Volume 8, Number 3 **ISSN 2576-2699**

International Conference Proceedings

October 16 – 18, 2024

Editor
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DIMINISHING FARMLANDS: THE ROLE OF INTERNET ACCESS AND EXTERNAL SUPPORT

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ABSTRACT

The number of farms in the United States (US) and the acreage used for those farm operations declined by 7% during 2017-2022, according to the United States Department of Agriculture's (USDA) 2022 Census of Agriculture. All but five states saw a decrease in the number of farms, and all but three states experienced a decline in acreage. In 2019, our agriculture system imported more than we exported for the first time in decades, and the United States Food & Drug Administration (FDA) reported in 2023 that we import roughly 15% of our overall food supply. These statistics bring concerns about food self-sufficiency, trade policies, and the like to the forefront of economic and regional planning conversations among various stakeholder groups, especially in states like Tennessee, where an average of 100,000 acres of farmland is lost each year. A number of factors influence the decline in the number and size of farms in the US, including the high average age of farmers, larger numbers of people leaving rural areas to live in more urban areas, consolidation of farms, and technological advancements, among others.

The purpose of this study was to explore to what extent reliable internet access and support from government and other agencies affect productivity, commitment to farming, and intentions to leave farming. After conducting 10 preliminary interviews with farmers across Tennessee to understand their opinions about internet access and the role of government and other supporting agencies, a survey was designed and administered with the respondents including 215 farmers in Tennessee. Our findings suggest that internet access impacts productivity, government and agency support impacts productivity and commitment, productivity influences commitment, and commitment has a negative effect on intention to leave farming.

This study has implications for researchers and practitioners alike, including those who research or work in agriculture or are involved in economic development and/or urban and regional planning. We used a multidisciplinary approach, focusing on farmers as human capital, to explore two important factors that influence their intentions to quit farming in Tennessee. We recommend that other factors, such as satisfaction and work-life balance, be examined in future studies. Practitioners and other stakeholders might make small changes involving internet access and government and agency support that will have a big impact on someone choosing to stay in the profession. While this study was conducted in Tennessee, many other states and countries are facing similar challenges.

AI TOURISM: DEFINING A NEW NICHE IN TRAVEL AND ITS POTENTIAL

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ABSTRACT

The idea of traveling to a destination or place leveraged by artificial intelligence (AI) technologies, or AI tourism, is expected to become a niche in the near future. The aim of this study is to explore this phenomenon by analyzing secondary data to find out the major AI hotspots, examine the motives of visitors and behind travelers taking such trips, and investigate the potential impacts of AI tourism on destinations. Through the use of industry reports, market research, and case studies, this study will indicate how AI will likely have a significant impact on the travel and tourism industry and provide insights for tourism stakeholders on how to adapt to this new niche. The study's findings will contribute to the development of a thorough understanding of AI tourism and its implications for the travel sector.

Keywords: *Artificial Intelligence, AI tourism, destinations, smart tourism.*

INTRODUCTION

As the tourism industry evolves with technology, AI tourism is emerging, which involves traveling to places and destinations that showcase or use artificial intelligence (AI) technologies. Unlike traditional tourism, which often focuses on nature, culture, or history, AI tourism is all about experiences and attractions powered by advanced technology. The term AI tourism is inspired by categories of niche tourism and special interest tourism that emphasize specific themes, experiences, activities, destinations, and settings (Trauer, 2006; Expert, 2024). For example, astrotourism refers to traveling to destinations where visitors can engage with astronomical phenomena, such as observatories or meteor showers (Pásková et al., 2021). Gastronomy tourism focuses on exploring destinations through their local food and drink offerings, allowing travelers to experience and enjoy diverse culinary traditions (Alimohammadirokni et al., 2021). Based on these examples, we can define AI tourism as visiting places that are designed or improved by artificial intelligence technologies. AI tourism includes a wide range of activities, such as visiting smart cities, exploring AI-powered museums or exhibitions, interacting with AI-driven services, attending workshops or conferences focused on AI technologies, going on educational tours that showcase how AI is being developed and used in different fields, etc.

By defining AI tourism, we can grasp its potential impact on the travel industry and predict future travel trends. Although it is not yet widespread, its potential to transform the travel industry is substantial. Integrating AI into tourism offers a unique blend of technological innovation and experiential travel, creating opportunities for destinations to attract tech-savvy travelers and differentiate themselves in a competitive market (Islam et al., 2024). Despite the growing interest in AI tourism, comprehensive research on this emerging trend remains lacking, underscoring the need for further investigation into its potential impacts and implications. This research aims to address this gap by analyzing secondary data to identify key AI-driven attractions, understand traveler motivations for AI-centric travel, assess the impact of AI tourism on destinations, provide valuable insights into how AI tourism might develop, and offer guidance for stakeholders preparing for this new niche in the tourism industry.

METHODOLOGY

This study employs a qualitative research approach, emphasizing theoretical exploration due to the emerging nature of the field and the limited availability of secondary data. Theoretical exploration allows for a flexible and in-depth understanding of the subject (Sovacool et al., 2018), which is crucial in a field where the academic discourse is still developing. This study employs a comprehensive review of existing literature to assess the current research stage and consolidate existing knowledge (Kazandzhieva & Santana, 2019). The study also systematically analyzes academic journals, articles, books, and conference proceedings. This method is vital for understanding the environmental conditions and key factors (Kazandzhieva & Santana, 2019) that have influenced the development of AI tourism. Conventional content analysis is advised in research areas with limited prior studies, making it an appropriate method for this study (Hsieh & Shannon, 2005).

LITERATURE REVIEW

AI Tourism

AI tourism refers to the emerging trend of travelers seeking destinations specifically designed around or enhanced by artificial intelligence (AI) technologies. As AI technologies become more sophisticated and pervasive, they increasingly influence various aspects of daily life, including how people experience and interact with travel destinations (Bulchand-Gidumal, 2022). It is projected that AI tourism will grow in popularity as tourists look for novel and immersive experiences that use cutting-edge technologies (Srinivasan et al., 2024). Destinations incorporating AI technologies, such as smart cities, AI-powered museums, and robotic hospitality services, offer visitors unique interactions and experiences that blend technology with travel.

Smart Tourism, E-tourism, and AI tourism

The term "smart tourism" describes how information and communication technologies (ICT) are incorporated into travel experiences and services. It places a strong emphasis on leveraging big data, IoT devices, and smart infrastructure to develop more individualized, effective, and sustainable tourism operations (Leung, 2022). For example, smart tourism might involve the use of mobile apps that guide tourists through a city, provide instant access to historical facts, or offer recommendations based on real-time data (Hamid et al., 2021). Electronic tourism, or e-tourism, is a more general term that includes the digitalization of services and procedures connected to travel. It encompasses everything from chatbots for customer service and virtual tours to digital marketing and online booking systems. Making information and services more accessible to travelers via digital platforms is the objective of e-tourism (Kazandzhieva & Santana, 2019). AI tourism is an emerging field that goes beyond technology integration into tourism practices. It specifically focuses on AI-driven experiences, where tourists travel to destinations primarily to experience AI technologies. The purpose of AI tourism is not just to enhance the traditional tourism experience but to create entirely new experiences centered around artificial intelligence.

AI Destinations

Singapore leads in AI and smart city efforts, with AI-powered public services like intelligent transportation and AI-driven experiences such as digital displays and hotel concierge services (Singhania & Singhania, 2023; Pagel, 2023). Tokyo, Japan, is well known for its technological innovation and is a leader in the integration of AI. As demonstrated by AI and robots helping passengers at Haneda Airport, the city uses AI-driven public services, including robotics in transportation and customer service (Experience, 2016). Tokyo has established itself as a major AI tourism destination by providing AI-driven attractions like interactive exhibitions highlighting robotics and AI breakthroughs (Interactive Displays at the Miraikan Museum in Tokyo Make Science Fun, 2019). Barcelona, Spain, is a leading smart city integrating AI to improve urban life. Its Smart City Strategy focuses on enhancing public services, energy efficiency, and transportation with AI technologies, including real-time transit updates and smart traffic management. Tourists can enjoy AI-powered experiences such as smart information kiosks and interactive digital guides, reflecting the city's dedication to innovation and positioning it as a key AI destination (How Smart City Barcelona Brought the Internet of Things to Life, n.d.). San Francisco, Dubai, Seoul, and Helsinki are emerging as top AI cities. Visitors can find interactive tech exhibits, autonomous vehicles, AI-powered services, immersive virtual experiences, and smart infrastructure in these cities (Lai, 2024; Locke, 2022).

Traveler Motivations for AI-Focused Travel

By comparing AI tourism with smart tourism, it becomes clear that a number of important aspects contribute to travelers' interest in AI-focused experiences and the growing attraction of AI tourism. AI tourism satisfies guests' curiosity and craving for new experiences by providing a chance to see and engage with the newest technological advancements (Lei et al., 2019). This motivation is particularly strong among tech enthusiasts and early adopters who are eager to engage with emerging technologies (Ståhlbröst & Bergvall-Kåreborn, 2011). The desire for unique and novel experiences is another key motivation for AI-focused travel (Lee & Jan, 2022). Traditional travel experiences, while valuable, may not offer the same level of excitement and innovation as AI-driven attractions (Ma, 2024). AI tourism caters to this desire by offering experiences that stand out from conventional travel options and provide a sense of discovery and excitement. Interacting with cutting-edge innovations also significantly motivates travelers

(Botezat et al., 2024) to seek out AI-focused destinations. Visitors are captivated and engaged by interactive and immersive experiences provided by artificial intelligence (AI) technology.

AI Tourists

Sousa et al. (2024) presented findings that indicate demographic characteristics significantly influence attitudes toward artificial intelligence (AI). Their paper reports that younger and more affluent individuals generally have more positive views on AI and robots, with men tending to hold more favorable opinions than women. Additionally, younger consumers are more familiar with and frequently use digital voice assistants, while older individuals often find these technologies more complex. The paper also notes that demographic factors such as female gender, older age, and rural residence are associated with support for stricter AI regulation. These demographic influences on attitudes towards AI suggest that similar patterns might be observed in how different groups perceive and engage with AI-driven experiences in tourism, highlighting the importance of considering these factors in AI tourism research.

Impact on Destination Marketing and Design

AI tourism has the potential to significantly impact destination marketing by providing destinations with new ways to attract and engage travelers (Woo-Je, 2024). Destinations that successfully incorporate AI technologies into their offerings can position themselves as leaders in innovation and technology (Negro, 2022). By showcasing AI-driven attractions and experiences, these destinations can attract tech-savvy travelers who are interested in exploring advanced technologies (Leong et al., 2024). Additionally, AI tourism can generate positive media coverage and word-of-mouth referrals (Semwal et al., 2024). AI tourism will profoundly influence urban planning and destination design, shifting how cities and regions are developed to cater to this emerging niche. As AI tourism becomes more prominent, like smart tourism, urban planners and architects will need to collaborate closely to create environments that are technologically advanced, visitor-friendly, and engaging (Arnardu, 2020). This could involve the integration of AI-driven infrastructure, such as adaptive public transportation systems, AI-enhanced wayfinding tools, and responsive public spaces that adjust to the needs of tourists in real time (Vasudevan et al., 2020).

DISCUSSION

One of the significant advantages of AI tourism is its potential to empower destinations that lack traditional attractions. For example, a city lacking beautiful scenery or significant historical sites could create AI-powered interactive museums, virtual reality attractions, or intelligent entertainment centers that captivate tourists with state-of-the-art technology. By providing attractions that are not constrained by geography or culture but rather by technology inventiveness and innovation, AI tourism enables these locations to compete on a global scale.

Urban planning will increasingly focus on designing cities that are both functional for residents and appealing to AI tourists, ensuring a balance between local needs and the demands of a tech-savvy global audience. The rise of AI tourism will also prompt municipalities and local governments to play a crucial role in facilitating this transformation. They will need to work together with architects, urban planners, and other stakeholders to ensure that AI technologies are seamlessly integrated into the urban fabric. This may involve incentivizing startups and tech companies to develop AI-driven solutions tailored to the tourism sector, fostering innovation hubs that attract both tourists and entrepreneurs and supporting public-private partnerships that can accelerate the deployment of AI technologies.

AI tourism creates unique opportunities for integrating and enhancing other types of tourism. For instance, in business tourism, AI tourism can offer dedicated experiences that attract business travelers interested in exploring advanced AI technologies. Space tourism can also be significantly enhanced by AI tourism. Destinations focusing on AI-driven space experiences could allow travelers to engage with simulations of space missions, virtual tours of space stations, or interactive exhibits showcasing the latest advancements in space technology.

CONCLUSION

This study has provided valuable insights into the current state of AI tourism, the motivations driving AI-focused travel, and the impact of AI on destination marketing. Theoretically, this study contributes to the understanding of how technology intersects with tourism by introducing the concept of AI tourism. It extends the literature on niche tourism and technology integration by focusing specifically on AI-driven experiences. The insight from this study can be used to further explore how emerging technologies influence travel behavior and destination development. Practically, the study offers valuable insights for destination marketers, tourism planners, and technology providers. By understanding the motivations behind AI-focused travel and the impact of AI on marketing strategies, stakeholders can better position their destinations and services to attract tech-savvy travelers. The findings also highlight the importance of integrating AI technologies into tourism offerings to create unique and engaging experiences that stand out in a competitive market.

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INTERACTIONS OF INTERACTIVE CONTENT AND PERSONALIZATION IN SOCIAL MEDIA MARKETING

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INTRODUCTION

Social media has become a dominant force in digital marketing, giving companies a powerful tool to interact with a global audience and build brand awareness (Kaplan & Haenlein, 2010). As of 2021, there are 4.88 billion global social media users, accounting for 63% of the world population, and over 13% more has been added to the figure than the previous year. (Kemp, 2021). Social media platforms such as Facebook, Instagram, X, YouTube, Snapchat, Telegram, WhatsApp, and LinkedIn provide businesses with sophisticated targeting features, enabling them to tailor their content and marketing communications to align with the preferences of their intended audience. Businesses with thorough statistics can track their campaign performance, audience behavior, and engagement metrics for continuous improvement and a sustained competitive advantage.

Despite the widespread use of social media and advanced targeting tools, accurately assessing the impact of interactive content and personalization in social media marketing remains challenging. The constantly evolving social media environment and the diversity of user interactions make it difficult to measure these strategies' effectiveness precisely. Although businesses can track performance metrics like engagement and conversion rates, pinpointing their exact role in gaining a competitive advantage is complicated by the interplay of various factors, including algorithm changes and market trends. This complexity makes it challenging to determine how much these strategies contribute to overall success.

The purpose of this research is to investigate the impact of interactive content and personalization strategies of social media marketing, highlighting their significance in sustaining competitive advantage for businesses. The introduction of interactive content and personalization has completely transformed the landscape of social media marketing, and by utilizing interactive content like quizzes and polls, brands can enhance user engagement and motivate active involvement with their message. Personalization is tailoring content and interactions to individual users to increase engagement and achieve better marketing results (Nunes & Kambil, 2001). Measuring these strategies' effectiveness requires carefully considering relevant metrics specific to each platform and user interaction (Dijk-Hildebrand, 2024). By evaluating the influence of interactive content and personalization, companies can enhance their social media tactics and secure a competitive advantage in the changing digital marketing environment.

