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41st Annual Academic
Conference



San Diego, California
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“Small Business at the Border”

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It is my pleasure to welcome you to the 41st Small Business Institute® Annual Academic Conference in sunny Southern California.

Each year, we are lucky enough to receive an exceptional collection of submissions to the SBI Annual Conference. This year is no exception, as you will see in the *27 Competitive Papers*, *20 Best Practices*, *seven Workshops*, and *two*, newly added, *Breakfast Roundtables* accepted into this year's conference. You, our members, are the reason the 2017 volume of the *Proceedings* is such a quality publication. The hard work and time you all put into your research and projects make all the difference for SBI and this conference. Please enjoy reading through the wonderful papers in this year's *Proceedings*.

The successful publication of the conference *Proceedings* happens only as the result of a tremendous effort on the part of many, whom I would like to acknowledge. To reiterate, the primary contribution made to the *Proceedings* comes from the rigor and thoughtfulness on the part of participating SBI researchers. Your hard work and diligence cannot be applauded enough, and is instrumental in the continued success of SBI. Secondly, I thank all of you who reviewed the many paper and project submissions, investing your time and effort to provide constructive feedback and thoughtful comments to help support the efforts of our members. Thank you too to my graduate assistant Amalka Jayasundera for her tremendous investment of time, thoughtfulness, detail, and creativity to help produce the final *Proceedings* document.

Finally, thank you to the SBI Board for the countless hours you all spend making our conference happen, and specifically for making the *Proceedings* successful. To Deborah Cours, for her involvement coaching me through this process, and for quickly responding to help in any way she could – thank you. And to the rest of the Board for your continued support of this organization and for your friendship – thank you all!

Cheers!

Timothy C Dunne
VP of Programs, Elect
Proceedings Editor

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COMPETITIVE PAPERS

Boots2Business: An Early View of an SBA Entrepreneurship Outreach Program

Kirk C. Heriot, Columbus State University
Lori Dickes, Clemson University
Andres Jauregui, Columbus State University

Abstract

In this study we investigate Boots2Business (B2B), a new entrepreneurship program developed in 2012 by the US Small Business Administration in cooperation with several partners. B2B is a program specifically tailored for military service members that are leaving active duty. It is a part of the DOD's Transition Assistance Program (TAP). The program offers veterans a chance to learn how to start a new business through a two-day workshops followed by an 8-week online course offered through Syracuse University, in cooperation with the SBA. This study offers insights into the program based on first-hand observations, secondary information, and government reports, with an emphasis on the two-day workshop. In addition, we compare and contrast it with three other SBA programs: SBDC, SCORE and SBI. We conclude by discussing the implications of B2B for policy makers and suggesting directions for future research.

Keywords: Entrepreneurship, Outreach, Small Business Assistance

Introduction

The role of small businesses in the American economy is well-established. Given their important role in our economy, several programs have been created in the United States to provide assistance to prospective entrepreneurs as well as the owners of small businesses. Some of the more well known programs include small business development centers, export assistance, SCORE, and the SBA Guaranteed Loan program. In a recent study, Gu, Karoly, and Zissimopoulos (2008) identified as many as sixteen such small business assistance programs.

The primary federal agency tasked with helping small businesses is the US Small Business Administration (SBA). The SBA primarily assists small businesses through small business development centers (SBDC) throughout the country as well as the SBA 7(A) and 504 Loan Programs. A third SBA program, the Small Business Institute, was funded at the federal level between 1972 and 1995 (Heriot and Campbell, 2002 and Heriot and Campbell, 2004). The many programs identified by Gu, et al., (2008) serve the general population as well as targeted groups such as small businesses seeking to export or small businesses pursuing government procurement contracts.

Recently, the SBA created a new program, Boots2Business. Boots2Business (B2B) is devoted to encouraging veterans to start new businesses after they are discharged from military service. In this study, we will discuss the Boots2Business. veterans are clearly important because of all of the

recent publicity in the media about the war on terror, PTSD, veterans' health care, suicide rates, and the large number of veterans that are unemployed after leaving active duty (). While there is likely a political component to the selection of veterans as target population for outreach services, there is also compelling information about them that suggests they are a viable group to assist. Veterans are twice as likely as non-veterans to start a new business. Thus, seeking to capture the interest of service members leaving active service seems, on its face, to be a logical expenditure of funds directed at increasing firm births in the USA.

Background

The Department of Defense Transition Assistance Program (DODTAP) was begun in 1990 (DODTAP Website). Public law 101-510 developed benefits and services to assist military service members transitioning to civilian life. In 2011 President Obama proposed more efforts to aid in transition. Congress passed Public Law 112-56 later in 2011 that resulted in the current DODTAP. The impetus for creating B2B can be attributed to two phenomena. First, veterans seem to thrive as entrepreneurs if not financially certainly in sheer numbers (SBA, Office of Advocacy). In addition, the looming drawdown of military personnel (Alexander & Shalal, 2014) and higher unemployment rates than civilian unemployment rates, has led to a growing interest in assisting veterans with entrepreneurship.

The program in its present form has three components which include pre separation counseling, core curriculum and training tracks. In addition, there is an option to complete the three components online. The three training tracks include higher education, technical training and entrepreneurship. Boots2Business is part of the entrepreneurship training track.

Boots2Business or B2B as it is commonly called was created in July 2012 with a pilot program. It is based upon a cooperative agreement between Syracuse University and the US Small Business Administration. Within the SBA, the Office of Veteran Business Development is tasked with directing the B2B program. Syracuse has several academic programs devoted to entrepreneurship as well as outreach programs for scholars, practitioners and veterans. Boots2Business was developed by the Institute for Veterans and Military Families at Syracuse (IVMF Website).

Additional information about B2B may be obtained at the SBA's website highlighted in Table 1 below.

Table 1. Boots2Business Description

Boots to Business is delivered in partnership with SBA’s Resource Partners, SCORE Mentors, Small Business Development Centers, Women’s Business Centers, and Veterans Business Outreach Centers and the Institute for Veterans and Military Families at Syracuse University. It is available free of participating installations to service members and their dependents transitioning or retiring from the U.S. military.

Source: SBA Office of Veteran Business Development Website, 2016.

Presently, Boots2Business workshops are offered throughout the United States as well as in locations overseas. Figure 1 and Figure 2 show most of these locations on two maps, respectively.

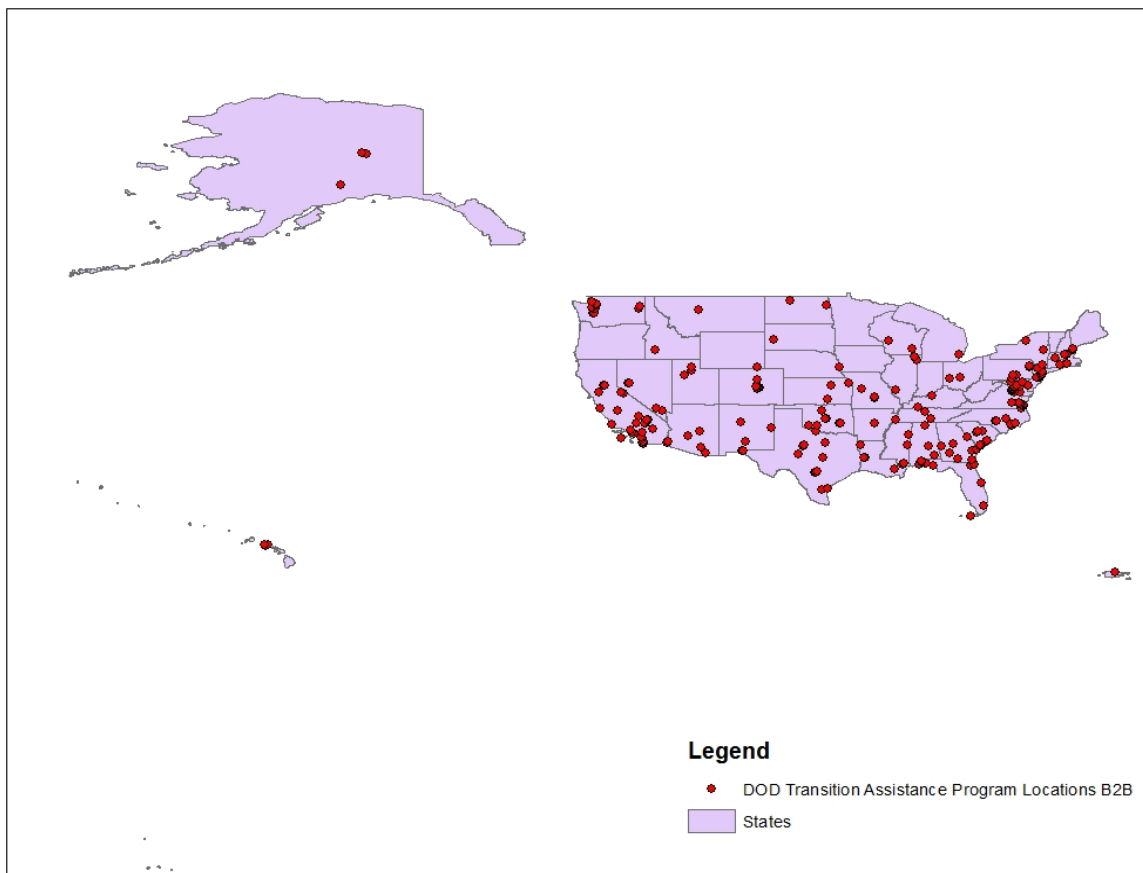


Figure 1. DOD Transition Assistance Program Locations (B2B) in the USA, Alaska, Hawaii, and Guantanamo Bay, Cuba

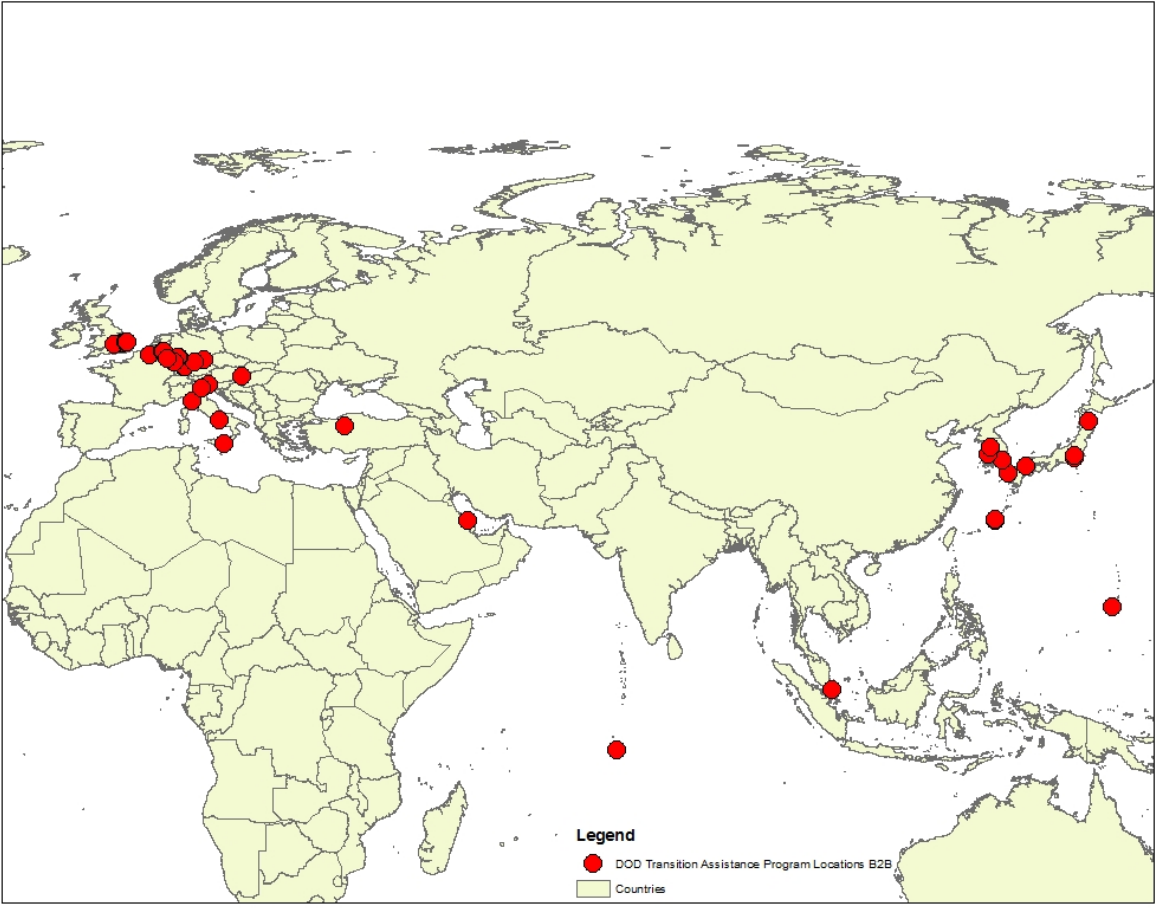


Figure 2. DOD Transition Assistance Program Locations (B2B) outside USA

In the following section, we will review the extant literature on small business assistance. In the third section, we will describe the B2B program based upon information shared with the authors by the US Senate Small Business and Entrepreneurship Committee, Syracuse University, and the Small Business Administration website.¹ Next, we will provide analysis of the program based upon personal observations at one of the military installations in the State of Georgia. We will conclude the study by highlighting our observations, discussing the implications for policy makers, and proposing directions for future research.

Literature Review

Small business assistance has existed in the US for several decades. According to Gu, et al (2008) there are 13 major *small business outreach programs*.² The most well known of these programs

¹ The SBA Office of Veteran Business Development did not share information with the researchers, in spite of several requests via telephone and email.

² We do not make a distinction between entrepreneurship and *small business* ownership as there is no evidence veterans become small business owners other than by starting or buying a business or franchise as opposed to inheriting a

are the SBDC, SCORE, and SBI. They are all affiliated with the Small Business Administration (SBA). While there are certainly other important programs, these programs are a more logical choice for comparison to B2B because they were managed and funded by the SBA. Thus, rather than discuss research on all major small business outreach programs, we highlight research on three SBA programs.

Gu, et al. (2008, p. 7) explain that “the SBDC and Service Corps of Retired Executives (SCORE) are two major programs offering counseling and training in all aspects of small business management.” The Small Business Institute program was also a program that offered field-based consulting completed by college students supervised by college faculty. This program was operated from 1973 to 1995 (Heriot and Campbell, 2006). It is included in the analysis because it is quite similar to both SBDC and SCORE, was managed by the SBA, and was devoted to existing small businesses.

