



2014 Pan-Pacific Business Research Conference (PPBRC)

February 27 – March 1, 2014

at

**Santos Manuel Student Union,
California State University- San Bernardino
San Bernardino, California, USA**

by

Pan Pacific Business Research Institute

Pan-Pacific Business Research Institute
2014 Pan-Pacific Business Research
Conference

February 27– March 1, 2014
(www.ppbri.org)

On-Site Conference; Santos Manuel **Student Union**, California State
University- San Bernardino, San Bernardino, California, USA

Conference Schedule:

Program schedule on February 27, 2014:

Registration:	5:00 pm – 8:00 pm
Review board meeting:	6:00 pm – 8:00 pm

Program Schedule on February 28, 2014

Registration	8:30 am – 4:00 pm
Coffee Break	8:30 am – 9:00 am
The 1st Paper Presentation Session	9:00 am – 10: 20 am
The 2nd Paper Presentation Session	10:30 pm – 11:50 am
Lunch	12:00 pm – 2:00 pm
The 3rd Paper Presentation Session	2:00 pm – 3:20 pm
The 4th Paper Presentation Session	3:30 pm – 4:50 pm
Cocktail party	5:30 pm -6:30 pm at Castaway Restaurant in San Bernardino
Dinner and Award Receptions:	6:30 pm – 8:30 pm at Castaway Restaurant in San Bernardino

*Castaway Restaurant is located at 670 Kendall Dr, San Bernardino, CA 92405

Program Schedule on March 1, 2014

Research Interaction Forum	9:00 am – 12:00 pm
Executive committee meeting	9:00 am – 12:00 pm

Executive committee of the conference: The conference chair & PPBRI representatives.

Area committees:

Area committees:

- **Accounting:** Ilwoon Kim*, Sungkyoo Huh, K. J. Lee, John Jin, Byunghwan Lee, Steve Lim, Daniel Paik
- **Finance:** Heungjoo Cha*, Jim Estes, Liang Guo, Ghulam Sarwar, Hua Sun, Taewon Yang
- **Hospitality/Tourism Management:** Myong Jae Lee*, Joong-won Lee
- **Management/Marketing:** Haakon Brown*, Joon Son

*Area chairs.

The Aim and Scope of the Conference

The PPBRC is a highly interactive business conference that provides the opportunity for participants to share their research in an interdisciplinary setting and to disseminate research findings with others in the academic and business community. The conference will consider both conceptual and empirical papers in all areas of business and economics, including Accounting, Economics, Finance, Marketing, Management, Operation Management, and Information Systems:

- New theories, paradigmatic design and applications.
- New regulations and policies.
- Application of Accounting, Economics, Finance, Marketing, Management, Operation Management, and Information Systems in industrial or international settings.
- Case studies exploring current issues.
- Pedagogical issues in business education

The conference considers all topical areas but papers that focus on business issues in pan-pacific countries are particularly encouraged and welcomed.

Guideline for Paper Preparation and Style

Before submission, the paper should not have been published in any other journals. The paper should be in MS Office Word format. It should be written in a double space, one inch margin in all sides, and 12 font size with times new roman font. The cover page should include the title of

the paper and author information—the name(s), affiliation(s), address(es), phone number(s), and email(s) as well as contact author of the paper. On the second page, the paper title should repeat along with an abstract, and key words. The title should appear in the center of the first line. Next provide two blank lines by hitting enter three times right after the end of the title. The abstract should be no more than 250 words. Give another blank line and then provide key words up to six words. PPJBR generally follows the American Psychological Association (APA) guidelines. Reference should be presented in a separate sheet at the end of the paper. Tables and figures and their numbering should appear on the appropriate page within the text. Please do not use footnotes; instead explain it within the text or use appendix. The appendix should be located between the end of the text and reference.

Publication Opportunities in Proceedings

All the papers accepted for presentation will appear in the conference proceedings. Authors should indicate if they want the full or extended abstract (no more than 1,000 words) to be printed in the conference proceedings. PPBRI has a copyright for all the printed articles and manuscripts that appear in the proceedings.

Distinguished Paper Awards and Publication Opportunities PPJBR

All complete full papers submitted and presented at the Conference will be considered for a Distinguished Paper Award on a competitive basis. Distinguished paper winners will receive a certificate of recognition at the conferences closing dinner. Further, the authors of all the distinguished papers will be further invited to revise and resubmit their papers for potential publication in the *Pan-Pacific Journal of Business Research* (PPJBR), which has a plan in place to be a premier multi-disciplinary journal aiming to be indexed in the Web of Knowledge's SSCI (Social Science Citation Index) in the next 10 years.