Keywords: *Social media, Social media marketing, Personalization, Interactive content*

LITERATURE REVIEW

Social Media

Social media is a group of internet-based applications that build on the ideological and technological foundations of Web 2.0 and allow the creation and exchange of user-generated content (Kaplan & Haenlein, 2010). Mangold and Faulds (2009) point out that social media is a hybrid aspect of the promotion mix since it allows companies to communicate with their customers traditionally while also allowing customers to communicate directly with one another in a nontraditional manner. Outside managers directly influence social media-based customer dialogues' content, timing, and frequency. Marketers continue to face a lack of clarity regarding the impact of social media marketing strategies on consumers' attitudes and purchase intentions concerning social media marketing (Irshad, 2018)

Social Media Marketing

Social media marketing creates the opportunity to notify the customer through social networking tools (Mohammadian & Mohammadreza, 2012). Social media marketing offers several advantages that can contribute to a brand's competitive edge. These advantages include increased brand awareness, enhanced customer engagement, improved customer loyalty, and the capacity to gather valuable customer insights. The traditional method of communicating with many people simultaneously (one-to-many communication) must be expanded. Examples included email and TV advertisements. Integrating interactive content and personalized strategies within social media platforms has become crucial for maintaining a competitive edge in digital marketing. In recent years, social media platforms have become integral to marketing strategies, offering businesses unprecedented opportunities to engage with their target audiences (Saravanakumar & SuganthaLakshmi, 2012). Two key elements that have gained significant attention in social media marketing are interactive content and personalization (Sayandeep, 2023).

Interactive Content and Personalization in Social Media Marketing

The combination of personalization and interactive content in social media marketing has garnered significant attention in contemporary literature, demonstrating the evolution of customer interaction tactics (Miceli et al., 2007). The different aspects, such as personalization and interactive content combination, have been thoroughly studied by academics and industry professionals, highlighting their critical importance in preserving a competitive advantage. Personalization plays a crucial role in social media marketing, as it has been found to impact consumer response favorably. The process of personalization commences by gathering data on an individual's preferences, which is then utilized to tailor a customized experience (Kramer et al., 2007).

Interactive content is the cornerstone of successful social media marketing. It fosters a two-way communication channel between brands and consumers, allowing for brand building, customer service, and, ultimately, driving sales. The success of social media hinges on user engagement. Interactive content goes beyond static posts, actively involving users in the brand experience. Hudson et al. (2016) demonstrate a positive correlation between interactive content formats (e.g., polls, quizzes) and user engagement metrics. Effectively utilizing these features allows brands to connect with a more qualified audience, ultimately leading to better conversion rates. It is important to leverage social media platforms' targeting functionalities (Chaffey & Chadwick, 2019). More and more marketers have changed their marketing objectives to leverage social media's interactive content and personalization dimensions, focusing on building/maintaining a desirable consumer–brand relationship via social media interaction (Hudson et al.,2016). Only by using a proactive approach to identify user interaction will the company be able to reallocate its resources adequately and effectively manage marketing in the Internet environment.

IMPLICATIONS

The future of social media marketing research suggests focusing on how interactive content and personalization strategies can be best utilized across various platforms to maximize brand awareness, engagement, and conversions. This includes understanding how personalization is perceived by consumers and its long-term impact on brand loyalty, as well as leveraging artificial intelligence to optimize targeting and content creation for different audiences. Additionally, research into how social media can strengthen product innovation through customer insights and co-creation is another promising area for exploration.

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JUNGIAN PERSONALITY TYPES, ETHICAL BASES AND BEHAVIORAL INTENTIONS

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ABSTRACT

This project explores the relationships between Jungian personality types, ethical bases and behavioral intent. Jungian types are intuitively appealing and widely used by organizations in their training and recruiting programs . Ethical bases provide the principles and reasoning used by individuals to determine whether an action is ethical or not. In this presentation we will present a preliminary analysis of how behavioral responses to decision making scenarios are related to Jungian types and ethical bases. We expect Jungian types to be related to both ethical bases and behavioral intention, and that ethical bases serves as a mediator between Jungian type and behaviors.

Key words: *Jungian Personality Types, MBTI, Ethics, Ethical Bases, Behavioral Intent*

USING GENERATIVE AI TO DEVELOP BUSINESS CASE STUDIES

Stephen C. Betts, William Paterson University
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ABSTRACT

Generative AI has the potential to be a powerful tool for academics. In this presentation, we'll share our experiences using Generative AI in developing case studies for use in business courses. First, we provided the AI with learning objectives and sketch outlines of situations and organizations. Next the AI was tasked with 'writing' the case studies. We went through several iterations of examining AI output and adjusting the prompts. When the generated cases were close to what we intended, we used them as a guide while revising our a-priori drafted cases. In this presentation we will discuss the process and comment on the experience.

Key words: *Generative AI, Case Writing, Prompt Engineering*

IFRS ADOPTION AND FINANCIAL MARKETS: SOME CANADIAN EVIDENCE

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ABSTRACT

With the introduction of fair value accounting (FVA), the objective of the standard setter was to bring closer accounting information, and in particular shareholder's equity, to the company's market value. Through the Ohlson (1995) model, which links a company's share price to its equity and earnings, and assuming this assumption, we argue that the weight of earnings should weakens, or even disappears, in the valuation model. Our study examines the Ohlson valuation model in the context of adoption in Canada of fair value to financial instruments and of International Financial Reporting Standards (IFRS), characterized by extensive application of fair value.

The Ohlson model is first analysed analytically. We then developed econometric valuation models which measure the relative weight of earnings in the Ohlson model. By comparing the change in adjusted R^2 before and after IFRS adoption and FVA adoption to financial instruments, we can conclude whether earnings remain significant in the valuation model.

Our results show that equity seems to capture almost all the information needed for firm's market valuation, in line with the standard setter's wishes. However, even if the weight of earnings has decreased in the Ohlson model, it remains significant.

Our study contributes to the literature by examining whether the evolution of accounting information towards a framework strongly influenced by fair value has an impact on the specification of the Ohlson model, one of the most widely used valuation models. It also helps to contextualize the massive use of fair value.

QUIET QUITTERS: WHAT MAKES THEM STAY?

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ABSTRACT

For decades, research has focused on turnover and turnover intentions, examining organizational actions that might move the needle in reducing turnover. Post-pandemic, we are faced with a different issue. Over the past few years, the term quiet quitting has entered the HR lexicon. A 2022 Gallup poll found that at least 50% of the US workforce could be labelled "Quiet Quitters." A Quiet Quitter can be defined as an individual performing work at the minimum level necessary to remain employed, and generally not working harder than required or engaging in citizenship behaviors (Boy & Surmeli, 2023). These individuals often disengage but do not leave. They lack commitment and willingness to go the extra mile. They focus on performing at the bare minimum to hold on to the job. Yet, we know from the organizational literature that in addition to performing one's job well, citizenship behaviors and engagement are what helps organizations grow and thrive.

Recognizing the need to gain a better understanding of quiet quitting and its antecedents, we will examine HRM practices influence on quiet quitting, namely organizational compensation and pay practices. We will provide a literature review of current studies of quiet quitting to evaluate similarities and differences compared to current engagement constructs. Using psychological contract and social exchange theory as a foundation, we will discuss HRM practices and forms of pay practices across organizations and how these practices may influence quiet quitting. Finally, we will discuss future research needs and possible implications of research findings for the practice of human resource management and compensation.

BEYOND THE BLACKBOARD: THE IMPACT OF ACCOUNTING FACULTY CREDENIALS ON THE ACCOUNTING PIPELINE

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ABSTRACT

The accounting pipeline crisis, characterized by a critical shortage of qualified accounting professionals relative to demand, has been studied and several possible causes suggested, yet the role of faculty credentials in this issue remains underexplored. This paper proposes that the credentials of accounting faculty may significantly influence students' career trajectories and contribute to the broader pipeline problem. Using the Hasselback Accounting Faculty database, which includes data from 549 AACSB-accredited U.S. schools and 67 additional institutions, this study examines the prevalence of accounting certifications among faculty members. The analysis reveals that fewer than 50% of accounting faculty hold any professional certifications, with CPA/CA being the most common (41.77%), followed by CMA (4.97%) and CIA (1.48%). These findings suggest a potential disconnect between faculty credentials and the encouragement of certification among students. These findings could be further investigated by performing state-level analyses, assessing student perceptions of faculty certifications, and comparing research versus practitioner-focused educational programs. This research aims to contribute to a more nuanced understanding of how faculty credentials impact the accounting pipeline and inform strategies to address the shortage of accounting professionals.

ESG IMPACT ON INVESTORS DECISION-MAKING

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ABSTRACT

The increasing integration of Environmental, Social, and Governance (ESG) factors into financial reporting reflects a growing emphasis on the transparency of corporate sustainability and ethical practices. This study examines how ESG information disclosure impacts investor behavior, focusing on three primary aspects: investor willingness to invest, investment amount, and perceived investment risk. Utilizing a 1x2 between-subjects multivariate experimental design, we manipulated the presence or absence of ESG disclosures in financial statements and assessed their effects on investor decisions.

Our empirical analysis, involving 193 participants, reveals that investors are significantly more willing to invest in companies with disclosed ESG information than those without such disclosures. Additionally, investors are inclined to allocate larger sums to companies that provide ESG information. Crucially, ESG disclosures are associated with reduced perceived investment risk, underscoring the importance of transparency in mitigating risk perceptions.

These findings align with existing literature indicating that ESG disclosures enhance investor confidence and attractiveness. By providing a comprehensive view of a company's sustainability and ethical practices, ESG information not only influences investment decisions but also supports long-term business success. This study contributes to the understanding of ESG factors' impact on investment behavior, emphasizing the critical role of ESG disclosure in modern financial strategies and sustainable business practices. Future research could explore the differential impacts of specific ESG components and industry variations to further elucidate the nuanced effects of ESG disclosures.

GLOBAL GOVERNANCE AND CORPORATE RESPONSIBILITY: ETHICAL, LEGAL, AND MANAGERIAL ASPECTS OF BUSINESS AND HUMAN RIGHTS

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ABSTRACT

Business and human rights are examined not only from a perception of managers making business decisions and how it impacts various constituents, but also what ethical challenges may arise from these decisions, as well as the legal environment of business in which human rights exists and function. Prior to 1970, the connection of business and human rights was essentially neglected until the United Nations included it on their agenda, later resulting in the adoption of the Guiding Principles on Business and Human Rights in 2011. Despite these efforts and various soft-law standards or purely voluntary initiatives, a formal and comprehensive, legally binding instrument still does not exist. Human rights include many venues where they can directly or indirectly (often through third-parties) impact business operations and vice versa: From corporate social responsibility, sustainability practices, pollution and degradation, food waste, inhumane work conditions, through forced or child labor, discrimination, harassment and abuse, to wage theft, unfair termination, and even instances of human rights trafficking in the fisheries industry in Southeast Asia. One of the main issues with human rights violations in business is the lack of accountability and effective grievance mechanisms; particularly, missing are formidable tools of effective punishment for violations where employees and other stakeholders could truly receive justiciable remedies.

Keywords: *human rights, business, international, united nations*

SYNTHESIZING DIGITAL ENTREPRENEURSHIP: A BIBLIOMETRIC ANALYSIS OF TRENDS, THEMES, AND FUTURE DIRECTIONS

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ABSTRACT

This study presents a comprehensive bibliometric analysis of 360 scholarly papers, providing a nuanced understanding of the thematic evolution and intellectual structure within the field of digital entrepreneurship. Amidst the burgeoning interest in digital technologies and their transformative impact on business practices, our research maps the central themes and identifies key shifts in scholarly focus from traditional entrepreneurship to digital platforms. We introduce a novel research framework that highlights the intersection of digitalization, innovation, and entrepreneurial strategy, marking a significant advancement in the academic discourse on digital entrepreneurship. Our analysis not only delineates the core and emerging themes but also charts the developmental trajectory and centrality of various research topics over time. The core themes of digital transformation, digital entrepreneurship, and online entrepreneurship underscore the shift towards virtual business modalities, whereas emerging themes like digital startups and entrepreneurial intention reflect the adaptation and strategic alignment necessitated by technological advances. Motor themes, such as business model innovation and ecosystem dynamics, indicate areas of prolific academic and practical engagement, shaping future research directions. By synthesizing these insights, we propose a research framework that accommodates both established and nascent aspects of digital entrepreneurship. This framework serves as a scaffold for future studies, guiding scholars through the intricate landscape of digital entrepreneurial activities. The implications of our study are twofold: firstly, it provides a structured overview of the field's evolution, offering scholars a clarified path for investigation; secondly, it suggests strategic domains for academic and practical exploration, emphasizing the integration of digital technologies in entrepreneurial practices. Our contribution to the literature is distinct in its systematic consolidation of past works and its forward-looking perspective on the research opportunities within digital entrepreneurship. This study not only enriches the academic community's understanding of the field's trajectory but also equips practitioners with strategic insights essential for navigating the digital entrepreneurial landscape.

Keywords: *Digital Entrepreneurship, Business Model Innovation, Entrepreneurial Ecosystems, Digital Transformation, Bibliometric Analysis*

RELATIVE USEFULNESS OF ALTERNATIVE PENSION COST MEASURES

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ABSTRACT

In this paper, we provide evidence on the usefulness of pension expense measurement and presentation approaches. We use accounting information on defined benefit pension plans, as reported by U.S. companies under current U.S. GAAP and recently promulgated IFRS for pensions to provide evidence on the usefulness of this information to market participants. Our analyses indicate that neither U.S. GAAP nor IFRS approaches exhibit clear superiority in the usefulness of the pension expense measures. Interestingly, IFRS approach results in greater usefulness in the context of underfunded plans, where investors' need for high quality information is elevated. The findings of these analyses are important to provide ex-ante evidence on changes in pension accounting and reporting under consideration by the FASB.

Keywords: *pension accounting, value relevance, pension expense*

INTRODUCTION

In this paper, we examine the usefulness of alternative pension expense measurement and presentation approaches. Both the FASB and IAASB are regularly amending the rules regarding measurement and presentation of pension – related expenses, assets and liabilities, striving to improve usefulness of the financial reports' information for investors. Most recently, IASB amended their rules in 2011 with the issuance of the IAS 19 (Employee Benefits), while FASB made amendments to their Topic 715 (Compensation – Retirement Benefits) in 2017. The 2011 amendment by IASB greatly improved the alignment between the two systems (IFRS and GAAAP). At the same time, there remain differences in measurement and recognition of the pension expense between the two systems.

Among the most important of the differences are the details of measuring of the pension expense. Unlike GAAP, the IFRS method includes only the current portion of service cost (no amortization of prior service cost and gains and losses) and uses the same interest rate (discount rate) for both interest cost and the offsetting return on pension assets. The table below summarizes the important similarities and differences between the two approaches.