Small Business Development Center

When you consider scholarly work about the Small Business Development Center (SBDC), you are immediately struck by one recurring theme. Jim Chrisman has published the majority of highly-cited work about this program. These studies generally report a positive relationship between SBDC services and business outcomes (Chrisman, Hoy and Robinson, 1987). Furthermore, they report that SBDC services are cost effective (Chrisman and Katrisha, 1994; Chrisman, 2012).

In their review of research about small business assistance programs, Gu, et al. (2008) are highly critical of the research about SBDCs. They point out that of 22 studies they evaluated, 14 of them were devoted to evaluating the SBDC program. They describe the research methodology of these studies as not using a very rigorous methodology predominantly because 12 of the 14 studies used a weaker mean comparison or simple descriptive methodology.

SCORE

The SCORE program has not received attention from scholars. When SCORE is mentioned in research it is done so as a description of what it does and the extent of its operations (e.g., Heriot and Campbell, 2006). One study in the UK advocated adopting the SCORE model in the United Kingdom (Botham, 2012). The SBA funds SCORE with about \$17 million (Gu, et al., 2008). This budget pales in comparison to the budget for the SBDC program which exceeds \$110 million. SCORE operates about 350 chapters and serves about 300,000 clients per year (SCORE website). It is not surprising that scholars have not studied SCORE as it is not funded at the local chapter level with paid staff. SCORE mentors are volunteers. Unlike SBDCs, for example, no one needs

family business. Thus, it is most likely some level of opportunity recognition and risk taking was involved in the veterans’ process of starting or buying the business.

to justify their economic impact or the benefits they provide their clients. In fact, Gu, et al. (2008) point out that by statute, “The SBDC produces an annual economic impact report of SBDC counseling services, conducted by an independent consultant.” SCORE does not have such a requirement.³

Small Business Institute®

The U.S. Small Business Administration initiated the Small Business Institute® (SBI) program in 1973 to provide no-charge counseling services to area small businesses surrounding member schools. At its peak, the SBI program spent approximately \$3 million assisting 6,000 businesses per year at over 400 participating schools. Congress discontinued the SBI program in 1995, and it has not been funded since. As a result, many schools discontinued their SBI programs due a lack of federal funding. However, several schools continued to operate their formally, federally funded SBI programs. Most of these colleges and universities were members of the Small Business Institute Directors’ Association (SBIDA), which was charged by statute, to provide advice to the SBA about the program. After the elimination of funding, SBIDA legally changed their name to Small Business Institute® (SBI) and registered the name. As of 2016, SBI has approximately 109 members, but not all of them operate an “SBI” program (SBI, 2016). There have been very few new SBI programs created in the United States (Heriot and Campbell, 2006).

Several studies evaluated the Small Business Institute program while it was still funded by the SBA (See Brennan, 1995; Dietert, Halatim, and Scow, 1994; Hatton, and Ruhland, 1994; Schindler and Stockstill, 1995; and Watts and Jackson, 1994). Most of the studies focused on the ability of the SBI program to provide clients with a viable consulting job or with the program’s student-educational benefits. For many schools, a primary impetus for starting an SBI program was the potential benefits for students’ learning experience. The literature (Hedberg and Brennan, 1996, Brennan, 1995, and Borstadt and Byron, 1993) provides considerable evidence that SBI programs are of educational value to students. In addition, recent evaluations of business schools have called for “a stronger practicum and projection emphasis in both curriculum and coursework” (Lyman, 1997). The SBI program represents just such a practical approach to learning and applying business concepts.

In general, Gu, Karoly, and Zissimopoulos (2008,) find that “the effects of business assistance programs are far from complete and the methodological challenges in identifying the effect of business assistance programs on business outcomes are, in part, a result of data limitations and the lack of experimental design in program evaluations.” They forcefully state, “Thus few studies are able to identify a causal relationship between small business assistance programs and business

³ It is possible that SCORE does some sort of assessment of their activities, but the academic literature does not report a formal process as is associated with the review of SBDCs required by law.

creation and subsequent economic performance of assisted small firms.” In their Rand funded study of outreach programs, they pointed out that the extant research has not been able to identify the essential characteristics of effective small business assistance programs.⁴

Veterans and Entrepreneurship

The extant literature on veterans and entrepreneurship and small business assistance is limited at best (IVMF, 2016). The SBA provides some interesting descriptive statistics about the impact of veterans in the economy. In addition, some studies have reinforced the data collected by the government. Veterans account for approximately 13% of all small business owners, yet at the same time, veteran unemployment levels range from 30.4% for young veterans aged 18-24 to 48% for black veterans in that same age group, and 12.1% for veterans overall (Bressler, et al. 2013). More recent data from the Bureau of Labor Statistics

Other researchers have found similar data based upon government records. For example, Loughran (2014) found that unemployment among younger veterans 18-24 peaked at 29% in 2011. In addition, found that workforce participation rates among veterans are low. In general, the conclusion of this study by Rand Corporation was that veterans of all ages tended to have higher unemployment rates than non-veterans of the same age, with differences declining for older veterans (Loughran, 2014).

Hope, Chrisman and Mackin (2009) found that veterans with 20 or more years of service reported higher levels of self-employment than other veterans. They also found that officers are 55.6 percent more likely to start a business than enlisted veterans.

With regard to Boots2Business, we were only able to find one investigation of the program. The Institute for Veterans and Family (IVF) at Syracuse University conducted a White Paper entitled, “Hope, Chrisman, and Mackin (2009) found that veterans with 20 or more years of service reported higher levels of self-employment than other veterans. They also found that officers are 55.6 more likely to start a business than enlisted veterans.

With regard to Boot2Business, there is only one study available. The study is a rather comprehensive review of B2B, but it cannot be found using traditional databases, such as ABI/INFORM or Business Source Premier. The Institute for Veterans and Military Families wrote a study entitled, “White Paper: Operation Boots to Business Veteran Entrepreneurship Assessment” (IVMF, 2016).

The B2B program as well as background information on veterans and research on veterans and entrepreneurship are discussed. The IVMF study does a thorough job describing Boots2Business,

⁴ In referring to characteristics Gu, Karoly and Zissimopoulos (2008) mean things such as the optimal services to provide, what works best for whom or in what geographic locale, and how program effects relate to program costs.

providing a context for the program, and suggestions for evaluating B2B, as opposed to other small business outreach programs (IVMF, 2016). Furthermore, the White Paper provides early evidence of the perspectives of veterans regarding B2B training. Surveys were administered to The conclusion from this research is that B2B is largely a positive influence. However, the researchers noted that much needs to be done to fully understand both Boots2Business as well as the most effective ways to reach out to the veteran population (IVF, 2016).

B2B Program Analysis

Analysis of the B2B program is based upon SBA information, personal observation, and the SBA's own description of the program (SBA Website). Our comparison of the B2B program to other small business outreach programs follows our initial analysis of publicly available information and personal observations.

Background Information

The B2B program is rather interesting in one regard in that it has multiple "resource" partners rather than a single organization that delivers the material to service members. As noted previously, these partners are SCORE Mentors, Small Business Development Centers, Women's Business Centers, and Veterans Business Outreach Centers and the Institute for Veterans and Military Families at Syracuse University. It is possible that other shadow partners might be involved that are unknown to the SBA.⁵

The following table highlights each of the SBA programs. Boots2business is an educational program rather than counseling or mentoring like the other primary SBA programs. While SCORE and SBDC offer training seminars, those work requirements are not nearly as time consuming to their performance. The material used in the workshop are very closely related to, if not actually borrowed from, *Entrepreneurship*: by Bruce Barringer and Duane Ireland. The format for sharing this information with service members is essentially a series of lectures broken into eight modules. The second step of the B2B program is an online course taught by Syracuse University.

The workshop is essentially a series of lectures divided into 8 modules. The online portion of B2B is in fact an online course taught by Syracuse University. Teaching the 8 modules and teaching the online course have very little in common with what is done by SBDC counselors or SCORE mentors when working one-on-one with an entrepreneur or an owner of a small business. In essence the content of B2B is much more similar to what is taught in universities and colleges. The way the material is presented is also much more similar to a college lecture than it is counseling or mentoring.

⁵ In addition to being a SCORE Mentor, one author is a veteran and teaches entrepreneurship as a faculty member at an AACSB-Accredited College of Business. It is possible other B2B instructors are affiliated with other organizations such as universities.

Discussion

Boots2Business represents a new approach to assisting veterans that might be interested in starting a new business after they complete their active duty military service. This essay is the first scholarly attempt to describe the program and offer insights into it. Unlike other outreach programs, B2B has not been active long enough to be scrutinized by anyone outside the SBA or Syracuse University (See White Paper Institute for Veterans and Military Families, 2016).

Veterans represent a very specific target group in the American population. Clearly, other groups, such as minorities and women, might have been selected for a new outreach program. However, from a political perspective, veterans are clearly important because of all of the recent publicity in the media about the war on terror, PTSD, veteran’s health care, suicide rates, and the large number of veterans that are unemployed after leaving active duty. While there is likely a political component to the selection of veterans as target population for outreach services, there is also compelling information about them that suggests they are a viable group to assist. Veterans are twice as likely as non-veterans to start a new business. Thus, seeking to capture the interest of service members leaving active service seems, on its face, to be a logical expenditure of funds directed at increasing firm births in the USA.

Table 2. Summary of SBA Outreach Programs

Program	Timeline	Focus	Process	Comments
SBDC	1977 – Present	Assist preventure and existing small businesses	Counseling	Largest SBA small business outreach program with over 1,100 locations
SCORE	1964 - Present	Mentor entrepreneurs and small business owners	Counseling	Volunteers serve in 350 locations throughout the US
Small Business Institute	1973 - 1996	Assist existing small businesses	Comprehensive projects involving 80-100 man hours over a 10-15-week period	SBA Funding ended in 1995; continues as a 501c3 organization
Boots2Business	2012 – Present	Veterans	Educational	Expanded to All veterans through Boots2Business: Reboot

From a public policy standpoint, B2B needs to be evaluated in an objective manner. Gu, et al (2008), point out that studies of other, similar outreach programs have not been very effective at identifying causal relationships between the program and program outcomes. The only study to

date was the White Paper completed by a resource partner, Syracuse University (IVF, 2016). The evaluation was biased on its face because the organization conducting the evaluation was a partner of the SBA in providing B2B activities. The actual survey method used to gather data was fraught with the same limitations of previous research on small business outreach programs.

There is certainly precedent for SBA to scrutinize the B2B program. By statute, Public Law 103-403, an amendment to 15 US Code 648, passed in 1994, required the SBA to “develop and implement a biennial programmatic and financial examination of each SBDC” (ASBDC Website, 2016). Furthermore, according to the US Senate Small Business and Entrepreneurship Committee, the SBA is required to update the Senate on its activities, including Boots2Business. As of August 2016, that had not been done since the program was started in 2012 (Miller, 2016).

The structure of B2B is far different than anything the SBA has done previously. SBDCs are formally organized and have been in existence for over 35 years. They have State Directors and Lead and centers that report to them in some fashion. The consultants at the SBDC are all state employees. In turn, each state must comply with SBA District requirements and all laws and regulations governing the SBDC program.

SCORE is most likely the closest current program to B2B. However, even SCORE has a formal, albeit, not for profit, organization, in place to oversee the SCORE offices throughout the country. Like B2B program locations, SCORE offices pretty much operate autonomously. While SCORE Mentors must be certified, there is not necessarily a mechanism in place to certify B2B instructors, unless they do so through the organization they represent.⁶ Michael (2005), after a review of existing forms of self-regulation, argues that entities like B2B would be better served if the SBA developed some sort of self-regulation for them. If self-regulation, in the form of an external audit, similar to what is done for SBDC program, is not developed, then Congress might legislate something or decide not to fund the program due to a lack of information justifying its existence.

Conclusion

This study is the first attempt to share information about Boots2Business with an academic audience in a public forum. Given how new it is, there are far more questions that remain to be asked, but not answered, about Boots2Business. It is likely even somewhat premature to suggest future research efforts, given how new this program is, but our understanding of this growing outreach program will only increase with further study. Nonetheless, we offer a few suggestions to public policy officials and scholars interested in evaluating B2B.

Veterans clearly have made sacrifices for the US. Thus, it is likely that B2B will remain active in the foreseeable future. Nonetheless, while the public will likely remain sensitive to the needs of veterans, Americans are also concerned about government expenditures, given the rapid rise in the

⁶ One of the authors must recertify as a SCORE mentor annually and serves as the lead B2B instructor at the nearby Transition Assistance Program. However, there is no auditing or evaluation of what happens during the two-day workshop.

national debt. Thus, it will be critical to justify the B2B program in order to increase chances that it survives.

Based upon the extant research on similar programs, we suggest public policy makers and scholars studying B2B should focus on three primary streams of research. The first stream of research is B2B program outcomes. B2B is clearly not the same kind of small business outreach program as other SBA programs such as SCORE or the SBDC. It is much more like an entrepreneurship education program than a counseling program. Thus, it is much more logical that B2B is evaluated differently than those programs, regardless of whether they both reach out to veterans. The White Paper by Syracuse emphasizes that B2B is best categorized as an education and training program (IVMF, 2016).

The second stream of research should evaluate B2B program process. To date, neither IVMF, nor the SBA or academics have evaluated the actual process involved in teaching and training veterans. Feedback was obtained using a survey of past participants, but the response rate was only 10%. However, feedback about the experiences of participants is not the same thing as evaluating the process of teaching and training.

Both SCORE and the SBDC have systems in place to certify their staff members. While it is somewhat reasonable to assume the faculty conducting the on-line course are screened, such a conclusion is not reasonable with regard to the initial B2B workshop. Given that this workshop is the gateway for further participation in the B2B program, it is critical that this part of B2B is more closely scrutinized. Previous research on entrepreneurship education in universities considers a variety of perspectives, including *what* is taught, *why* it is taught, *how* it is taught, and *how well* it works (see Gorman and Hanlon, 1997; Vesper and Gartner, 1997; Solomon, et al., 1998). A similar approach will likely benefit both public policy officials as well as scholars evaluating Boots2Business. Exactly who is teaching the 2-day workshop? What preparation do they have for teaching the material? Teaching a 2-day workshop in a classroom setting is very different than meeting one-on-one with a client. The concepts in the modules is fairly complex. Many of the slides are from a college textbook (Barringer and Ireland, 2016). Thus, the level of instruction that is required is fairly complex.