Paper Presentation Schedule On February 28, 2014

ROOM 1:

The 1st Paper Presentation Session, 9:00 am – 10:20 am

1) The relation between accounting information in debt covenants and operating leases

Daniel Gyung Paik, University of Richmond, daniel.paik@richmond.edu

Joyce Van Der Laan Smith, University of Richmond, jvanderl@richmond.edu

Byunghwan Lee*, California State Polytechnic University-Pomona,

byunghwanlee@csupomona.edu

Sung Wook Yoon, California State University-Northridge, sungwook.yoon@csun.edu

2) A Comparative Analyses on Performance of Seven All Star Investment Models

Phillip James*, University of Technology, Jamaica, pjames@utech.edu.jm

John J. Cheh, The University of Akron, Ohio, cheh@uakron.edu

Il-woon Kim, The University of Akron, Ohio, ikim@uakron.edu

The 2nd Paper Presentation Session, 10:30 am – 11:50 pm

1) Does National Culture Affect Corporate Risk-taking Behavior?

John J. Jin, California State University –San Bernardino, johnjdjin@gmail.com

Kyung Joo Lee, University of Maryland-Eastern Shore, kjlee@umes.edu

2) The Effects of Regulation and Standard Setting on Acquired R&D Allocation

Daniel Gyung H. Paik*, University of Richmond, daniel.paik@richmond.edu

Peter M. Johnson, University of Alabama, pjohnson@cba.ua.edu

The 3rd Paper Presentation Session, 2:00 pm – 3:20 pm

1) Are U.S. Institutional Investors Blindly Chasing Returns in Foreign Countries?

Kevin Liang Guo, California State University-San Bernardino, lguo@csusb.edu

Hua Sun, California State University-San Bernardino, hsun@csusb.edu

2) What Drives CEO Pay in the U.S.?:An Empirical Study of Companies in the Consumer Staples Sector

Il-woon Kim*, The University of Akron, ikim@uakron.edu

Cory M. Tucker, The University of Akron, cmt86@zips.uakron.edu

The 4th Paper Presentation Session, 3:30 pm – 4:50 pm

1) Agency and Brokerage of Real Assets in Competitive Equilibrium: Comments and New Findings

Hua Sun, California State University-San Bernardino, hsun@csusb.edu

Zhaohui Li, Old Dominion University, Norfolk, Virginia, zxxli002@odu.edu

2) Capital Appreciation Bonds as Tobacco Settlement Bonds: A Bad Idea for Investors and States

Jim Estes*, California State University-San Bernardino,

Kelly Hall, California State University-San Bernardino

Kristen Stutz, California State University-San Bernardino

ROOM 2:

The 1st Paper Presentation Session, 9:00 am – 10:20 am

1) Economic Determinants of Sale-Lease Backs and Sales- Management Backs in Lodging Industry

Myong Jae. Lee, California State Polytechnic University-Pomona,
mjlee@csupomona.edu

Byunghwan Lee, California State Polytechnic University-Pomona,
byunghwanlee@csupomona.edu

2) Performance Evaluation of Korean Community Banks in California

Sung-Kyoo Huh*, California State University-San Bernardino, huh@csusb.edu
John Jin, California State University-San Bernardino, jjin@csusb.edu

The 2nd Paper Presentation Session, 10:30 am – 11:50 pm

1) The Relationship between Decision Making Styles and Experience Dimension in the Tourism Industry

Breanna Nuss, California State University-Northridge, breanna.nuss.934@my.csun.edu
Lingyu Zhang, California State University-Northridge, lingyu.zhang.146@my.csun.edu
Joong-won Lee, California State University-Northridge, Joongwon.lee@csun.edu

2) Exploring Hospitality Management Students' Perceptions of Education Service Quality in US Higher Education

Soojin Lee, California State Polytechnic University-Pomona,
Myong Jae Lee, California State Polytechnic University-Pomona,
mjlee@csupomona.edu

The 3rd Paper Presentation Session, 2:00 pm – 3:20 pm

- 1) **The Impact of Language Barrier and Culture on Consumer Complaining Responses to Service Failure**

Ellen Eun Kyoo Kim, California State University- Fullerton, eukim@fullerton.edu

- 2) **Effect of Sale-Lease Backs and Sales- Management Backs on Firm Performances in Lodging Industry**