In this paper, we attempt to provide some quantitative evidence on which system provides more useful information to investors. To achieve this, we construct "as-if" income statements for U.S. companies based on the IFRS measurement approach and examine value relevance of these adjusted pension expense measures. Our metrics for usefulness are based on market measures (prices and returns), standard metrics used to evaluate operating risk, leverage, profitability measures, and the cost of borrowing (Nissim and Penman, 2001).

Table 1
Main Differences and Similarities among US GAAP and IFRS Approaches to Measuring Pension Expense

	US GAAP	IFRS
Service Cost	Current year accrual to the projected benefit obligation (PBO)	Current year accrual to the defined benefit obligation (DBO)
Interest Cost	Interest on PBO	Interest on DBO (=" discount rate")
Return On Assets	"Expected" return on assets	Same discount rate as above
Prior Service Cost Amortization	Yes, if applicable	N/A
Gain / Loss Amortization	10% corridor approach	N/A

Our results indicate that neither the U.S. GAAP nor IFRS pension expense measures exhibit clear superiority in value relevance of the income statement information. However, when conditioning on the funded status of the pension plan, alternative pension measurements appear to better reflect the economics of the pension arrangement, in terms of relationships with market measures.

Defined benefit pension plans remain an important post-employment compensation tool for a large part of US businesses. After a precipitous decline in the number of defined benefit pension plans observed in the late 1980's through early 1990's, the number of remaining plans has been relatively stable, covering about 32 million of U.S. employees, while their asset base kept growing. Today, the assets of defined benefit plans stand at $3.7 trillion compared to $9.5 trillion controlled by the defined contribution plans (Department of Labor, 2021).

LITERATURE REVIEW

The value relevance of pension cost information has been a growing area in academic literature. Daley (1984) finds that pension expenses are as value relevant and as persistent as are non-pension earnings components. Barth et al. (1992) revisited the issue after GAAP adopted an accrual approach for accounting for pensions marked by the issuance of SFAS 87. They find that the total pension cost component is even more persistent than non-pension earnings components. When they test their disaggregated model, they unexpectedly obtain a positive regression coefficient for a service cost component of the pension cost. These studies demonstrated that investors assign a market value to pension components.

Coronado and Sharpe (2003) compare value relevance of pension expense recognized in the income statement and value relevance of the funded status of the plan reported in the notes. In their study, pension income and expenses (reported in the income statement) appear to be more value relevant than the funded status (reported in the notes).

Hann et al. (2007) explore the question of relative value relevance of smoothed and fair value measurements. They estimate their models using smoothed SFAS 87 amounts versus fair value amounts. They conclude that the statistical power of both specifications is similar. We extend this research by testing whether the features contained within the amendments to IAS 19 (redefined pension expense as service cost and interest expense; along with elimination of recycling gains and losses into income) improve value relevance of the pension components – as reflective of more relevant and faithfully presented pension measurements.

RESEARCH QUESTIONS AND METHODS

The amendments to IAS 19 are intended to address previously identified weaknesses in pension accounting and reporting. Whether these provisions will result in more useful information for investors and creditors is an empirical question. We examine the following research questions to provide evidence on the usefulness of these new provisions.

1. *Are financial statements more value relevant under the provisions of IAS 19 (amended) compared to prior standards?*
2. *Do market prices better reflect pension information under the provisions of IAS 19 (amended) compared to prior standards?*

Next, we describe our tests of the usefulness of pension information reported under the new IAS 19 rules, using accounting information related to defined benefit pension plans reported by U.S. companies.

Specifically, the availability of more detailed data allows us to construct "as-if" financial statements – prepared under the IAS 19 amendments, which allows us to conduct tests of its usefulness relative to existing U.S. GAAP reporting practices. We examine the extent to which these adjusted numbers exhibit higher value relevance, based on data reported since the promulgation of accrual-based accounting provisions for U.S. defined benefit plans (circa 1987).

The sample period spans 2003 to 2016 and is comprised of listed companies from the NYSE, AMEX, or NASDAQ exchanges. We exclude the following observations to avoid problems with small denominators: 1) companies with total assets, common equity, or revenues less than $1 million; 2) companies with less than one million shares outstanding; and 3) firms with an ending stock price of less than $1. The final target sample consists of 13,793 firm-year observations. All regression models are estimated using firm and year fixed effects.

We estimate value relevance of the pension components by extending a specification used in prior studies (Landsman, 1986; Barth, 1991; Barth et al., 1992, Hann et al., 2007). We start by examining the value relevance of two summary measures of performance: book value and income:

$$P_{i,t} = a_0 + \beta_1 BV_{i,t} + \beta_2 NI_{i,t} + \beta_3 EMP_{i,t} + \beta_4 R\&D_{i,t} + e_{i,t} \qquad (1)$$

where $P_{i,t}$ is stock price per share at the end of the third month of year t + 1 to ensure that the financial statement information from year t has been incorporated into price. The other variables, $BV_{i,t}$, $NI_{i,t}$, $EMP_{i,t}$, and $R\&D_{i,t}$ are book value of equity, income from continuing operations, number of employees, and R&D expenses, respectively (subscripts *i* and *t* identify the firm and year).[1] We control for firm and year effects and we deflate $BV_{i,t}$, $NI_{i,t}$, and $R\&D_{i,t}$ by number of shares outstanding.

However, our real interest lies with different computations of pension expense computed under each accounting regime (current GAAP and the "as-if" reporting under IAS 19). Further, Hann et al. (2007) point out that "aggregating assets and liabilities measured at market value with those measured at historical cost (into book value) or aggregating permanent and transitory earnings' components (into income) forces these disparate components to assume equal pricing weights." For that reason, we want to remove the effects of the pension elements from book value and income and analyze their effects on price as separate components.

The Table 2 presents the results of this analysis. Both models (GAAP and IASB) demonstrate similar explanatory power as indicated by their respective R^2, but there is a marked difference in value relevance of pension expense and the $G\&L^{GAAP}$ / REM^{IAS} component. The magnitude of the pension expense coefficient under IASB regime is double that of under GAAP regime (Panel A of Table 2). At the same time, the magnitude of the REM^{IAS} coefficient is only one eighth of that of $G\&L^{GAAP}$. This pattern is consistent with the explanation that under GAAP, persistent components of pension expense are distributed between the pension expense and the G&L elements. In contrast, under IASB the most persistent components are reflected in the pension expense measure, while remeasurements reflect the components of a transient nature. If true, this explanation suggests that the IASB alternative provides cleaner measure of pension expense than GAAP alternative.

Pension expense as reported on current U.S. GAAP financial statements, $PPX_{i,t}^{REP}$, is comprised of the following elements: 1) service cost, 2) interest cost, 3) expected return on plan assets, 4) amortization of transition liabilities, prior service cost, and actuarial loss. Our U.S. GAAP variables decompose reported pension expense into its two components: 1) pension expense, $PPX_{i,t}^{GAAP}$, computed as the sum of service cost and interest cost less the expected return on plan assets, and 2) gain or loss, $G\&L_{i,t}^{GAAP}$, computed as $PPX_{i,t}^{REP}$ less $PPX_{i,t}^{GAAP}$. To compute our *estimated* IASB pension expense, $PPX_{i,t}^{IAS}$, we use the following components: 1) service cost and 2) net interest cost, where net interest cost is computed as the beginning funded status of the plan multiplied by the reported discount rate. Last, we compute the remeasurements gain or loss under IAS, $REM_{i,t}^{IAS}$, as the change in funded status less $PPX_{i,t}^{IAS}$ less contributions (from both employer and employee). Thus, we alternatively estimate our second model under two regimes (GAAP versus IASB):

$$\begin{aligned} P_{i,t} &= a_0 + \beta_1(BV - NPA)_{i,t} + \beta_2(NI + X)_{i,t} + \beta_3 NPA_{i,t} + \beta_4 PPX_{i,t} \\ &\quad + \beta_5 G\&L_{i,t} + \beta_6 EMP_{i,t} + \beta_7 R\&D_{i,t} + e_{i,t} \end{aligned} \tag{2}$$

[1] $EMP_{i,t}$ and $R\&D_{i,t}$ are included as control variables to address the service cost anomaly reported in prior literature (Barth et al., 1992; Subramanyam and Zhang, 2001; and Hann et al., 2007). This anomaly refers to the positive relation between service cost (an expense) and stock price. Subramanyam and Zhang (2001) posit that the positive coefficient on service cost is due to its proxy as human capital value. They include the number of employees and R&D expense in the model to control for these aspects of value unrelated to pension components.

where $NPA_{i,t}$ is the book value of pension assets minus pension liabilities, $PPX_{i,t}^{REP}$ is the reported after-tax pension expense, and $PPX_{i,t}$ is either $PPX_{i,t}^{GAAP}$ or $PPX_{i,t}^{IAS}$. Likewise, gains and losses are $G\&L_{i,t}^{GAAP}$ or $REM_{i,t}^{IAS}$, conditional on the regime examined.

Table 2 presents the results of this analysis. Both models (GAAP and IASB) demonstrate similar explanatory power as indicated by their respective R^2, but there is a marked difference in value relevance of pension expense and the $G\&L^{GAAP}$ / REM^{IAS} component. The magnitude of the pension expense coefficient under IASB regime is double that of under GAAP regime (Panel A of Table 2). At the same time, the magnitude of the REM^{IAS} coefficient is only one eighth of that of $G\&L^{GAAP}$. This pattern is consistent with the explanation that under GAAP, persistent components of pension expense are distributed between the pension expense and the G&L elements. In contrast, under IASB the most persistent components are reflected in the pension expense measure, while remeasurements reflect the components of a transient nature. If true, this explanation suggests that the IASB alternative provides cleaner measure of pension expense than GAAP alternative.

Table 2
Panel A
Pricing Test for GAAP vs IASB Models [Equation 2]

	GAAP Model			IASB Model		
	Estimate	t-value	p-value	Estimate	t-value	p-value
Panel A			Pooled Sample			
BV-NPA	0.920267	18.25	**<.0001**	0.892864	17.93	**<.0001**
NI+X	1.984876	5.29	**<.0001**	1.993051	5.31	**<.0001**
NPA	3.218046	7.61	**<.0001**	3.756177	7.16	**<.0001**
PPX	-7.124588	-2.34	**0.0191**	-15.73063	-4.45	**<.0001**
G&L or REM	-10.410875	-4.02	**<.0001**	-1.239154	-3.25	**0.0012**
EMP	0.077709	13.57	**<.0001**	0.067685	11.11	**<.0001**
R&D	5.628536	14.9	**<.0001**	4.759391	12.39	**<.0001**
Adj. R-square	61.61%			61.82%		
N	13793			13793		
Difference				0.21%		
p-value				0.5825		

All t-values are based on firm- and year-level clustered standard errors; and p-values for R^2 differences are based on Vuong's (1989) test statistic.

As discussed earlier, since the income statement effect of pension expense is dependent on the funded status of the plan, the results of the previous analysis could be confounded by differences in the funded status of the plan. We repeat our analysis after splitting the sample into subsamples of firm years with overfunded plans and underfunded plans. We present these results in Panel B (overfunded plans) and Panel C (underfunded plans) of Table 2.

As with the pooled sample, IASB approach seems to lead to a cleaner measure of pension expense, and the differences between the two measures became more pronounced. PPX^{IAS} remains highly statistically significant in both samples ($p<0.0001$), while PPX^{GAAP} is not statistically significant for the subsample of overfunded plans. The U.S. GAAP expense is statistically significant for the subsample of underfunded plans ($p<0.0001$), but its magnitude is on par with that of the $G\&L^{GAAP}$ coefficient, which is also statistically significant ($p<0.0001$). In contrast, PPX^{IAS} has much higher magnitude than PPX^{GAAP}, while REM^{IAS} is not statistically different from zero in either of the subsamples.

Table 2
Panel B and C
Pricing Test for GAAP vs IASB Models [Equation 2]

	GAAP Model			IASB Model		
	Estimate	t-value	p-value	Estimate	t-value	p-value
Panel B			Overfunded Plans			
BV-NPA	0.787336	7.93	**<.0001**	0.8547738	8.55	**<.0001**
NI+X	4.1899988	4.7	**<.0001**	4.4498317	4.89	**<.0001**
NPA	3.7498666	7.56	**<.0001**	2.9582014	6.12	**<.0001**
PPX	-0.5810344	-0.18	0.8581	20.2741604	3.16	**0.0016**
G&L or REM	-3.8277606	-1.27	0.2042	0.4721057	0.88	0.381
EMP	0.0648894	8.09	**<.0001**	0.0765951	8.66	**<.0001**
R&D	0.1951319	0.15	0.8774	2.7170703	2.09	**0.037**
Adj. R-square	75.55%			76.14%		
N	2959			2959		
Difference				0.59%		
p-value				0.1475		
Panel C			Underfunded Plans			
BV-NPA	0.8433845	15.34	**<.0001**	0.835361	15.38	**<.0001**
NI+X	1.6695447	4.75	**<.0001**	1.640755	4.75	**<.0001**
NPA	1.6245342	10.46	**<.0001**	2.306237	9.54	**<.0001**
PPX	-4.6575421	-3.46	**0.0005**	-12.288912	-5.87	**<.0001**
G&L or REM	-6.4614888	-4.45	**<.0001**	-0.028265	-0.13	0.8992
EMP	0.0790796	11.84	**<.0001**	0.073164	10.76	**<.0001**
R&D	5.3628076	15.92	**<.0001**	5.04415	15.59	**<.0001**
Adj. R-square	52.74%			53.16%		
N	10834			10834		
Difference				0.42%		
p-value				**0.0055**		

All t-values are based on firm- and year-level clustered standard errors; and p-values for R^2 differences are based on Vuong's (1989) test statistic.

To summarize, when examining overfunded and underfunded plans separately, value relevance of PPX^{GAAP} is predicated on the underfunded status of the pension plan, while PPX^{IAS} demonstrates high and stable value relevance regardless of the funded status of the plan. IASB measurement of pension expense also results in a statistically significant increase in the overall explanatory power of Model 2 for the subsample of underfunded plans ($p = 0.0055$), but the increase in R^2 is marginal (0.42%).

SUMMARY AND CONCLUSIONS

Standard-setters across the globe continue to work on improving information usefulness of the accounting for defined benefit pension plans. Among the most significant recent developments, the IASB promulgated amendments to its pension standard in 2011. The amendments made significant changes in the measurement and recognition of pension expense. These provisions involve elimination of deferrals of actuarial gains and losses and the associated corridor amortization. These new rules, if adopted by the FASB, will result in significant changes in the pension-related amounts reported in income and presented on the balance sheet, raising questions about the usefulness of information resulting from these rules.

We document the potential effects of adopting these IASB provisions by U.S. companies and provide evidence on the usefulness of pension amounts that would be reported under these new rules. Specifically, we construct "as-if" expense measures for U.S. companies based on the provisions in the current IASB standard. We then examine the extent to which these adjusted numbers exhibit higher value relevance based on data reported since the promulgation of accrual-based accounting provisions for U.S. defined benefit plans (circa 1987).

Our results indicate that neither the U.S. GAAP nor IASB measurement framework exhibits clear superiority in value relevance. However, when conditioning on the funded status of the pension plan, alternative pension measurements appear to better reflect the economics of the pension arrangement, in terms of the relationships with market measures.

