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GRADE EXPECTATIONS

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ABSTRACT

Data in previous literature as well as data collected for this study are consistent with two propositions. First, students perceive economics principles courses to be a relatively difficult. Second, in spite of this fact, students expect to do relatively well in these courses. For example, a majority of over 400 students responding to a survey administered in economics principles courses at a Midwestern university indicated they perceived economics to be more difficult than other courses. In spite of this perception and regardless of academic ability or past performance (as indicated by variables such as high school study experiences, ACT scores, and college grade point average), these students expected to receive a grade of at least 3.0 in their principles of economics courses. These seemingly unrealistic expectations may result from two sources: overly optimistic aspirations and signaling.

Behavioral economics departs from the typical assumption of unbounded rational behavior on the part of economic agents. Instead it allows for the fact that people often behave irrationally both in terms of the beliefs they hold and the judgments they make. Although psychology literature has long discussed this attribute of behavior, Simon (1955) was one of the first to introduce the idea to the field of economics.

Psychology literature argues that individuals in Western culture tend to be overly optimistic when stating their aspirations and expectations. Lewin et al (1944, p. 337) argue that people in Western culture typically express aspiration levels above their previous performance levels when first exposed to a situation and, under most conditions, continue to express positive goal discrepancy. While cultural pressures for improvement can stimulate people to greater effort, such pressures can have negative impacts. March and Simon (1958, p. 263) argue that not only are aspirations revised downward in the face of positive goal discrepancy, but such discrepancy may result in feelings of apathy and trigger search behavior as individuals look for alternative ways to fulfill their goals. Cross (1969) went on to postulate that individuals who are overly optimistic in their demands may actually end up with a lower payoff than those whose initial demands are more realistic.

These ideas can be applied to student behavior. Students who are overly optimistic with regards to their grade expectations and set their goals too high may become discouraged and put forth less effort in a class. In this case, over-optimism may result in a relatively worse course grade. In addition, the search behavior described by Simon may result in signaling on the part of poorer students. Such activity may make it more difficult for an instructor to award grades that accurately

reflect student knowledge and ability. Thus, overly optimistic grade expectations on the part of students can have implications for the grades ultimately awarded in a course and can therefore have implications for instructor response to this behavior.

Our paper uses survey data collected on over 400 students enrolled in principles of economics courses at a Midwestern university in an attempt to establish whether aspiration or signaling theory can be applied to the aforementioned student behavior. Such a determination is important in that the underlying cause of overestimation of grades has important implications for both professor response to this student behavior and for student performance in the course.

Estimation of an ordered probit model indicates that student grade prediction in these principles courses is driven by both overly optimistic aspirations and signaling. Thus, we conclude that policies designed to bring student perceptions more into line with reasonable performance expectations should be coupled with efforts to provide instructors with more information about individual student ability. This will not only help to maximize student performance in the course but will also benefit instructors' efforts to differentiate between high-ability and low-ability students and prevent the lowering of grading standards on the basis of false signals.

CREDIT: A TALE OF THREE STATES

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ABSTRACT

This paper explores the relationship between students in 13 schools in Arkansas, Ohio and California. We used the total dollar debt as our Y independent variable and looked at the following criteria as X variables. Two variables Gender, and Major did not prove to be significant. The significant factors were GPA; number of cards owned; tuition costs paid with credit card; .01 level in school: employment; hours per week worked; and marital status. This paper explores the problems that were more serious in Ohio and California than in Arkansas primarily because of the high cost of tuition. It would be valuable to include data from other states to see if there is a continued difference. Credit is a serious problem for all students.

INTRODUCTION

A recent article in the *Wall Street Journal* stated that, over half of the college students surveyed in had at least one credit card (July 18, 2006). Mark Dolliver (2003) reports that two-thirds of all students have at least one credit card. A 2004 study by Nellie Mae, a well-known lender of student loans, found that 76% of undergraduate students have at least one credit card (Undergraduate, 2005).

Credit cards are easy to obtain, and this is one reason so many students have credit cards in their own names. Furthermore, as credit card use and subsequent debt soared in the 1980s, most of today's college students were growing up, watching their parents use credit cards, often on a daily basis, to purchase everything from back-to-school clothing to dinners out. Perhaps this lifestyle influenced these children so that as they grew up and entered college, they continued the family tradition of buying now and paying later (Braunsberger, Lucas, & Roach, 2005).

Credit cards can offer many conveniences for today's students. Some of these conveniences include, for example, an easy method of paying tuition and buying textbooks if the student's financial aid arrives later than the student anticipated. In fact, a recent article in the *Wall Street Journal* (2006) reports that about 25% of the students with credit cards have used their cards to pay tuition. Also, students can use a credit card to purchase other necessities (e.g., gasoline, food, clothing) while waiting, perhaps, for their paychecks. Thus, credit cards can often provide much convenience and usefulness for today's students while allowing them to remain in college.

Unfortunately, the convenience and usefulness of credit cards also bring potential dangers for the students if the students do not pay their credit card balances in full each month. For example, Jacqueline King, Director of the American Council on Education Policy Center, discusses students who use their credit cards to pay tuition. According to King, credit cards can be a very convenient

method of paying tuition if the students pay their balance in full each month. However, King points out, for those students who pay tuition with a credit card and carry the balance each month, there are other, much less expensive forms of credit the students could be using to pay for their tuition (Weisbaum, 2006). Apparently many students are using this high-cost form of credit in light of a study by the American Council on Education, which found that 55% of the students who are paying their tuition with credit cards do indeed carry a balance (WSJ, 2006).

Depending on the sources reviewed, the use of credit cards among college students as well as the balances they carry may be on the rise. However, what is not disputed is that too many college students who are using credit cards do not understand the real costs involved. Bianco and Bosco (2002) write “students accept the credit card’s easy access to cash and merchandise, but then seem unable to interpret statements and/or make payments on these credit cards” (p.45). As Waggoner (2005) points out, students are often “cash poor and susceptible to the promise of ready-to-use credit” (1).

THE STUDY

The purpose of this study was to determine the status of three different groups of students one each in Arkansas, One in Ohio and the other in California with regard to credit card use and debt. The results would help develop recommendations for faculty and staff in those states who wish to help educate students about appropriate credit card use as well as the dangers involved with misuse of the cards.

