

Working Papers For The Year of 1998

#98-01 "China's Foreign Trade and Investment Strategies: Implications for the Business Environment," Penelope B. Prime (Kennesaw State University), and Jong H. Park (Kennesaw State University)— After decades of self-imposed isolation, the decision of China's leaders to join the international markets has caused great changes both within China and in the global economy. Chinese decisionmakers have become increasingly committed to China's international involvement. Simultaneously, they have kept their focus on the long-run goals of building industrial capacity and improving technology. These characteristics have shaped the business environment in China and have kept it in constant flux, making it one of the highest risk, highest potential profit markets in the world. In spite of periodic setbacks, however, the overall trend has been an improvement in the environment for international business operations over time with a positive impact on China's economic growth.

#98-02 "The Relation Between Student Gender and Number of Public Accounting Job Offers," Joseph V. Carcello (University of Tennessee, Heather M. Hermanson (Kennesaw State University), Roger H. Hermanson (Georgia State University), and Deborah H. Turner (Georgia Institute of Technology)—The primary purpose of this paper is to explore the role of student gender in public accounting firms' hiring decisions. This study extends prior research by controlling for numerous factors in the hiring decision and expanding the breadth of the new-hire sample. The results indicate that males in the sample received more job offers than females after controlling for relevant factors.

#98-03 "Protective Capacity Vs. Excess Capacity When Too Much Is Just Right," Elke Leeds (Kennesaw State University), and Satya Chakravorty (Kennesaw State University)—This paper will show how perceptions have changed with respect to excess capacity—namely that long-term improvement goals (vs. short-term goals) are conducive to the use of protective capacity and that protective capacity grew out of TOC and heralded the concept of synchronous manufacturing and the unbalanced line. This paper will also discuss how capacity impacts the financial bottom line, both positively and negatively. It will examine the placement of protective capacity according to TOC and the synchronous manufacturing principles as well as providing an example to illustrate the findings.

#98-04 "Country Culture, Human Capital, and Corporate Governance: A Study of the Determinants of CEO Compensation in India," Kannan Ramaswamy (Florida International University), Rajaram Veliyath (Kennesaw State University), and Lenn Gomes (Florida International University)—Set within the general domain of executive compensation, this paper extends prior research beyond the realm of developed country contexts to examine whether unique influences rooted in national culture and country specific business environments have an impact on the way in which top executives are compensated. This is the first large sample study of executive compensation determinants in a developing country. The findings show that there are important context driven differences both with respect to human capital determinants and corporate governance factors. It is found that aspects such as the spread of family controlled conglomerates, the incidence of government shareholding in the private sector, and governmental regulation are quite important determinants of executive compensation—all variables that have received scant research attention thus far. In essence, these findings clearly raise questions about the transportability of the traditional executive compensation models to economies and cultures outside the domain within which they were originally developed.

#98-05 "A Modified Version of the Lewellen and Badrinath Measure of Tobin's Q," Darrell Lee (Ohio State University), and James G. Tompkins (Kennesaw State University)—Lewellen and Badrinath (1997) propose a new method of measuring Tobin's q and

convincingly argue its superiority over other traditional measures. Unfortunately, their method is prone to a high percentage of missing observations resulting in samples biased downwards for the q-statistic and upwards for firm size and leverage. We propose a slightly modified and simpler version of the Lewellen and Badrinath q-measure which more than doubles the sample size, avoids the sample biases, and has a close statistical resemblance to their q-measure. We also compare a simpler proxy for q (Chung and Pruitt (1994)) but find it to differ significantly from the Lewellen and Badrinath q. To preserve the theoretical appeal of the L&B q while avoiding the sample loss inherent in their methodology, researchers and analysts should consider the use of our slightly modified L&B q.

#98-06 "In the Wake of Sir Francis Drake," Kurt Schulzke (Kennesaw State University)—In 1895, then U.S. Secretary of State Richard Olney declared, "Today the United States is practically a sovereign on this continent, and its fiat is law upon the subjects to which it confines its interposition." Despite the practical and theoretical failings of Olney's dogma, disciples thereof continue to advance it as paradigm for resolving hemispheric conflicts. The Cuban Liberty and Democratic Solidarity Act of 1996 (LIBERTAD), a sort of apex of late-20th century Olneyism, represents the culmination of the United States' cynical, legalistic pursuit of what it can plausibly get away with under established norms of public international law. As such, the Act is at once a foreign policy disaster and a violation of customary international law.