These tests are important because they can inform the FASB's deliberations of pension accounting rules, as well as the efficacy of the rules as promulgated by the IASB, to the extent that results based on as-if data for U.S. companies can be generalized to IFRS companies.

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WHAT IS NEXT FOR THE U.S. ECONOMY? UNCERTAINTY FOR CONSUMERS, SMALL BUSINESSES, AND ENTREPRENUERS

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ABSTRACT

Uncertainty is an antonym derived from the Latin word 'certus,' which translates to mean settled or sure. To these ends, uncertainty pertains to the condition or state of being unsettled or unsure as to what's next for consumers and small businesses relative to the economy. For the first time since March 2020, there are hints from the Federal Reserve's Jerome Powell that "the time has come for policy to adjust," with respect to federal funds rates. The long effort to cool the post-COVID U.S. economy seems to have finally created the conditions to trigger a federal funds rate adjustment. While consumer spending is continuing to exceed expectations, conversely consumer debt is increasing along with delinquencies, and the labor market is looking less healthy than expected. It was updated by the Bureau of Labor Statistics that the March 2024, year-to-date, jobs report was overestimated by roughly 818,000 jobs. Considering this in context of the initially reported 2.9 million jobs, adjusted to 2.0 million jobs, represents a significant – 37 percent – difference (i.e., fewer jobs) in initial and updated reports. This realization has seemingly positioned the Federal Reserve to "adjust" rates to help ameliorate the economic conditions for small businesses and consumers.

Results from a recent (July 2024) NFIB survey of small business owner's sentiment were the highest since February 2022 at 93.7. To put these data in perspective, however, this number is also below the 50-year average of 98 for the 31st consecutive month. According to the University of Michigan's ongoing survey of consumers, sentiment increased very slightly but has been relatively stable for the fourth consecutive month (at almost 68 percent). Year-over-year, expectations are higher, now at 72.1 percent, whereas a year ago these were reported at approximately 61 percent.

Entrepreneurship by its very nature is rife with uncertainty and unpredictability. Sarasvathy's (2009) theory of effectuation helps to describe an entrepreneur's disposition as being one focused on creating the future versus trying to predict it. Mensah et al. (2020) describe that when conditions are excessively or severely unpredictable, the recognition of opportunity and a heightened sense of entrepreneurial alertness may be stymied. Experiencing significant instability and uncertainty about the future is not an ideal environment for entrepreneurs. Additionally, the specific type or degree of uncertainty present influences the entrepreneur's actions (or inaction) and decision-making processes. Severe uncertainties can make it challenging for entrepreneurs to distinguish between relevant and irrelevant information when opportunities arise and can create confusion at best and inaction at worst. Therefore, navigating uncertainty effectively is crucial for *entrepreneurial success. While uncertainty is an ever-present condition within complex environments, the degree of uncertainty plays a critical role in entrepreneurial pursuit. Considering these challenges, codifying, understanding, and effectively managing uncertainty is essential for both policymakers and entrepreneurs to navigate the evolving economic landscape.*

Keywords: *Uncertainty, Federal Reserve, small business, economic conditions, decision-making.*

UNDERSTANDING THE NATURE OF ENTREPRENEURSHIP ECOSYSTEMS: A GROUNDED THEORY TRIANGULATED APPROACH TO NORTH LOUISIANA'S ECOSYSTEM

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ABSTRACT

While researchers have amassed an abundance of evidence highlighting the individual, regional, and societal benefits of entrepreneurship, we remain relatively ignorant in our understanding of entrepreneurial ecosystems – those complex adaptive systems of interacting and interdependent agents and relationships that make entrepreneurship possible. Moreover, we know very little about how to build, manage, grow, or optimize an entrepreneurial ecosystem. As more and more individuals seek to join the increasingly popular community of ecosystem builders across America and abroad, this study of North Louisiana's entrepreneurial ecosystem was undertaken to develop a first-principles understanding of the behavior, nature, antecedents, success factors, outcomes, and performance of entrepreneurial ecosystem. This paper summarizes the results of our triangulated study, which focuses fundamentally on a Grounded Theory approach utilizing interviews of a diverse set of regional, national, and global stakeholders. This study brings together six somewhat disparate literatures, including Entrepreneurship & Small Business Management, Rural Entrepreneurship, Poverty Entrepreneurship, Strategic Management, Community Development & Renewal, and Economic Development.

COMPETITIVE INTENSITY: DOES CEO GENDER MATTER?

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ABSTRACT

As the proportion of females appointed as CEOs grows, the need increases to understand how gender relates to organizational phenomena. In particular, the impact of CEO gender on firms' competitive intensity is yet to be explored. This research investigates the link between competitive intensity and CEO gender. We propose that firms led by male CEOs will likely have the capacity to compete more intensively (i.e., to launch more new competitive actions) than firms led by female CEOs. Using data from 82 Fortune 500 U.S. firms, our analysis reveals no significant difference between the competitive intensity of firms led by female and male CEOs. The non-significant results support theories that defend a gender-neutral vision of leadership. Our results are consistent with a stream of research that contends that differences between women's and men's leadership are mostly based on perception biases and stereotypes.

INTRODUCTION

The number of female CEOs in Fortune 500 companies has grown significantly, reaching 52 as of June 2023, up from just one in 1998. Despite this increase, there has been little research on how CEO gender impacts a firm's competitive intensity. This paper examines whether male and female CEOs differ in their competitive behaviors, drawing on various theories about gender and leadership.

The study suggests that firms led by male CEOs engage in more competitive actions than those led by female CEOs. This hypothesis is based on three factors. First, Male executives tend to take higher risks due to overconfidence. Second, Male CEOs are driven by a promotion mindset, which encourages competitive actions. Third, Male executives are often perceived as more competent, contributing to more aggressive competition.

The paper contributes to existing literature by offering a theoretical framework and empirical evidence on the relationship between CEO gender and competitive behavior in firms.

THEORY AND HYPOTHESIS

The theory and hypotheses propose that CEO gender significantly influences a firm's competitive intensity, with male-led firms likely to launch more competitive actions than female-led firms. Three main reasons support this contention:

First, Risk Preferences: Male CEOs are generally more risk-tolerant and overconfident than female CEOs, leading them to make bolder, riskier decisions, such as aggressive investments and innovations. This risk-taking behavior is linked to more competitive actions, such as product innovations and technological or acquisitions, which male CEOs are more inclined to pursue.

Second, Regulatory Focus: Male CEOs are more likely to have a promotion-focused mindset, which prioritizes growth, opportunities, and aggressive competition. In contrast, female CEOs are more prevention-focused, emphasizing security and stability, leading to less competitive behavior.

Third, Perceived Competence: Theories like role congruity and "Think manager, think male" suggest that leadership is stereotypically associated with masculine traits such as assertiveness and competitiveness. Male CEOs are perceived as more competent in these areas, leading to greater competitive intensity in male-led firms.

Overall, the hypothesis suggests that male CEOs are more likely to drive their firms to compete more aggressively due to their risk tolerance, promotion mindset, and perceived competence.

Our hypothesis follows from these three arguments:

H1: Firms led by male CEOs, on average, launch more competitive actions than firms led by female CEOs.

SAMPLE

We construct a panel data set from 2011 to 2021. We obtained data on CEO gender and tested our hypothesis on a multi-industry sample of firms that participated in the Fortune 500. The sample selected in this survey represented a broad cross-section of Fortune 500 firms. The sample consists of 41 firms led by female CEOs and their rival firms led by male CEOs in the Fortune 500 for three years. We identified 40 female-led CEOs over the 2011-2022 period and developed a matched sample of 40 male-led CEO appointments to test our hypothesis. We identified potential matched firms using industry and firm size. We excluded firms that were not based in the U.S. to ensure equal coverage of firms' competitive actions. We also excluded utility firms due to a lack of sufficient information about competitive actions. We included only Fortune 500 firms that had a female CEO for a minimum of 3 consecutive years during the sample period. We focused on the most recent three years, if a female CEO stayed longer than three years, during the period of measurement (2011-2021). We then identified the closest direct male-led competitor of each female-led firm included in the sample. Our sample, therefore, includes 41 Fortune 500 firms that are led by female CEOs for three years and their 41 peers in the Fortune 500 that are led by male CEOs. A data set of 82 firms (i.e., 41 rivalries) represented a broad variety of industries resulted.

DATA COLLECTION

Dependent Variable: Competitive Action Intensity

We measured competitive intensity by counting the total number of competitive actions a firm initiated over three years. Competitive actions are observable, newsworthy moves like marketing campaigns, product launches, and capacity expansions, aimed at improving a firm's market position. We identified and coded these actions through a structured content analysis of newspaper and trade magazine articles. Five action types were categorized: capacity expansion, development announcements, marketing actions, new product introductions, and sales agreements. A total of 2,323 actions were identified for female-led firms and 1,404 for male-led firms. Competitive intensity was determined by the total number of actions per year, with higher numbers indicating more intense competition.

Independent variable: CEO gender

We collected data on CEOs, including gender, tenure start and end dates, from the MarketLine database and firm-reported information. Gender was inferred from news announcements using gender-specific pronouns. CEO gender was coded as a dummy variable: 1 for female and 0 for male.

Control Variables

In our model, we control for three variables that influence competitive action intensity. Previous studies have shown large firms often have greater resources and therefore can be more likely to engage in competitive activity. Thus, we control for firm size with the natural logarithm of the total number of each firm’s employees. Additionally, a firm must be able to undertake competitive actions. Therefore, we control for firm slack (measured by the focal firm’s quick ratio) to account for organizational slack. Previous research has shown that poor past performance motivates firms to take more competitive actions, but good past performance may lead to competitive inertia (Hambrick, Cho, & Chen, 1996; Miller & Chen, 1994). Hence, a firm’s past performance is an indicator of its motivation to take competitive action (Ferrier, 2001; Ferrier et al., 2002). Performance is therefore included as a control variable, measured as each firm’s lagged return on equity.

MODEL

A statistical model to test the effect of the CEO gender on the competitive action intensity is established using multiple linear regression, controlling for firm size, return on equity lagged one year, and firm slack using the firm’s quick ratio. We test for multicollinearity using the Variance Inflation Factor (VIF) (Johnston & DiNardo, 1997) and we test autocorrelation using Durbin-Watson Test (Durbin, & Watson, 1951).

RESULTS

Table 1 shows descriptive statistics and correlation of variables examined in this study									
	Minimum	Maximum	Mean	Std. Deviation	Size	Lagged Return on Equity	Quick Ratio	Gender	Total actions
Size	840.00	485666.60	70266.58	92039.18	1.00				
Lagged Return on Equity	-112.98	271.32	28.25	45.78	0.069	1.00			
Quick Ratio	0.00	23.87	1.46	2.72	0.289	-0.045	1.00		
Gender	0.00	1.00	.51	.50	0.133	0.277	-0.101	1.00	
Total actions	4.00	328.00	45.45	58.12	0.378	0.319	-0.015	0.175	1.00

Table 2 shows Durbin-Watson test					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.512a	.262	.224	51.2150699	2.021
a. Predictors: (Constant), Quick Ratio, Lagged Return on Equity, Gender, Size					
b. Dependent Variable: Total actions					

Table 3 shows the regression analysis results.							
	Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
Model	B	Std. Error	Beta	t	Sig.	Tolerance	VIF
(Constant)	12.464	10.038		1.242	.218		
Size	.000	.000	.413	3.983	<.001	.892	1.121
Lagged Return on Equity	.323	.136	.243	2.371	.020	.909	1.100
Gender	17.504	11.941	.151	1.466	.147	.898	1.114
Quick Ratio	-2.359	2.238	-.108	-1.054	.295	.910	1.099
a. Dependent Variable: Total actions							

The analysis showed no multicollinearity issues, as indicated by correlation levels and Variance Inflation Factor (VIF) values. The Durbin-Watson test value of 2.021 suggested no autocorrelation in the regression model's residuals.

The regression model was significant, with firm size and past performance as strong predictors of strategic competitive actions. Larger firms and those with better past performance were more likely to engage in such actions. However, the firm's slack, measured by the quick ratio, was not significant.

The study did not support the hypothesis that male-led firms launch more competitive actions than female-led firms. The coefficient for CEO gender was not statistically significant, indicating no difference in competitive intensity between male and female CEOs. The lack of a significant association could be due to unobservable variables.

The study examines the impact of CEO gender on a firm's competitive intensity, hypothesizing that firms led by male CEOs would be more competitive due to their higher propensity for risk-taking, promotion-focused mindset, and perceived competence. However, the findings show no significant difference in competitive actions between male-led and female-led firms, challenging the essentialist view of gender leadership.

DISCUSSION

The study examines the impact of CEO gender on a firm's competitive intensity, hypothesizing that firms led by male CEOs would be more competitive due to their higher propensity for risk-taking, promotion-focused mindset, and perceived competence. However, the findings show no significant difference in competitive actions between male-led and female-led firms, challenging the essentialist view of gender leadership. Our findings can be explained through several theoretical lenses:

First, Cultural Stereotypes: Essentialist views attribute differences in leadership effectiveness to cultural biases that associate leadership traits with men and not with women. These stereotypes suggest women are less competent for leadership roles compared to men.

Second, Gender-Neutral Studies: Some studies argue there are no significant differences in leadership competence between genders, challenging the notion that gender impacts leadership effectiveness.

Third, Overcoming Adversity: Women who become CEOs often face more obstacles and may be exceptionally skilled or resilient, potentially leading to similar performance levels as their male counterparts.

Fourth, Risk-Taking in Executives: While women are generally more risk-averse, female senior executives may exhibit higher risk tolerance due to the demands of their roles.

Fifth, Contextual Moderators: The impact of CEO gender on competitive actions may be influenced by contextual factors, suggesting that simplistic views of gender roles may overlook important situational variables.

Finaly, Unobservable Variables: The lack of significant associations between male CEOs and competitive intensity might be due to missing variables in research models.

CONCLUSION

Our study indicates that the competitive intensity of firms led by female CEOs does not significantly differ from that of firms led by male CEOs. This result contradicts the notion that male executives are generally more effective. It suggests that CEO gender may not play a significant role in determining competitive actions. Further research is needed to better understand the impact of gender on leadership and organizational dynamics.

FINDING THE NEXT NVIDIA - A TEACHING CASE ON THE VALUE OF ARTIFICIAL INTELLEGENCE OF HI-TECH COMPANIES

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CASE DESCRIPTION

This case follows the stock performance of the chipmaker, Nvidia (Ticker NVDA). The year of 2024 witnesses a surge of more than 140% of NVDA's stock price as of today. That is, NVDA's closing price has risen from $48.16 on January 2nd to $119.10 on September 13, 2024. The primary objective of this case is for the students to understand the primary value drives of NVDA's rising stock prices through an examination of its financial statements over the years. Furthermore, the case provides students an opportunity to think about an interesting question: what company will be the next NVDA? To answer this question, students will be required to investigate the impact of the quantitative and qualitative information on stock price performance for some similar companies. This case would encourage students to exercise critical thinking skills and to conduct research for decision making process. This instructional case can be used as a project or class discussion in accounting research and financial reporting courses on upper undergraduate or graduate levels.