John Jin, California State University-San Bernardino, jjin@csusb.edu

Taewon Yang, California State University-San Bernardino, taewon@csusb.edu

Sehwan Yoo, University of Maryland-University Campus

The 4th Paper Presentation Session, 3:30 pm – 4:50 pm

- 1) **Dynamic Effects of Business Cycle and Long-term Debt on the use of Operating Lease**

Ju Yeong Lee, California State Polytechnic University-Pomona, USA, juyeongl@gmail.com

Byunghwan Lee, California State Polytechnic University-Pomona, USA,

byunghwanlee@csupomona.edu

- 2) **Security/Performance Tradeoffs in Hybrid Real-Time Scheduling Algorithms**

Joon Son, California State University – San Bernardino, California

PAPERS

The relation between accounting information in debt covenants and operating leases

Daniel Gyung Paik, University of Richmond, daniel.paik@richmond.edu

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ABSTRACT: Proposed changes by the FASB and the IASB to lease accounting standards will substantially change the accounting for operating leases by requiring the capitalization of future lease payments. We consider the impact of these changes on firms' debt covenants by examining the choice of income statement or balance sheet based accounting ratios in debt covenants for firms in high and low off-balance-sheet (OBS) lease industries for the period 1996-2009. Our results provide evidence that firms in high OBS lease industries use balance sheet (income statement) covenants less (more) than firms in low OBS lease industries. Further the use of balance sheet (income statement) based covenants falls (rises) more quickly in high OBS lease industries than in low OBS lease industries as the use of OBS leasing increases. This evidence indicates that OBS operating leases influence the use of accounting information in covenants suggesting that firms have considered the impact of OBS leases when structuring their debt agreements. These findings also imply that the observed decline in the use of balance sheet ratios since the late 1990's is associated with the use of OBS operating leases. Further, our results suggest that the proposed capitalization of OBS leases may not result in firms violating loan covenants but will make the balance sheet a more complete source of information for debt contracting by removing the need for constructive capitalization of OBS leases.

Keywords: *lease accounting, operating leases, debt covenants, accounting standards.*

A Comparative Analyses on Performance of Seven All Star Investment Models

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Il-woon Kim, The University of Akron, ikim@uakron.edu

ABSTRACT: An examination of the performance of seven All Star Investment models namely: Joseph Piotroski, Martin Zweig, Joel Greenblatt, Benjamin Graham, William O'Neil, Peter Lynch and Warren Buffett was undertaken. Using the S& P 500 as the data set, the performance was based on a start date of 1/2/1999 and an end date of 12/31/2012. Various holding periods for different trading frequencies were used such as one year, six months, three months and four weeks. In addition to the annualized returns for each period, other statistics such as the standard deviation, correlation with benchmark, the R-squared and beta were also documented.

Keywords: all star investment models, holding periods, trading frequencies

The Effects of Regulation and Standard Setting on Acquired R&D Allocation

Daniel Gyung H. Paik^{*}, University of Richmond, daniel.paik@richmond.edu
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ABSTRACT: We explore how firms have changed their behaviors of allocating acquisition purchase price in response to SEC regulatory activities and the release of new accounting standards, specifically concerning acquired in-process research and development (IPR&D) costs. Additionally, we examine whether firm's allocation of purchase price to IPR&D costs, goodwill, and other intangible assets is associated with their earnings management. We use a sample of firms reporting significant amounts of acquired IPR&D during the period of 1993-2010 when three major events occurred that significantly affected firms' ability to use IPR&D costs to manipulate earnings. The results provide evidence that companies strategically modify their allocation of acquisition price as an earnings management tool over time as the regulatory environment changes.

Keywords: in-process research and development, acquisition price allocation, earnings management, accounting standards

Does National Culture Affect Corporate Risk-taking Behavior?