#98-07 "Building a Balanced Scorecard: The Role of Managerial Consultants," Bonnie P. Stivers (Kennesaw State University), and Teresa J. Covin (Kennesaw State University)—This paper provides a broad overview of performance management systems that will be helpful to managerial consultants as they prepare to assist clients in redesign efforts. Specifically, the paper describes the environmental changes that are occurring with the information age; explains why the accounting model doesn't support the management function; describes a balanced performance management framework; reports the results of an international study to identify important nonfinancial performance measures; provides an illustrative case example; and shares implementation guidelines learned in practice.

#98-08 "Export Performance and Growth in China: A Cross-Provincial Analysis," Jong H. Park (Kennesaw State University) and Penelope B. Prime (Kennesaw State University)—The role of exports in economic growth continues to be debated and tested in the literature on trade and development. China is a new player in this debate with its rapid entry into international markets. This paper extends some of the previous empirical studies on the relationship between exports and economic growth in order to assess to what extent China's remarkable export growth has contributed to the country's overall growth. The study utilizes data for 26 provinces between 1985 and 1993 in an export-augmented aggregate production function approach. The results of our study support the hypothesis that exports have contributed to the growth of provincial incomes in China for the period examined with both the cross-sectional and pooled analyses, with the results being primarily determined by the coastal provinces compared with inland areas.

#98-09 "Firm Capabilities, Business Strategies, Customer Preferences and Hypercompetitive Arenas: The Sustainability of Competitive Advantages with Implications for Firm Competitiveness," Rajaram Veliyath (Kennesaw State University), and Elizabeth Fitzgerald (Kennesaw State University)—Matching Porter's (1980) three generic strategies appropriately in each of the four arenas of hypercompetition is proposed to offer temporary competitive advantages. The longer-term sustainability of these competitive advantages is argued to depend on matching the firm's resources/capabilities with the provision of customer value and needs as well as the presence of isolating mechanisms in the industry or market environment. Stringing together a series of such ephemeral advantages can enhance the firm's competitiveness in the long run.

#98-10 “The Accounting Component of Executive MBA Programs,” Dana R. Hermanson (Kennesaw State University), Heather M. Hermanson (Kennesaw State University), and Rodney G. Alsup (Kennesaw State University)—To assist Executive MBA (EMBA) faculty and administrators in their curriculum management efforts, this descriptive study examines the accounting component of U.S. EMBA programs. Based on a national survey of EMBA programs, the primary results are: (1) accounting is an important component of the EMBA—generally comprising over 10% of the curriculum; (2) accounting material is most often delivered through class discussion, case analysis, and lecture; (3) accounting is most commonly incorporated into the curriculum in stand-alone modules as opposed to being integrated throughout the program; (4) the specific topics covered primarily relate to financial and managerial accounting; and (5) the primary reasons for covering accounting in stand-alone modules are tradition and concern for efficient and effective delivery of the material.

#98-11 “Corporate Value and Ownership Structure in the Post-Takeover Period: What Role Do Institutional Investors Play?” Steven Jones (Ohio State University), Darrell Lee (Ohio State University), and James G. Tompkins (Kennesaw State University)—Several recent papers show that dissident institutions have more influence with management when the level of institutional ownership in the target firm is high. This paper investigates whether increased institutional ownership and institutional ownership concentration reduce agency costs and thus increase corporate value. We find that corporate value is positively related to institutional ownership but negatively related to institutional ownership concentration. This implies that the linkage between corporate value and institutional investors is driven by momentum trading and supports the view that the bulk of institutional investors remains passive in regards to monitoring.

#98-12 “The Future of Hong Kong and China: Insights from Economic Theory,” Mary Bumgarner (Kennesaw State University), and Penelope Prime (Kennesaw State University)—Gordon and Bovenberg (1996) argued that international patterns of capital mobility can be explained by the existence of asymmetric information between countries. They claim that foreign investors may experience a handicap relative to domestic investors due to their poorer information of domestic markets—resulting in overpaying for assets and misallocating resources. The purpose of this paper is to examine the impact of asymmetric information on the pattern of foreign investment between China and Hong Kong within the framework of the G&B model.