CASE SYNOPSIS

Many companies have been investing in artificial intelligence, which is expected to be an important revenue driver to stand out in the competition in technology. The year of 2024 has witnessed the significant stock price surge for chipmakers, with Nvidia (NVDA) being the leader. Since the beginning of the year, there have been discussions over whether NVDA stock price is overvalued. If yes, what would be the NVDA's fair and reasonable stock price? More importantly, investors are interested to know which company, or companies, would be the next NVDA?

Some candidate companies are listed in the Appendix. Table 1 consists of the top 10 holdings of VanEck Semiconductor ETF (ticker SMH). These ten companies represent the companies which play important roles in the semiconductor industry. Table 1 also suggests that NVDA is currently the most significant, or leading, company in the industry. Now the question becomes, for how much longer would NVDA's high Price Book value (50.3) be hold? In other words, which company can be the next NVDA, undervalued now, but will overperform the market in the near future?

The answers may be found in the quantitative and qualitative information in the financial statements, including the note disclosures. Students are required to research the corporate disclosure available in various sources to identify the value drivers for the companies. In the *meanwhile, students are encouraged to investigate the usefulness of financial reporting in the investment decision-making process.*

Table 1: Top 10 Holdings (73.69% of Total Assets) of VanEck Semiconductor ETF (SMH)

Symbol	Last Price	Market Cap	Avg Vol (3m)	EPS Est Next Year	Forward P/E	Price/Book	% of SMH
NVDA	119.1	2.922T	344.015M	4.02	29.63	50.3	20.65%
TSM	172.5	894.599B	17.287M	8.27	20.86	1.18	13.79%
AVGO	167.69	783.21B	36.731M	6.14	27.31	2.83	8.45%
TXN	199.93	182.545B	5.444M	6.37	31.39	10.6	5.25%
AMD	152.31	246.511B	50.619M	5.43	28.05	4.36	5.02%
ASML	816.36	320.993B	1.47M	32.77	24.91	21.82	4.58%
ADI	225.42	111.919B	3.34M	7.56	29.82	3.18	4.10%
AMAT	188.47	155.375B	6.728M	9.77	19.29	8.25	4.04%
QCOM	167.73	186.851B	9.862M	11.13	15.07	7.59	3.97%
KLAC	751.5	101.02B	980,577	33.76	22.26	29.99	3.84%

Source: https://finance.yahoo.com/quote/SMH/holdings/

DECODING DECISIONS: UNRAVELING THE DYNAMICS OF GROUP DECISION-MAKING AND INDIVIDUAL CHOICE

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ABSTRACT

The study aims to improve decision-making processes by analyzing both group decision-making dynamics and individual choices. In today's fast-changing and uncertain times, decision-making is crucial and complex for organizations to achieve optimal outcomes. The research seeks to answer the following question: How do the various dynamics of group decision-making, including group cohesion, diversity, and power structures, intersect with the cognitive and emotional processes that influence individual choices? By examining this relationship, the study hopes to identify patterns, challenges, and opportunities, providing valuable insights to organizations on enhancing their decision quality and effectiveness in diverse contexts. Through a comprehensive exploration of both group decision-making and individual decision processes, this research aims to advance knowledge in the field, with practical implications for organizations that navigate the complexities of decision-making in dynamic environments.

Keywords: *Decision-making processes, Group decision-making dynamics, Individual choices, Dynamics of group decision-making, Group cohesion, Diversity, Power structures, Cognitive Processes, Emotional processes, Navigating complexities, and Dynamic environments.*

INTRODUCTION

We all make decisions in our lives, from childhood to adulthood. Effective decision-making is critical for individuals and teams. The process can impact productivity, innovation, diversity of ideas, and overall satisfaction. Decision-making is the process of selecting the best alternative from various options. It comprises defining the problem, identifying alternatives, establishing criteria and objectives, and choosing the best alternative(s) (Soares et al., 2020). However, making decisions can be difficult, and making the right choice can be challenging. This is true for everyone, including managers, who often face tough choices. No matter the decision, there will always be critics and supporters (Griffin & Phillips, 2023). Decision-making is not a simple act of making a choice, especially in an organizational context. It can be complex, with programmed decisions having established rules while non-programmed decisions do not (Griffin & Phillips, 2023). This complexity underscores the need for a comprehensive understanding, which is the aim of this research.

This article discusses the impact of group dynamics on individual decision-making. The focus is identifying patterns that can enhance decision outcomes in collaborative group contexts and individual decision-making scenarios. When decisions involve multiple parties, the result for one party can depend not only on their actions or unforeseeable events but also on the decisions made by others. Group membership significantly influences people's decisions in strategic games, especially when their interests are closely tied. This can lead to more aggressive behavior in coordination and prisoner's dilemma games, where an individual's decision affects other group members' payoffs (Sutter, 2009). Creativity refers to the ability of an individual to come up with innovative and valuable ideas, solutions, products, services, and processes. Creativity comprises two levels: the individual level, where the person actively creates and proposes something new, and the social level, where the new creation is accepted and valued (Nakano, 2007).

Situational and procedural factors affect group performance and impact motivation and resource coordination. Classic and new topics, including group decision-making, preference combinations, and group-level signal detection, continue to be researched. Small-group research is expected to thrive in new directions, such as nonlinear dynamic systems, evolutionary adaptation, and technological advances. (Kerr & Tindale, 2004).

Experts rely on intuition for effective decision-making. Understanding and utilizing intuition can improve organizational practices (Salas et al., 2009). Intuition is a belief about something without consciously thinking about it. Managers or management sometimes make decisions based on their gut feelings or hunches. However, these feelings are not random; they are based on years of experience and practice making decisions in similar situations (Griffin & Phillips, 2023). Groups often find it challenging to develop creative products that drive innovation collectively. Research suggests that groups tend to generate fewer and less creative ideas than individuals working alone, and they often judge relatively average ideas to be the most creative (Harvey & Kou, 2013).

LITERATURE REVIEW

Evidence suggests that group decisions or estimations are more accurate than those made by individuals. This renewed interest has also attracted the curiosity of biologists, who have drawn inspiration from the power of groups. This has led to the Condorcet jury theorem, whereby a group consensus decision is determined through a simple majority vote, requiring at least half of the decision-making population to agree (Marshall et al., 2017). Traditional game theory assumes that individuals are rational and always act in their self-interest, which means they are selfish and can perfectly calculate and execute their strategies. However, studies have shown that these assumptions need to be revised, especially when examining individual decisions (Kugler et al., 2012). Individuals, alone or in groups, utilize their rationality to make decisions. The theme of rationality encompasses theoretical (a narrative or methodology), epistemological (truth, belief, and justification), and practical action-oriented aspects (willing or likely to do something) (Bolis et al., 2017).

Scholars often need help to agree on a group's actual capabilities. Instead of dwelling on this, recording the working conditions or actions that can improve group performance is more beneficial. This allows groups to achieve or exceed any credible productivity baseline (Kerr & Tindale, 2004). Organizations must collaborate with different stakeholders and systems during emergencies to prepare, recover, and return to normal. Decisions made by one stakeholder can impact others. Organizational culture and values can influence individuals' decisions, so it is essential to understand them to predict decision-making during emergencies. (Goldberg, 2013). Organizations are made up of various formal and informal groups, which can be permanent or temporary, and they operate through diverse teams. Most groups make decisions that can significantly impact the organization's welfare and people. Therefore, it is essential to consider group decision-making, which involves group polarization, where like-minded people reinforce each other's opinions; groupthink, which is based on a common desire of a group; and group problem-solving, which is the process of convening stakeholders with analytical decision-making abilities to influence the outcome of the problem (Griffin & Phillips, 2023) The quality of decision-making depends on the level of information quality and expertise of the decision-maker. If the decision-maker knows the problem variables, decision quality improves. When expertise and information quality improve simultaneously, decision quality is likely higher. (Raghunathan, 1999).

Groupthink occurs when a group emphasizes agreement more than impartial evaluation. This can lead to flawed decision-making and a failure to consider other options. It is often observed in tight-knit groups and can result in poor decisions and catastrophic outcomes (Choi & Kim, 1999). Experts in judgment and decision-making have vast knowledge about how people make choices, gathered from cognitive science, behavioral economics, marketing, and organizational behavior. Additionally, incorporating detailed purchase histories has enhanced statistical decision-making models. (Bruch & Feinberg, 2017).

The science of decision-making involves analyzing people's decisions, describing their natural responses, and providing interventions to help them improve (Fischhoff & Broomell, 2020). Emotions significantly affect driving behavior. Fear and anger can trigger biological and cognitive responses that last for hours, causing a readiness for action. Furthermore, emotions can shape how information is processed and remembered, influencing how individuals perceive the world (Dorison et al., 2020). Group decision-making is a complex process that involves increased communication, coordination, and collaboration. This can lead to longer decision-making timelines. However, computer-based technologies can support decision-making and improve productivity (Finnegan & O'Mahony, 1996).

Rational decision-making is a commonly used model for managers and leaders when making important decisions. This process involves evaluating relevant information, observations, and potential outcomes through analytical steps before selecting a course of action. Decision-makers assess various options based on different scenarios before making a final decision. (Uzonwanne, 2016a).

As a manager, one of your most crucial responsibilities is to make informed decisions. This involves carefully evaluating the available support methods and selecting the most suitable one for the situation. To do this, you must observe and analyze the current situation and use appropriate information processing methods to identify the best alternatives (Soares et al., 2020). Group members stimulate each other's divergent thinking and aggregate their ideas into the group's creative output (Harvey & Kou, 2013). The influence of power and politics on the behavior of an organization is well recognized and has been extensively researched in the field of management.

Accounting literature offers various instances of how management control systems validate and maintain power structures within an organization while distributing power among its different actors. (Abernethy & Vagnoni, 2004). Intuition is a quick, non-conscious process of making judgments. Knowledge management has two types of intuition: expert intuition and entrepreneurial intuition. Expert intuition recognizes patterns, while entrepreneurial intuition connects different fields (NAKANO, 2007). Managers can use three techniques to enhance alternate solutions: brainstorming, the nominal group technique, and the Delphi technique. Brainstorming generates multiple courses of action, the nominal group technique includes a generate-discuss-vote cycle, and the Delphi technique gathers expert judgments (Griffin & Phillips, 2023).

(Hsieh et al., 2020) Group decision-making vs individual decision-making: Pros and cons. (2023, August 18). Pro-Papers. (February 14, 2024).

METHODOLOGY

Slide 1: Individual Decision-Making	Slide 2: Group Decision-Making
• Pros: This approach offers quick decisions, personal autonomy, self-determination, growth opportunities, and accountability.	• Pros: This approach offers collaboration, diverse perspectives, innovative solutions, shared responsibility, accountability, teamwork, learning opportunities, growth, and critical thinking.
• Cons: This approach is prone to biases, limited perspectives, flawed judgments, cognitive biases, and information insufficiency, which can burden decision-making.	• Cons: However, this approach is prone to group thinking, dominant personalities, diffused responsibility, delays, incomplete execution, and difficulty ensuring consensus.

Individual Decision-Making Pros

Individual decision-making *(Hsieh et al., 2020)* allows individuals to make their own choices without needing to consult or build consensus with others. This method can lead to quicker decisions, especially when time is critical. Additionally, individual decision-making can help promote personal autonomy, self-determination, and growth. It also encourages accountability and careful consideration of the decisions' outcomes.

Individual Decision-Making Cons

Making decisions alone can result in biases and limited perspectives. Relying solely on oneself can lead to flawed judgments due to cognitive biases and limited consideration of alternative viewpoints. Individual decision-making can be restricted by needing more diverse perspectives and expertise, resulting in insufficient information for well-informed choices. Decision-making can be overwhelming, particularly with high stakes or much information to process, making it a burden for one person *(Hsieh et al., 2020)*

Group Decision-Making Pros

Group decision-making *(Hsieh et al., 2020)* effectively encourages collaboration by bringing diverse perspectives and insights together. This results in more innovative solutions to problems. In addition, group decision-making promotes shared responsibility, accountability, teamwork, and collaboration toward achieving common goals. Group members engaged in decision-making can also promote learning, growth, and critical thinking. Group members can expand their knowledge and refine their perspectives through discussion and debate. This, in turn, leads to continuous improvement and development of skills.

Group Decision-Making Cons:

Group decision-making *(Hsieh et al., 2020)* has drawbacks such as group thinking, dominant personalities, diffused responsibility, delays, incomplete execution, and difficulty ensuring consensus. It is essential to weigh the pros and cons before using this approach.

DISCUSSIONS

Early research on behavioral decision-making did not take individual differences into account. Researchers established standardized functions for individual difference measures, and early studies found no evidence of individual differences in risk-taking propensity. Groupthink often results in poor decisions due to prioritizing agreement over critical thinking, which leads to inadequate research, discussion, and evaluation of risks and costs (Moorhead et al., 1998). Our emotions impact our decisions, for better or worse. Ignoring them is unrealistic, but we can analyze and predict their influence. Understanding how emotions affect our thoughts and goals can optimize our decision-making abilities (Dorison et al., 2020). Decisions should focus on values, not just alternatives. External factors often impose decisions, and we commonly evaluate alternatives based on objectives or criteria (Keeney, 1994). Developing tools for group decision-making requires integrated knowledge that combines group processes with technology, which is currently lacking (Finnegan & O'Mahony, 1996). Interpersonal attraction affects group thinking, and high attraction among members can decrease decision quality. However, task commitment or group pride can lessen the adverse effects. Larger, more cohesive groups tend to make poorer decisions (Mullen et al., 1994). Implementing self-managing teams increases productivity, quality, job satisfaction, and work-life balance while reducing absenteeism and turnover (Moorhead et al., 1998). Groupthink is a phenomenon that affects the decision-making ability of cohesive groups. These groups comprise members who have worked together closely and share similar values. They typically operate during crises, which pressure the members to reach a mutual consensus (Champoux, 2010).

CONCLUSIONS

Studies in business and psychology have extensively explored organizational creativity. Research has been conducted on communication, team development, and innovative output. Creativity generates new ideas for opportunities, as suggested by (Moultrie and Young, 2009). (Moorhead et al., 1998) team members are cross-trained to perform multiple functions, yet leaders hesitate to grant full decision-making authority. Group thinking is influenced by leadership, group cohesiveness, and external threats. A closed leadership style and external threats like time pressure can lead to poor decision-making, as highlighted by (Choi and Kim,1999).

Decision science is a field that analyzes tasks to design interventions or understand individual approaches. However, this approach has limitations, as it may create analytically sound tasks that are difficult to solve cognitively. Ethics influence managerial decision-making by referring to a person's beliefs about right and wrong, according to Griffin and Phillips (2023). (Fischhoff and Broomell, 2020) suggest that focusing too much on anomalies may exclude some researchers. Therefore, efforts are being made to simplify analytical concepts and make them more accessible to a broader audience.