PARTICIPANTS

Students at 12 AACSB schools, and 2 non-AACSB schools, in three states from randomly selected classes were asked to complete a survey pertaining to their use of credit cards. Schools participating in the survey ranged from tiny Henderson State University in Arkadelphia, Ar. with less than 2,000 students, to Ohio State University with the largest enrollment in the USA. In Arkansas they included three schools with 39 classes and 768 students: the University of Arkansas at Little Rock, Arkansas State University and Henderson State University. . The five California schools included 17 classes with 1,376 students from: Allan Hancock Community College, Cal Poly San Luis Obispo. Cal Poly-Pomona, Chico State, and UCLA. The five Ohio Schools included 15 classes with 2,304 students from: Ohio State, The Ohio University-Athens, Cleveland State, Miami University and the University of Akron. The students were told that the survey was voluntary and anonymous and were also given information about how to contact the IRB board, which had approved an exempt status the survey as it pertained to human subjects. A total of 4,469 surveys were completed. The students surveyed included 19.4% freshmen, 18.66% sophomores, 22.25% juniors, and 27.11% seniors and 12.58% Graduate students. We also surveyed 123 non-students in the same age group 19-25 as a control group. A regression analysis was conducted to determine which of the following dependent variables were significant at the .01 level of testing; Gender, age, major, GPA, marital status, Number of credit cards, amount of student loans, employment, hours worked each week plus 18 other criteria. The Independent Y variable was the response to the

question “Do you consider your debt out of control?” using a five point likert scale. We also used the dollar amount of debt as the Y variable.

Using a Likert scale for eight questions, the students were asked to indicate their level of agreement with selected questions. On other questions, the students were asked simple Yes or No questions (e.g., if they carried a balance on their credit cards), which were treated as two response dummy variables. Some were open-ended questions such as the amount of any credit card balance they might have accrued.

RESULTS

The only criteria proven to be not significant at the .01 level in any of the three states were Gender, and Major. This indicates that these two variables are not important predictors of credit problems. GPA was only significant and positive, the higher your GPA the more problems you have with credit in California. This may be in part because GPA's were lower there to begin with than in the other two states. Evidently in Arkansas and Ohio these factors were not important in determining credit problems, or the number of cards owned. Owning credit card's spells problems for students. Students reporting no credit cards only had 1.02% of them reporting serious debt problems in Arkansas. The other two states had a slightly higher rate of 3.15% in Ohio and 4.24 % in California. In Arkansas 15.18% of students with 4 or more cards reported having such problems slightly lower than the mean score of 18.89% for the entire study. California had 23.37% and Ohio 25.54% higher than the group mean. In all cases debt was more of a problem in those states than in Arkansas. That may be due in part to the strong work ethic and the conservative politics of Arkansas relative to Ohio and California with respect to credit and debt. This statistic was significant at the .01 level of testing. The more cards you own the higher your debt and the more likely you are to have a debt problem. That conclusion was a problem for students in both California and Ohio. The difference among the states may result from the fact that students use credit cards to pay tuition debt and books at a higher rate in both California and Ohio than in Arkansas. Only 14.22% of students reported using credit cards for books and tuition in Arkansas as compared to 57.89% in Ohio and 63.77% in California. Tuition is also higher at the schools in California, averaging \$14,785 per year compared to Ohio with \$12,666 and Arkansas with tuition at nearly one-third of the other states at \$3,785. The variation among institutions in the various states was relative small. While the difference in tuition could reflect a difference in the quality of education all schools with two exceptions were AACSB related schools and should not have a big difference in the quality of their education just in price of the services. This may result in a greater problem with debt among students in those states. They also had an average of 2.79 cards for California and 1.99 cards for Ohio compared to students with out tuition debt in Arkansas of only .89 cards per person. There is a correlation between the college tuition debt and general debt because a significant number of students, 73.35% of those reporting tuition debt used credit cards to pay some of that debt. They were also more likely by 3 to 1 to pay the minimum interest payment each month. High tuition debt meant high general debt.

Status in school was also significant freshman had a relatively high average use of credit cards and possessed an average of 1.46, 2.88 for Ohio and 2.79 California, cards per student. Again students in those states were more likely to abuse credit. Sophomores had a smaller average of 1.17,

all three states and a correspondingly lower incident of debt, not varying more than .3 and a reported slightly less debt problem. Then as students progressed their debt and number of credit cards held increased significantly, up to an average of 3.04 cards per graduate student. Again the statistics were higher in California and Ohio. It seems that bad credit issues for freshman caused them to reevaluate their use of credit, but after the sophomore year the attraction of credit cards proved to be a significant temptation. This was magnified in California and Ohio. The good news is that the lowest use of credit cards and credit issues was among the control group, who did not have any college background. This statistic did not vary significantly among the three states demonstrating that non-college students were not affected by tuition costs relative to debt. It is obvious that the expectation of a higher salary after graduation among college students caused them to over use credit more than the control group in all three states.

In our survey 25.39%, 18.23% for Arkansas 27.72% for Ohio and 28.81% for California, of all subjects had at least one credit card, which is line with other research. Again showing a marked difference in the states. Even more serious is the fact that an average of 35% of all students carried 2 or more cards. There was however a significant difference among students in the three states. Students in Arkansas had a significantly lower credit card use rate with an average of 1.03 cards per student. Ohio students average 2.04 cards per student and California 1.83 cards each. Arkansas students were less likely to note significant credit problems at 7.12% as compared to the other two state of Ohio with 14.36% and California at 15.09%. It also should be noted that students in these states were likely to have more than twice as much tuition debt than Arkansas Students. Students in California and Ohio reported a 24% higher use of credit to pay other costs than in Arkansas.

Students without a job or those who worked less than 10 hours per week were significantly less likely to over use credit cards and to have fewer cards, averaging .79 cards compared to 2.44 for those who worked more than 10 hours per week. Having gainful employment gave the students over=confidence in their ability to pay credit debt in both Arkansas and Ohio. It did not have the same impact in California.

In our survey 25% of all students had at least one credit card, which is line with other research. Thirty-six percent of all students carried 2 or more cards. There was a significant difference among students in the three states. Students in Arkansas had a significantly fewer credit cards with an average of 1.03 cards per student. Ohio students averaged 2.04 cards per student and California 1.83 cards. Arkansas students were less likely to note significant credit problems at 7.12% as compared to the other two state of Ohio with 14.36% and California at 15.09%.

Marital status is a significant predictor of credit problems here there was no significant difference among the states. Divorced students were most likely to note bad credit at 19.68%. Single students were more likely to note credit problems than married students by 3.81% but both were 8.02% less likely to have problems than the divorced students.

Over all 87% of the students were unaware of the amount of interest on their credit cards. Students were more unaware in Ohio and California by 22.23% indicating a relationship between debt and knowledge about the level of that debt. The more awareness of students the lower the debt. That is an indication that education could prove to be a critical factor. Those with significant debt problems were also less likely to know their interest rate, at 96%, than those who reported no problems, at 65.32%. Again the rates were worse in California and Ohio by 13.93%. Despite the growing debt problem less than 4% of those surveyed had ever considered debt counseling. Our

University reports that 17% of our students do not graduate due to problems with credit that require them to quit in order to take a full time job to pay off significant debts. This may be a reflection of the general problem status of debt among Americans. It is a growing issue, which Universities should feel some obligation to discuss. Our brightest student graduates are beginning life with a significant debt that they are not dealing with properly. I believe that some mini-course should be required for entering freshman on coping with investing, savings and managing debt.