#98-13 “An Analysis of the Demand for Reporting on Internal Control,” Heather Hermanson (Kennesaw State U.)—The purpose of this study is to analyze the demand for reporting on internal control. Nine financial statement user groups were identified and surveyed to determine: (1) whether they would use management reports on internal control (MRIC), (2) what types of decisions would be influenced by MRICs and (3) how financial reporting might be improved by adding MRICs. In addition, the paper examined whether responses varied based on: (1) the definition of internal control used (broad, operational definition vs. narrow, financial reporting definition) and (2) user group. In general, voluntary MRICs were believed to improve controls and provide additional information for decision-making. Mandatory MRICs were thought to improve controls, but respondents did not indicate strong belief in their value for decision-making. Using a broad definition of controls, MRICs were more strongly believed to improve controls and to provide a better indicator of a company's long-term viability. Executives were very pessimistic about the value of MRICs, but individual investors and internal auditors were very optimistic. On the whole, demand for MRICs does not appear to be overwhelming.

#98-14 “International Geo-Expansion and the Small Business: Entry, Coordination and Competitive Advantage,” Robert Desman (Kennesaw State U.), and Dorothy Brawley (Kennesaw State U.)—This paper presents a conceptual exploration of the

impact of risk, complexity and information on the international geo-expansion strategies of small businesses. Entry strategy is a function of risk. Coordination strategy is a function of complexity. Further, competitive advantage is a function of information. Entry strategies are evaluated in terms of the relative risk and complexity associated with each. The roles global sourcing, human resources, global distribution and accounting practices play in the coordination process are addressed. Finally, a discussion of how small businesses can gain competitive advantage in the marketplace by capitalizing on market and product imperfections is presented.

#98-15 "From Diversity to Uniformity: The Changing Focus of Global Accounting," John McAllister (Kennesaw State U.)—Recent dramatic growth in cross-border capital market activity has resulted in a call for uniform international accounting standards. This development constitutes a major shift in focus for those who practice, teach and learn about accounting in a global context. Previously, attention was given principally to identifying and understanding country-to-country differences. Efforts of the International Accounting Standards Committee (IASC) to develop a core set of standards by November 1998 and the reaction of the US-SEC to those efforts are explored.

#98-16 "A Financial Management Computer Model," Micah Chan (Kennesaw State U.), and Willoughby Jarrell (Kennesaw State U.)—The area of financial management presents a rich opportunity for cross-cultural fertilization of processes that assist those in institutional and corporate settings to adjust and administer remuneration packages in ways that offer positive incentives to the workforce. This study creates a computer program that can aid management during periods of transition from one type of economy to another or during periods of growth or downsizing to adjust or reassemble pay packages to enhance the position of the affected business enterprise. The computer program provides a process for readjusting pay scales and increments in the workforce that can be implemented easily and in a timely manner by financial officers. It provides those responsible for financial management with an efficient process to operationalize financial change with a minimum of error. The program provides managers with maximum protection when communicating these matters to the workforce in order to convey and maintain an atmosphere of positive work incentives and standards of fairness. It can assist the financial officer in contributing to a smooth transition in the workplace.

#98-17 "Railroad Construction and Slave Prices: An Empirical Test," Mark Yanochik (Kennesaw State U.)—In this paper, we attempt to measure empirically the impact that railroad construction had on the determination of slave prices in antebellum Louisiana. Based on our results, we suggest that the building of railroads in Louisiana directly influenced the real price of slaves in that state. The intense demand for labor by railroads put upward pressure on the demand for slaves, resulting in higher slave prices. In addition, railroads lowered the overall costs of plantation agriculture by lowering the costs of transporting goods to and from plantations, and by opening new, potentially more productive lands. Further, our results suggest that railroad construction was more important than cotton as a determinant of slave prices—challenging the standard belief that "cotton was king".

#98-18 "Do Large CPA Firms Provide Higher Quality Audits? What Research Tells Us," Paul Clikeman (U. of Richmond), and Dana Hermanson (Kennesaw State U.)—Findings regarding the relationship between firm size and audit quality include: (1) many investors, underwriters and investment bankers prefer large audit firms; (2) stock prices react favorably to the selection of a large audit firm; (3) large audit firms have lower rates of litigation than small firms; (4) there is mixed evidence on whether large audit firms commit fewer GAAS violations; (5) there is no evidence that large audit firms are more likely to find or report material misstatements; and (6) there is no evidence that financial statements audited by large firms are more accurate or less biased.