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ABSTRACT: Researchers have related corporate risk-taking behavior to various factors such as executive compensation, large shareholder diversification, agency problems, insider ownership, managerial overconfidence, corporate governance, among others. The majority of the studies focus on firms in the USA. Among the few international studies, most are related to risk-taking in the banking industry only and some have focused on the impact of corporate governance (John et al 2008). In this study, we offer another explanation for corporate risk-taking behavior by examining the effect of a culturally related factor, namely, uncertainty avoidance. Our study involves an international comparison of risk-taking behavior across a large number of countries. The effect of national culture on corporate behavior has drawn the attention of some researchers in recent years. For example, it has been found that national culture affects the level of the firms' cash holdings (Chang and Noorbakhsh 2009), dividend payouts (Bae, Chang, and Kang 2012), and the stock momentum profits (Chui and Titman 2010). We add to the literature by investigating the effect of national culture, specifically, uncertainty avoidance, on corporate risk-taking behavior. Our sample consists of all the firms from Worldscope data file over the period 1990-2010. Using uncertainty avoidance index (UAI) from the Hofetede website as a proxy for national culture, we find that UAI *negatively* affects the firm's risk-taking behavior, as measured by the standard deviation of industry-adjusted ROA and ROE. This result is robust across different testing methodologies.

Key words: Risk-taking behavior, Culture, Uncertainty Avoidance Index

Are U.S. Institutional Investors Blindly Chasing Returns in Foreign Countries?

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ABSTRACT: Using new flows data for the weekly equity and bond trading of U.S. institutional investors in 50 countries from year 2001 to year 2009, this paper performs an in-depth examination of the dynamics of U.S. investors' cross-border flows and provides new evidence on whether U.S. mutual funds are informed rational investors in the foreign markets or they are blindly chasing return across the borders. Like other studies, we find that many stock markets exhibit a strong positive cross-border flow-past local return relation. However, this relation is quite ambiguous in bond markets. In addition, U.S. cross-border flows are not able to predict future returns either in foreign equity markets or in bond markets. Interestingly, however, we find that bond flows are positively related to past stock returns. These findings are new to literature and are robust to various model specifications. We argue that the importance of past foreign returns in driving U.S. investors' equity flows and bond flows is more likely because those returns are viewed as news about fundamentals and shocks to returns that will lead U.S. investors to revise their expectation about prospects for foreign markets. This fact contradicts the return chasing story, which predicts that international investors are uninformed about foreign markets and, as such, blindly follow a momentum investing strategy in their international portfolios. Moreover, we investigate the intertemporal relationship between equity and bond flows and their returns and we provide additional evidence against return chasing story. Finally, we show that stock returns are able to predict future fundamentals, which is consistent with the information story. Collectively, our analysis suggests that U.S. institutional investors' cross-border trading is not simply driven by momentum investing, but rather, foreign fundamentals.

**What Drives CEO Pay in the U.S.?:
An Empirical Study of Companies in the Consumer Staples Sector**

Il-woon Kim*, The University of Akron, ikim@uakron.edu
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ABSTRACT: The objective of the study was to examine the relationships between CEO pay (and its individual components) and several financial and non-financial variables of the companies in the consumer staples industry. Our sample included 79 companies over the four year period of 2008-2011 which resulted in 306 years of data to examine through the regression analyses. The companies were strictly filtered on the type of industry they were in as the objective of the study was to look significant relationships within a relatively stable sector of the economy (Economic Sector 3000). Our findings suggest that the most influential factors of CEO pay are return on equity, total number of employees of the company, and size of the company in terms of total assets. The main unexpected finding was the minimal dependency of bonus/award components of pay on financial performance measures.

Key words: CEO compensation; consumer staples sector; CEO-to-worker pay ratios

**Agency and Brokerage of Real Assets in Competitive Equilibrium:
Comments and New Findings**

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Zhaohui Li, Old Dominion University, Virginia, zxxli002@odu.edu

ABSTRACT: Williams (1998 RFS) argues that, in a typical search-match framework, there is no agency problem on equilibrium effort and asking price when a broker serves as common agent for multiple sellers, and when she splits search effort on soliciting both buyers and new principals (sellers). Using the same model, we show that this result cannot hold. In addition to recover the agency problem, our study also reveals positive relationships between agent's effort, asking price and the commission rate. Our findings are consistent with several documented empirical facts in the literature.

Capital Appreciation Bonds as Tobacco Settlement Bonds: A Bad Idea for Investors and States

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ABSTRACT: Tobacco Settlement bonds were issued by many states to obtain early use of the funds awarded to them in the Tobacco Master Settlement Agreement (MSA). Entered into in November 1998, the MSA was a settlement of 46 states attorney's general lawsuits against the tobacco industry. This paper explores the settlement agreement, the use of capital appreciation bonds by a limited number of states, and the doubtful continued sustainability to maturity of those bonds and tobacco settlement bonds in general. This paper also addresses the use of these bonds as investments by financial planners, and the potential downside to their clients who are not speculative investors.