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Table 1; Credit Cards Use by State and Class

	0 credit cards	1 credit card	2 credit cards	3 credit cards	More than 4 cards	Average number of cards
Freshman	38.12%	33.44%	12.19%	16.33%	10.25%	1.46
Sophmores	39.04%	33.13%	11.11%	15.19%	1.53%	1.17
Junior	35.13%	32.47%	12.23%	18.04%	16.30%	1.74
Senior	32.15%	23.01%	21.08%	15.51%	8.25%	2.44
Grad School	21.14%	38.42%	19.03%	11.99%	9.42%	3.04
noncollege	73.41%	8.33%	7.13%	6.34%	4.79%	.96
Arkansas	51.23%	30.24%	7.99%	2.14%	8.4%	1.03
California	31.04%	29.02%	19.01%	13.14%	7.79%	1.83
Ohio	32.42%	17.84%	21.42%	11.02%	17.03%	2.04
total	38.44%	25.39%	16.37%	10.11%	9.69%	1.97

Table 2: RAW SCORE AND CHI-SQUARE RESULTS

SCHOOL-STATE	SUBJECTS CLASSES	GENDER MALE/FEMALE	Age Sign *	Marital Status	No. Credit cards Average	Employed	rank
1-Arkansas State University	427/8	32/68	19.01*	23% M 59% S 8%* D	2.12	62.38	9
2- Henderson State Un.A	218/5	45/55	21.06*	27% 58% 15%*	2.22	62.84	1
3-UALR-A	123/2	42/58	19.93*	31% 62%* 7%	2.45	63.04	8
4-Ohio State -O	449/5	56/44	21.45*	23% 57% 10%*	3.01	67.43	6
5-Miami Un - Ohio	115/3	73/27	18.99*	27% 55% 8%*	2.99	68.45	2
6-John Carroll Un-O	489/4	57/43	19.48*	22% 62% 16%*	2.10	62.17	14
7-University of Akron- O	937/15	45/55	21.66*	24% 79% 7%*	1.9	55.87	5
8-Ohio University O	314/12	43/57	23.12*	33% 49% 9%*	1.72	70.49	4
9-Allan Hack C	121/7	29/71	18.71*	21% 62% 7%	.93	53.91	3
10-Calpoly-SLO -C	872/5	66/34	20.04*	22% 60% 8%*	1.17	89.2	7
11- Chico State	321/6	45/54	20.21*	25%	2.32	77.23	12

SCHOOL-STATE	SUBJECTS CLASSES	GENDER MALE/FEMALE	Age Sign *	Marital Status	No. Credit cards Average	Employed	rank
C				58% 7%*			
12-UCLA-C	175/3	39/61	21.04*	21% 57% 12%*	4.19	71.69	11
13-Calpoly-Pomoma C	32/1	66/34	20.08*	21% 59% 10%*	3.25	77.32	10
14-Cleveland State Un-O	55/2	47/53	21.87*	25% 70% 5%*	3.27	81.12	15
15-Control	231	44/56	20.55*	23% 66% 17%*	1.84	92.61	13
TOTAL	3,705/58 CLASSES	47/53	20.86*	24% 59% 9%*	2.32	77.33	

TABLE 3: STATISTICAL ANALYSIS

Factor/significance	R2 SIGN AT .01 LEVEL	F-STATISTICS	T-RATIOS
GENDER	R2=.6634 NS	1.237 (.0001)	..00204 (.0381)
AGE	R2= .8006 NS	14.13* (0021)	1.909 (0091)
MAJOR	R2= .5341 NS	2.14 (0701)	.0076 (0321)
STATUS	R2=.9977 S	25.09* (0001)	3.146 * (0031)
# OF CREDIT CARDS	R2=.9866 S	23.07* (0001)	2.941 * (0028)
MARITAL STATUS	R2=.9694 S	11.09* (0002)	2.776 * (0055)
ANOUNT OF STUDENT LOAN	R2= .9991 S	36.71* (0001)	4.801* (0032)
HOURS WORKED	R2=.9874 S	19.91*	3.123* (0029)
# OF LATE PAYS	R2=.9963 S	20.24* (0001)	4.006* (0031)
SIGN. BALANCE	R2= .9801 S	18.12* (0001)	2.911* (0047)
USED CREDIT COU.	R2= .9531 S	6.34* (0001)	2,745* (0018)
SAVE	R2=.9997 S	27.12* (0001)	5.123* (0001)
CHECKED CREDIT	R2=.9889 S	19.37* (0001)	54.23* (0027)

VALUE IN () IS THE SIGNIFICANCE LEVEL OF THE F-STATISTIC

VALUE IN () IS THE SIGNIFICANCE LEVEL OF THE 2-TAILED T TEST

TO TATTOO OR NOT TATTOO IS THE QUESTION

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ABSTRACT

This paper examines the opinions of 1,412 students at 9 universities with 2 schools in Arkansas, 3 in Ohio and 4 in California. We used the response to question one "How many visible tattoos do you have?" and question 2 "Which of the following piercing(s) do you have?" as our Y independent variable and looked at the following 14 criteria as X variables; Two variables School attending and major did not prove to be significant; the significant factors were GPA; gender, age, legal issues, impulsiveness of body art, company policy, disguise factor, alcohol use, drug use, attractive factor, deny job, and state which proved to be significant at the .01 level of testing. In all cases the surveys indicated slightly higher incidents and more tolerance toward tattooing and piercing in Ohio and California than in Arkansas. Overall students were very tolerant of "body art" with 25% reporting the use of such adornment and 47% reporting tolerance toward the body works, with only 41% opposed.

INTRODUCTION

Back in the "good old days" of the 1970s and 1980s, life in the business world seemed simpler in some respects. True, thanks in large part to the Civil Rights Act of 1963 and the Women's Movement, the typical office had become increasingly diverse as far as race and gender were concerned, and women and minorities continued to struggle for equal opportunity and pay as they and others worked to adjust to getting along in a diverse environment.

But at least one thing was easy: when people went for job interviews, prepared for careers in business, or even just got dressed for work in the morning, there was no question about what to do. Everyone knew that in the business environment, being conservative was the rule. Men and women wore suits and sensible shoes (Gragg, 2004). Hair was neatly (and regularly) trimmed and almost always a natural-looking shade of black, brown, blonde, red, or gray-although not so much gray because the Baby Boomers were still young. Women wore, at the most, one earring in each ear. Men wore a sensible watch and, usually, a wedding ring.

Then came the 1990s when corporate dress codes began to relax (Zielinski, 2005). The trend toward casual dress is often attributed to the dot.com boom in Silicon Valley, California (Gutierrez & Freese, 1999). The techno-types that flooded Silicon Valley were usually young, hip, former (or current) computer geeks who were creating something called "software" that would work with "hardware" on the "desktops." These terms were as foreign to most people as seeing business professionals show up for work in jeans, t-shirts, and sandals. Vangen (2002) writes about the

dotcomers' influence on business attire explaining that "they began mixing recess with sloppy dress codes, long hours, and [sic] -I need it yesterday mentalities became formulas for success" (p. 1).