#98-19 "The Performance Correlates of Ownership Control: A Study of MNE Joint Ventures in India," Kannan Ramaswamy (Florida International U.), Lenn Gomes (Florida International U.), and Rajaram Veliyath (Kennesaw State U.)—This study reports the findings from an empirical examination of the relationship between ownership control and joint venture performance. It conceptualized ownership control as a continuous variable so that the range of values of optimal equity holdings could be derived. Thus, it was possible to empirically determine both the form and strength of the relationship, aspects that prior studies have not addressed fully. The empirical examination was carried out on a longitudinal sample of joint ventures between U.S. and European MNEs and local firms in India. Results clearly show that the relationship between ownership control and performance is curvilinear. Contrary to the prevailing views that advocate an *equal* sharing of equity, performance was found to improve with increasingly *unequal* levels of ownership.

#98-20 "Knowledge and Innovation Focus: A Classification of U.S. and Canadian Firms," Teresa Covin (Kennesaw State U.), and Bonnie Stivers (Kennesaw State U.)—The purpose of this paper is to examine business practices focused on knowledge and innovation and the relationship of these business practices with other key organizational variables in Canadian and U.S. firms. Using cluster analysis, we grouped firms with similar knowledge- and innovation-related business practices based on respondents' self-reports. Our analysis reveals that firms in each country can be categorized based on their focus on knowledge and innovation as *high focus* (34 Canadian firms and 43 U.S. firms), *moderate focus* (68 Canadian and 26 U.S.) or *low focus* (46 Canadian and 27 U.S.). In addition to differences in business practices, results indicate that firms in each of the three categories tend to differ in organizational structure and technology orientation as well as in the perception of the value of various nonfinancial performance factors and intangible assets. Categories of firms are also profiled by firm size, industry, business strategy and financial data.

#98-21 "Enhancing Pareto Analysis with the Theory of Constraints: A Case Study," Richard Spry (Vulcan Materials Co.), and Satya Chakravorty (Kennesaw State U.)—Downtime schedules of various operations impact the productivity of a crushed stone operation. Traditionally, Pareto analysis has been done to develop the downtime schedules for the various operations. This research uses the Theory of Constraints principles to enhance the Pareto analysis. Utilizing data from the Vulcan Materials Company's Red Oak Quarry, the downtime schedules of various operations are developed. The results indicate that the downtime schedules developed using the enhanced Pareto analysis improve the productivity of the operation in a significant way.

#98-22 "A Simulation-Based Study of the Order Release and Dispatching Practices of Drum-Buffer-Rope and Traditional 'Good' Shop Floor Systems in a Variety of Job Shop Environments," Brian Atwater (Utah State U.), and Satya Chakravorty (Kennesaw State U.)—The combined impact of controlled order release, shop loading and dispatching on the delivery performance of a job shop is widely recognized. Two popular scheduling systems have evolved which take fairly different approaches to these activities: closed loop MRP and drum-buffer-rope. Both systems have shown that they perform well in job shop environments. However, the literature on each of these systems uses widely different types of job shop environments. This study investigates the performance of these two systems using a series of simulation models which represent a range of job shop environments including the two environments commonly used for each system. The study confirms that both systems work best in the environments they were originally developed for and uncovers several interesting implications that should prove useful for both practicing managers and researchers.

#98-23 "An Implementation of DBR Control Mechanism in a V Plant: A Case Study of a Window Manufacturing Operation," Satya Chakravorty (Kennesaw State

U.)—Robert Bowden Inc. implemented DBR control mechanism in its window manufacturing operation—a V plant. As a result of that implementation, while total inventory of finished goods decreased by 67.11% and the number of backorders per week decreased by 31.58%, annual sales of windows increased by 4.90%. These benefits were realized with 25.07% fewer workers, 27.25% fewer overtime hours and no additional equipment or tools.

#98-24 “Capital Mobility and Asymmetric Information: The Case of Hong Kong and China,” Mary Bumgarner (Kennesaw State University) and Penelope Prime (Kennesaw State University)—Gordon and Bovenberg (1996) have argued that international patterns of capital mobility can be explained by the existence of asymmetric information between countries. They suggest that foreign investors may experience a handicap relative to domestic investors due to their poorer knowledge of domestic markets. Consequently, they are likely to misjudge foreign markets and as a result either overpay for assets or misallocate resources. Applying the G&B model, we hypothesize that the existence of asymmetric information provides a useful explanation for the nature and size of capital flows to and from Hong Kong during the period prior to its reversion to China. This period offers a unique opportunity to explore implications of the model as the degree of asymmetric information changes.