Key Words: tobacco settlement bonds, capital appreciation bonds, default

Economic Determinants of Sale-Lease Backs and Sales- Management Backs in Lodging Industry

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ABSTRACT: One effective way to relieve financial burdens of lodging companies without any discontinuity of their lodging businesses is to sell their properties and lease them back or sell them but retain management contracts for the buyers, called sales-management back. Objective of this study is to examine economic determinants of the above-mentioned practices in lodging businesses. The economic determinants examined in this study are; financial leverage, managers' bonus, meeting market expectations, equity in assets for sales, difference between ROI vs interest rate, expected property value appreciation, phases in economic cycle of real estates. The followings are expected relationships between the economic determinants and sales-lease backs and sales-management backs:

1. Financial leverage do have a positive relationship with sales-lease backs and sales-management backs,
2. Managers' bonus do have a positive relationship with sales-lease backs and sales-management backs,
3. Firms which are short on meeting market expectations tend to involve in sales-lease back and sales-management backs more than firms which are not do,
4. Equity in assets for sales have a positive relationship with sales-lease backs and sales-management backs,

5. Difference between ROI and interest rate do have a positive relationship with sales-lease backs and sales-management backs,
6. Expected property value appreciation do have a Difference between ROI and interest rate do have a positive relationship with sales-lease backs and sales-management backs,
7. Firms in recovery phase of its business cycle tend to have more sales-lease back and sales-management backs than those in recession phase of the economic cycle.

Performance Evaluation of Korean Community Banks in California

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ABSTRACT: This research project is to examine the performance of Asian community banks in California for the 5 year period from 2008 through 2012. The performances are measured using market data, financial data, and industry specific data. Market performance measures are stock market returns, while general financial performance measures are ROA, ROE, and ROCE. Returns metrics for ROA, ROE, and ROCE are Net income, income from continuing operations, net cash for the entire firm, net cash from operating activities, EBITA, while investment cost metrics for ROA, ROE, and ROCE are total assets, long-term assets, owners' equity, common stockholders' equity, and market capitalization. The banking industry specific performance measures are net deposit change and difference between lending interest rate and deposit interest rate. Sample banks are broken into Korean community banks, Chinese community banks, Japanese community banks, and other banks for performance comparisons across different ethnic banks.

The Relationship between Decision Making Styles and Experience Dimension in the Tourism Industry

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ABSTRACT: This study examines tourist's decision making styles in relation to experience dimensions. Eight decision making styles: perfectionist style, value-conscious style, brand conscious style, novelty-and-fashion conscious style, shopping avoider, time saver style, confused, support- seeker style (Sproles, 1985), impulsiveness, and habitual or brand loyal orientation toward consumption (Sproles & Kendall, 1986) and Gilmore and Pine's (1998) four experience dimensions: entertainment, escapist, educational, and esthetic are being examined to see if there is a link between the two. The decision making process is such a broad topic we must narrow down factors that directly influence how a tourist makes travel related decisions. With tourism being one of the leading industries with various services to choose from, understanding tourist's decision making styles along with what influences these styles allows the tourism industry to provide experiences that tourists are expecting along with a less complex information gathering system.

Key words: Decision making process, Customer decision making styles, Experience dimensions

Exploring Hospitality Management Students' Perceptions of Education Service Quality in US Higher Education

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EXTENDED ABSTRACT: The hospitality industry is considered by the United States Department of Labor as a high-growth industry. According to the American Hotel and Lodging Association (AHLA), the US lodging industry generated approximately \$134 billion in revenue and more than \$1.3 trillion in economic yield, and about 7.7 million jobs in 2012 (Deale, 2013). As the industry grows rapidly, there has been a pressing need for higher education to supply highly educated and qualified workforce to the industry (Kuo, Chang & Lai, 2011). Not surprisingly, the number of hospitality management schools has increased significantly for the last decade, resulting in fierce competition among the programs in terms of the quality of hospitality management education (Angelo & Vladimir, 2009; Lee, Olds & Lee, 2010).

The rapid growth in the number of hospitality management programs has raised the level of expectation for quality hospitality management education from students and employers in the hospitality industry. Administrators and educators in hospitality higher education should make a program that provides relevant curriculum with various educational methods (Hawkins, Ruddy & Ardah, 2012). Angell et al. (2008) pointed out that universities should make a shift from being product-led to customer-led (Angell, Herrernan & Megicks, 2008). That means that improving education service quality and student satisfaction should be of the utmost importance to administrators and educators in hospitality higher education.