The third stream of research should consider B2B is strategic scope. B2B is going to be compared to other federal programs, especially programs directed toward veterans and programs dedicated to entrepreneurship education. A number of issues will likely be considered. The following questions need to be considered by both policy makers and scholars:

- Is the program too much of a duplication of other services that are presently available to veterans?
- Is the program cost effective?
- Exactly how much does B2B cost per veteran compared to SCORE and the SBDC?

In 1995, the SBA eliminated the Small Business Institute® program. The argument made by the SBA was that the SBI program duplicated the activities of the SBDC program. Given the budget and national debt debates that are ongoing in the media, it is critical to policy makers that B2B is positioned in a strategic manner. If B2B is seen as a duplication of existing services, it will be a major threat to its survival. B2B needs to think about where it truly fits into the government's system of over 15 small business outreach programs. This issue overlaps somewhat with the previous commentary about research in entrepreneurship education. B2B must be evaluated based upon *what* is taught, *why* it is taught, *how* it is taught, and *how well* it works. To date, the material in the program was developed by a single university. A perusal of the extant literature shows that in spite of over 30 years of academic research, scholars do not necessarily agree on a common definition of entrepreneurship (Schindehutte, Morris, and Kuratko, 2000). The problem with assessing entrepreneurship education is that no generally accepted pedagogical model has been adopted in the U.S. or Europe (Solomon, et. al. 1998). Given that some researchers suggest that "[t]he concept of entrepreneurship is inadequately defined [, and] this lack of a clear entrepreneurship paradigm poses problems for both policy makers and for academics" (Carton, Hofer, and Meeks, 1998, p. 1 of 11). Thus, it seems reasonable that public policy officials would want to closely scrutinize Boots2Business.

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Employee Commitment, Family Involvement, and Innovation in Family Firms

Saurabh Ahluwalia, The University of New Mexico

Raj V. Mahto, The University of New Mexico

Family firms are the dominant form of entities in various economies across the World. These firms make significant contribution to national economies and major employers. A key distinguishing feature of these family firms is their desire to preserve and transfer the business to next generation of family members. That desire influences the behavior of such entities and influence their strategic choices. Thus, the goal of preserving the entity and the presence of ‘affective endowments’ of family owners, also referred to as Socioemotional Wealth (SEW) prompt the managers of such firms to take a long term perspective (Sharma and Irving 2005) and curb risk take (Morris 1998) propensity as compared to their non-family counterparts (Habbershon et al. 2003; Ward 2004). Alternatively, it suggests that family firms are less entrepreneurial versus non-family firms.

Competitive environments are undergoing a rapid change in structure due to shrinking product development cycle, customer preference and rapid advancement in technological development. This new competitive dynamic, a reflection of presence of hypercompetitive in industries, may require firms to be more entrepreneurial and innovative, which is counter prevailing perspective about family firms being less innovative than non-family firms (Cabrera-Suárez et al. 2001; Carney 2005). The preference of family firms for stability may exacerbate their competitive disadvantage in turbulent market place, and further eroding their performance advantage over non-family firms.

Firm innovation is strongly associated with performance (Zahra, 1993) and thus, a significant research has been devoted to understanding the concept in large non-family firms or high-technology companies. In an environment, where sustainability of competitive advantage has become rare, innovative may allow firms to invent multiple period of short-term competitive advantages (Wiggins & Ruefli, 2005). However, research on innovation in family firms is scarce (Kraus, Pohjola, & Koponen, 2012) leading to poor understanding of the concept among family business researchers and owners. Our research goal in this study is to address this gap in the literature by focusing on what family factors are linked to innovation in family firms.

A large majority of studies on innovation is either focused on large public companies or high-technology ventures ignoring industries or spectrum of operation where a significant percent of family firms operates. As a result, in this study we focus on innovation in private and small family firms. We explore how various family factors influence innovation in such firms, especially factors such as family involvement, family commitment, employee training, and marketing orientation. We assess our theoretical model on a sample of survey data collected from family firms located in Southwestern part of the USA. These firms were randomly selected from a list of business directory maintained at a major research university. We contacted the

owners of firms first to gauge their interest in participating in the survey. Next we mailed paper surveys to owners who agreed to participate in the survey. We asked only owners or managers of such firms fill the survey so we could avoid obtaining data from sources who are unfamiliar and lack knowledge of family and business issues. We mailed survey to 290 small businesses in New Mexico and received a total of 66 responses back, which we utilize here for our analysis.

Our results suggest that innovation in family firms is linked to employee training. Family involvement in firm and commitment of family is also linked to firm innovation (see: Table 1 Panel A). While comparing our results on family firms to similar analysis on a sample of non-family firms, we find that the results are not replicated there (see: Table 1 Panel B). Overall our results indicate that family employee development is vital for installing entrepreneurial characteristic of higher innovation in family firms.

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Table 1: Determinants of Innovation for family and non family business firms

Panel A: Regression of Number of innovations per year on survey variables for family business firms

Source	SS	df	MS	Number of obs	26
Model	8.241	6	1.374	F(6, 19)	2.81
Residual	9.297	19	0.489	Prob > F	0.040
Total	17.538	25	0.702	R-squared	0.470
				Adj R-squared	0.303
				Root MSE	0.700

Dependent Variable is Innovations per year						
Variables	Coef.	Std. Err.	t	P>t	[95% Conf.	Interval]
Gross Margin	-0.115	0.104	-1.11	0.281	-0.332	0.102
Number of family members as employees	0.203	0.074	2.76	0.012	0.049	0.357
Learning	-0.025	0.214	-0.12	0.907	-0.473	0.422
Employee Commitment	0.535	0.218	2.45	0.024	0.078	0.992
Marketing	-0.039	0.139	-0.28	0.783	-0.330	0.252
Employee Training	0.059	0.250	0.24	0.815	-0.463	0.581
Constant	-0.768	1.008	-0.76	0.455	-2.877	1.341

Panel B: Regression of Number of innovations per year on survey variables for non-family business firms

Source	SS	df	MS	Number of obs	17
Model	2.335	6	0.389	F(6, 10)	0.7
Residual	5.547	10	0.555	Prob > F	0.656
Total	7.882	16	0.493	R-squared	0.296
				Adj R-squared	-0.126
				Root MSE	0.745

Dependent Variable is Innovations per year						
Variables	Coef.	Std. Err.	t	P>t	[95% Conf.	Interval]
Gross Margin	0.236	0.169	1.4	0.192	-0.140	0.613
Number of family members as employees	0.210	0.224	0.93	0.372	-0.290	0.709
Learning	-0.265	0.480	-0.55	0.593	-1.334	0.805
Employee Commitment	0.115	0.537	0.21	0.835	-1.081	1.311
Marketing	-0.366	0.242	-1.51	0.161	-0.905	0.173
Employee Training	0.095	0.272	0.35	0.734	-0.511	0.701
Constant	1.502	1.552	0.97	0.356	-1.956	4.960

Geographies of Entrepreneurial Ecosystems: Non-Farm Proprietorship Employment by U.S. Metropolitan Area

Keith Debbage, UNC-Greensboro

Introduction

Although the entrepreneurship process begins with individuals with relatively unique personal attributes and a likely penchant for risk taking and achievement, entrepreneurs are “hardly lone individuals who rely primarily on their extraordinary efforts and talents to overcome the difficulties inherent in the formation of a new firm” or idea (Stam 2009, p.4). Instead, the entrepreneurial process is the result of the interaction between the individual and the surrounding environment or entrepreneurial eco-system which is heterogeneously endowed with knowledge, institutions, resources and demand for products (Audretsch and Belitski 2016; Stam 2014). Furthermore, these factor endowments can vary dramatically by metropolitan area. Such a perspective raises an important policy question: Are U.S. metropolitan areas with disproportionately high shares of entrepreneurs or self-employed people systematically linked to particular attributes of the entrepreneurial eco-system or support system? The answer to this sort of research question is not straightforward because different types of entrepreneurship may require different types of explanations (Stam 2009). According to Rupasingha and Goetz (2013 p.143), it remains unclear to what extent the uneven growth of selfemployment at the county scale “is a response to opportunity or the result of necessity (such as layoffs).” It is for this reason that we chose the title *Geographies of Entrepreneurial Ecosystems* to remind us that it does not make sense to talk about *the* geography of entrepreneurial ecosystems (Stam 2009). Different explanatory frameworks are needed to explain different kinds of entrepreneurship dependent on the geographic scale of the ecosystem and the manner in which entrepreneurship is defined.

Methods

In this paper we utilize non-farm proprietorship (NFP) employment data as a proxy for entrepreneurship. Although NFP’s are not a complete measure of entrepreneurship, they have more in common with entrepreneurs than with more conventional wage and salary workers since proprietors essentially create jobs for themselves, and others. Furthermore, NFP data are widely used in entrepreneurship research (Shrestha *et al.* 2007; Goetz and Rupasingha, 2009; Rupasingha and Goetz 2013; Carree *et al.*, 2015). To examine the spatial patterns of NFP employment by MSA, data on the percent share of NFP employment relative to total employment was collected for each MSA. Data for NFP employment was obtained from the U.S. Bureau of Economic Analysis which defined NFP as full and part-time sole proprietorships, partnerships, and other private nonfarm businesses that are unincorporated and organized for profit. We initially identified 26 potential independent variables (Table 1) expected to exhibit some relationship with NFP at the MSA scale based primarily on previous

research. Data on all independent variables were obtained from the Census Bureau's American Community Survey, the Bureau of Economic Analysis, or the Bureau of Labor Statistics.

A two-tailed Pearson correlation analysis was completed using all variables prior to performing linear regression analysis to 1) assess whether statistically significant relationships exist between NFP and each independent variable separately, and 2) to reduce the potential for collinearity in the regression by identifying statistically significant correlations between independent variables. Linear regression analysis was then performed using the stepwise procedure to identify the key predictors of NFP among the remaining independent variables. FINDINGS: The number of full- and part-time non-farm self-employed workers or proprietors nearly tripled between 1979 and 2014 from 13.2 to 39.1 million (Figure 1). By contrast, the number of full- and part-time wage-and-salary workers grew by only 48.8% from 97.4 million in 1979 to 144.9 million in 2014. The ratio of NFP to wage-and-salary employment over this period nearly doubled from 1979 to 2014, increasing from 0.14 to 0.27 suggesting that NFP is playing an increasingly substantive role in the national economy. Furthermore, most of these NFP workers are geographically concentrated in the nation's MSA's which accounted for 86.2% of all such workers in 2014. In absolute terms, the largest NFP labor markets by MSA included New York (2.75 million workers), Los Angeles (2.1 million) and Chicago (1.1 million). A closer inspection of the relative (%) geography suggests a radically different spatial configuration (Table 2 and Figure 2). In 2014, the percent share of NFP workers by MSA varied from a high of 33.2% in Punta Gorda, FL to a low of 10.1% in Ames, IA, with a mean of 20.8% across all MSA's. The top ten MSA's with the highest relative (%) NFP employment averaged a 30.8% share – 10 percentage points higher than the national average of 20.8% – although they tended to be much smaller MSA's in absolute terms, employing an average of 40,144 NFP workers – less than half the national MSA average of 88,395 NFP workers. A disproportionate number of these MSA's tended to be geographically concentrated in Florida, the Northeast, and the West Coast.

A step-wise linear regression analysis was performed to assess quantitatively the potential relationships between NFP and select socio-economic and demographic variables. Diagnostic tests indicated that the final regression model exhibited low multicollinearity among independent variables, and met the assumptions of linearity, normality, and homoscedasticity, while the independent variables were all significant at the $p < 0.05$ level. In the final regression model (i.e., model 4, Table 3), 61.0 percent of the variation in percent NFP employment by MSA was accounted for by: the percent of the labor pool employed in financial, insurance and real estate (FIRE), median age, percent Hispanic, and median house value (MHV). MSAs with highly concentrated financial service labor pools seemed to mimic the geography of NFP with a preponderance of high % FIRE MSAs in both Florida and the Northeast, although this was less the case in California (Figure 3). It is possible that % FIRE is acting as a proxy for access to loan capital and other financial services. Previous research by Rupasingha and Goetz (2013) has suggested that access to capital via banks enhances the growth of self-employment rates.

The regression analysis not only identified financial services as a key predictor in shaping the spatial distribution of NFP by MSA, it also highlighted the important role that median age can play in shaping the geography of NFP. Twelve of the top twenty MSAs with the highest median ages were all located in Florida which partly explains why Florida is such a bastion of NFP (Figure 4). Much of the existing research on this point suggests that self-employment rates increase with age. Goetz and Rupasingha (2009, p.4228) has suggested that this trend reflects “both greater expenditure levels and potential age discrimination in the labor market” although it may also reflect the increased popularity of part-time, self-employment among the elderly as a way to supplement income or even avoid taxes.

The spatial variation of % NFP employment by MSA in 2014 was also influenced by race and ethnicity particularly the percentage of the population classified as Hispanic (Figure 5). From 1990 to 2012, the number of Hispanic entrepreneurs in America more than tripled, going from 577,000 to more than 2 million (Partnership for a New American Economy 2014). It is important to note that Hispanic or Latino entrepreneurs are not a monolithic group. According to Valdez (2014), Cuban-Americans report much higher rates of business ownership than Mexican Americans, in part, because the post-Castro Cuban migrant was largely comprised of a professional and managerial class and many of them are geographically concentrated in Miami. Furthermore, Mexican Americans are much less likely to engage in entrepreneurship than Cuban

Americans, in part, because of a long history of Mexican migration to the US that can be characterized as a “revolving door of low-skilled, low-wage, and often unauthorized or temporary labor” (Valdez 2014, p.3). She argues that many Mexican American entrepreneurs may be pursuing an “entrepreneurship of last resort” when she suggested they are:

more likely to engage to engage in business ownership to combat unemployment or underemployment in the general labor market; they are basically providing themselves with a job in the absence of other labor market opportunities. Not surprisingly, then, economic downturns in the economy are often associated with an uptick in self-employment among disadvantaged immigrant, ethnic and racial minority groups. When the economy rebounds, self-employment rates drop. This relationship requires us to challenge the mainstream viewpoint that entrepreneurial activity is always equated with the American Dream, when for some, it may indicate an American dream denied.

The final predictor variable to enter the regression model was median home value. Many of the ten MSA’s with the highest % NFP (Table 4) were also very expensive housing markets including Barnstable Town, MA (\$361,300), Ocean City, NJ (\$308,200), and Santa Cruz (\$535,500). Two other MSAs that ranked highly in percent NFP also featured prominently as very expensive housing markets including Bridgeport, CT (\$420,600), and Santa Rosa, CA (\$406,900). It is possible that fluctuations in the local housing market could affect the availability of financial capital for some NFP’s because, in many cases, the entrepreneurs own

housing is the single most important source of collateral for bank loans (Black *et al.* 1996; Stam 2009).