#98-25 “Impact of Shifting Product Mix on the Performance of DBR Scheduling Mechanism in a Job Shop Environment,” Satya Chakravorty (Kennesaw State University) and Brian Atwater (Utah State University)—The study found that when a shift in product mix did not create a new bottleneck, the performance of the DBR scheduling mechanism in terms of flow time, standard deviation of flow time and total inventory in the system were not significantly impacted. The study also found that when a shift in product mix did create a new bottleneck, the performance of the DBR scheduling mechanism in terms of flow time, standard deviation of flow time and total inventory in the system deteriorated. The throughput performance of the DBR scheduling mechanism was not impacted by shifts in the product mix except when a shift in product mix created a two-bottleneck situation. Suggestions are also provided for the practicing managers to prevent the occurrence of new bottlenecks due to shifts in product mix.

#98-26 “How Governmental Internal Auditors are Adapting to Changes in Information Technology,” Dana Hermanson (Kennesaw State University), Mary Hill (Kennesaw State University) and Daniel Ivancevich (University of Tampa)—The purpose of this paper was to provide governmental internal auditors with an understanding of the current state of internal auditors’ evaluation and usage of information technology. Our results indicate that governmental internal auditors (1) typically have an objective related to internal control or compliance when evaluating computerized systems, (2) most commonly perform tests in the areas of IT asset safeguarding and data integrity, privacy and security and (3) generally use computerized administrative and problem-solving aids. Possible areas of expansion for governmental internal audits include more focus on IT effectiveness and economy as well as greater testing related to system development and implementation. As governmental units’ investment in IT continues to grow, cost effectiveness and system design will become even more important.

#98-27 “Strategy Studies and Entrepreneurship,” Gary Roberts (Kennesaw State University)—This paper explores two topics in entrepreneurship: (1) the importance of environmental alignment and (2) logical incrementalism. Specific suggestions are made concerning potential contributions by those topics to the study of entrepreneurship.

#98-28 “A Sensitivity Analysis of the Performances of Order Release and Dispatching Practices of Drum-Buffer-Rope and Traditional ‘Good’ Shop Floor Mechanisms,” Satya Chakravorty (Kennesaw State University) and Brian Atwater (Utah

State University)—This paper presents the results of an investigation of the performance of a traditional approach to order release, shop loading and dispatching and the DBR system under changing operating environments. The study showed that in most cases the TR system generated faster average flow times than the DBR system but with a great deal of more variability. The study also revealed that, in general, the DBR system's flow times, variability of flow time and system inventory levels were much less affected by changes in the operating environment than the TR system. In addition, the throughput of the DBR system equaled or exceeded the throughput of the TR system—even when the latter had a faster average flow time. Finally, the study verified that DBR's main area of weakness comes in dealing with operations that have multiple bottlenecks that interact.

#98-29 “Market Efficiency and the Streaking-Teams Phenomenon,” Ladd Kochman (Kennesaw State University) and Ravij Badarinathi (University of North Carolina at Wilmington)—Hot and cold streaks by NFL teams during the 1987-96 seasons were investigated for predictive content. Findings supported earlier claims that betting against streaks was more successful than betting on them but that above-average profits were generally not available. However, some team-specific streaks did emerge from our analysis with nonrandomly profitable wins-to-bets ratios.

#98-30 “Project Selection Techniques for Quality Improvement,” Satya Chakravorty (Kennesaw State University) and Rexford Draman (University of Alabama at Birmingham)—To determine an effective management tool to guide the selection of Quality Improvement (QI) projects, four alternatives have been evaluated. Three QI alternatives (highest number of scrap units, highest dollar volume of scrap and all work centers equally) are based on current practices while the fourth alternative is based on Theory-of-Constraints (TOC) principles. The five organizational performance measures used to evaluate the effectiveness of the above alternatives include (1) sales, (2) cost of goods sold, (3) cost of goods scrapped, (4) nonproductive labor and (5) operating profit. The results indicate that QI project selection alternative based on TOC principles consistently outperforms the QI project selection alternatives based on current practices.

