Jobs Index (PGJI)	M _{stabr.} =4.46, SD=1.25; M _{nstabr.} =3.94, SD=1.38	t(471)=3.773, p<.001	M _{snlabr.} =3.86, SD=1.33; M _{labr.} =4.49, SD=1.24	t(374)=4.469, p<.001	M _{wh.} =4.03, SD=1.37; M _{cauc.} =4.37, SD=1.25	t(447)=2.297, p<.05	M _{lang.} =4.45, SD=1.26; M _{eng.} =3.92, SD=1.38	t(460)=3.910, p<.001

Table 3. Correlations of the predictors with Cultural Intelligence (CQ) subscales.

	Metacognitive CQ subscale	Cognitive CQ subscale	Motivational CQ subscale	Behavioral CQ subscale
Number of “global” courses	.194***	.260***	.229***	.127**
Age	.025	.066	.090*	.046
GPA	.003	-.083	-.090	.024
Regression model test for significance	F(3, 478)=6.508, p<.001	F(3, 479)=13.317, p<.001	F(3,478)=10.748, p<.001	F(3,467)=3.226, p<.05
R ²	.039	.077	.063	.020

* p<.05; ** p<.01, *** p<.001

All four regression models were significant, explaining 3.9% of variance of Metacognitive, 7.7% of Cognitive, 6.3% of Motivational, and only 2% of Behavioral CQ components. Of the potential predictors being tested, only the amount of “global” coursework (number of “global” courses) was a consistently significant predictor of greater CQ scores. Age was significantly positively correlated with Motivational CQ (β =.090, $t(478)=2.026$, $p<.05$), but this was the only occurrence of an alternative (not a “global” coursework) predictor of CQ being significant in this model. Therefore, H3 was supported as well.

Recall that H4 proposed a relationship between the number of “global” courses and preference for “global” jobs. H4 was tested with a linear regression where the 3-item Preference for Global Jobs Index (PGJI) was a dependent variable and the self-reported number of “global” courses taken by a student was a predictor. This regression model was significant $F(1, 400)=33.999$, $p<.001$, explaining 7.8% of variance in PGJI. Consistently with H4, number of

“global” courses was significantly ($p < .001$) positively correlated with PGJI, correlation coefficient was .28.

DISCUSSION AND FUTURE RESEARCH

The objective of this study was to explore various factors, typical for the higher education campus environment, on the development of students' Cultural Intelligence (CQ). The data strongly supported all hypotheses, showing that students' lived cross-cultural exposure (study abroad, living abroad, minority status, and proficiency in foreign languages) corresponds to greater cultural intelligence and to greater preference for jobs that involve international travel, overseas assignments, and other “global” components. While some aspects of lived cross-cultural exposure (study abroad or living abroad) have been fairly well tested as antecedents of cultural intelligence, this study makes a contribution by confirming that these effects are still observed in the context of a large-scale campus-wide study with a population that consisted of students of a wide age range (17 to 56 year old) and pursuing different fields of study. Study of existing literature also revealed the dearth of empirical studies examining the direct effect of being a member of a minority (non-Caucasian) on cultural intelligence and preference for “global” jobs. This research makes a contribution by addressing this knowledge gap and documenting that a minority (non-Caucasian) group membership is associated with higher CQ scores on Metacognitive, Cognitive, and Motivational dimensions of CQ, but not on Behavioral dimension. Self-reported ability to adjust their behaviors in cross-cultural situations of minority (non-Caucasian) students did not significantly exceed those of majority (White Caucasian) group members. Apparently, organic cross-cultural experience when minority group members frequently shift from their own culture to interaction with other cultures (e.g., particularly with the culture of the majority ethnic and racial group) conveys advantages in thinking about cultures and in being motivated to communicate across group boundaries, but it does not automatically carry an added benefit of knowing how to adjust one's behavior in order to interact successfully with people from other cultures.