Conclusions

NFP is an increasingly important part of the U.S. economy. The relative share of NFP employment by MSA seems to be best explained by metro-wide ecosystems that have a high % FIRE, median age, % Hispanic, and median home value. It appears that this combination of socio-economic predictors captures both *last resort* self-employment (e.g., low-skilled, immigrant populations and aging populations) and self-employment of *opportunity* (e.g., access to capital) and public policies need to account for these divergent explanatory frameworks.

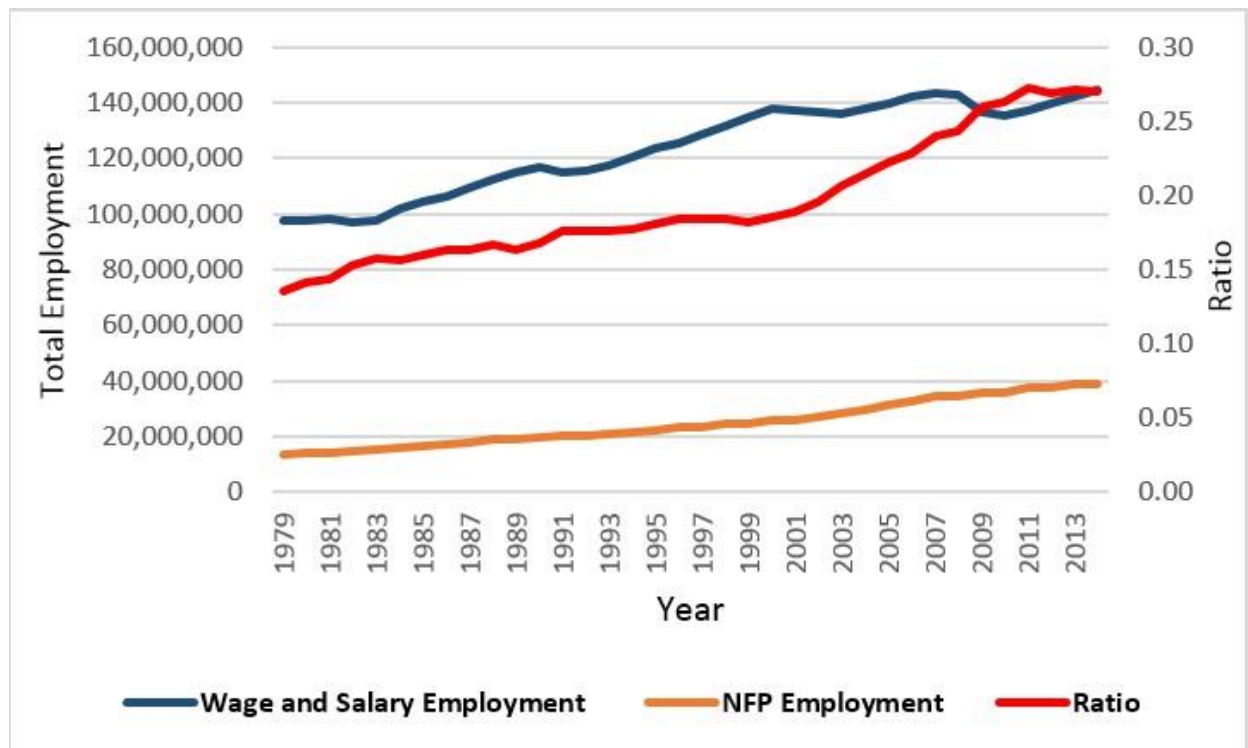


Figure 1. Non-Farm Proprietor and Wage-And-Salary Employment, and Ratio, 1979 - 2014

Table 1. Variables, Descriptive Statistics, and Data Sources

Variables	Mean	Standard Deviation
Percent Non-Farm Proprietorship Employment ¹	20.8	3.9
<u>Demographic Variables²</u>		
Population Growth Rate (2013 – 2014)	0.7	0.8
Median Age (Years)	37.9	4.85
% White	79.4	12.0
% African American	10.5	1.7
% Hispanic	13.4	1.6
% Foreign Born	9.9	6.9
% of the Population Aged 25 years of Older with High School Diploma or less	41.7	8.2
% of the Population Aged 25 years or older with a Bachelor’s Degree or Higher	27.3	8.2
% of Households with Internet		
% of Households with Cable	39.3	9.1
% of Households with DLS	14.8	0.5
% of Households with Fiber	3.3	0.37
<u>Economic²</u>		
Per Capita Income (\$)	26,147	4490.1
Median Earnings (\$)	28,252	4276.9
Poverty Rate (%)	16.4	4.2
Unemployment Rate	7.1	2.4
% Housing Stock, Owner-Occupied	65.8	5.9
Median Home Value (\$)	176,056	88,414.7
<u>Employment¹</u>		
% Construction	5.3	1.4
% Manufacturing	8.2	5.0

% Retail	11.0	1.5
% Finance, Insurance and Real Estate	7.9	2.3
% Education and Health Services	13.4	3.3
% Professional and Business Services	5.2	2.3
% Leisure ³	13.8	5.0
% Arts, Entertainment and Recreation	2.0	0.7
% Accommodation and Food Services	7.6	0.8

Data Sources: ¹ U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information Systems by MSA; ² U.S. Census Bureau, American Community Survey by MSA; ³ U.S. Bureau of Labor Statistics

Table 2. Top Ten Metropolitan Statistical Areas Ranked by Percent Non-Farm Proprietorship Employment, 2014

<u>Metropolitan Area</u>	<u>NFP Employment</u>	<u>Total Employment</u>	<u>% of Total</u>
Punta Gorda, FL	23,160	69,995	33.2
Barnstable Town, MA	46,724	146,688	31.9
North Port-Sarasota-Bradenton, FL	132,270	415,988	31.8
Homosassa Springs, FL	15,609	49,830	31.3
Naples-Immokalee-Marco Island, FL	63,399	202,939	31.2
Ocean City, NJ	19,679	63,531	31.0
Bend-Redmond, OR	30,478	103,090	29.6
Grants Pass, OR	10,822	36,616	29.6
Santa Cruz-Watsonville, CA	43,943	148,684	29.5
Gettysburg, PA	15,360	52,367	29.3
Top Ten Average	40,144	128,973	30.8
MSA Average (n=358)	92,610	444,633	20.8

Non-Farm Proprietorship Employment by Metropolitan Statistical Area (2014)

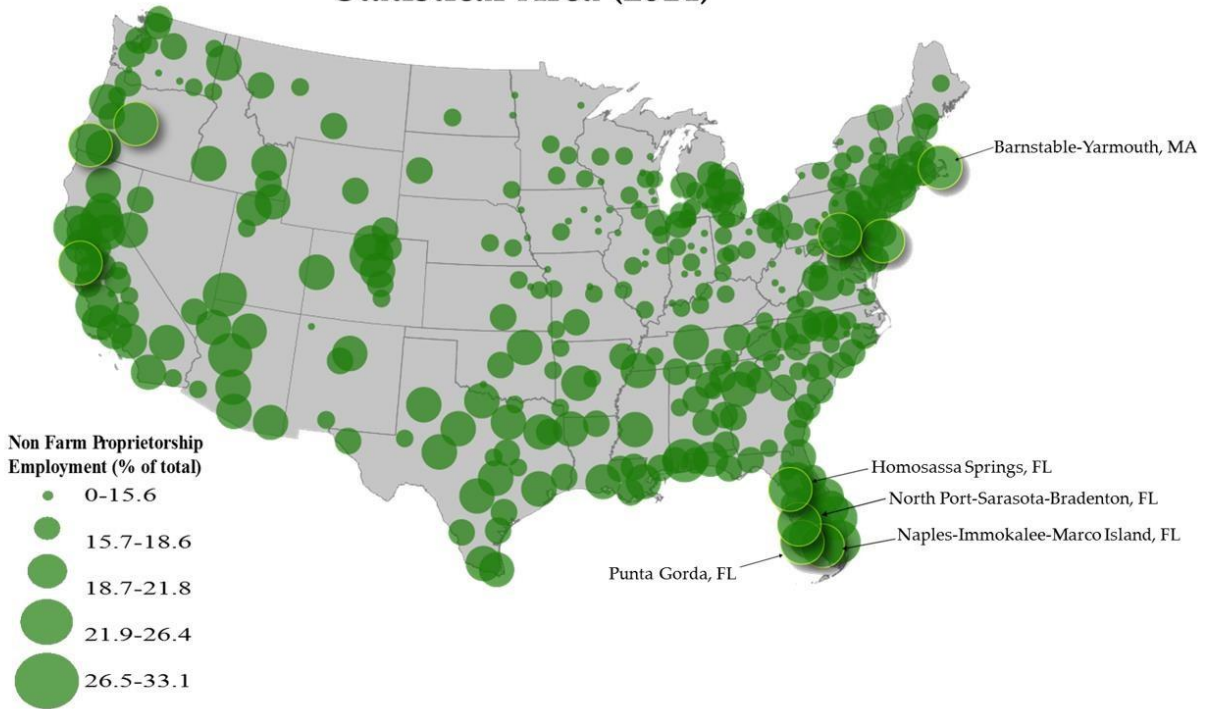


Figure 2. Spatial Distribution of the Percent Non-Farm Proprietorship Employment by MSA, 2014

Table 3. Regression Models Indicating Associations Between Socio-Economic Variables and Non-Farm Proprietorship Employment (%) by MSA, 2014

Model	Variable	Model R ²	b	SE b	β	p-value
1	Constant	0.47	9.845	1.029		.000
	% FIRE		1.265	.116	.683	.000
2	Constant	0.51	4.009	1.920		.039
	% FIRE		1.053	.126	.568	.000
	Med Age		.201	.057	.241	.001
3	Constant	0.57	-2.402	2.071		.846
	% FIRE		.998	.119	.539	.000
	Med Age		.295	.057	.355	.000

	% Hisp		.062	.014	.266	.000
4	Constant	0.61	-2.236	2.045		.276
	% FIRE		.858	.120	.463	.000
	Med Age		.328	.056	.395	.000
	% Hisp		.060	.014	.257	.000
	MHV		8.683E-6	.000	.209	.000

Finance, Insurance, and Real Estate Employment by Metropolitan Statistical Area (2014)

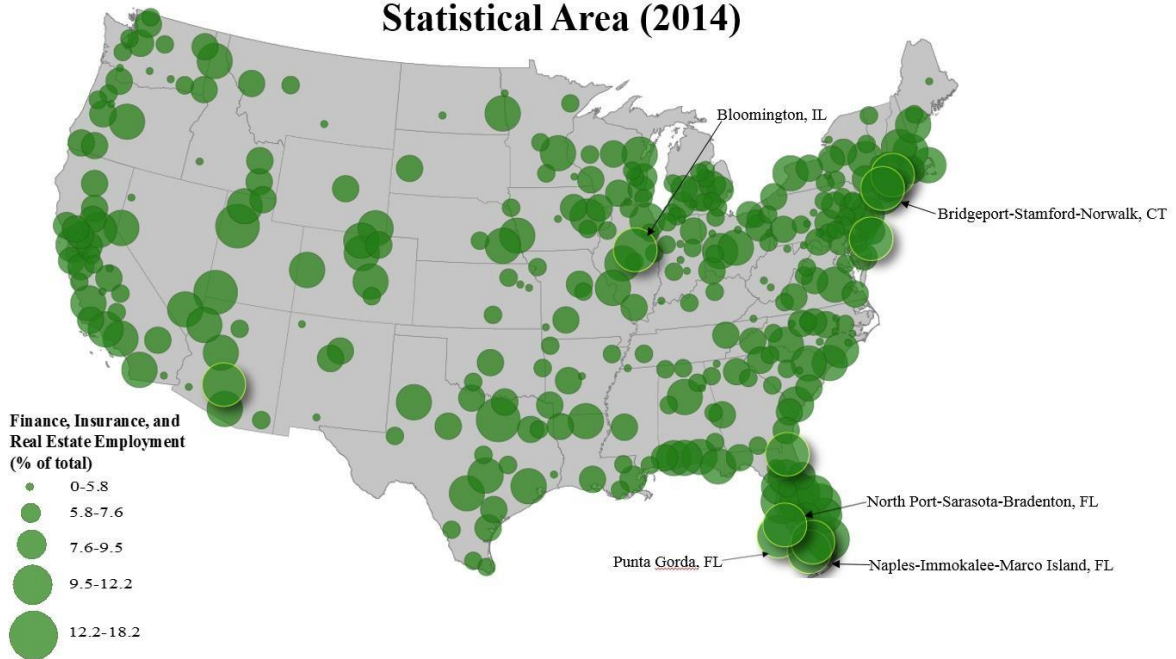


Figure 3. Spatial Distribution of the Percent Finance, Insurance and Real Estate Employment by MSA, 2014

Median Age by Metropolitan Statistical Area (2014)

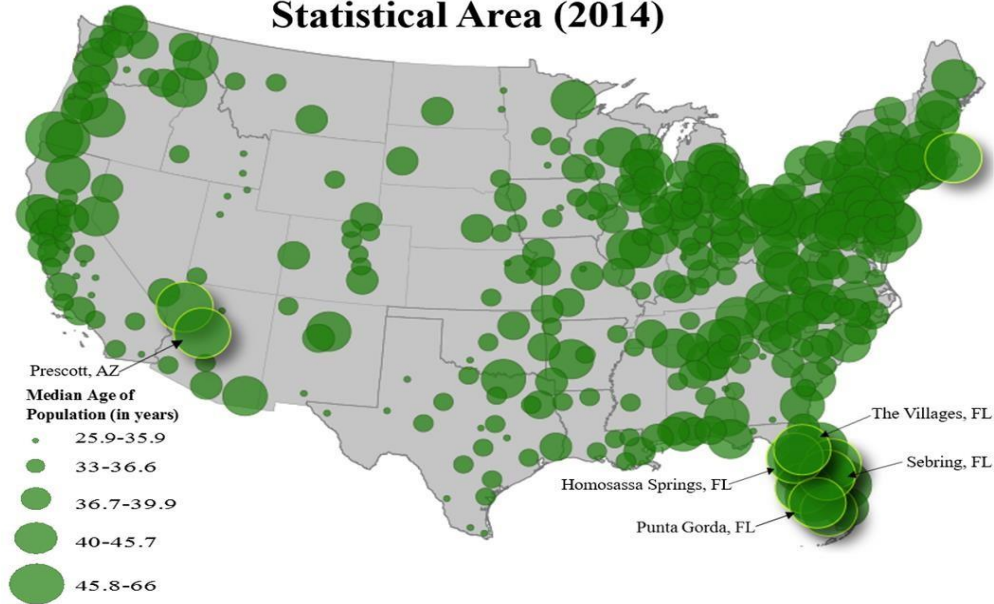


Figure 4. Spatial Distribution of Median Age by MSA, 2014

Hispanic or Latino Population by Metropolitan Statistical Area (2014)