#98-31 “Creating Management Education that Matters: From a Diagnostic Model to Three Case Applications,” Rodney Alsup (Kennesaw State University) and Thomas Kolenko (Kennesaw State University)—A diagnostic model for developing high-quality, university-based management education programs is presented. This learning outcomes-centered model includes participant attributes, discipline content, pedagogy, technology and logistical support and faculty components. Three different organizational case applications are used to illustrate the payoffs for employees, participants and faculty.

#98-32 “Evaluating Portfolios and Finessing Systematic Risk,” Ladd Kochman (Kennesaw State University) and Ravij Badarinathi (University of North Carolina at Wilmington)—Current methods of portfolio performance evaluation are reviewed, and a new technique is suggested. A ratio of portfolio-to-market downside deviations (DD_P/DD_M) replaces beta in the capital asset pricing model to produce a risk premium that is sensitive to both incomplete diversification and nonsymmetric returns. An examination of 47 growth mutual funds exposed a positively-skewed fund with a DD_P/DD_M ratio lower than the portfolio's beta—raising the possibility that systematic risk is diversifiable.

#98-33 “Football Market Efficiency and the Favorite-Underdog Bias,” Ravij Badarinathi (University of North Carolina at Wilmington) and Ladd Kochman (Kennesaw State University)—Past studies have suggested that football bettors exhibit a marked preference for professional teams installed as favorites by Las Vegas oddsmakers and thereby create profit opportunities for those who wager on the underdogs. To test that hypothesis in the less-followed college football market, we applied three underdog-based

strategies to the 1988-97 seasons. Only one of our betting rules produced a wins-to-bets ratio greater than the 52.4-percent breakeven rate. The two strategies that failed to break even had achieved nonrandomly profitable W/B ratios of 69 percent and 61 percent in an earlier investigation. A review of the favorite-underdog bias in other sports as well as a brief history of the ways in which sports-betting profitability has been measured are also included.

#98-34 “The Role of Technology in Achieving Learning Objectives,” Penelope Verhoeven (Kennesaw State University), Samia Siha (Kennesaw State University), and Hope Baker (Kennesaw State University)—In the struggle to develop meaningful learning objectives for and incorporate effective information technology (IT) into their courses, the authors of this paper became aware of the need to consider both issues simultaneously. IT has, for the most part, been introduced into the learning process independently of the development of course objectives. In this paper, the authors present Bloom’s Taxonomy of Cognitive Objectives and discuss the relationship between cognitive objectives and IT choices.

#98-35 “Evaluation of Information Technology by Internal Auditors: The Effects of Evaluation Objectives and Organizational Characteristics,” Dana Hermanson (Kennesaw State University), Mary Hill (Kennesaw State University), and Daniel Ivancevich (University of Tampa)—This exploratory study examines the information technology (IT) evaluations performed by internal auditors. Information gathered from over 100 internal audit directors indicates that internal auditors focus primarily on traditional IT risks and controls such as IT asset safeguarding, application processing, and data integrity, privacy and security. Much less work is done on more technical IT areas such as system development and acquisition. The study also identifies and discusses the factors that are associated with auditors’ performance of IT evaluations.

#98-36 “The Finance Component of Executive MBA Programs,” James Tompkins (Kennesaw State University), Dana Hermanson (Kennesaw State University), Heather Hermanson (Kennesaw State University), and Rodney Alsup (Kennesaw State University)—This descriptive study examines the finance component of EMBA programs in the U.S. Responses to a nationwide survey of EMBA programs indicate that (1) finance material is most often delivered in class through a mix of class discussion, case analysis, lecture, and problems; (2) nearly 70 percent of finance material is covered in stand-alone finance modules as opposed to being integrated throughout the program; (3) the topics covered primarily relate to basic financial analysis, corporate finance, and investments; and (4) areas such as financial institutions/markets and working capital management receive relatively little attention.

#98-37 “How To Include the Assimilation and Communication of Information into the Business School Curriculum,” Hope Baker (Kennesaw State University) and Samia Siha (Kennesaw State University)—This paper address several issues relevant to curriculum development in business schools. The main purpose was to determine how schools are incorporating information systems and communication skills into their curriculum. Future research into the effectiveness of current instructional efforts is suggested.