(Abernethy and Vagnoni, 2004) Depending on the power level, it is possible to tamper with and disrupt accounting information systems (AIS) and authority structures. In decision-making, groups have an advantage as they possess more information and resources, enabling them to evaluate creative ideas effectively. Comparing several ideas with each other can also enhance the quality of the decision, as demonstrated by (Harvey & Kou, 2013). Research has shown that individuals are more likely to accept a decision made through group consensus than an individual one (Champoux, 2010).

In my opinion, the decision-making process can be either individual or group-based, depending on several factors. These factors include the complexity of the problem, the level of expertise of the individuals involved, the need for diverse perspectives, and the time available for making the decision. More research is needed in this area, but using technology like AI can benefit the current situation.

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GLOBAL OUTSOURCING DILEMMA: STRIKING A BALANCE BETWEEN ECONOMIC OPPORTUNITIES AND SOCIAL RESPONSIBILITY

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ABSTRACT

This paper delves into the ethical challenges in various domains, including scientific research, healthcare, business, and technology. These challenges often revolve around morality, justice, and power. This study focuses on ethical issues in the global arena, including international relations, human rights, global governance, environmental sustainability, economic justice, and cultural diversity. The study critically examines the moral implications of international outsourcing practices, which presents a conflict between economic incentives and social responsibility. The paper also emphasizes the need for effective regulation and enforcement mechanisms to address the critiques of current governance systems over labor practices, particularly regarding "Sweatshops" and poor work conditions. Ethical trade emerges as a response to globalization's challenges, aiming to improve working conditions while acknowledging the need for broader developmental strategies. The paper also highlights the ethical dilemmas that multinational corporations (MNCs) face regarding labor practices and corporate social responsibility (CSR). It advocates for voluntary codes of conduct and ethical business practices. The study urgently underscores the need for intervention to address worker exploitation in global supply chains, as evident in the apparel industry. It also examines the impact of foreign direct investment (FDI) on employment and labor market outcomes and the environmental implications of global trade. Corporate social performance (CSP) and the importance of ethical organizational cultures are emphasized, alongside the need for effective governance and accountability mechanisms. The paper also discusses bribery, corruption, and cultural diversity as additional ethical challenges for international businesses. The study concludes by discussing approaches to global justice, the universal applicability of human rights, and the evolving role of global ethics in addressing urgent global challenges. It calls for interdisciplinary collaboration and pragmatic approaches to address ethical issues in an increasingly interconnected world.

Keywords: *Labor practices, sweatshops, multinational corporations (MNCs), global supply chains, foreign direct investment (FDI), environmental sustainability, human rights, corporate governance, bribery and corruption, cultural diversity, global justice, cosmopolitanism, just war theory (JWT), corporate social performance (CSP), stakeholder management, and globalization.*

INTRODUCTION

The global business environment is fraught with numerous challenges, including ethical dilemmas, cultural diversity, legal and regulatory compliance, supply chain management, environmental sustainability, political and economic instability, social and economic inequality, and technological disruption. To tackle these challenges effectively, businesses must adopt strategic approaches that seamlessly integrate ethical, social, environmental, and economic considerations into their decision-making processes. Collaborating with stakeholders, actively engaging with local communities, and demonstrating an unwavering commitment to corporate citizenship can significantly contribute to sustainable and responsible business practices in a global environment(Carroll & Brown, n.d.).

Ethical issues, crucial matters of moral concern, can arise in various contexts, including scientific research, healthcare, business, and technology. These issues often involve fundamental questions of right and wrong behavior, fairness, justice, and the appropriate use of power. Ethical issues can encompass various topics, such as privacy, consent, discrimination, conflicts of interest, and social responsibility. Addressing these issues promptly and decisively ensures we act ethically and responsibly in all our actions and decisions (Rhode & Bennis, 2006). Ethical concerns on a global level involve a wide range of issues related to international relations, human rights, global governance, environmental sustainability, economic justice, and cultural diversity. These issues typically involve intricate interactions between countries, organizations, and individuals, raising questions about accountability, responsibility, and fairness worldwide (Weiss & Thakur, 2010). The rapid globalization of business operations has given rise to complex and increasingly prevalent international outsourcing. This intricate phenomenon involves companies shifting production processes to countries with lower labor costs and regulatory standards. While outsourcing presents economic benefits such as cost savings and market expansion, it raises profound ethical concerns regarding labor conditions, human rights, and environmental sustainability. This study urgently explores the moral implications of international outsourcing practices, highlighting the intricate tensions between economic incentives and social responsibility and emphasizing the immediate need for action (Carroll & Brown, n.d.).

The existence of "Sweatshops" and poor work conditions in both developing and industrialized countries starkly exposes the inadequacy of current governance systems over labor practices. Criticisms from NGOs, unions, consumers, and firms lay bare the limited scope and coverage, weak regulatory capacities, and ineffectiveness of existing labor standards and enforcement systems. These critiques have been amplified in the face of new challenges posed by regulating global firms and their mobile supply chains. Traditional labor regulations and government-implemented monitoring and enforcement systems are struggling to keep pace with the rapid changes in the global economy (O'Rourke, 2003). However, there is hope. Ethical trade, a response to globalization's challenges, such as economic liberalization and deregulation of labor markets, involves introducing company codes of conduct covering employment standards. While ethical trade can significantly improve working conditions for current and future generations, it is not a substitute for broader strategies that address fundamental development problems in the era of globalization (Barrientos, 2000). The globalization debate often centers on labor practices worldwide. Some argue that sweatshops are necessary for economic development, but the Authors disagree. Multinational corporations must follow local labor laws and provide fair wages and working conditions. Adopting voluntary codes of conduct is an ethical obligation and a strategic benefit (Arnold & Hartman, 2006).

Worker exploitation in global supply chains is pervasive. In the apparel industry, workers face poor conditions, low pay, forced overtime, unsafe buildings, and restrictions on unionizing due to lead firms' purchasing practices. These practices include paying lower prices with short lead times and high order volatility. It is time to take measures to end this exploitation (Anner, 2019). The research paper by Molnár and others examines the impact of foreign direct investment (FDI) on employment in the investing firms' home country. While previous studies suggested that globalization and trade had limited effects on labor market outcomes, the research shows that specific skills and occupational groups are more affected than others. The paper found that the employment impact of outward FDI varies across industries and countries.

Manufacturing industries with commercial links to non-Organization for Economic Cooperation and Development (OECD) economies are particularly affected by domestic labor cost shifts. This underscores the importance of analyzing the effects of FDI on domestic employment. (Molnár et al., 2007). Here, the author discusses how international trade affects social changes in all countries. Globalization is driven by differences in wage costs, and analyzing social indicators from a consumption perspective helps to understand the unequal effects of trade. Studies on employment reveal that wealthy countries outsource labor to developing countries, leading to adverse environmental impacts. Labor-exporting countries often have low energy productivity, meaning outsourcing production increases energy use and greenhouse gas emissions. This can offset any mitigation achievements in developed countries. The text also raises questions about corporate social responsibility (Wiedmann & Lenzen, 2018).

Corporate social performance (CSP) is a crucial and comprehensive concept that involves corporate social responsibility, responsiveness, and all socially beneficial activities of businesses. Focusing on social performance highlights the importance of corporate action and achievement in the social arena. From a performance standpoint, it is evident that firms must establish and execute social goals and programs and infuse ethical sensitivity into all decision-making, policies, and actions. CSP demands a results-oriented approach encompassing standard criteria for assessing business performance, including quantity, quality, effectiveness, and efficiency (Carroll, 1991). The principle of balancing interests in stakeholder management was recklessly abandoned during the 1990s, and unfortunately, the current business logic offers little motivation to act differently. However, it is morally imperative for managers to recognize the validity of stakeholder interests to maintain the legitimacy of the management function. This can be achieved by acknowledging stakeholders as partners and collaborators who create value through joint problem-solving efforts, reconciling the conflict between profitability and responsibility. This economic theory of the firm is the way to establish a sustainable business model (Halal, 2000). To ensure effective governance, it is not sufficient to merely comply with rules; it is also essential to follow ethical principles. Rules-based and principles-based approaches should be combined, and the associated risks must be identified and evaluated. Companies can gain a competitive advantage using ethical organizational DNA (ODNA) as the basis of new governance measures. This method helps create a culture of trust and integrity, enhances relationships with all stakeholders, and restores investor confidence. Remember, effective corporate governance is an essential aspect of any thriving organization (Arjoon, 2006).

Bribery and corruption are significant ethical concerns in international business. Bribery involves offering money or gifts to influence someone in power to misbehave. Corruption involves the misuse of public office for personal gain. The issue of bribery is highly debatable and varies by country (Faldu, 2012). Values and ethics are crucial in today's world. The prevalence of hypocrisy, corruption, violence, and materialistic pursuits highlights the urgent need to adopt a value-based approach. Upholding values and ethics is the key to achieving world peace and harmony and preventing a catastrophic outcome (Reshmi, n.d.). Differences in business customs and practices among world nations account for managers' complex ethical challenges in international organizations. Business customs and practices revolve around the circumference of the people's moral and cultural values. Some challenges facing the international business manager are sundry situations with no local laws or practices that condone a specific behavior. An organization willing to do what is right favors an organization that fails to engage in wrong business practices (Nweake, 2014).

Establishing ethical systems or values within an organization requires the willing participation of individual members (Nakano, 2007). Managers in a globalized world face the challenge of distinguishing ethical and unethical practices in diverse cultural and legal contexts. This complexity is a result of rapid globalization, which has increased ethical awareness among managers of multinational firms. Issues such as environmental degradation, software piracy, and sexual discrimination have varying perceptions of morality, making them even more challenging to address. This has made it difficult for managers to determine right or wrong in different cultural and legal contexts (Robertson & Athanassiou, 2009). Multinational corporations should establish a code of ethics and integrate it into their employee reward system. Any violation should be reported and investigated, and findings must be communicated to all employees. MNCs should monitor their operations in developing countries for human rights violations. The code of ethics should be strictly adhered to and not be used as a marketing tool (Payne et al., 1997).

LITERATURE REVIEW

Global businesses face various ethical issues related to labor practices, environmental sustainability, human rights, corruption and bribery, supply chain management, fair trade, economic justice, and corporate governance and accountability. To successfully tackle these challenges, businesses must adopt ethical practices, strictly adhere to international standards and norms, and actively promote corporate social responsibility(Carroll & Brown, n.d.). Corporate Social Responsibility (CSR) has become highly important in business. Researchers have shifted their focus to organizational-level analysis of CSR and its impact on organizational processes and performance. They have also moved from normative and ethics-oriented arguments to performance-oriented managerial studies (Moura-Leite & Padgett, 2011). Global ethics examines appropriate norms and values governing relationships worldwide. It addresses aid, trade, environment, war, conflicts, etc. Global ethicists defend a normative framework that applies broadly or to specific concerns (Dower, 2014). Improvements in global business ethics can be observed through initiatives, practices, and trends that reflect a growing recognition of the importance of ethical considerations in business decision-making. Some areas where improvements can be highlighted include Corporate Social Responsibility (CSR), Ethical Codes of Conduct, Stakeholder Engagement, Transparency and Accountability, Sustainability Practices, Ethical Leadership, Global Standards and Guidelines, and Collaborative Initiatives. These improvements reflect a growing recognition of the interconnectedness of business, society, and the environment and the need for businesses to operate responsibly and sustainably globally(Carroll & Brown, n.d.). Cosmopolitanism can be a strong moral force and valuable if understood pragmatically as a set of ideals guiding interactions relating to cross-border issues (Bray, 2013). Just War Theory (JWT) is an ethical framework for discussing the rights and wrongs of war. It helps to distinguish between justifiable and illegitimate military action and promotes the importance of human rights in the strategic environment (Whetham, 2008). Companies that operate internationally often face ethical dilemmas related to their Corporate Social Responsibility (CSR) towards various stakeholders, including local communities, workers, and the environment. Balancing profit motives with social and environmental impacts becomes increasingly complex when operating globally (Carroll & Brown, n.d.).

Multinational corporations (MNCs) have caused a surge in economic growth and inequality that profoundly affects economic rights in developing countries. Although the state is responsible for protecting human rights, MNCs' actions often go against internationally recognized norms. To hold these corporations accountable, practical measures such as private actions, media exposure, and lawsuits based on civil law can be taken. However, it is high time we establish an external governing body to restrain the uncontrolled global capitalism perpetuated by MNCs (Monshipouri et al., 2003). The traditional framework for protecting human rights is centered around states, but the emergence of private actors, particularly multinational corporations (MNCs), has posed significant challenges. MNCs must be held accountable for promoting and not violating human rights, but the existing international mechanism was not designed to apply to them. This inadequacy becomes more apparent when a state is weaker than an MNC, is complicit with an MNC, or prioritizes foreign investment over human rights enforcement (Deva, 2005).

Globalization and liberalization have increased global wealth but at the cost of excessive resource use, pollution, and global change. This has surpassed acceptable limits known as tipping points or planetary boundaries. Human dignity is compromised if basic needs go unfulfilled, leading to a call for social floors and human rights. Globalization and liberalization have changed governance rules, leading to land and water grabbing and criminalizing traditional activities. Some countries do not take responsibility for their actions, disenfranchising the weakest. The local governance process fails to address these problems adequately, exacerbating the situation (Gupta, 2014). Global businesses are responsible for environmental degradation through pollution, resource extraction, and deforestation. Corporations should mitigate their environmental impact and promote sustainability practices across their global supply chains (Carroll & Brown, n.d.). The current economic and political system is unjust and benefits the wealthy. International organizations play a role in establishing and enforcing rules, but resistant states control their governance. We distance ourselves from responsibility for structural injustice, but this response is inadequate in today's globalized world. We must question established institutions, recognize our complacency, and act to prevent poverty (McNeill & St Clair, 2011). Ethical considerations arise when multinational corporations operate in countries with different labor standards and human rights protections. These considerations include workplace safety, fair wages, discrimination, child labor, and forced labor (Carroll & Brown, n.d.).

Political systems must balance private wealth and public power to prevent corruption and dysfunction. Corruption becomes a common symptom of this failure when private interests override public goals. Governments must promote good governance to prevent inefficiency and the elite's state capture. Corruption cannot be confined to specific areas and will always be a temptation when private benefits are positive. Over time, it can lead to a downward spiral into an even worse situation (Rose-Ackerman, 2006). The author argues that multinational corporations must avoid high-level corruption, even without a functioning international legal system. Norm changes and collective action by the global business community and organizations like the Organization for Economic Cooperation and Development (OECD), Transparency International, and the International Chamber of Commerce challenge the normative claim that private firms should prioritize profit maximization. This trend suggests that global corporations accept broader responsibilities beyond their shareholders' interests, which could significantly impact the business environment (Rose-Ackerman, 2002). Operating in countries with weak governance structures may pose ethical challenges for businesses regarding corruption and bribery. Such situations can create ethical dilemmas for companies, as they must determine how to maintain their integrity and uphold ethical standards while navigating such environments (Carroll & Brown, n.d.).