Before long, this trend toward casual dress in business offices spread across the country. Originally, companies instituted "casual Fridays" on which employees could dress down. Over the next decade, business attire became more casual every day of the week. One of the things that had increased during this time is the number of people getting tattoos and/or body piercings (Smith, 2003, Zielinski, 2005).

Interestingly, the mood has begun to shift, and business attire is beginning to become less casual (Zielinski, 2005). This shift back to more formal business attire has been attributed to the dot.com bubble bursting which tightened the job market. Another possible reason is that employees had become too casual. What began as a day that meant slacks and a blazer rather than a suit had too often morphed into employees who wore jeans with holes, sandals, and t-shirts.

Unfortunately, the younger employees had never known anything but a casual work environment. What would these young people-and other employees-think about the newer, more formal business atmosphere? While changing their manner of dress is one thing, how will they feel about covering their tattoos if they have them or getting tattoos if they don't yet have them?

THE STUDY

The purpose of this study was to determine the factors related to the opinions of 1,412 students from nine schools: two in Arkansas, three in Ohio and the other 4 in California with regard to body art, tattoos and body piercing. The results would help develop recommendations for faculty and students regarding such adornment.

PARTICIPANTS

Students at 7 AACSB schools, and 2 non-AACSB schools, in three states from randomly selected classes were asked to complete a survey pertaining to body adornment issues, the wearing of visible tattoos and body piercing. Schools participating in the survey ranged from tiny Henderson State University in Arkadelphia, Ar. with less than 2,000 students, to Ohio State University with the largest enrollment in the USA. In Arkansas they included two schools with 12 classes and 342 students: Arkansas State University and Henderson State University. . The four California schools included 33 classes with 817 students from: Allan Hancock Community College, Cal Poly San Luis Obispo, Cal Poly-Pomona, and UCLA. The three Ohio Schools included 7 classes with 253 students from: Ohio State, The Ohio University-Athens, and the University of Akron. The students were told that the survey was voluntary and anonymous and were also given information about how to contact the IRB board, which had approved an exempt status for the survey as it pertained to human subjects. A total of 1,412 surveys were completed. The students surveyed included 21.9% freshmen, 16.16% sophomores, 20.5% juniors, 26.71% seniors and 14.73% Graduate students. We also surveyed 223 non-students in the same age group 19-40 as a control group. A regression analysis was conducted to determine which of the following dependent variables were significant

at the .01 level of testing; School attending, major, GPA; gender, age, legal issues, impulsiveness, company policy, disguised, alcohol use, drug use, attractive, deny job, and state.

The Independent Y variable was the response to the questions “How many visible tattoos do you have? “ and question 2 “Which of the following piercing(s) do you have? “. Most of our survey opinion questions utilized a five point Likert scale.

Using a Likert scale for ten questions, the students were asked to indicate their level of agreement with selected questions. On another 2 questions, the students were asked simple Yes or No questions and on two they had a selection of three choices, which were treated as two or three response dummy variables. .

RESULTS

Survey wide 23.43% of the students admitted to having visible tattoo and 59.91% admitted to having pierced body parts, although two-thirds [66.91%] of that group was limited to females with no more than two pierced ears. In Arkansas 81.18% of students reported being free of tattoos and 51.13% free of piercings, 47%, of the remaining 49.87% reporting only two ear piercings and 83% of those students were female. The number with tattoos in California was significantly higher with 26.12% reported having tattoos and 73.12% reported having piercings, 77% of those with piercing had no more than two and were females. Ohio had the largest number of tattoos at 27.14% and piercing at 77.12%, which can be explained by the fact that the students in Ohio were significantly more female at 69.12% than either California or Arkansas, which were more evenly divided by gender at 53.24% male in Arkansas and 51.17% male in California. The positive attitude toward the acceptability of both tattoo’s and piercing was significantly greater than those who had such body adornments in all states with an average 39% favorable rating toward piercing and an average 33% favorable attitude toward tattoos. .

Regarding the question of whether body adornments were acceptable or not acceptable only 24% of students survey wide felt that it was equally unacceptable for anyone to wear tattoos and 28.22 piercing. 27.58% of students believed that tattoos were more acceptable on men than women. Piercing was considered more attractive on women by 37.14%.

The only criteria proven to be not significant at the .01 level in any of the three states were School attending and Major. Major may not have been significant because there was such a wide assortment of majors. College of business majors were more sympathetic to the rights of employers regarding body adornment than non-business majors. This indicates that these two variables are not important predictors of opinion on body adornments. GPA was both significant and positive, the higher your GPA the less tolerant you were concerning the use of body adornment in the form of either piercing or tattoos. The attitude against piercing was significantly different than and more negative than the attitude toward tattoos, particularly in Arkansas. Evidently in Arkansas and Ohio GPA was a significant predictor of the use of body adornment.

Freshmen were more likely to have tattoos and piercing than any other class by about 5% with an average of 2.71 piercing and 2.67 tattoos per person. The control group was the least likely to have either indicating that there is some pressure to conform to body adornment in college.

Some other interesting statistics is that a positive attitude toward body adornment was significant among students who admitted to have used drugs and alcohol recreationally than those

who did not use either with 42% drugs users versus 31% non-drug users, which was significant at the .01 level of testing. . The group was almost evenly divided over the issue of an employers right no to hire someone 35.29% agreeing with the employers right not hire someone based on the use of body adornment and 35.87% feeling that employers did not have a right to hire or fire someone based on such adornment. It is odd that 41.17% of those surveyed stated that they would not hire people with tattoos or piercing, other than women with pierced ears, despite the fact that 49.9% felt that it was not legal to discriminate based upon body adornments.

Regarding gender females were more favorable supportive on piercing and males of tattooing. Both genders felt that it was inappropriate to use "body art" to discriminate against a potential employee. Those who felt that the use of body art was impulsive were less tolerant of such adornment by a wide margin.

Students had a mixed opinion as to whether "body art" should be forbidden or not by 36% favoring such a policy and 37% opposing such a policy. They were also evenly divided over if they would hire someone with such adornments.

Oddly enough most students reported that only 20% of their company employers formal policy restrictions on such adornment with 43% saying there was no such policy and the rest admitting that they did not know if there was a policy. It is also interesting that of those reporting body adornments 64% planned to keep them well covered when going for an interview imply some concern over the reaction to their adornments.

RECOMMENDATIONS

Additional research with a larger student population from more states is suggested to ensure that our results accurately reflect today's college students.

Research that measures employers' opinions and perceptions concerning body adornment would also be beneficial.