Our study also makes a contribution by exploring how college-level coursework with significant “global” content (in this study we refer to it as “global” courses) affects students' levels of Cultural Intelligence. While many of the previous studies focused on effectiveness of cross-cultural interventional properties of specific courses by employing the pre-/post- intervention measurement of CQ, our study differs in that it found a direct positive relationship between the number of “global” courses taken at the college level and cultural intelligence. Student respondents in our study took a wide range of “global” courses from a wide range of disciplines. It appears that, no matter what the course was, as long as it delivered a significant amount of “global” content, it impacted students' cultural intelligence in a positive way. This finding reaffirms the importance of making “global” coursework an integral part of the curriculum university-wide. If colleges want to deliver value to students, potential employers, and to society at large by facilitating students' development of cultural intelligence, they need to start focusing their efforts of developing “global” curriculum. The next step would be regularly monitoring students' CQ levels through campus-wide surveys and planning formal (academic) and informal (extracurricular) opportunities for the students to engage in cross-cultural activities on- and off-campus. Implementation of

Cultural intelligence-related initiatives will necessitate some changes in universities' organizational structures and policies. For instance, administrative positions whose function is to coordinate cross-cultural experiences, could be created.

We also found that the number of “global” courses taken by a student was a significant precursor to a student's preference for global jobs. Offering a high-quality “global” curriculum on campus, therefore, is an important step to preparing highly capable global leaders of tomorrow.

Future research is needed to examine potential interactions between the variables. For instance, does a minority status mediate or moderate the effect of “global” coursework or of study abroad/living abroad on cultural intelligence? For instance, Kim and Van Dyne (2012) found that cultural intelligence mediated the effect of prior intercultural contact on global leadership potential. Moreover, majority/minority social group status moderated this effect, as CQ mediated the effect of prior intercultural contact for the majorities, but not for the minorities. This implies that majority/minority status can interact with the effect of CQ. With the purpose of advancing our knowledge about the factors and circumstances contributing to the development of cultural intelligence, we pose the question differently from the Kim and Van Dyne (2012) study: does majority/minority status moderate or, possibly, mediate, the effect of prior intercultural experience on cultural intelligence?

Analysis of the existing literature revealed that the relationship between diversity and cultural intelligence in the context of higher education has not yet received the attention it deserves. Our study obtained the answer to two research questions pertaining to diversity. Our findings unequivocally point out at a significant correlation between all four components of Cultural Intelligence and the Perceived Importance of Diversity on Campus. Perceived Campus Support for Diversity was also significantly correlated with three out of the four components of Cultural Intelligence (correlation with the Behavioral components was borderline significant at $p=.061$ level). This pattern of relationships indicates that culturally intelligent students are more likely to support diversity on campus and more likely to selectively pay attention to and participate in the diversity events and activities. Future research will need to determine the direction of causality between these constructs (e.g., does cultural intelligence leads to greater appreciation of diversity or is the support for diversity leads to increase of cultural intelligence). Since the constructs of diversity and cultural intelligence are clearly related, as our data indicate, future research at theory building level will need to develop a comprehensive theoretical model explaining the relationship between these phenomena.

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UNPLUGGING TECHNOSTRESS: INVESTIGATING INHIBITORS AND ENHANCING ORGANIZATIONAL OUTCOMES IN ACCOUNTING PROFESSIONALS

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ABSTRACT

This future study will investigate the impact of technostress inhibitors on job satisfaction, organizational commitment, and job turnover among accounting managers and staff. Technostress, arising from the increasing integration of technology in the workplace, has been identified as a significant challenge affecting employee well-being and organizational outcomes. This research will employ regression analysis to analyze data collected from accounting professionals, focusing on the identification of inhibitors that mitigate technostress and examining their effects on job satisfaction, organizational commitment, and job turnover intentions.

Recent studies (e.g., Ayyagari et al, 2020; Boyer-Davis, 2018, 2020, 2022, 2023; Ragu-Nathan et al., 2008; Tarafdar et al., 2007, 2019) have highlighted the detrimental effects of technostress on employee performance and job outcomes. The theoretical framework integrates theories of stress and coping mechanisms emphasizing the role of technostress inhibitors in alleviating negative impacts. Technostress inhibitors include technical support for end-users, literacy facilitation, and involvement facilitation (Ragu-Nathan et al., 2008). The findings are intended to contribute to both theoretical understanding and practical implications for organizations seeking to enhance employee well-being and retention in the accounting profession.

Keywords: *technostress inhibitors, job satisfaction, organizational commitment, job turnover*