Cultural diversity creates ethical challenges as different cultures have varying moral perceptions and judgments. This creates tension between moral universalism and moral cultural relativism. Some suggest following the "best" practices of the culture you find yourself in, but blindly following the behavior or values of others means ignoring personal conscience and the obligation to seek virtuous and proper actions in each situation (Mêlé & Sánchez-Runde, 2013). Ethical business practices have become more critical, and companies are now evaluated based on their ability to meet the needs of not just their customers but also employees, NGOs, local communities, and other interest groups. Many companies have embraced Corporate Social Responsibility (CSR) to address this, and international organizations and business associations have introduced standards and reporting systems. Multinational corporations have also introduced Codes of Conduct that cover the entire supply chain (Pedersen & Andersen, 2006). Global Supply Chain Ethics: Ensuring ethical practices throughout the global supply chain presents challenges related to labor conditions, human rights abuses, environmental sustainability, and transparency. Businesses must grapple with subcontractor oversight, supply chain audits, and accountability for unethical practices.

RESULTS AND DISCUSSIONS

There are two approaches to global justice: cosmopolitanism and communitarianism. Cosmopolitanism envisions a world without borders to protect human rights, while communitarianism believes justice should remain a national matter. This debate is reflected in state diplomacy and UN negotiations (Hofmann & Wisotzki, 2014). The Universal Declaration of Human Rights and the International Human Rights Covenants are widely recognized international legal documents reflecting human rights conception. These documents reflect the agreement on human rights among Western nations, but the idea of Western ownership of human rights can threaten the global movement. The current struggles may lead to adopting human rights concepts from non-Western societies or developing new approaches to human rights (Penna & Campbell, 1998). There is a debate between universalists, who argue that human rights apply to all people, and relativists, who contend that ethical systems are culturally relative. Relativists hold two positions: a strong relativist view maintains that there are no universal human rights, while a weak relativist view suggests that some overlap exists between ethical systems, making a comprehensive human rights doctrine possible (Good, 2010).

Corporate social responsibility (CSR) gained more attention in the 1990s due to the scrutiny of the influence of multinational corporations (MNCs) on human rights, the environment, and employment in developing countries. MNCs significantly impact environmental stresses, labor practices, regional economic development, and cultural issues. They often exacerbate spatial differences in living standards, healthcare, and individual rights and threaten local identities. As a result, MNCs can quickly become symbols of exploitation, imperialism, and colonialism (Levy & Kaplan, 2007).

CONCLUSION

The presentation of international principles as universally justifiable has caused alienation among individuals from different cultural backgrounds. Conversely, the emphasis on culturally embedded approaches enforces cultural relativism and further divides the debate. This trend of "ethno-ethics" has made it challenging to find cross-cultural common understandings of addressing urgent ethical problems. The polarized approach to global ethics has left the study of global ethics curious, while global challenges require joint action across orders (Hellsten, 2015). Ethical concerns are present in all business domains, but they are more widespread in less developed countries (LDCs) than developed countries (Carroll & Brown, n.d.). This is because these countries are in the initial stages of economic development and often lack a legal or ethical framework to safeguard their citizens.

The Internet generation has played a pivotal role in globalization by empowering developing nations to exchange ideas and information across borders. Unlike the first global generation of the 1960s, the current generation's reach is limitless, leading to a significant global impact. Moreover, globalization has resulted in intergenerational tensions within nations and intra-generational affinities between nations, prompting the new global generation to be more proactive and engaged than their predecessors (Edmunds & Turner, 2005). At a global level, the concept of business ethics is much more complex and multifaceted than at the domestic level. This is because it involves diverse value systems, cultures, stakeholders, forms of government, socioeconomic conditions, and ethical behavior standards. That differs across the globe (Carroll & Brown, n.d.).

Global ethics is an area of study still evolving and has not yet realized its full potential. To reach greater maturity, it is necessary to bring together different fields of study that deal with ethical issues on a global scale. This involves combining global ethics with other areas, such as cosmopolitanism, global justice, and human rights discourse at a general level. At a more specific level, we must integrate various areas such as development, trade, environment, and climate change to address global ethical issues (Dower, 2014) effectively and efficiently. The pragmatic ethics of cosmopolitanism can provide a valuable framework for addressing cross-border problems. It is a situational ethics that can deal with interactions across moral and political boundaries. The ethical nature of these interactions can lead to deeper relationships that go beyond the problem at hand (Bray, 2013).

In my view, assessing the effectiveness of ethical trade initiatives in enhancing working conditions and tackling developmental challenges is of utmost importance. We must research extensively to evaluate their impact on labor standards, economic growth, and social well-being in developed and developing countries. Future studies should examine the effectiveness of regulatory frameworks and enforcement mechanisms in protecting workers' rights. Additionally, we must investigate the influence of globalization on social inequality to comprehend how globalization affects income distribution, resource accessibility, and social mobility. Therefore, we must conduct further research to investigate the impact of global economic integration on income inequality and the effectiveness of redistributive policies in addressing social disparities.

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THE IMPACTS OF MANAGEMENT COMPENSATION DESIGN ON BUYBACK PROGRAMS

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ABSTRACT

Research has shown that stock buyback has become more popular and even replaced dividend payouts in the U.S. The most cited reason for firms buying back their shares is undervaluation. However, it is not easy for the market to know the fair value of the stock and hence the real motive behind the decision to buyback. In addition, previous studies find evidence that managers might use stock buyback to inflate the stock price before issuing new shares, to increase their stock performance-based compensations, or to simply make buyback announcements to send positive signals to the market but not actually repurchase stocks later. In this paper, we investigate whether repurchase announcements made by CEOs whose compensations are based on non-financial measures convey more credible signals. Non-financial measures incentivize managers to focus on longer-term goals, reducing the likelihood of using myopic tactics for their own interests. Our results show that compensation design plays a significant role in the credibility of stock buyback. Specifically, the market reacted more positively to announcements made by CEOs whose compensation was determined by non-financial measures, especially for small firms and firms with weak governance. These firms were also more likely to buy back their shares as promised and experienced better stock performance during the two years after the announcements.

THE RISE OF YOUTH ENTREPRENEURSHIP IN NEW ZEALAND: WHEN PERSONAL RESILIENCE MEETS ECOSYSTEM SUPPORT

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ABSTRACT

Christchurch (CHCH), New Zealand (NZ) is a hotbed for innovation and startups. According to StartupBlink's Global Startup Ecosystem Index 2024, NZ is ranked 30th (of 100 countries) and CHCH, specifically, is currently ranked 286th (of 1,000 cities) in the global ranking regarding supportive startup ecosystems conducive for success. The recent growth from 2021 to 2023, identified CHCH as one of the most supportive cities globally, of 1,000 ranked cities, for startup ecosystems. The CHCH earthquakes of 2010 and 2011, which led to the loss of nearly 65% of the city (business) center, created an opportunity for reimagining the city. Part of that reimagination focused on entrepreneurial growth and youth engagement. As youth entrepreneurial culture in CHCH continues to strengthen, this study seeks to better understand individual dispositions (mindset) and the communal conditions (ecosystem) contributing to a supportive entrepreneurial ecosystem. Additionally, there is a dearth of research focused on youth entrepreneurs' perspectives on supportive ecosystems and how these conditions inform their pursuits. This study adopts a Naturalistic Inquiry methodology that includes semi-structured interviews with 10 startup entrepreneurs who launched their ventures before they were 30 years old in CHCH. Initial data analysis efforts have illuminated young entrepreneurs' perspectives in two distinct contexts: 1.) Communal Contributions – External Awareness of the Ecosystem and 2.) Individual Contributions – Internalized Efficacy, Awareness, & Mindset.

Keywords: *Youth entrepreneurship, Australasia, entrepreneurial ecosystem, entrepreneurial mindset*

INTRODUCTION & RESEARCH CONTEXT

Christchurch (CHCH), New Zealand (NZ) has been identified as a hotbed for innovation and new venture startups (Global Startup Ecosystem Index (*GSEI*), 2024; Sandford, 2018). According to StartupBlink's *GSEI 2024,* NZ is ranked 30th (of 100 countries) and CHCH is currently ranked 286th (of 1,000 cities; top 28% of startup ecosystems) in the global ranking regarding supportive startup ecosystems conducive for success. Interestingly, pre-2020 global rankings had CHCH well below 50th place. Perhaps most telling is the growth from 2021 to 2022, whereby CHCH was identified as one of the most supportive cities globally, of 1,000 cities, for startup ecosystems and one of the "biggest winners… which has had a very substantial leap of 168 [ranking] spots to 228th globally" (p. 148). Regarding the city rankings movement globally, CHCH represents one of the most "substantial" (p.148) leaps (from 396th (2021) to 228th (2022)) (GSEI, 2022). The impetus for CHCH's growth is contextualized, and possibly catalyzed by devastating earthquakes (2010 – 6.3 magnitude & 2011 – 7.1 magnitude) that leveled much of CHCH city center. It should be noted that since 2022 CHCH has slipped in the global rankings – to 286th place, and it is still evident that post-earthquake CHCH is intentionally investing in the conditions that matter for cultivating entrepreneurial growth. An intentional effort has been made to rebuild the city with a supportive entrepreneurial ecosystem that supported entrepreneurs in general and young entrepreneurs specifically (Henderson, 2016).

As youth entrepreneurial culture in CHCH continues to strengthen and evolve, this study seeks to better understand individual dispositions and communal conditions contributing to a supportive entrepreneurial environment with these research questions:

- How do young entrepreneurs describe their mindset and how do they develop themselves to create an entrepreneurial disposition?
- What skillsets do young entrepreneurs identify and describe as being important to their success and how do they develop these skills?
- To what extent are these young entrepreneurs aware of the communal support in the entrepreneurial ecosystem where their venture launched?

LITERATURE REVIEW

There has been a strong correlation suggested between opportunity and conditions attributed to natural and human-made disasters. In his seminal work, disaster sociologist Charles Fritz (1996) noted that "disaster provides a form of societal shock, which disrupts habitual, institutionalized patterns of behavior and renders people amenable to social and personal change" (p.55). The earthquakes of 2010 and 2011 created an opportunity for the CHCH community to reimagine the city. Part of that reimagination focused on entrepreneurial growth (Christchurch City Council, n.d.). With the response to natural disaster as the backdrop for this study, the following literature will be reviewed: entrepreneurial ecosystems and entrepreneurial micro-ecosystems to theoretically frame the conditions (abiotic material), while push-pull factors and entrepreneurial alertness/opportunity recognition to theoretically frame mindset (biotic material).

Spigel (2016) defined entrepreneurial ecosystems as "combinations of social, political, economic, and cultural elements within a region that support the development and growth of innovative startups" (p. 50). There is a dearth of research focused on youth entrepreneurs' perspectives on supportive ecosystems and how these conditions inform entrepreneurial pursuits (e.g., Department of Small Business Development, 2014). In addition to the macro conditions of a region, entrepreneurial micro-ecosystems focus more narrowly on smaller geographic area and intentionally seek to cultivate business growth in a more targeted industry (e.g., CHCH is 47th globally specifically in the CleanTech industry and the highest ranked city within a specific industry of all ranked NZ cities). Entrepreneurial micro-ecosystems describe the interconnected entrepreneurial activity in a localized open system that is directly influenced and responsive to the greater entrepreneurial ecosystem (e.g., local city block or specific hyperlocal area of economic activity) (Perry & Woolard, 2023). Investigating the perspectives of youth entrepreneurs of the ecosystem conditions in conjunction with their own perspectives on self-efficacy, mindset, and awareness could establish a throughline connecting the wider ecosystem to hyperlocal micro-ecosystem conditions through to the heart and mind of the youth entrepreneur.

Entrepreneurs draw upon a tapestry of dispositions and mindsets to support their pursuits. Their own personal circumstances captured through push-pull factors and entrepreneurial alertness are two important factors informing this study. Amit and Muller (2013), noted that push entrepreneurs (necessity-driven) tend to be those who are dissatisfied with current professional circumstances and represents a requirement situation (perhaps no other option) and pull entrepreneurs (opportunity-driven) are more intentional in their pursuit due to the attractiveness of a business idea (Alam et al., 2021). It has been noted that pull/opportunity-driven entrepreneurs are often more successful than push/necessity-driven entrepreneurs. Interestingly, Segal et al. (2005) found in their study of 114 undergraduate business students that the factors of tolerance for risk, perceived feasibility, and desirability predicted the likelihood of self-employment intentions and significantly impacted their entrepreneurial motivation. Additionally, Segal et al. (2005) homed in on those pull-factors in contrast to push-factor being the underlying dispositions these young entrepreneurs carried with them.

In consideration of youth entrepreneurial triggers and pursuits, Hulsink and Koek (2014) determined that even when starting a new business with a lack of human, financial, and social capital, the youth entrepreneurs did not perceive this as a disadvantage. By leveraging bootstrapping and effectuation mechanisms in conjunction with bricolage practices, and quite literally growing up (developing their learning through experience) alongside the growing (of revenues, sales, scale, etc.) of their business, they develop the skills and mindset necessary pursue new ventures. Based on self-efficacy and locus of control (Bonnett and Furnham, 1991) in conjunction with rule-breaking behavior (Obschonka et al., 2013), perhaps youth entrepreneurs have a different perspective of risk, problem solving, and what it takes to effectuate success.

Entrepreneurial alertness as a key ingredient to the awareness necessary to determine the source of a problem. Tang et al. (2012) identified three dimensions associated with the alertness construct: environmental scanning and searching heightens entrepreneurial knowledge base, association and connection links external observations with a novel perspective, and evaluation and judgement focus to determine possible opportunity. According to Obschonka et al. (2011), entrepreneurial alertness is an age-appropriate competency that forms the foundation for future entrepreneurial activities in adulthood.

Finally, Rashid (2017) determined that entrepreneurial education, limited access to startup capital, business support services, societal attitudes, and regulatory frameworks are major barriers to youth entrepreneurship. An aspect of this study is to determine the youth entrepreneurs' perception of supportive communal conditions as operationalized by favorable, youth-centric entrepreneurial ecosystems. Complementing this perspective focused on ecosystem conditions, will be to determine how youth entrepreneurs view themselves in context of their own skillset and mindset in building a startup venture.

METHODOLOGY

The source settings for this study are in CHCH, NZ where there are numerous startup incubators and support organizations designed to encourage and develop young entrepreneurs (e.g., Ara Institute's Te Ohaka: Center for Growth & Innovation (50+ startups), the Ministry of Awesome (100+ startups), the University of Canterbury Centre for Entrepreneurship's – Hatchery, ThincLab, and Startup-Summer (200+ students), among others). Access was granted to these environments by gatekeepers who had contact to networks and young entrepreneurs within incubator spaces. Chain-referral sampling methodology was adopted to determine participants.

This qualitative study utilizes Naturalistic Inquiry (1985) approach to data analysis, collecting rich data from participant semi-structured interviews, on-site observation, and relevant documents including internet-searches, press releases, and business websites. This study includes 10 founder interviews with startup entrepreneurs who launched their ventures before they were 30 years old in CHCH (see Table 1). Interviews were facilitated both in-person and via Zoom. All participants interviewed have ventures that are less than 7 years old. The nature of semi-structured interview questions is to probe respondents with thematic questions derived from extant research (Wengraf, 2001), resulting in rich data that can be categorized and compared. Content analysis, inference, and thematic coding was adopted to inform research question answers (Bryman, 2011).