#98-38 “Perceived Importance of Nonfinancial Performance Measures: A Classification of U.S. and Canadian Firms,” Bonnie Stivers (Kennesaw State University) and Teresa Covin (Kennesaw State University)—This paper examines the perceived importance for nonfinancial performance measures (NPMs) in Canadian and U.S. firms. Using cluster analysis, we grouped firms with similar perceptions of the importance of NPMs. Our analysis reveals two distinct categories of Canadian firms and three separate categories of U.S. firms. For firms operating in both countries, stronger perceptions of the importance

of NPMs are associated with greater focus on the actual measurement and use of this information. In addition, stronger perceptions of the importance of NPMs are linked with (1) more emphasis on innovation and technology and (2) a greater recognition of the increasing importance of intangible assets to the overall success of the firm. NPMs related to customer service are viewed as most important while NPMs related to employee involvement and innovation are generally perceived as less important.

#98-39 “Inventory Management Improvements: How Are Companies Really Faring?” Hope Baker (Kennesaw State University) and Samia Siha (Kennesaw State University)—The current literature pertaining to supply chain management gives little attention to the impact of this practice on inventory levels. The implicit assumption seems to be that inventory levels are sufficiently lean. This paper reveals that those making that assumption in the late 1980s were wrong; however, the real purpose of this study is to assess the effectiveness of current inventory management practices.

#98-40 “An Assessment Model for Accounting: Design and Implementation,” Bonnie Stivers (Kennesaw State University), Jane Campbell (Kennesaw State University), and Heather Hermanson (Kennesaw State University)—The purpose of this paper is to describe the assessment model for the undergraduate degree program in accounting at Kennesaw State University. This model is generic in nature and may be used by other departments as they plan their assessment activities. Assessment is mandatory in the University System of Georgia—of which Kennesaw State is a member. As a result, the accounting faculty developed a comprehensive assessment plan and has implemented activities since 1993. This paper presents an overview of the process, a description of the program, highlights of our activities, utilization of results, our 1998-1999 plan, and a recap of lessons learned.

#98-41 “Football Betting and the Overreaction Hypothesis,” Ladd Kochman (Kennesaw State University)—The hypothesis that bettors overreact to defending Super Bowl champions and thereby create profitable opportunities for those betting against them is explored. A wins-to-bets ratio of 67.3 percent (significant at $p < .001$) for the 1987-1997 NFL seasons suggests that overreaction in the football market is a real and exploitable phenomenon.

#98-42 “The Theory of Constraints and Service Organizations: A Proposed Framework,” Samia Siha (Kennesaw State University)—The general principles of TOC can be applied to improve the performance of service organizations. We proposed a framework for such applications based on Schmenner’s classification of service organizations. We identify the flow of material, inventory and throughput at various service organizations of the four quadrants of the service matrix. The definition of these terms might be dependent on the service. Since system constraint is at the heart of TOC, the recognition of the nature of organization constraint is the first step toward continuous improvement.

#98-43 “A Simulation Study of the Applicability of the Theory of Constraints Concepts to the Selection of Improvement Projects in Manufacturing Environments,” Brian Atwater (Utah State University) and Satya Chakravorty (Kennesaw State University)—The purpose of this study was to determine the applicability of the Theory of Constraints principles to the prioritizing of improvement projects in manufacturing environments. Two such environments studied were (1) *flow shop* with (a) one product and one routing and (b) many products and one routing and (2) *job shop* with (a) one product family and many routings and (b) many product families and many routings. The study found that improvement efforts should first be focused on the bottleneck operation and then on operations after the bottleneck to the last operation. Too, improvement efforts should be focused from the gating operation to the bottleneck operation if necessary.

#98-44 “An Evaluation of Order Review/Release (ORR) Mechanisms in a Job Shop Operation under a Variety of Conditions,” Satya Chakravorty (Kennesaw State University) and Brian Atwater (Utah State University)—The purpose of the study was to evaluate three ORR mechanisms: Drum-Buffer-Rope (DBR) scheduling mechanism, Modified Infinite Loading (MIL), and Immediate (IMM) release mechanism (the base case) under stable and dynamic conditions. Once the jobs were released into the shop, two dispatching rules (FCFS and SPT) were used. The study found that under stable conditions—a non-shifting dominant bottleneck—the DBR scheduling mechanism outperformed both the MIL and IMM mechanisms. However, under relatively dynamic conditions—a shifting dominant bottleneck—both the MIL and IMM mechanisms outperformed the DBR scheduling mechanism.