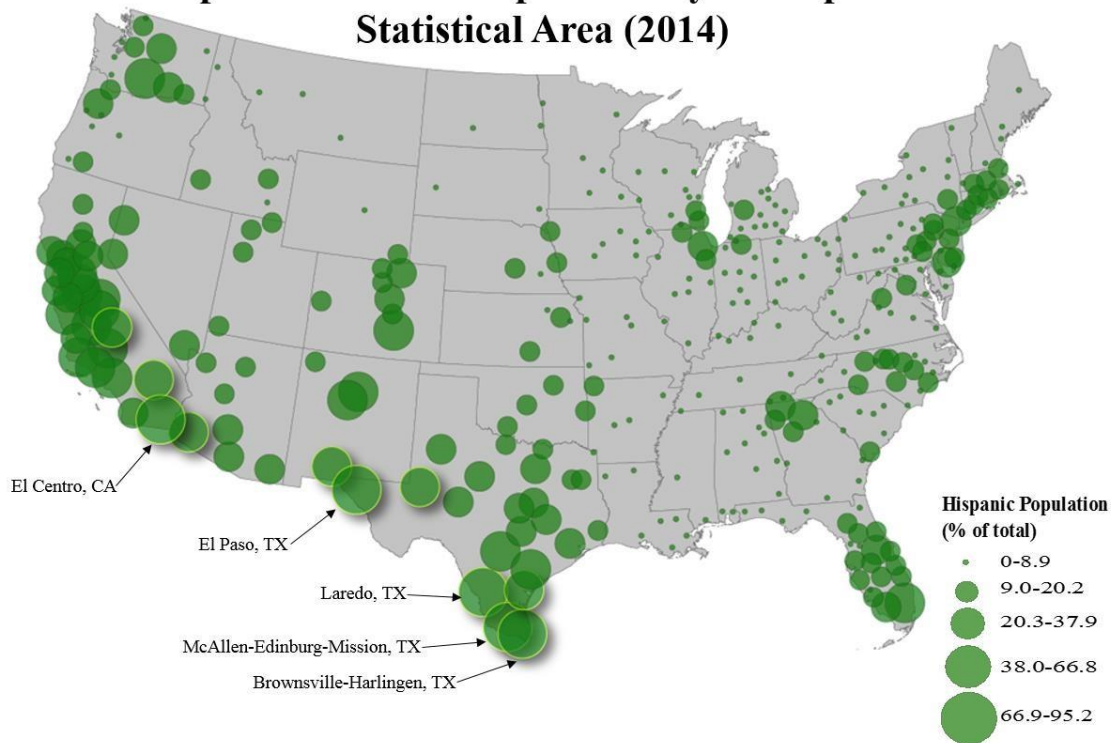


Figure 5. Spatial Distribution of Percent Hispanic by MSA, 2014

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Factors for Creating a Competitive Opportunity Index for SMEs

Joe Felan, University of Arkansas at LR
Joe Bell, University of Arkansas at Little Rock

Abstract

This conference paper is an exploration for “ingredients”, or more aptly put, measurable factors that when weighted, combined and quantified, offer a specific numeric representation of the competitive opportunity afforded SMEs by industry, by state. Where the most widely known existing measure focuses upon preventing monopolistic competitive environments, this proposed competitive index offers SMEs a tool, or measurable data point, to gauge market entry.

Literature Review

Merger analysis often involves a comparison between the pre- and post-merger degrees of concentration in a market. This degree of concentration matters since a high concentration measure is supposed to proxy for lack of competitiveness in that market. The standard index that is used to measure the level of concentration in an industry is the Herfindahl–Hirschman Index (HHI). Heubeck et al. (2006) discuss the inadequacy of the HHI and other concentration indices that simply add pre-merger market shares of merging firms to approximate post-merger shares. The basic problem is that this method ignores second-order “industry wide strategic effects” that arise from post- merger competition where firms strategically alter quantity and/or pricing decisions.

Anbarci and Katzman (2015) proposed an alternative to the HHI that emphasizes the concept of competitive balance. They suggest that their revision would allow competition authorities to assess market structure and determine the appropriate number of firms that dominate any given market. The general idea behind their index is that a merger between small firms that creates a more competitive mix of firms should be allowed, even if that mix yields a net reduction in the number of firms and an increase in the HHI.

Another study by Gavrilu (2012) attempted to create a competitive index looking at grapes and estimated competitive potential. He suggested a competitive potential model as an evaluation benchmark that integrated the sector indicators that was used to develop a composite index. A set of evaluation criteria was selected, in which relevant structural indicators were found. His application was based upon measuring the competitive potential at national level and across regions with the main assessment elements consisting of the indicator relevance, the indicator measurement and the availability of data at regional level.

Instead of passively reacting to competitors’ moves, entrepreneurial SMEs tend to initiate changes to create a relatively favorable market niche for themselves (Dess et al. 2003). Entrepreneurship research conducted in Western countries has, implicitly or explicitly, indicated

that entrepreneurial firms tend to view an intensely competitive environment optimistically (Covin and Slevin 1989; Miller 1983; Miller and Friesen 1983; Shane 2000; Shane and Venkataraman 2000). Western entrepreneurs are renowned for adopting innovation strategies to survive competitive, hostile environments (Covin and Slevin 1989; Dess, Lumpkin, and McGee 1999).

Tang and Hull (2012) include measures of *environmental hostility* and *industry competition* in their research. They define *environmental hostility* as the scarcity of external resources and opportunities in a specific environment (Dess and Beard 1984; Zahra 1993). Tang and Hull (2012) also define *industry competition* based on two variables: number of competitors and industry concentration (similar to the HHI). Studies suggest that, in general, Western entrepreneurial firms view a challenging, hostile environment as an opportunity to improve their market position through aggressive or innovative strategies (Khandwalla (1977), Miller and Friesen (1983), Covin and Slevin (1989), Covin and Covin (1990)).

In Havrila and Gunawardana (2003) they point out that Balassa (1965) comparative advantage index, Vollrath's (1991) measure of competitiveness, and Heckscher-Ohlin theory assess comparativeness and competition between countries.

Hypothesis

The authors contend that a measureable index can be developed to assist SMEs in determining new market entry by industry, by state.

Factors to be Considered

Beta – industry specific risk

Kauffman Entrepreneurial Index Activity (KEIA) - leading indicator of new business creation in the USA

US Census Bureau

Herfindahl–Hirschman Index (HHI) – monopolistic industry measures

Industry competition

Regulatory hurdles

Resources/Technology

Capacity to Execute

Talent/Human Capital

Research and Development

Clustering effects

GDP Relative to National GDP

Limiting Factors

Access to data and/or presentation form of data

Conclusion

In an editorial commentary, McKelvey (2016) noted various complexities that drive the success of entrepreneurial ventures, including adaptation to the high-speed coevolution amongst competitors. He goes on to list 21 various complexities “ingredients” that relate to the creation and development of effective startup companies. The authors here are attempting to identify “ingredients” to determine the competitive opportunity that exist for SMEs by specific industry, by state. By identifying quantifiable measures, the authors believe they can statistically demonstrate opportunity, and in turn, offer a competitive opportunity scoring index. In that the previously discussed HHI, which focuses on industry monopolization, but emphasizes only large firm impact, the authors desire to flip the model on focus upon the opportunity created for SMEs regardless of the HHI score. For example, the HHI neglects to take into consideration the effects of spinoffs, clustering, verticals, etc.

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The bed-and-breakfast sector in Nova Scotia: A qualitative analysis of negative Tripadvisor reviews and owner responses

Paulette Cormier-MacBurnie, Mount Saint Vincent University

Peter Mombourquette, Mount Saint Vincent University

Gary Sneddon, Mount Saint Vincent University

Jeffrey Young, Mount Saint Vincent University

Abstract

The following paper examines small accommodations firms, specifically 191 B&B operations in Nova Scotia, Canada in terms of recent online reviews on Tripadvisor. In particular, the paper identifies and discusses various positive and negative themes that arise from analysis of Poor and Terrible reviews. The paper also considers the owners' responses to the reviews. Implications of the reviews and the themes that arise are discussed in terms of B&B owners in particular and for the industry more generally. Limitations of the current study and future directions for research are discussed.

Introduction

Guest feedback for tourism and hospitality industry (THI) firms through online sources has increased dramatically within recent years (Baka, 2016; Filieri & McLeay, 2013; Sotiriadis & van Zyl, 2013). For example, Tripadvisor, which was founded in February 2000, now has sites in 48 markets in 28 languages and provides more than 320 million reviews (Tripadvisor, 2016). Yelp, which was founded in 2004, had provided more than 102 million reviews by early 2016 (Yelp, 2016). Such feedback is also known as user-generated content (UGC), defined by Valcke and Lenaerts (2010, p. 119), based on an OECD report (2007), "... very broadly to include all content put online by users, whether it was created by them or not." UGC has created a great deal of electronic word-of-mouth (e-WOM) (Baka, 2016), which has had tremendous impact on the THI (Lei & Law, 2015). e-WOM is defined as "Internet-mediated written communications between current or potential consumers" (You, Vadakkepatt, & Joshi, 2015, p. 19) and has been shown to be important to online consumers in terms of searching for information and making decisions (Herrero, San Martín, & Hernández, 2015). For example, Xie, Zhang, and Zhang (2014) found that approximately 75% of travelers consider online reviews when planning their trips. Öz (2015) reported that 95% of consumers (at least those in Turkey) use social media for travel-related purposes.

Online reviews and their associated ratings are important to owners and managers of accommodation firms, their employees, as well as to guests. For example, higher numbers of online reviews are associated with higher ratings of hotels (Molinillo, Ximénez-de-Sandoval, Fernández-Morales, & Coca-Stefaniak, 2016) and higher online ratings are associated with increased numbers of online bookings (Ye, Law, Gu, & Chen, 2011). Further, encouraging

reviews can result in an increase in a hotel's ratings (Anderson & Han, 2016). Singh, Torres, and Robertson-Ring (2016) reported that consumer online ratings positively impact hotels' market rankings – higher ratings result in higher market rankings. However, Bradley, Sparks, and Weber (2015) have suggested that negative reviews can affect the business firm, but they can also increase stress and negatively affect firm employees on a personal and a professional level.

Reviews that are positive increase travelers' confidence (Gretzel, 2007), reduce risk/uncertainty (Gretzel, 2007; Öz, 2015), and assist with planning and decision making (Gretzel, 2007; Öz, 2015), reduce travel costs (Öz, 2015), and provide opportunities to give feedback (Öz, 2015). Although consumer concerns such as information reliability and subjectivity have arisen, perceptions of benefits tended to be much stronger than perceptions of concerns (Öz, 2015). Numerous writers have reported that online reviews such as those on Tripadvisor have influence on travelers' decisions (Hsu, Chen, & Ting, 2012) and Vásquez (2011) stated that “the impact and influence of such internet-based texts is potentially powerful and far reaching” (p.1709). Further, Casaló, Flaviá, Guinalú, and Ekinci (2015) reported that reviews of travelers provided on more well-known travel communities are more credible and useful than those reviews provided on less well-known travel communities. For example, travelers had more favorable attitudes and stronger booking intentions for those hotels that appear in best hotel lists than for hotels that appeared on a worst hotel list, such as a list provided by Tripadvisor. Xie, Chen, and Wu (2016) found that quantity and quality of Tripadvisor reviews increased the popularity of reviewed hotels. In short, online reviews play an important role for managers, employees, and consumers. However, negative reviews, and managerial responses to reviews, have received special attention.

The purpose of this paper is to examine negative consumer reviews, posted on Tripadvisor, for bed-and-breakfast (B&B) operations in Nova Scotia, Canada and owner/manager responses to those reviews. Initially, online reviews are examined, managerial responses to reviews are considered, the B&B sector in Nova Scotia is described, and a rationale for using Tripadvisor reviews is presented. The methodology of the study is then described followed by results, discussion, implications for B&B owners, study limitations and directions for future research.

Online reviews

Willemsen, Neijens, Bronner, and de Ridder (2011) have highlighted the importance of analyzing the content of reviews and analyses of positive and negative ratings and accompanying comments have been conducted by various researchers. Although various elements of reviews such as “usefulness, reviewer expertise, timeliness, volume, valence (positive/negative) and comprehensiveness” (p. 1353) have been related to users' booking intentions (Zhao, Wang, Guo, & Law, 2015), negative reviews have been shown to have greater impact on consumer decision making than do positive reviews. For example, Willemsen, et al. (2011) found that, for

experience products such as recreational services, negative views of online consumers were found to be more useful to others than were positive reviews. More specifically, in terms of booking hotels, Verma, Stock, and McCarthy (2012) reported that negative reviews reduced the likelihood of consumers booking a hotel. For example, “when a hotel has negative comments the respondents gave a probability of about 2 out of 5 that they’d book that hotel. When they see a positive review, they estimated a likelihood of 3.5 to 4 out of 5 that they’d book that hotel” (p. 184). Further, Tsaur, Huang, and Luoh (2014) have reported that some research regarding online reviews has indicated that positive reviews more greatly influence consumer decisions than do negative reviews. Whereas other research has indicated the opposite, that negative reviews are more influential than positive ones. Their own research, at least in terms of hotel accommodations, has supported the latter view. Indeed, some argue that, “negativity effect is more important than other features in predicting consumers’ booking intentions” (Zhao, et al., 2015, p. 1354). Further, a statistically significant negative relationship between negative online reviews and users’ intentions to book was found whereas relationships between positive reviews and users’ booking intentions were not statistically significant (Zhao, et al., 2015).