Effort should be made to ensure that today's students understand the current perceptions of body adornment, specifically as it relates to employment practices. Students should have the knowledge they need to make an informed decision concerning body adornment. Tattoos in particular are very difficult to remove after the fact.

CONCLUSIONS

There seems to be some disagreement over the issues related to body adornment since there were no clear majorities on any issue in our survey. Students seem to be evenly divided on the acceptability of such adornment even though only about one-fourth have such body art on them. There seems to be some confusion over the rights of employers over such matters since that opinion is almost evenly divided between those who think discrimination based on body art is legal or illegal. We need to measure whether employers have these same feelings or not and to what extent such body art will affect employment in order to help our students achieve their best in the world of work.

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Table 1: Survey Question Results

Question	Factor	Opinion
1. How many visible tattoos do you have?	Independent Y factor 1	Average number of tattoos per person 2.34 23.4.6% having tattoos
2. Which of the following piercing(s) do you have?	Independent Y factor 2	Average number of piercing per person 2.08 49.8 % having piercing
3. Which of the following most describes your beliefs about visible tattoos?	X1 belief factor 1	58.33% negative 24.9% positive
4. When you consider men and women with visible tattoos, which best describes your true feelings:	X3belief factor 2 gender use tattoos	Men 53% Women .89% None 9.7%
5. When you consider men and women with visible piercing which best describes your true feelings:	X4 belief factor 3 gender use piercing	Men .03 % Women. 94% None 9.4 %
6. Which of the following best describes your agreement with this statement: “I would not hire someone with visible tattoos and piercing (other than earrings on women).	X5 Hirable	Would hire 47.05% Would not hire 41.17%
7. Which do you think is true?	X6 legality	Is legal 28.4% Is not legal 50%

Question	Factor	Opinion
8. Which of the following best describes your agreement with the following statement: "I think tattoos and piercing (other than earrings on women) should be forbidden in the workplace.	X7 tattoos forbidden Factor	Should be forbidden 36.36% Should not be forbidden 37.5%
9. To what extent do you agree with the following statement: People who have visible tattoos and piercing are more impulsive than those who do not.	X8 impulsive factor	More impulsive 38.8% No more impulsive 64.71%
10. Does (or did) your company have an official policy concerning visible tattoos or body piercing?	X9 policy factor	Yes 43.3% No 20.0%
11. Overall do you believe that tattoos and body piercing hinder a person's chance of getting a job?	X10 Job chance factor	Yes 63.88% No 13.88%
12. If you have a tattoo, do you plan to cover it up when you look for your first job after college?	X11 Cover-up factor	Yes 64.83% No 11.22%
13. Which best describes your recreational (illegal) drug use?	X12 Drug use factor	Never 72.72% Some .27%some average 2.23 per week
14. Which best describes your use of alcoholic beverages.	X12 Alcohol Use Factor	Never 48.57% Some .51.42% average 3.01 drinks per week Per week
13. Gender	X12 Gender factor	Male 51.23% Female.48.77%
14. Age.	X12 Age Factor	Average age 21.23 years Age range 19-44

Table2; Selected Response Data

	Question #2 tattoos Average number	Question #3 piercing	Question #4 Acceptability of piercing	Question #5 acceptability of tattoos	Question #8 should body adornment be forbidden in the work place	Question #10 is body adornment official Policy at work
Freshman	26.28% some tattoos 2.26 per person	43.44% 2.71 per person	*Men 8.57% *Women 48.5 *None 23.31%	*Men 38.57% *Women.13.2 % *None 26.77%	Yes 12.12% No 71.14%	Yes 12.23% No 61.46%
Sophomores	21.904% 2.33 per person	33.13% 2.11 per person	*Men 8.77% *Women.43.3 4% *None 25.14%	*Men 28.57% *Women.034 % *None 27.94%	Yes 18.11% No 71.11%	Yes 22.28% No 51.61%
Junior	15.35% 2.55 per	32.47% 3.01 per	Men 28.17% Women.9035	Men 28.77% Women.	Yes 18.31% No 71.11%	Yes 08.12% No 62.11%

	Question #2 tattoos Average number	Question #3 piercing	Question #4 Acceptability of piercing	Question #5 acceptability of tattoos	Question #8 should body adornment be forbidden in the work place	Question #10 is body adornment official Policy at work
	person	person	% None 21.18%	23.44% None 37.29%	No 55.21%	
Senior	12.15% 2.11 per person	23.01% 2.17 per person	Men 25.87% Women 4.12 % None 7.39%	Men 18.11% Women 5.75 % None 32.79%	Yes 16.83% No 72.33%	Yes 18.13% No 51.61%
Grad School	11.14% 2.09 per person	18.42% 2.02 per person	Men 28.57% Women 0.34% None 27.94%	Men 22.23% Women 12.05 7% None 37.45%	Yes 2.03% No 87.16%	Yes 3.09% No 77.63%
No college	13.41% 2.01 per person	11.83% 2.68 per person	Men 112.17% Women .04% None 32.41%	Men 32.87% Women 1.01 % None 31.27%	Yes 29.09% No 57.99%	Yes 19.39% No 55.05%
Arkansas	18.81%	40.09% 2.37 per person	Men 3.57% Women 21.02% None 32.74%	Men 38.35% Women 0.05% None 31.27%	Yes 35.12% No 61.71%	Yes 24.32% No 58.22%
California	26.12%	29.02% 2.99 per person	Men 18.57% Women 50.33% None 17.14%	Men 28.57% Women 0.034 % None 12.29%	Yes 1.2.2% No 91.46%	Yes 31.2.2% No 61.46%
Ohio	27.14%	17.84% 2.57 per person	Men 33.28% Women 0.052% None 21. 7.9%	Men 42.71% Women 1.30 % None 17.29%	Yes 33.22% No 63.16%	Yes 32.32% No 61.46%
Total	23.43%	25.39% 2.08 per person	Men .03% Women 94% None 7.0%	Men 53.7% Women 089% None 7.4%	Yes 15.43% No 51.46%	Yes 21.47% No 53.89%

TABLE 3: STATISTICAL ANALYSIS

Factor/significance	R2 SIGN AT .01 LEVEL	F-STATISTICS	T-RATIOS
GENDER	R2=.9664 S	* (.0001)	..0204 (.0381)
AGE	R2= .9806 S	14.13* (0021)	1.909 (0091)
MAJOR	R2= .5341 NS	2.14 (0701)	.0076 (0321)
STATUS	R2=.9977 S	25.09* (0001)	3.146 * (0031)
School	R2=.3816 NS	3.07 (1081)	.0941 * (0828)
State	R2=.9694 S	11.09* (0002)	2.776 * (0055)
Belief about piercing	R2= .9991 S	36.71* (0001)	4.801* (0032)
Men vs women piercing	R2=.9874 S	19.91*	3.123* (0029)
Belief about tattoo	R2=.9963 S	20.24* (0001)	4.006* (0031)
MEN VS. WOMEN	R2= .9801 S	18.12* (0001)	2.911* (0047)