In order to meet students' needs and thus satisfy them, administrators and educators in hospitality higher education should first identify critical educational elements that affect students' overall perception of education service quality (Kuo et al., 2011). Students expect that

required job skills can be obtained from hospitality higher education and want to broaden individual competitiveness through appropriate education (Hawkins et al., 2012). Obviously, hospitality higher education plays as an essential role in shaping the future of the industry and people it employs (Horng, Teng & Baum, 2009). Thus, it is important to assess the quality of education service provided by hospitality higher education. Even constant reevaluation of education service is essential in order to support continual progression of the quality of the education and develop competitive hospitality programs to attract top talents (Krehbiel, McLure & Pratsini, 1998; Tew & Hoof, 2011).

Identifying education service attributes that affects student satisfaction has been the most challenging part of managing higher education (Ineson & Kempa, 1996; Tew & Hoof, 2012). It is believed that hospitality programs that identify important education service attributes and consistently modify its curriculum around them can successfully help students build various core competencies and leadership skills that are necessary for their career in the hospitality industry. The study therefore seeks to explore underlying dimensions of education service quality in US hospitality higher education. Education service attributes perceived important in hospitality management programs from students' perspective were first identified through the thorough literature review. Then, education service quality factors were delineated through the exploratory factor analysis. Relative importance of education service factors and group perceptions of education service factors were also examined through the analysis of variance.

The Impact of Language Barrier and Culture on Consumer Complaining Responses to Service Failure

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ABSTRACT : Due to increased globalization, a growing number of service providers and customers are forced to interact across linguistic boundaries. However, scant research has investigated how language barriers influence customers' service experience. Intercultural service encounters, where the customer and the service provider are from different cultures, are very common in the service sector, especially in the U.S. Service experience of foreign ESL (English as a Second Language) customers may be largely affected by their cultural backgrounds. This study aims to investigate service experience of foreign ESL customers in service settings and how their cultural backgrounds influence their service experience. Particularly, this study is interested in ESL customers' responses to service failure and the influence of culture on their intention to complain despite language barriers.

KEY WORDS: language barrier, intercultural service encounter, ESL customers, face

Effect of Sale-Lease Backs and Sales- Management Backs on Firm Performances in Lodging Industry

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ABSTRACT: This is to examine the effect of sales-lease backs and sales lease backs on lodging firms' performances. A firm's performance is measured using market data, financial data, and industry specific data. Performance measures using market data are stock returns and abnormal stock returns. Those measures from financial data are rate of return on assets, rate of return on owner's equity, and rate of return on long-term assets, earnings per share of common stock, net cash changes per share of common stock. Performance measures from lodging industry specific data are revenue per available room (RPAR), occupancy rate (OC), which are very commonly used productivity measures in the lodging industry. It is hypothesized that all three measures of market performance, general financial performance, and lodging industry specific performance have positive relationship have positive relationships with sales-lease backs and sales-management backs

Dynamic Effects of Business Cycle and Long-term Debt on the use of Operating Lease

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ABSTRACT: Prior studies have shown that operating lease can be an effective financing strategy. And as expected from a method of financing strategy, operating lease was shown to have significant relationships with various factors including internal funds, current debt, growth opportunity, and financial distress. In this paper, we examine the effects of business cycles and the long-term debt on the use of operating lease. This study found that operating lease is negatively related to long-term debt. This result supports the prevalent theory that operating lease substitute long-term debt. This study also found that operating lease is negatively related to the economic performance – the use of operating lease is lower when the economy is growing. Lastly, this study found that the effect of long-term debt on the use of operating lease is stronger when the economy is in its contractionary period than when it is in its expansionary period.

Keywords: Operating lease, business cycle, long-term debt, hotel industry, financing strategy, substitute

Security/Performance Tradeoffs in Hybrid Real-Time Scheduling Algorithms

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ABSTRACT: Typical real-time systems handle a hybrid task set consisting of periodic and aperiodic tasks. This paper addresses the covert timing channel issues in scheduling a set of hybrid tasks for Multi-Level Secure (MLS) realtime systems. After identifying timing vulnerabilities in several existing hybrid scheduling algorithms, we propose security measures for eliminating covert timing channels. Usually, security measures applied to satisfy the security requirements adversely affect system performance or timeliness requirements of real-time systems. Since the timeliness requirements of many real-time systems cannot be compromised over security requirements, the tradeoffs between the security and timeliness requirements