Negative reviews can help firms identify and correct service deficiencies, and improve ratings. For example, Cunningham, Smyth, Wu, and Greene (2010) found that the improved Tripadvisor ratings for Irish hotels over a two-year period were in part due to hotel managers ensuring quality improvements in order to minimize the impact of negative reviews. Negative comments can occur with respect to individual consumer comments about an array of factors such as amenities, cleanliness and service provided by an accommodation operation. However, negative comments can also be made in response to crisis issues that affect entire sectors of the THI, for example, the bed-bug crisis (Liu, Kim, & Pennington-Gray, 2015). Regardless, negative reviews have become important to analyze. Further, Racherla, Connolly, and Chrisodoulidou (2013) have suggested that text-based comments should be analyzed because such comments may better reflect customer satisfaction than do quantitative ratings. Indeed, Ekiz, Khoo-Lattimore, and Memaradeh (2012, p. 100) identified several themes of complaints in their study of luxury hotels in Kuala Lumpur – rooms (e.g., room was small or had no modern technology), poor staff (e.g., rudeness by staff), failure to respond (e.g., not responding to complaints), poor delivery (e.g., slow check-in/out), cleanliness (e.g., dirty linen), amenities (e.g., lack of toiletries), and billing (e.g., extra charges for parking). However, the first two themes were the most common. Further, Levy, Duan, and Boo (2013) constructed a framework of complaints that contained three main elements – Hotels issues (17 items, for example, problems with check-in), Room issues (24 items, for example, cleanliness and noise), and Staff issues (six items, for example, issues with front desk staff). Sparks and Bradley (2014) identified eight areas of consumer concern in negative reviews – room features, staff, ambience, public areas, financial, room cleanliness, food or beverage, and location (p. 11). But what of B&Bs?

B&Bs and online reviews

B&Bs in Canada have been the subject of research, but little of that research has focused on online reviews. For example, various topics such as internet usage by B&B owners (Lituchy & Rail, 2000), the extent of environmental practices by B&B owners (Dodds & Holmes, 2011; Van Haastert, & de Groisbois, 2010), and the impact on domestic space when some areas of the home, often privately used by the home owners, are used for commercial purposes (Kozak, 2010) have been considered. Getz and Petersen (2005) examined orientations of owners of B&Bs and found that some were growth and profit-oriented, but B&B owners were predominantly life style and autonomy oriented. Hudson and Gilbert (2006) reported that B&B owners in Canada used the internet for marketing purposes, but they tended not to use it to solicit guest feedback or build customer relationships.

However, in terms of online reviews and B&Bs, work by Hills and Cairncross (2011) found that B&B owners in Australia were split in terms of the notion that UGC was influential. Further, B&B owners tended to see UGC as an opportunity for market research and sales, and Gretzel (2006) has indicated that UGC is important for small properties because of how easily consumers come across reviews even before they connect with the firm's website. In addition, dos Santos, Chaves, and Pedron (2014) examined 450 online reviews of B&Bs in Lisbon, Portugal and reported that 97% of reviewers provided a positive ranking. Reviews were further examined in terms of the use of affect, judgement, and appreciation, with more than 67% of reviews expressing appreciation. Judgement was expressed 13% of the time and affect 5% of the time. The most positive aspects of the reviews focused on the concepts of hotel and staff, but the main negative concept was that of neighbourhood. It was concluded that B&B owners/managers pay attention to reviews and consider reviews in terms of opinions and facts provided by the reviewers.

Wang and Hung (2015) examined 211 online reviews of five top-rated guest houses (synonymous with B&Bs) in Lijiang, China. Positive reviews identified six key factors, which in order of highest to lowest frequency, were home atmosphere, room facilities, service, location, cleanliness, and value for money. The seven negative factors identified were room facilities, cleanliness, service, location, other facilities, value for money, and home atmosphere. A follow-up survey of guesthouses clients indicated that the key factors contributed to guest satisfaction and behavioural intentions (i.e., to return, to recommend, to rate positively).

However, no research that examined online reviews and Canadian B&Bs, and B&Bs in Nova Scotia specifically, was located. Given the importance of service in the tourism and hospitality industry a review of B&B ratings from online sources seems a reasonable approach. Thus one purpose of this paper is to examine B&Bs' negative reviews in terms of their content and identify areas of concern for B&B guests.

Managerial responses to reviews

Paying attention to and managing UGC is an important element of operating accommodation businesses (Phillips, Zigan, Silva, & Schegg, 2015). Liu, Schuckert, and Law (2015) reported that hotels in the high-class bracket are more likely to have a response-management strategy than those hotels in lower brackets, but hotels in different categories respond at the same rate to reviews. However, response management that is targeted positively affects hotel ratings, for example, “Responding to negative reviews with low ratings can significantly improve ratings of a hotel” (p.1078). Further, Sparks, So, and Bradley (2016) reported that responses by hotel managers to negative online reviews result in potential consumers developing a sense that the hotel can be trusted and is concerned about its customers. Anderson and Han (2016) reported that management’s response strategy of simply responding to reviews can lead to increased hotel sales and revenues. However, a management-response rate in excess of 40% can lead to greater harm than good, so too many reviewer responses can be harmful. Further, hotel ratings “... improve more substantially in connection with constructive responses to negative reviews than simple acknowledgement of positive comments” (p. 1). Clearly, managerial responses to negative reviews have a role to play in managing UGC.

Numerous researchers have examined managerial responses to negative reviewer ratings and comments and identified various types of responses. For example, Levy, et al. (2013) identified eight types of managerial responses, “active follow-up, apology, compensation, correction, explanation, passive follow-up, and a request for future patronage (p. 53). Sparks and Bradley (2014) identified and described a “Triple A” Typology of managerial responses to negative reviews. Each type had several subcategories – Acknowledge (Thank, Appreciate, Apologize, Recognise, Admit, Accept, Dismiss); Account (Excuse, Justify, Reframe, Penitential, Denial); and Action (Investigate, Referral, Rectify, Policy, Training, Direct contact, Compensate) (p.5). In addition, communication styles of respondents were analyzed in terms of three elements – Professional; Friendly-Informal; and Defensive.

Further, based on performance-importance analysis for hotel reviews Nizamuddin (2015) identified four areas of managerial response – low priority (low performance-low importance); over kill (high performance-low importance); keep it up (high performance-high importance); and concentrate here (low performance-high importance). Liu, Kim, and Pennington-Gray (2015), used situational communication theory (based on the work of Avery, Lariscy, Kim, & Hocke, 2010; Coombs, 2014; Kim & Liu, 2012) to examine hotel responses to the bed-bug crisis in New York City hotels. Results indicated that only 30% of reviews received a response, but of the 176 responses, 86 (48.86%) were instructing information (intended to explain the situation) – 20 (11.36%) provided basic information and 66 (37.50%) described the hotel’s approach to pest control. Adjusting information was a response in 97 responses (55.11%) – 41 (23.30%) expressed sympathy and 56 (31.82%) indicated corrective action. Reputation management (includes postures of denial, diminishment, rebuilding, bolstering, and enhancement). Outright

denial was dominant with 46 (26.14%) responses; excuses were the dominant diminishing posture with 24 (13.64%) responses; apology was the dominant rebuilding posture with 45 (25.57%) responses; reminding and ingratiation were strong bolstering postures with 87 (49.43%) and 76 (43.18%) responses respectively. Enhancing postures of follow-up with 60 responses (34.09%) and asking for another chance with 40 responses (22.73%) were also seen.

Other researchers have identified various tactics that accommodations' managers can use in terms of their responses. For example, Sparks, So, and Bradley (2016) suggested that consumers' sense of trust and concern are affected by the responder's communication style and a greater sense of trust and concern will be developed through the responder's use of an everyday "conversational human voice" as opposed to a "professional voice" (p. 78). Lastly, responses that are posted quickly (i.e., one day) are more effective in generating a sense of trust and concern than are posts that are posted more moderately (i.e., a week) or more slowly (i.e., a month). Molinillo, et al. (2016) have suggested that hotel managers encourage their guests to post positive reviews to counter any negative reviews. As indicated by Sparks and Bradley (2014) professional services are available to help firms manage UGC, however, they also suggest that such services are beyond the means of many small firms.

There is very little research regarding B&Bs and managerial responses. However, Hills and Cairncross (2011) reported that B&B owners in Australia responded to UGC to monitor and improve their business, to encourage UGC postings, and to add links on their business websites to third-party UGC websites. Further, Wang and Hung (2015) have highlighted the importance of owners/managers of guesthouses paying attention to online reviews. Specifically, dos Santos, et al. (2014) concluded that B&B owners/managers pay attention to reviews and consider reviews in terms of both opinions and facts provided by the reviewers. Thus a second purpose of this paper is to examine the response tactics to negative reviews of B&B owner/managers.

B&Bs in Nova Scotia

Accommodations are a major part of a traveler's experience and much research on online reviews has focused on luxury hotels, but research should focus on other accommodation types to gain a broader understanding of the accommodations industry (Ekiz, Khoo-Lattimore, & Memaradeh, 2012). The bed and breakfast (B&B) industry sector in Nova Scotia presents such an opportunity. B&Bs generally provide short-term lodging and are defined as establishments that,

Provide guest rooms in private homes or in small buildings converted for this use, and they often possess a unique or historic character. Bed and breakfast homes are characterized by a highly personalized service, and the inclusion, in the room rate, of full breakfast, served by the owner or owner-supervisor staff (Government of Canada, 2016a)

The B&B sector in Nova Scotia is relatively small in number of units, approximately 350 B&Bs were listed by Tourism Nova Scotia (2016), but it is an important element because B&Bs can contribute to the accommodations sector (Dodds & Holmes, 2011). According to the Government of Canada (2016b) 59% of B&Bs in Nova Scotia are indeterminate (i.e., are non-employers) and 41% are employers, that is they have at least one employee. Further, of those that do have employees 83% have only one to four employees and 17% have five or more employees. The B&B sector has seen the number of room-nights sold steadily decrease over the period from 2005 to 2014 (Nova Scotia Tourism Agency, 2016a). In 2005, 77,200 room-nights were sold compared to 73,400 in 2007, 61,800 in 2009, 51,800 in 2011, and 46,974. However, the B&B occupancy rate has tended to remain steady between 22% and 25%, with the rate at 24% in 2012, 23% in 2013, and 25% in 2014. The latter statistics suggest a number of B&B exits during that period. However, the sector could well be on the upswing with numerous opportunities available. Nova Scotia tourism revenues have been increasing steadily from \$2.02 billion in 2010, to \$2.26 billion in 2011, to \$2.32 in 2012, and to \$2.34 in 2013. Further, a doubling of tourism revenues to \$4 billion annually by 2024 is a tourism target (Tourism Nova Scotia, 2014).

Tripadvisor

Tripadvisor was chosen as a source of data because it is one of the largest and most popular travel websites (Ekiz, Khoo-Lattimore, & Memaradeh, 2012; Tripadvisor, 2016). The reliability of Tripadvisor scores has at times been of some concern. However, several sources (Barsky & Honeycutt, 2011) suggest that Tripadvisor, although providing more high and low scores relative to traditional survey methods, is a reliable source of reviews. Indeed, Tripadvisor reviews have been used in a wide variety studies including tourist attractions in New Orleans (Fang, Ye, Kucukusta, & Law, 2016), top hotels in Las Vegas (Hsu, Chen, & Ting, 2012), upscale hotels in the USA (Torres, Adler, Lehto, Behnke, & Miao, 2013), and luxury hotels in Paris and New York (Rishi & Gaur, 2012).

Methodology

B&Bs for this study were identified through three key sources – BBCanada.com, the Nova Scotia link; the Nova Scotia Bed and Breakfast Association, and the *2016 Doers and Dreamers Guide* produced by the Government of Nova Scotia (2016). Initially, 349 potential B&Bs were identified. B&Bs typically are owner operated, are located in the owners' home, have five or fewer bedrooms, provide a breakfast in the price, but generally do not provide lunch or evening meals or other services that might be expected of inns (Greene, 2014) or other types of properties such as motels and lodges. Ultimately 254 of these properties were appropriately identified as B&Bs, not inns, lodges, cottages or motels. Of the 254 B&Bs, 59 had no reviews available on Tripadvisor and four were closed. Consequently, the analysis of online reviews is based on a sample of 191 B&Bs.

Tripadvisor reviews from January 2014 to the early summer of 2016 were selected because the researchers felt that such a strategy would provide reasonably recent and sufficient comments for analysis. Data were collected with respect to B&B location within Nova Scotia, the number of bedrooms available, and the type of operation, seasonal versus year round. All Poor and Terrible reviews and associated owner responses were copied and pasted into a file and then subjected to a thematic analysis using MAXQDA. The first author independently examined the reviewers' comments and classified them into broad categories using MAXQDA. The classifications were then reviewed by the fourth author and any disagreements regarding comments and their classification were discussed and resolved.

Results and Discussion

An overview of the B&Bs in the study in terms of regional location, the number of bedrooms, and the seasonality of operation is presented in Exhibit 1. As shown in Exhibit 1, all seven tourist regions of Nova Scotia are represented in the study. The B&B industry is indeed a small sector with an average of 3.18 beds per operation with 37% of B&Bs operating on a seasonal basis and 63% operating on a year-round basis.

Exhibit 1

An overview of B&Bs in Halifax, Nova Scotia

<u>Region</u>	<u>n (%)</u>
1 – Bay of Fundy/Annapolis Valley	52 (27%)
2 – Cape Breton	45 (24%)
3 – Eastern Shore	10 (5%)
4 – Halifax	23 (12%)
5 – Northumberland Shore	19 (10%)
6 – South Shore	34 (18%)
7 – Yarmouth/Acadian Shore	8 (4%)
Total	191 (100%)

<u>Number of bedrooms</u>				<u>Operation</u>	<u>n (%)</u>
<u>n</u>	<u>Mean</u>	<u>SD</u>	<u>Range</u>		
191	3.18	1.02	1 – 8	Seasonal	68 (37%)
				Year-round	117 (63%)
				Total	185 (100%)

The initial purpose of this paper was to examine B&Bs' negative reviews in terms of their content and identify areas of concern for B&B guests. The review identified 37 Poor ratings and 39 Terrible ratings, and 15 owner/manager responses to those reviews. The rater comments and owner responses frequently raised more than one item and in total the analysis identified 661

items from the reviews and 41 items from the responses. However, of the 76 Poor and Terrible reviews, 43 (56.5%) contained positive as well as negative comments and 33 (43.4%) contained only negative comments. The positive comments identified in the reviews totalled 69 and were content analyzed with five themes emerging. The positive themes and underlying elements are presented in Exhibit 2.