Factor/significance	R2 SIGN AT .01 LEVEL	F-STATISTICS	T-RATIOS
TATTOING			
HIRING.	R2= .9538 S	6.34* (0001)	2.745* (0018)
LEGALITY	R2=.9997 S	27.12* (0001)	5.123* (0001)
EARNINGS	R2=.9886 S	19.37* (0001)	14.23* (0027)
IMPULSIVE	R2=.9863 S	23.07* (0001)	2.891 * (0028)
JOB CHANCE	R2=.9692 S	11.09* (0002)	2.977 * (0055)
COVER UP	R2= .9919 S	36.71* (0001)	4.781* (0032)
DRUG USE	R2=.9837 S	19.91*	5.412* (0029)
ALCOHOL USE	R2=.9896 S	20.24* (0001)	4.26* (0031)
FRONTLINE	R2= .9871 S	18.12* (0001)	4.31* (0047)
WEIGHT.	R2= .9582 S	6.34* (0001)	2.17* (0018)
ATTRACTIVENESS	R2=.9913 S	27.12* (0001)	15.123* (0001)
ATTRACTIVE JOB	R2=.9891 S	19.37* (0001)	34.23* (0027)

VALUE IN () IS THE SIGNIFICANCE LEVEL OF THE F-STATISTIC

VALUE IN () IS THE SIGNIFICANCE LEVEL OF THE 2-TAILED T TEST

ESTABLISHING A BUSINESS ACADEMY MANAGEMENT DEVELOPMENT CENTER (BAMDC) - TO PROVIDE FINANCIAL SUPPORT FOR FACULTY TO CONDUCT BUSINESS RESEARCH, TRAINING, AND CONSULTING

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ABSTRACT

Rural academic institutions are under pressure to provide more than education to their service area. In many states, because of shrinking rural populations and dying communities, academic institutions are mandated to provide support for their communities, businesses, and individuals through applied research, consulting, and training. In addition, faculty members are required to conduct research, training, and consulting as part of their promotion and tenure process, our proposed process would help the academic institution and individual faculty meet their goals and objectives and support their service area.

One way to assist faculty and provide an economic incentive is through the use of a Business Academy Management Development Center, BAMDC. The BAMDC would be formed by the individual business department (with college approval) to conduct training, research, and consulting. Most college systems have restrictions (budget and otherwise) which make it difficult to encourage faculty to expand their horizons' through training, research, and consulting. As a teaching college, faculty emphasis is on the classroom; there is little incentive to step outside that area.

Business departments are often asked to conduct community surveys, small business and non-profit business assistance, grant proposals, and training for small businesses, associations, and communities in their region. Most of the projects are on a gratis and volunteer basis. Given appropriate financial resources available under the BAMDC and support from the college, we propose to expand our efforts, provide additional services needed by our service area, and accomplish our state mandated community development objectives.

Part of our BAMDC is the development of a 501c3 umbrella, our College would have the opportunity to expand the NE Business Development Center (NBDC) & Home Town Competitiveness (HTC) services we presently offer. We are in discussion with the USDA to perform contract-consulting services. With proper planning, the BAMDC would eventually take the cost sharing out of the college budget (for programs like the NBDC). The BAMDC would accomplish our financial needs through grants, consulting, research, and training. We would take fees for administering and writing grants, and take a percentage of corporate and non-profit training,

consulting, and research. Our fees would go to pay faculty for their time and effort and allow them to put monies aside for travel, equipment, or other needs they may have. In addition, a percentage would go to the Business Department so they could purchase needed item such as equipment that may not be in the budget.

Dedicated to developing our academy, community, and region through training, research and consulting.

RISK TAKING IN NASCAR: AN EXAMINATION OF COMPENSATING BEHAVIOR AND TOURNAMENT THEORY IN RACING

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ABSTRACT

NASCAR racing provides an interesting backdrop to test two theories about incentives and behavior. The compensating behavior theory predicts that if drivers race under safer conditions, they are likely to undertake riskier behavior. Using data from the NEXTEL Cup Series, the paper finds that once drivers were required to wear a new safety device, there was a change in the percentage of miles run under caution. That is, racers drove more aggressive and riskier after October 2001. Tournament theory predicts that non-linear rewards promote more competitive behavior. Starting in 2004, the method for deciding the NEXTEL season champion was changed to encourage racing throughout the season. To compete for the season championship, drivers are motivated to drive safely and stay in each of the first 26 races. After that point only the top ten drivers compete for the series championship, racing to win the non-linear season-ending awards. As a result, we expect racers to drive riskier in the second part of the season. The paper compares NEXTEL driving behavior across three NASCAR series (the other two not competing under the new structure). The results support the theory that NEXTEL Cup Series racers do drive riskier over the last portion of the season. There is not a similar change in the behavior of drivers in the other two series.

Key terms: compensating behavior, tournament theory

THE CAUSES OF IDENTITY THEFT, PREVENTATIVE STEPS AND THE IMPLICATIONS ON SOCIETY

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ABSTRACT

Identity theft is a growing crisis in this country. In 2006, around 8.5 million people became the victim of identity theft. Identity theft occurs when a name or other personal information is stolen and used for deceptive and illegal purposes. This report will discuss three main aspects of identity theft. This first aspect is defining identity theft and identifying how it can happen. The second aspect that will be discussed is how to stop and prevent identity theft from happening. The last and most important aspect in this report is a discussion of the financial and social implications of identity theft and how it affects society, ranging from individuals to the corporate world.

CHESS STRATEGY AND BUSINESS STRATEGY

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ABSTRACT

This paper examines some of the parallels between chess strategy and business strategy. In discussing chess strategy, we consider not only the strategy within each game, but a meta-strategy, or strategy of repeated games, as well. In considering the strategy of repeated games, we consider factors that will encourage the other player to want to continue playing with us. This would therefore include such factors as playing in a sportsmanlike manner, encouraging one's opponent, and even giving constructive suggestions. This strategy of repeated games has parallels in business as conducting business in an ethical manner, and giving customers the benefit of reasonable doubts will encourage repeat business.

We find that chess rewards, and reinforces, long-term thinking, looking at the "big picture," assessing risks and expected rewards, forming contingency plans, learning from mistakes, perseverance, patience, and other intellectual and character traits that can lead to success in business. As a corollary, we consider the possibility that encouraging business students to play chess might help them to perform better in business classes.

INTRODUCTION ¹

This paper will seek to demonstrate that there are a number of parallels between chess strategy and business strategy. As a corollary, it is arguable that playing and practicing chess may help business students, and in particular, students of finance and economics, to see issues more clearly, and to improve their academic (and later their professional) performance.

This paper will discuss both the strategy of the chess game itself, as well as what might be called a meta-strategy, or the strategy of repeated games with the same opponent. Components of meta-strategy might include playing in such a way as to cause one's opponent to want to play more games, or even giving one's opponent pointers as the game progresses, in order to make future games more interesting. It also includes playing in a gracious manner, perhaps (except in a tournament where a substantial prize is at stake) allowing one's opponent to take back an occasional careless move.