Table 1. Youth Startup Founders, Industries, and Primary Ecosystem Resource.

Pseudonym	Industry	Founding Age	Gender	Affiliation
Brooke	Non-Profit	26	F	Startup Program
Matthew	Skin Care	27	M	Startup Program
Amy	Fashion	28	F	Incubator
Nick	Automobile	29	M	Incubator
Carl	Mental Health	28	M	Incubator
Jerry	Technology	26	M	Certificate
Shane	Transportation	24	M	Incubator
Paul	Aviation	27	M	Incubator
Ben	Grocery	28	M	Certificate
Fily	Cleaning Supplies	29	F	Startup Program

The data analysis process explores the data collected and making meaning of various themes utilizing Taylor and Bogden's (1984) open-coding strategy, which suggested: read/re-read data, keep track of possible codes, hunches, and connected thoughts, notice related themes, construct typologies thematically, review literature, and develop storyline.

To accomplish this strategy, an open-coding process discovered emerging themes and included the following steps: transcribed all data in MSWord, analyzed transcribed data for rich data chunks and separated those, assigned numerical boxes of data a numerical value corresponding to interview participant, observation(s), and documents, analyzed each rich data chunk then categorized them based on initial analysis, provided a brief description and general typology to each category and determine relationships across emergent themes framing advanced assertions, and the process was repeated twice a few weeks apart to encourage organic incubation.

The process included considering context, conditions, and strategies while refining themes (Lincoln & Guba, 1985). Finally, member checks were facilitated to obtain feedback from participants to confirm and improve data interpretations and theme development.

PRELIMINARILY CODIFIED EMERGENT THEMES

Emergent themes and findings are evolving. Initial data analysis efforts have illuminated young entrepreneurs' perspectives in two contexts (ecosystem and mindset):

- Communal Contributions – External Awareness & Influence of the Ecosystem
- Individual Contributions – Internalized Efficacy & Awareness of Self

First, these entrepreneurs are acutely aware of supportive conditions (entrepreneurial ecosystem) where they are developing their venture and second, they are internally focused on their own development (mindset/skills). This awareness of the synergy between them as the entrepreneur (most influential organism within the ecosystem) and the ecosystem as a series of supportive environmental conditions, is critically important.

Every participant explicitly noted that the strength of pull (vs. push) from the entrepreneurial ecosystem was heavy – they felt like the ecosystem was pulling them supportively. Like gravitational pull in context of physics, whereby the mass and proximity of objects influence the strength of the pull, these young entrepreneurs, due to proximity and energy of the ecosystem that was thriving in CHCH, pulled them with great intensity to pursue their ideas. This cannot be understated. The gravitational pull between potential energy (young entrepreneurs' idea) and kinetic energy (entrepreneurial ecosystem in motion) was identified. The sources (e.g., supports, policy, financing, culture) of the pull were encouraging to their personal development and their idea. To demonstrate sources of this gravitational pull in practice alongside the external pump forces theme, Shane stated,

> *"There's advisors and other startups in this space [incubator] and other people that are in or have experience that we lean on… it's an epic space. There is an awesome concentration of people doing cool things. A lot of the time, they're in the same boat as us. We're all going down the rapids. We're all in a similar boat, and while we know the direction we are going – downstream - we do not know what conditions we will face. Peers here have gone through very similar experiences and being able to just walk down the hall and ask… it's invaluable. In terms of private equity and venture capital or angel investors, they are super supportive. We reach out to them and they're willing to help us out, whether its investments or just advice. You reach out and ask for help, people will help you in this space."*

Nick noted that he and his co-founder joined the local accelerator in CHCH. Regarding this experience and its benefits, he stated,

> *"We were one of the first three teams invited to participate and that was a huge experience for us, since we were around other people working on their ideas, and up until that point I didn't really know anyone else working on anything startup oriented. We were given space, wi-fi, coffee at the time, and now there is a*

> *mentorship program built around it, but for us it was an opportunity to be around other likeminded people. We really connected into a community, and this was critical to our success."*

Referencing the same accelerator as Nick, Paul highlighted the value in working alongside others,

> *"we were the second company to move in and then there were 15-20 companies and on any day there would be 5-6 of sitting there working together, but then you look around and there are similar businesses in different industries with the same problems, but everyone was trying to raise money, make sales, and solve problems, so being able to talk to those founders and early stage employees about how they were solving their problems, it was like we were in it together versus being isolated. Also, having access to mentors who have been there and done and have connections… It helped validate our business model."*

According to Ben, founder of a grocery startup, he recognizes value of informal/formal networks,

> *"Informally, being in a tightknit community that has a culture of collaboration is essential… and formally, I worked with [regional business organization] to get a coach and they were great, they assigned a coach that is in your industry with experience, and they really helped me out with the business side, and it was free!"*

When reflecting on their own mindset and associated skillset, they were more descriptive about and aware of their mindset than any specific skillset. Interestingly, many times they describe the most effective training programs taught them more about how to develop the best mindset for pursuing success than a set of rote skills or tools. For example, Paul (as an engineer) noted how critical his experience with an Entrepreneurship Development Program (a 4-week bootcamp) was to his understanding that when you start a business,

> *"you have to focus on the problem, whereby most people start with a solution… but if you don't have the problem, that is where everything has to start, even in the process of developing the solution you have to circle back to your problem… don't come up with an idea, come up with a problem, talk to people and see the problem from their perspective, and how it has been solved before, and what people might spend to solve it… and then learn to fail fast."*

Regarding mindset they collectively noted self-efficacy and alertness, deep curiosity by being problem-focused, perception of risk with a lack of fear of failure and an audacious naivete', internal locus of control and sense of responsibility, and purposeful passion as energy. The development of these attributes was applicable and critical to their pursuit. It seems that these attributes codify a Kiwi approach to entrepreneurship (Kiwipreneurs).

With respect to mindset, Nick noted that he and his co-founder (who built a startup in startup serving the automobile industry), were:

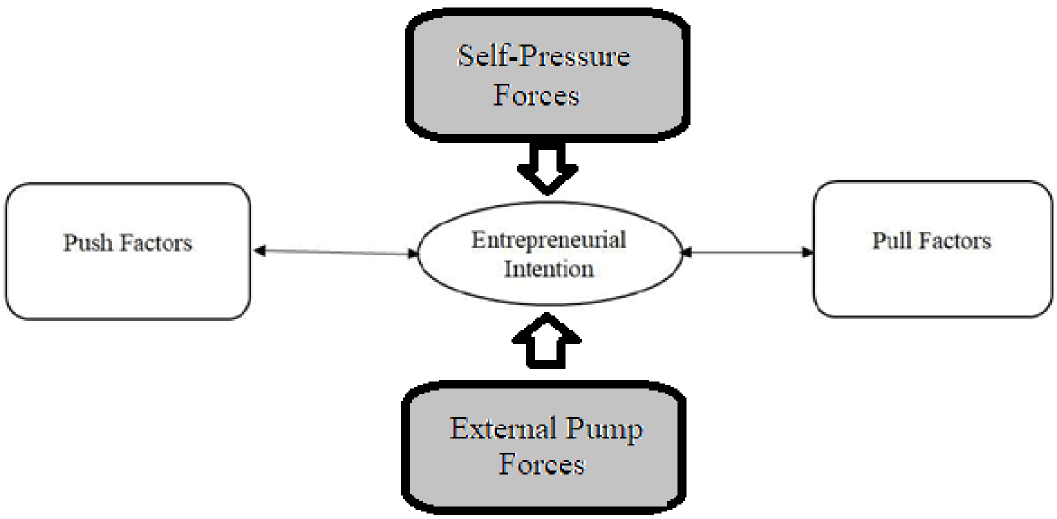
> *"Young enough to not know what we were getting into, and this was to our benefit, I do not know – knowing what I know today – I don't know if I would go down that journey… and once you know, you cannot not know. So, it worked to our advantage. Being determined to not let my cofounders down, then as the business develops not wanting to let the customers, investors, and employees down… and I have a rebellious personality and I don't like working for (but love working with) other people and I am the sort of person that if someone tells me to do something, I want to do the opposite. My co-founder is the same way. We both have contrarian perspectives."*

Regarding mindset, Ben states,

"I believe in 6 months you can be wherever you want to be… you do not have to be great; you just have to go. You must believe that you are destined to achieve the thing you are setting out to achieve, it is a destiny. That is the mindset and when that is complemented with the 1% improvement mentality… sustain effort and stay the course. To me, destiny means that you think tomorrow you might be done for, and then something happens where you are not, and that is destiny."

Finally, the participants felt more pulled into their venture than pushed, but there were two additional forces identified: self-pressure forces (pushing down) (e.g., goal setting, achievement driven, effectuation, etc.) and external pump forces (pumping up) (e.g., mentoring support, coaching, rising tide mentality, etc.).

Figure 1. Push-Pull Factors of Entrepreneurial Intention (Shamsudin et al., 2018) with Self-Pressure & Pump-Up Forces Added.



CONCLUSION

In conclusion, the initial analysis reveals that young entrepreneurs in CHCH are highly aware of the supportive entrepreneurial ecosystem and their personal development. They experience a powerful "pull" from the ecosystem, which acts as a catalyst for their venture. This gravitational pull, combined with self-motivation and external support, fosters an environment where entrepreneurs feel encouraged and empowered. The study highlights the importance of an ecosystem that not only supports but actively draws youth entrepreneurs towards success. Ultimately, a focus on mindset development and leveraging communal resources plays a critical role in cultivating effective and resilient youth entrepreneurs for today and prepares seasoned veteran entrepreneurs for tomorrow.

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THE ASSOCIATION BETWEEN DISCRETIONARY ACCRUALS AND BIG 4 VERSUS NON-BIG 4 AUDITORS

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ABSTRACT

In this paper, we examine the changes in a firm's discretionary accruals around a forced changed in auditors. The demise of the accounting firm Arthur Andersen & Co. (Andersen) provides a unique opportunity to study the financial reporting behavior of firms before and after an auditor change. Due to the relatively sudden demise of Andersen, its clients were forced to change auditors. Because the change in auditors was due to an exogenous shock, the results of tests using discretionary accruals are less likely to be biased by the firm's economic circumstances (financial distress) and opinion shopping than studies that have explored the association between discretionary accruals and auditor switching. The results of this study indicate that clients of Andersen that selected a Big 4 replacement auditor reported a decline in discretionary accruals relative to Andersen clients that selected a non-Big 4 replacement auditor. Our results also indicate that the level of a firm's discretionary accruals prior to the change in auditors affected the size of auditor chosen to replace Andersen. These results are consistent with notion that one way Big-4 auditors maintain higher quality financial reporting is by constraining discretionary accruals.

ESG DISCLOSURES AND FIRM VALUE: UNVEILING THE DYNAMICS WITHIN NIGERIAN FIRMS

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ABSTRACT

In recent years, the concept of environmental, social, and governance (ESG) has become increasingly influential in company strategy and decision-making due to the convergence of global trends concerning environmental challenges as well as social and governance responsibilities. This shift reflects a growing understanding among various stakeholders - including investors, employees, customers, and governments - that strong business operations have societal and environmental impacts that spread beyond the bottom line.

While numerous studies have highlighted the positive association between ESG initiatives and firms' performance and valuation in developed markets, some scholars caution that the economic benefits of ESG policies may be overstated, particularly over the long term, and the transition to less polluting sectors may not always yield optimal economic outcomes, especially in developing countries.

As Africa's largest economy, Nigeria presents a unique landscape to examine how firms in emerging markets integrate and leverage ESG considerations to gain a competitive advantage. Our study focuses on 103 listed Nigerian firms in 2022, exploring the determinants and impacts of ESG disclosure ratings. We find that while firms' profitability significantly determines their ESG disclosure ratings, there appears to be no clear relationship between these ratings and firms' market value. This suggests a disconnect that might influence future regulatory and educational reforms aimed at enhancing ESG integration into corporate and investment frameworks.

This research extends previous studies by demonstrating the critical role of profitability in ESG disclosures not only in developed but also in developing countries like Nigeria. Our findings highlight the strong association between firm profitability and the propensity to engage in and disclose ESG practices. This insight supports existing theories and offers empirical evidence that could reshape how stakeholders, including investors and regulators, view and integrate ESG practices.

Moreover, our results reveal that unlike in more developed markets, Nigerian firms' ESG ratings do not significantly impact their firm valuation. This discrepancy points to unique challenges within Nigerian market structures and investor behaviors, suggesting that ESG disclosures are not yet fully integrated into valuation practices despite increasing global emphasis on sustainability. This gap is critical given Nigeria's status as a major economy and oil exporter, historically marred by environmental and sustainability concerns.

In response to these challenges, Nigeria has undertaken significant policy shifts, including the adoption of a comprehensive Roadmap in January 2024 for implementing IFRS sustainability disclosure standards. However, our findings underscore a persistent disconnect between policy

intentions and investor behaviors, necessitating robust frameworks from entities such as the Financial Reporting Council of Nigeria (FRCN) to promote transparency and ensure that ESG disclosures materially impact investment decisions.

Our study not only addresses an important gap in understanding the impact of ESG practices in emerging markets but also serves as a foundational evidence base for policymakers and company leaders. By highlighting the need for broader comparative analyses and more extensive sample sizes, our work lays the groundwork for more comprehensive studies that could provide global insights from diverse market dynamics.

AI DRIVEN DIGITAL MARKETING

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ABSTRACT

Digital marketing is getting a massive boost with the rise of Artificial Intelligence (AI). AI has been a transformative force in marketing as it enables the offering of innovative solutions to enhance efficiency, enhance effectiveness by personalizing marketing messages, and drive strategic decision-making. Along with the significant advantages, AI does present some challenges and issues as well, such as reinforcing bias and stereotypes, intrusive data collection and reducing privacy, and the use of customer profiles for manipulation or other unethical purposes.

The rise of activity in social media sites such as in Instagram, Facebook, X (formerly Twitter); queries to search engines like Google and Bing; interactions with Voice Assistants like Siri and Alexa; the posting and viewing of videos; and recently the interactions with AI Chatbots like ChatGPT and Claude have provided a lot of personal data about billions of people to businesses and organizations. This massive pool of data is a gold mine for machine learning and for use in targeted and personalized marketing campaigns, at scale. Many businesses are also increasingly using Chatbots to promote their products and services, upsell and cross-sell by recommending products and services, generate leads, and increase website engagement.

AI enables marketers to streamline their operations and automate routine, repetitive tasks, thus freeing up valuable time and resources that can be redirected to more strategic initiatives. This research is a study of how artificial intelligence is being used in the world of digital marketing. The paper will detail the various advantages of using AI to enhance the efficiency and effectiveness of marketing, and also discuss the various challenges to society such as privacy, bias propagation, security and ethical issues. The research will prove beneficial to business managers and entrepreneurs, as it will introduce them to the various ways in which AI can boost their marketing efforts and provide better customer experiences. Academic researchers will gain a good understanding of the great potential and dangers of AI in digital marketing, and will be able to prepare their students for the next generation workforce.