Exhibit 2

Positive themes from rater reviews

<u>Facilities</u> – 22 (32%)		<u>Rooms</u> – 14 (20%)	
Décor/atmosphere	19 (86%)	Bedding	6 (43%)
Amenities	3 (14%)	Décor/atmosphere	5 (36%)
		Cleanliness	3 (21%)
<u>Service provided by host</u> – 14 (20%)		<u>Breakfast</u> – 14 (20%)	
Friendly	10 (71%)	OK/adequate/acceptable	7 (50%)
Flexibility	2 (14%)	Good/excellent	7 (50%)
Effort	1 (7%)		
Good cook	1 (7%)	<u>Bathrooms</u> – 4 (6%)	

Racherla, et al. (2013) suggested that even when reviews are negative there are close to 20% of reviewers (i.e., those who provided a negative review) who would give the property a second chance. Although not directly measured in this study we see balance in reviews in that all negative reviews do not only report dissatisfaction, some still see the “good” in the property despite other concerns. More specifically Vásquez (2011) reported that 37% of negative reviews contained one or more positive comments. Thus it is not surprising that 56% of negative reviews in this study contain some positive comments.

The dominant positive factor appeared to be Facilities with 22% of the comments and within that theme décor and atmosphere played a large part with 86%, which can be seen in comments such as “the house is extremely warm and inviting”; “the house was beautiful”; and “great location, great accommodations, fabulous garden.” Rooms and service provided by the host each generated 14 (20%) comments each. For Rooms with 14 (20%) comments the bedding played an important role with six (43%) comments such as “Beds were comfortable”; “Sheets of the bed are of the highest quality.” Décor and atmosphere were also described positively, “Room looked inviting, beautifully decorated”; “The rooms are nice.” Within the Service theme being friendly appeared to be important to guests as suggested by 10 (71%) comments such as “I found them to be very friendly on the phone”; “the hosts were warm and friendly”; “she is very friendly ...” Breakfast was another positive theme with 14 (20%) comments, although seven (50%)

comments were basically positive, for example, four reviewers stated that, “Breakfast is OK.” However, seven (50%) others’ positive comments were more effusive, for example, two reviewers stated that, “The breakfast was excellent”; and one said, “... cooks wonderful breakfasts that are plentiful.” The least mentioned item, in a positive vein, was Bathrooms with four (6%) comments, which were discussed in terms of being clean by two reviewers and one indicated that the bathroom was updated, and one indicated that was of a large size.

Although the names of the categories of positive factors differ slightly from those identified by other researchers the three main positive themes of this study, facilities, rooms, and service provided by host, are similar to the work of Chaves, and Pedron (2014) who found that the concepts of hotel and staff were key positive factors, and Wang and Hung (2015) whose top three themes were home atmosphere, room facilities, and service. Clearly, B&B owners/managers must build on the three elements of this study that their guests have highlighted as positive.

However, the main focus of this paper is the negative reviews posted on Tripadvisor by guests of B&Bs in Nova Scotia. The negative comments totalled 76 and were content analyzed resulting in 385 items with five themes emerging – Service by host; Facility; Rooms, Breakfast; and Cleanliness. Frequency counts and percentages of the negative themes and underlying items are presented in Exhibit 3.

Service by the host was the most dominant theme with 165 (43%) negative comments, which were placed into 13 sub-themes based on similarity. Four sub-themes, Behaviour/attitudewith 46 (28%) items; Payment and charges with 35 (21%); Information issues with 21 (13%); and Lack of availability with 16 (10%) seemed to be most prevalent.

Exhibit 3
Negative themes from rater reviews

<u>Service by host – 165 (43%)</u>		<u>Facility – 82 (21%)</u>	
Behaviour/attitude	46 (28%)	Upkeep	16 (20%)
Payment and charges	35 (21%)	Noise	12 (15%)
Information issues	21 (13%)	Cleanliness	10 (12%)
Lack of availability	16 (10%)	Key/security	9 (11%)
Inappropriate conversation	12 (7%)	Temperature	8 (10%)
Unpreparedness	9 (5%)	Inadequate public space	7 (9%)
Room booking	7 (4%)	Parking	7 (9%)
Facility access	5 (3%)	Technology	5 (6%)

Rules	4 (2%)	Grounds	3 (4%)
Inappropriate room access	3 (2%)	Furniture	3 (4%)
Pet problems	3 (2%)	View	2 (2%)
Noise	2 (1%)		
Refreshment access	2 (1%)		

Rooms – 75 (19%)

Cleanliness	20 (27%)
Amenities	16 (21%)
Décor and atmosphere	16 (21%)
Beds and bedding	13 (21%)
Size	6 (8%)
Comfort	4 (5%)

Breakfast – 38 (10%)

Choice	13 (34%)
Service	12 (32%)
Quality	12 (32%)
Cleanliness	1 (3%)

Bathrooms – 25 (6%)

Location/inconvenience	16 (64%)
Cleanliness	9 (36%)

Behaviour/attitude was exemplified by comments such as, “I called the hotel and spoke with a manager who told me he was ‘too busy’ and would call me back in 45 minutes. No phone call”; “When we expressed our concern over the situation, (name deleted) the owner turned on us. All the friendliness and sunshine turned into an abusive tirade. She more or less told us we were stupid for not understanding that we didn’t have a bathroom in our room”; “When I asked if I could put water bottles in her freezer, she sighed and rolled her eyes then told me to put them on the kitchen counter.”

Payment and charges were a concern for some guests as indicated by the following comments, “The innkeeper was away and we needed to use cash because the substitute didn’t know how to make a credit card transaction”; “I gave him two US \$100 bills for my \$140 inn bill. He gave me back \$60. I did not realize that \$200 US was equal to \$272 Canadian ... so he cheated me out of almost \$40”; and “We were made to walk to a bank in order to pay cash upfront to the owner. She couldn’t even wait until we came back from dinner because she was broke.” Other reviewers responded negatively to being fully charged for a stay although they left early.

A lack of information was problematic for some guests and Information comments included, “Be sure to read all the signs as nobody tells you anything”; “We were booked for a room with a ‘private’ bath, but it was not ensuite. We didn’t know that until we arrived. We are senior citizens and not up to getting dressed to use the bathroom in the middle of the night, or leaving private effects in an unlocked hall bath”; and “When we arrived at (name deleted) in Halifax, which took some locating as there are no signs on the property to tell you it is the B and B.”

Examples of a Lack of availability included, “The owner, (name deleted), made us wait 30 minutes, as he forgot that we were checking in and he was out”; “Upon our arrival at (name deleted) we were greeted with a note on the door and followed instructions through the house to get to our rooms”; and “No one was there when we came to check in, we just walked in and thus were concerned about security.”

Concerns with the Facility were the next most dominant with 82 (21%) negative comments, which were placed into 11 sub-themes based on similarity. The five most prevalent themes were Upkeep 16 (20%); Noise 12 (15%); Cleanliness 10 (12%); Key/security 9 (11%); and Temperature 8 (10%). Guest comments on Upkeep focused on a variety of issues, for example, “Like cats on your breakfast table? Like peeling paint on the wall and stairwell? Like unfinished sheetrock in the doorway? Like an overgrown yard?”; “The facility is shabby”; and “Oh, you can have the use of a barbecue. It looks like one somebody pulled out of a shed though, it’s rusted and filthy.” Further, Noise was evidently an issue based on the following comments, “We did not get much sleep that night as in the middle of the night (name deleted) returned with a number of friends and proceeded to play loud music and smoke what I believe to be weed in the house”; “The owner went out one evening and left her poor dog Mitzy barking and howling for over two hours”; and “the in-room air conditioning unit was as loud as a chainsaw, depriving my wife of sleep all night.”

Facility Cleanliness with 10 (12%) items were identified as problematic, for example, “Carpet filthy and stained”; “The bedroom was old, run down, and dirty”; “It had that funny smell like my grandmother’s house, plus it seemed really dusty”; “The kitchen was smelly with cooking of fish and piled with dirty dishes”; and “The hall smelled like cat urine.” Key/security comments were made by 9 (11%) guests. Comments included, “We were never given a key to our room, not the end of the world, but would be nice”; “The ‘lock’ was an eye hook on the door”; and “She leaves the door open until very late, which did not make me feel safe.” Lastly, Temperature concerns were raised by 8 (10%) reviewers through comments such as, “It felt like an oven set on the highest temperature”; “The air conditioner did not work so it was too hot and sticky to sleep”; and “Even colder in the dining room than upstairs.”

Concerns with the Rooms were the next most dominant with 75 (19%) negative comments, which were placed into six sub-themes based on similarity. The main item in this category was Cleanliness with 20 (27%) items, for example, “Carpet filthy and stained”; “The bedroom was old, run down, and dirty”; and “We did not find it comfortable because it is aged and needs a thorough cleaning.” Amenities had 16 (21%) items with comments such as, “There was no soap or shampoo in the bathroom”; “No electrical outlet in bathroom. No waste basket in room”; and “The toilet paper was so abrasive that I had to purchase my own. There were no facial tissues in the suite.” Décor and atmosphere had 16 (21%) comments, for example, “The sheets were old and worn as well as the carpet”; “Service was next to none, room was bare bones”; and “I

walked into what looked to me like a boarding house room.” Last in this category were Beds and bedding, which resulted in 13 (21%) items, “The bed sounded like it was going to fall to the floor each time we moved”; “The bed was horrific. It squeaked like crazy! If you moved a finger it squeaked”; and “The first thing I noticed was the drab grey (maybe dirty) worn looking comforter and bed shams. They were disgusting.”

The fourth category, Breakfast, with 38 (10%) items, had four sub themes emerge. The first three sub-themes were about equal in mention. The first sub-theme was Choice with 13 (34%) items. Reviewers comments included, “It was the same thing both days”; “The only option was bacon and eggs in some form”; and “Hostess offered a cup of tea. I requested decaf instead, but did not have any.” Service had 12 (32%) items as exemplified by the following, “We had requested breakfast at 8 o’clock in the morning. However, when we came down they had nothing ready for us”; and “Need to double-check the silverware (I was given a food-encrusted spoon to eat my yogurt).” Quality also had 12 (32%) items and comments included, “Breakfast is so-so including tough baked goods and rubbery eggs”; “Breakfast was a joke: cold coffee and cold bacon, NO eggs, NO toasts, plain crepes and a piece of fruit”; and “The breakfast was very plain, the coffee was weak and seemed a cheap brand.”

The fifth category, Bathrooms with 25 (6%) items, had two sub themes emerge. The first subtheme, Location/inconvenience had 16 (64%) items and comments such as, “a tiny bathroom”; “Like taking a shower in a bathtub with no shower curtain?”; and “the bathroom was two flights up ... just ridiculous.” The second sub-theme, Cleanliness, had 9 (36%) items that were exemplified by the following comments, “The bathroom floor was dirty and the tile around the bathtub was gross”; “The shower curtain was covered in black mould”; and “The hand soap dispenser in the private bathroom had black grunge on it.”

Online reviewers in this study also provided recommendations to fellow travellers, the most frequent of which, 16 comments, was not to recommend the B&B. Five other comments suggested that travellers avoid or do not stay at particular B&Bs. Recommendations were also provided to owners and included suggestions about improving website information, food, beds, and décor and putting the client first.

The above results and their categorization are broadly consistent with findings of other studies, which in some sense is not surprising given that the studies’ participants are all in the accommodations industry. For example, service by host, a multi-faceted factor, which was identified in this study overlaps with poor staff, failure to respond, and poor delivery described by Ekiz, et al. (2012); staff issues from Levy et al. (2013), and staff issues identified by Sparks and Bradley (2014). Service by host also relates to service and home atmosphere discussed by Wang and Huang (2015) in their study of guest houses in China.

Issues regarding facilities were also identified by Levy et al. (2013) as hotel issues, as public area concerns by Sparks and Bradley (2014) and other facilities by Wand and Huang (2015). Room issues were also described by Ekiz et al. (2012), Levy et al. (2013), Sparks and Bradley (2014), and Wang and Huang (2015). Breakfast, another negative factor, overlapped with complaints about food and beverage raised by Sparks and Bradley (2015). Bathrooms were identified in this study as a separate area of concern, but were not separately identified by others in this review. Of note is that cleanliness was a separate negative factor identified by Ekiz et al. (2012), Sparks and Bradley (2014), and Wang and Huang (2015). However, cleanliness was a factor in four of the five negative elements described in this study, so cleanliness is an important factor.

On one hand the negative reviews might be seen by some as harsh and/or unwarranted, but as suggested by Cunningham, et al. (2010) negative reviews can help accommodations operators to identify and correct problems and improve ratings. So it makes sense for B&B owners/managers to pay attention to online UGC to not only monitor reviews but to improve their operations (Hills & Cairncross, 2011).

In summary, 37 Poor and/or 39 Terrible reviews were received by 34 B&Bs and owners/managers from 10 (29.4%) different B&Bs responded. In terms of total number of responses to total negative reviews, 9 were to Poor reviews and 6 to Terrible reviews, a total of 15 responses, a response rate of 19.7%. A rate lower than the 30% response rate identified by Liu, Kim, and Pennington-Gray (2015) for the New York hotel bed-bug crisis. Further, given the importance attached to responding to reviews in terms of improved ratings and building trust (Anderson & Han, 2016; Liu, Schuckert, & Law, 2015; Sparks, So, & Bradley, 2016) responses for the B&B industry as a whole in Nova Scotia seem relatively low and could improve in terms of numbers of responses.

The 15 owner/manager responses were then content analyzed using Sparks & Bradley's (2014) typology of management responses. The categorization of themes resulting in 167 comments within four broad themes –Acknowledge 74 (44%), Accounts 52 (31%), Actions 21 (13%) and Style Characteristics 20 (12%). It should be noted that the Content Attributes, with sub-codes Honesty Thoroughness; and Adequate were not used in this study. Each broad theme was then content analyzed into the corresponding sub-themes. Exhibit 4 presents the four broad themes of owner/manager responses and their relevant sub-themes.