PLUS-SUM GAME

When one thinks in terms of a meta-strategy, or a strategy of repeated games, chess may be a plus-sum game. Hopefully, the player who loses a game learns from the mistake, and improves his or her ability to think strategically, leading to better play in the future. Business may also be thought of as a "plus-sum game." It is an established principle of economic theory that competition can be beneficial to society, as resources are allocated to their most productive use. It can be argued

that even a competitor who loses a contract, or loses customers, benefits in the long-run by being forced to improve their products and production processes, become more efficient, improve their customer and employee relations, and provide customers with the goods and services they want at a price they are willing to pay.

Both business and chess rely on exchanges, and successful trades are essential to a successful outcome. In both business and chess, one should only trade when one expects to benefit from the exchange.

ETHICS AND SPORTSMANSHIP

Ethical behavior, and a sense of fair play, is important in both business and chess, especially when thinking in terms of “repeated games.” The importance of business ethics cannot be over-emphasized, and a firm that engages in unethical conduct to make a “quick killing” pays for it in the long run. Likewise, in chess (and other competitive games) unethical or unsportsmanlike conduct has consequences.

As a matter of fact, while some chess players would disagree with me, my idea of sportsmanship (in an informal game, although not in a tournament) includes allowing an opponent to undo an occasional careless move.² For one thing, I believe it makes for a more interesting game if one can win as a result of superior strategy, rather than by taking advantage of the other person’s careless mistake. Another reason is that I view chess as an opportunity to teach and learn, and if letting the other player undo his or her move, and make a better move, it helps them improve their skills, which creates a win-win situation.³ A third reason, and one in which the parallel to business is most apparent, is that playing in a sportsmanlike manner is likely to lead to more enjoyable games in the future. This may be analogous to a business that maintains a generous refund and customer relations policy, and makes a practice of giving customers the benefit of the doubt. This might not be as profitable in the short run as a more rigid policy, but is more likely to lead to repeat business, customer loyalty, and long-term gains.

NO “FREE LUNCH”

Let’s consider some of the key ideas of chess, and see how they relate to business, particularly finance and economics. One of the major lessons that we teach in economics, usually around the first couple of weeks in an introductory class, is the concept of opportunity cost, or that “there is no such thing as a free lunch.” In fact, we demonstrate this maxim with production-possibility curves, and also with equations.

Chess also hammers this lesson home to beginners rather dramatically. One common mistake that beginners make is to take a piece that appears to be *en prise* (up for grabs). That often proves to be a costly mistake, as it puts them in an awkward position, and may ultimately cost them the game. So one quickly learns to “read the fine print”, or check carefully when something appears to be free.

LONG-TERM THINKING

That brings us to a very important lesson of both business and chess, which is to think long-term, and not sacrifice long-term well-being for short-term gain. The problem of myopic, or short-term thinking, has been thoroughly documented in the business and financial literature.⁴ One of the most common mistakes made by corporations may be focusing on the short-term “bottom line.” This quest for short-term profits has caused companies to cut back on research and development, to “downsize” to cut costs without recognizing the long-term costs in terms of employee motivation, competence, loyalty and morale, to condone unethical conduct. To ignore employee training, and to take other actions that have proven very costly in the long run.

Perhaps one of the most important lessons from chess is the focus on long-term thinking, and looking at the “big picture.” Not planning ahead, or focusing on only one part of the board, is a sure way to lose games. Unlike business, in which it may take years to experience the consequences of one’s mistakes, in chess one quickly learns the consequences of poor planning. Therefore, chess can be a very effective tool in teaching business students the importance of long-term planning.

Investment Strategy in Business and Chess

One of the most interesting elements of chess strategy is the gambit, which is the offer of material in order to gain a long-term advantage, usually by positioning one’s pieces in a strategic location. I would argue that this is very much like an investment, in which one gives up money in the short-run (forgoing present consumption or dividends), in order to invest in a project, product, facility, technology, or new market that is expected to offer greater cash flow in the long run. Capital budgeting is one of the key components of a Principles of Finance or Financial Policy and Planning course. Much time is spent analyzing whether an investment, which entails giving up cash (or consumption) in the present is worth the cost. This analysis is also a central component of chess strategy.

This also ties in with the idea of the importance of long-term thinking, but in business and chess. What all investments have in common is that they require giving something up in the hope of long-term gain. Another attribute common to investments, and also to gambits, is the element of risk. There is always some chance that things will not work out according to plan. Although financial theory goes a long way toward quantifying risk, it is not always possible to assess exactly how much of an impact risk has on capital budgeting decisions.⁵ Both in business and in chess, emotional as well as logical considerations influence one’s willingness to take a risk in the hope of a future benefit.

FLEXIBILITY

Another lesson of both business and chess is to be flexible, and have contingency plans. It is not sufficient to have one only plan, and assume that everything will work out according to the original plan. A great number of things can occur that might thwart one’s plan. In business, some examples are strikes, loss of a key supplier or customer, a competitor coming out with a better or cheaper product, or a process that can produce the process faster or at a lower cost, the entry of new

competition, currency fluctuations, new government regulation (or deregulation), changes in the tax laws, and myriads of other possibilities. In addition to possible threats, new opportunities are frequently presenting themselves. Some of these opportunities might include new technologies, deregulation, availability of a new source of raw materials, the development of a new market, and a host of others. Business strategy entails constantly looking for new opportunities, as well as being on the outlook for new threats.

Likewise, in chess, every move one's opponent makes may create new threats, but also present new opportunities. A good chess player is constantly looking for new opportunities, rather than just forging ahead with the original plan. Likewise, he or she is constantly on the outlook for new threats, and therefore must consider the reason behind every move an opponent makes. In general, one cannot expect to correctly anticipate one's opponent's responses to every move. Flexibility is important for success, both in business and at chess.

PATIENCE

Another business lesson one can learn from chess is the importance of patience. While there is certainly a time for bold, decisive action, it is equally important to know when to wait. A common mistake is acting impulsively rather than waiting and considering all the possibilities. Of course, there is a time when the "first mover advantage" can be important, and it is critical to think and act quickly. But there are also many situations in which it is important to remain flexible, and wait for the competition to commit to a course of action.

PERSEVERANCE

Another valuable lesson is not to give up when things don't go well. Chess can be instrumental in teaching that lesson. In my opinion, it is a mistake to give up just because one has lost a piece, or gotten into an awkward position. Personally, I find it more gratifying to reverse a bad situation, such as fighting on when one is behind in material, than to simply win an easy victory. Learning to "snatch victory from the jaws of defeat" can be a very valuable life lesson, and certainly one that is important in business situations.

TEAMWORK

Perhaps one of the most prevalent negative stereotypes about chess is that it is a solitary activity played by introverted people. Those who believe that have apparently never observed a brainstorming session at a chess club, in which people work together to figure out responses to complex situations. As a matter of fact, working on chess problems together is an excellent opportunity for business students to develop their ability to work as a team in developing a strategic plan. By each individual bringing his or her particular problem-solving skills to the situation, and discussing possible counter-strategies the opponent can take, the group is likely to develop a more effective strategy than any individual member of the group could.

CHESS AS A TEACHING TOOL

Given the parallels between business and chess, and the plethora of life lessons that chess can provide, it seems that chess can be a useful teaching tool in helping business students to develop strategic planning skills. As the above discussion indicates, it appears that chess could help on to develop intellectual skills, such as the ability to plan, think long term and consider long-run consequences, weigh the advantages and disadvantages of a course of action, assess risk, form contingency plans, and continuously evaluate the opportunities presented by a situation. In addition, chess can be useful in helping to develop character traits or life skills that should prove important in one's career. Among these traits are ethics, or a sense of fair play, perseverance, patience, self-control, and a spirit of cooperation as well as competition.

CONCLUSION

This paper has attempted to show that there are a number of parallels between chess strategy and business strategy. Perhaps most important are the importance of thinking long-term and looking at the "big picture", assessing the risks as well as the upside potential of different courses of action, the importance of giving something up in order to position oneself for a future gain (investments or gambits), and forming contingency plans. It also appears that encouraging students to play chess may help them to develop habits of thinking, as well as character traits, which correlate with academic and business success.

Future research might look at the academic averages of college students who are members of the chess club, perhaps broken down by academic major, as well as comparing students' academic performance after they are active members of the university chess club for at least one year with their performance before they joined the chess club.⁶ Based on the similarities in business and chess strategy, we may well find that business students who play chess perform better in their business classes.

ENDNOTES

1. I would like to thank Dr. Steven Gordon, of Babson College, for his generous advice in the preparation of this article.
2. It should be pointed out that, under the standard rules of chess, a player is obligated to move a piece once he or she touches the piece. Those rules would apply in a tournament or inter-collegiate competition.
3. In this regard, I should point out that I am the faculty sponsor of the University's Chess Club, and I believe that helping students improve their game will make for a better chess club.
4. Examples of discussions of the importance of long-term thinking can be found in Carter (1971), Coughlin and Schmidt (1985), Dechow and Sloan (1991), Donaldson (1984), Graber (2004), Kelm, Narayanan and Pinches (1995), McConnell and Muscarella (1985), Pinches (1981), Porter (1985), and Reichheld (1996). Examples of discussions of the importance of long-term planning in chess are found in in Euwe and Meiden (1966) and Shenk (2006).
5. The psychological aspects of risk assessment are discussed in detail in Shefrin (2006).

6. For the comparison to be statistically significant, especially when other variables are taken into account, it would probably be necessary to look at results from a large number of schools.

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FACTORS IMPACTING PRICE FOR RETAIL SPACE IN HOUSTON

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ABSTRACT

This paper investigates the demand for retail space in the Houston area from 1981 to 2006. Economic factors such as the change in employment level, change in retail space available, vacancy rate, and average price per square foot are presented. Relationships between these variables are studied to determine which variables might be most helpful in forecasting future price for retail space. An all-possible regressions model was used to determine which of the variables were most significant in predicting the price for retail space.

There are many factors that impact the price of retail space in the Houston market. The most important variables found in this study are change in employment for the current year, change in square footage of retail space absorbed for the current and previous year, and change in vacancy rate for the current and previous year. However, this model should not be expected to forecast with complete accuracy. With a coefficient of determination of 53%, the unexplained variability in price for retail space is 47%. While this model should help in predicting the price for retail space, further study needs to be performed to identify other variables that would generate better predictions.

WAGE DISPERSION AND TEAM PERFORMANCE IN THE NFL

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ABSTRACT

There are two competing views of how wage disparity affects firm productivity. One school of thought emphasizes fairness and cooperation, arguing that wage inequality reduces employees' incentives to cooperate and work together, and therefore tends to lower firm productivity (i.e., there is a negative relationship between wage dispersion and performance). Another strand of literature focuses on a positive relationship - wage disparity can improve firm performance by motivating employees to work harder and perform better. Using salary cap data for the National Football League (NFL), we find that wage dispersion negatively affects team performance in the playoffs, but appears to have no effect on regular-season results. We attribute this result to the level of team parity in the NFL and its playoff system.

JEL: L83; J31

Key words: wage dispersion

SERVICE LEARNING THROUGH VOLUNTEER INCOME TAX ASSISTANCE (VITA) PROGRAM: STUDENTS PERCEPTION OF THE VALUE OF VITA

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ABSTRACT

Service-learning is an education methodology where students are learning through meaningful service to their community. Typically students are involved in one or more community service work/projects which directly or indirectly relates to some subject area of their interest for active-experiential learning. Other related skills such as leadership are also superimposed in the most service learning environments as students could be involved in designing, leading and implementing a part or whole of the program. Several universities and colleges put special emphasis on the active learning through community service or related programs. At the Hampton University, several programs including the Leadership Institute for students have special curriculum requirements for community service.

The School of Business at the Hampton University does not require a service learning component explicitly in its curriculum. However, several course/programs have option of service learning activities. The accounting program provides an option for all students through Volunteer Income Tax Assistance (VITA) program.

In the rapidly changing business world of today, a component of service/experiential learning is becoming very important. This is very well recognized and documented in the accounting education area through the report of Accounting Education Change Commission (AECC, 1999.) The AECC proposes that student should receive accounting education as active participants in the learning process as oppose to traditional classroom teaching where students are passive recipients of information. The VITA site at the Hampton University is an effort to provide the active learning environment through community service.

The Hampton University has a very active VITA site. According to IRS website, it is one of the top VITA site on the colleges/universities' campuses in the nation. The Hampton University started its VITA site more than 20 years ago. Initially, it started as a weekend service to the community. Students provided free tax assistance over one-three weekends during each tax season. However, the VITA program structure at the Hampton University was changed about eight years back. Currently, we provide free tax assistance to the community three-four times a week for 10-12 weeks every tax season. Moreover, its volunteers are available during the regular business hours as opposed to the previous weekend only model.

The Hampton University's VITA program processes approximately 500-600 returns per year for past four years. The site is mostly run by the student volunteers who receive training in IRS

approved tax software from IRS representatives over a weekend in January of each year. Approximately 10-15 students volunteer their time, 4-6 hours each week under supervision of an accounting faculty member.

We have a database of approximately 40-50 past VITA volunteers who are either current students or who graduated from the school. Some of these students are preparing for or have already passed CPA examination. We are proposing to assess the value of this program to the students' academic and professional preparedness. To that effect, we are in the process of developing an instrument to survey VITA program graduates to document students' experience and perception about the program.