Sparks and Bradley (2014) describe Acknowledge as showing “some evidence of acceptance and recognition of the content of the review” (p. 21). With a total of 74 items categorized, acknowledge was the most prevalent response of the four broad themes analyzed. Within this broad theme, the sub-theme Dismiss – non acceptance and/or dismissal of what happened was

noted most frequently 31 (42%) with such comments as “Sometimes a place isn't really able to offer what you prefer.... I know other B&B's offer a place in the house to use, if you'd ask for

Exhibit 4

Owner/manager responses to reviews

<u>Acknowledge</u> - 74 (44%)		<u>Accounts</u> - 52 (31%)	
Dismiss nonacceptance and/or dismissal of what happened	31 (42%)	Justification	25 (48%)
Recognize event(s) occurred	17 (23%)	Denial/Refusal	22 (42%)
Apology	11 (15%)	Penitential	4 (8%)
Appreciation for comments	7 (9%)	Excuse	1 (2%)
Thank for review	6 (8%)	Referential/Reframe	0 (0%)
Admit the implications for example adverse effect(s) for the person(s)	2 (3%)	<u>Actions</u> – 21 (13%)	
Accept responsibility for	0 (0%)	Rectify, for example, change product(s)/refurbish/repair	12 (57%)
		No Action	5 (24%)
		Referral to relevant area of hotel what happened	2 (10%)
		Policy or process change	1 (5%)
<u>Style Characteristics</u> – 20 (12%)		Compensate	1 (5%)
Defensive	9 (45%)	Investigate matter/no action	0 (0%)
Professional	7 (35%)	Implement or change staff training	0 (0%)
Friendly-Informal	4 (20%)	Direct contact	0 (0%)

that before booking we could have told you”; “Let’s start with telling that all 4 rooms where [were] booked the weekend you were here and that the other guests tipped us by \$71.00!\$, \$25.00 and \$20.00. They must have somehow been satisfied with our B&B, us and our service...” Recognize event(s) occurred was the next most frequent sub-theme 17 (23%) with comments such as “This was an unfortunate chain of events. When our guests arrived, it was by coincidence that the 2 rooms that they had reserved were still vacant. Assuming that they were the correct guests for the 2 rooms we welcomed them to our B&B. Within a couple of hours, the correct guests had arrived to check in. It was at this time that we realized that the 4 guests that had checked in earlier had arrived 1 day early” and “I hope to complete the finish work on the stairs and in the small entryway when no guests would be inconvenienced by the smell of paint”.

The sub-theme Apology had 11 (15%) items. Reviewers commented “We hope that the rest of your trip leads you to some places more of your preference with bubbly decor so you can get a good night sleep. Again sorry you did not enjoy your stay, and wish you the best” and “I don't know when you observed the cat on the table, but I appreciate your bringing it to my attention, and I apologize”. Items included in sub-themes Appreciation for comments 7 (9%), Thank for review 6 (8%) and Admit the implications, for example adverse effect(s) for the person(s) 2 (3%) were also included. Sub-theme Accept responsibility for what happened – 0 (0%) did not receive any items.

The theme Account (explanation) is defined as “the act or process of “making something clear or understandable.” The term implies revealing the reason for, or the cause of some event that is not immediately obvious or entirely known (Sparks & Bradley, 2014, p. 21). The theme Accounts received a total of 52 (31%) items. Sub-themes included Justification 25 (48%); Denial/Refusal, 22 (42%); Penitential 4 (8%); Excuse 1 (2%) and Referential/Reframe – 0 (0%). Examples of owner Justification 25 (48%) include “For some clarity we have keys for all our suites and guest are more than welcome to have them...” and “The door code is also provided right on the rooms keys so you would not have had to memorize the code”. Owner statements of Denial 22 (42%) include “It is incorrect for you to claim that we stole your money since you cancelled your credit card and we were unable to charge it at all”; and “So go through this fiction embellished by a disgruntled woman with a vendetta ... and read the other reviews and you can see quite the opposite...”

Sparks and Bradley (2014) define Actions 21 (13%) as “Response” (p. 22). Items from the Action theme were allocated to sub-themes: Rectify, for example, change product(s)/refurbish/repair 12 (57%); No Action 5 (24%); Referral to relevant area of hotel 2 (10%); Policy or process change 1 (5%); and Compensate 1 (5%). Sub-themes Investigate matter with no action 0 (0%); Implement or change staff training 0 (0%); and Direct contact 0 (0%) did not receive any items. The sub-theme “Response” included comments such as “We have never heard a negative comment about the decor in the rooms before. However, with that being said we are very excited to go shopping for new duvet sets with some color to give that room a little contrast”. Items categorized within the sub-theme No Action include “At name (deleted) we always try to accomodate [accommodate] all of our gusest [guests] in a professional and courteous manner, however we do reserve the right to refuse guests. After 11 years in business [business] this is 1 of only 2 guests that we did not feel comfortable letting accommodate our B&B. We have to always be aware and thinking of our other guests. We do apologize to the couple who wrote this article and wish them the best; and “Based on our cancellation policy if you cancel within 72 hrs. prior to check-in, you will be charged full amount of your reservation. This seems reasonable considering that each room is 25% of our revenue”. Items were also sub-themed under Referral to relevant area of hotel (B and B) 2 (10%), Policy or process change 1 (5%) and Compensate 1 (5%).

Coding for Style Characteristics 20 (12%), defined only as sub-themes includes Defensive 9 (45%); Professional 7 (35%); and Friendly-Informal 4 (20%). Defensive 9 (45%) comments include “We should have charged her the discount given the other traveler SO read this with the clarity of other people eyes”; and “Contrary to your statement that there were no other guests your reservation fully booked us. If there had been all that yelling and screaming, which you mentioned in your review, our other guests would no doubt have come down to find out what all the commotion was about”. Owner comments that were considered to be Professional 7 (35%) include “Thank you for taking the time to write your review. All of my guests' observations and comments are a great help to me in providing a pleasant stay here. I don't know when you observed the cat on the table, but I appreciate your bringing it to my attention, and I apologize. ...Thank you for choosing to stay here, and I hope the rest of your trip around Cape Breton was enjoyable!” and “Thank you for your comments on your stay with us last year, we are really sorry that you found your stay disappointing...We appreciate your feedback to assist us in improving and upgrading our B&B since taking it over 18 months ago and we hope you will reconsider and visit us again in the future!”. Friendly-informal 4 (20%) comments provided by owners include “Thank you for taking the time to right this review. We appreciate your feedback and always look to improve accordingly...” and “Ok Chris, thanks for the review although we prefer better ones, the tips are usefull [useful] and will make us be able to serve other guests better”.

The overall pattern for responses suggests that owners/managers of B&Bs use Acknowledgement as the most dominant response with Accounts and Actions coming second and third respectively. However, within those constructs dismissal, justification, and denial are quite common responses, a finding somewhat similar to those of Liu, Kim, and Pennington-Gray (2015). Further, the use of apology was relatively low in response rates, occurring 11 (15%) times out of the 74 acknowledgements, 6.6% of the total of 167 items, compared to the 25.57% apology rate of Liu, Kim, and Pennington-Gray. In addition, Rectify, for example, change represented 12 (57%) of the 21 Actions identified, but 7.2% of the total responses, whereas 56 (31.82%) responses indicated corrective action in the Liu, Kim, and Pennington-Gray study.

It is not surprising then that the dominant style characteristic was defensive at 45%. However, as Anderson and Han (2016) suggested “constructive response to negative reviews” (p. 1) might be more helpful than simply responding to positive reviews. Owners/managers’ responses to reviews seem to be far more defensive than professional and friendly-informal and thus might be insufficiently constructive. Training in management of and responses to UGC and/or help from professional communication consultants are potential solutions.

The average response time of the 15 owner/manager to reviews was 17.26 days (SD – 39.8; range 1 – 160). The average is skewed by the one responder who took 160 days to do so, but

only four (27%) responses were made within two days, six (40%) responses were posted within four to 10 days, and five (33%) responses were posted beyond 10 days of initial reviews. Clearly there is room for improvement in the timing of responses to negative reviews. Quicker responses should be provided, for example, those posted within a day of a negative review, because such posts create a sense of concern and trust on the part of guests according to Sparks, So, and Bradley (2016).

Conclusions and implications

This study echoes the comments of dos Santos, et al. (2014) and Wang and Hung (2015) that B&B owners/managers should pay attention to online reviews. Specifically, B&B owners/managers pay attention to guests' online reviews to develop an understanding of what it is that guests find positive about their operations. For example, the positive comments suggest that B&B owners should be striving to provide accommodations that are warm and inviting to guests. Further, owners should appear to be open and friendly to guests, provide clean rooms with appropriate amenities, and breakfasts that are high quality and provide choice.

Secondly, owners/managers of B&Bs should pay attention to negative online reviews so that they can identify and rectify problems in a timely fashion. Further, they can develop a better sense of what their guests want and do not want in a variety of areas. Thirdly, owners/managers of B&Bs in Nova Scotia should examine their frequency of response to any Poor and Terrible reviews with a view to responding to all negative reviews.

Fourthly, B&B owners/manager should develop UGC-response strategies to negative reviews that are friendly/informal and constructive. Further, they should respond appropriately (i.e., using an informal, professional manner) and in a timely fashion (i.e., with 24 hours).

There is an opportunity for owners/managers of B&Bs to improve their operations by paying attention to UGC and making adjustments based on guest comments. However, there is also an opportunity for organizations such as the Nova Scotia Bed and Breakfast Association to assist association members by providing learning opportunities to owners/managers on understanding and responding to UGC. Failing such options individual owners/managers might well be advised to seek their own learning opportunities perhaps through the use of consultants and or courses on communications management.

Limitations and future research

This study focuses on qualitative data in a relatively small number of B&B operations in one province in one country and as such generalizability is limited. Future research could focus on B&B owners' views of UGC and the extent to which they manage their B&B's online image as well as the tactics used to do so. Additional research is needed to expand knowledge on UGC and the B&B sector, particularly as it relates to service and facilities.

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Platform Strategies for Small Businesses: An Exploratory Study

Abbas Nadim, University of New Haven

Introduction

We define business platform as foundation upon which other businesses can be initiated. It is also defined as “a business model that creates value by facilitating exchanges between two or more interdependent groups, usually consumers and producers” (1).

Platform in itself is not new. The roads build during the Persian Empire connecting the territories for trade served as a platform. Ancient great silk road was one of the earlier Platforms that became the predecessor of highway rest stops in the form of Caravansaray (the Persian word for Caravan, travelers’ entourage, and Saray, dwelling).

U.S. Interstate Highway system became a Platform for gas stations, rest stops, food courts, and motels and restaurants off the exits. Similarly, Railway System necessitated building train stations and all the businesses around them; all new businesses that would not have emerged without these platforms. Platform strategies now have emerged as a strategic tool for new generation of companies in the information technologies.

“One of the fiercest rivalries in the information-technology world has long been over platforms—products that link users in networks, like iTunes for online music or Windows for computer operating systems. It’s often a winner-take-all business; platform leaders can earn huge profits as they tend to dominate markets with few serious competitors” (2).

Over the last 10 years, more and more businesses have turn into a new business model for gaining competitive advantage that revolves around Platform Strategy. These platforms can be pure virtual (no warehouse) such as eBay, Alibaba, Facebook, YouTube and Snapchat to mention a few, some are hybrid (internet along with warehouses) such as Amazon, Microsoft, Apple, Dell, Intel, and some are pure warehouse, such as Stew Leonard’s that will sell practically anything for which they might have floor space.

The traditional business model to create a competitive edge generally revolved around product/service strategy, but in today’s global, internet based business, competitive edge belongs to the one with an effective platform that has evolved from selling product or service to selling outcomes. The central role of platform is to incorporate the firm’s stakeholders, or “ecosystem”, in the core activities of the firm. It will generally allow exchange between two or more interdependent group (the firms and its stakeholders “ecosystem”) to create mutually beneficial value.

By building a platform (predominantly “digital”, but certainly others) other businesses can interface with a firm’s existing business and build product or services on it to create cooperative values. “This ability to “plug-and-play” is a defining characteristic of Platform Thinking” (3. P1).

The Architecture of Platform:

The three major components of a platform architecture are the platform itself, the complementing stakeholders (those who provide mutually beneficial product or service to the firm owning the platform) and the modular interface between the platform and the compliments. (Baldwin and Woodard 2008). Some components of the platform may change over time and some remain the same. The critical design objective is to allow the platform to evolve over time and knowing which the stable core components are, and which the variable peripheral ones are. (For a comprehensive treatment of Platform Architecture see 4).

Type of Platforms Strategies:

There are generally two occasions where employing a platform allows for competitive advantage. One is where there is no existing platform and creating one may provide the firm a distinct or core competency (case of Apple Mac) and the other one is winning the platform war, where the competitors are also employing platforms, by building market strengths (case of Apple vs. Samsung).

General Characteristics of a Platform Strategy:

A successful Platform Strategy operates on three generally agreed fundamental principles: The ease by which the compliments can connect to the main platform, the existence of a mutual attraction between the platform and the firm's stakeholders (platform owner and third parties) and value created by their connectivity. From a systems point of view the sum value of the platform and the complements connected to it should be greater than the sum of its parts individually for such a strategy to succeed. Boonchek and Choudary called this "connectivity, gravity, and flow" (3).

To achieve this the platform must provide the tools that facilitates interaction between the platform and the third part (i.e. providing the codes for mobile phone application. writers), create conditions that would attract the stakeholders towards each other (i.e. the applications developers and the consumers buying them), and matching the supply and demand of the producers and buyers (i.e. eBay platform for sellers and buyers).

A successful platform must possess some key characteristics:

- It must perform one or more critical function in a superior fashion in an industry
- It must define certain "standards" and has influence over the overall architecture
- It must be open or semi-open for others to build upon
- The economics must allow the complementors in the ecosystem to see some upside in order to attract them to participate
- Early momentum is key for any platform strategy so a lot of negotiation needs to take place to make business tradeoffs" (5)

Advantages of a Platform Strategy:

There are several potential advantages that makes adopting a platform strategy a logical one:

- a. The stakeholders and members of the “ecosystem” possess the technology and capabilities that presently does not exists inside the firm or its acquisition is costly.
- b. It may be cheaper to acquire the needed innovation or the technology than to develop it internally. Many of the big companies acquires smaller, high tech companies in preference that creating an innovative culture inside their firms.
- c. The complementors are free-lance, portfolio not full-time employees and as such the cost associated with them is measureable and relationship with them could be generally covered with an arm’s length contract.

Defending Platforms:

The most common means for defending a platform (to prevent others from supplying applications that can run on their platform without their permission) is to safeguard its basic components from being duplicated. This is possible by ownership of critical interface components that allows the stakeholders to complement the platform. The other one is the choice of the architect of the platform by designing interlocking complex components at the expense of modularity (4).

The Raise of Platform and Opportunities for Small Businesses:

Internet and communication technologies including the cloud, social media, and mobile are driving the current push for adapting platform strategies (3). While all the stories of successful platform strategies are about big companies or those in the global information technology and internet there are no logical reason why small businesses can not join this global innovation. An effort by the academicians in starting a research stream on Platform Strategies for small businesses and the push for consulting efforts in enabling small businesses to adopt them may yield surprising results in this exciting area.

Allow me to offer a few examples:

Most people with a new product for retail may not have access, or the resources to establish, a proper distribution channel. Some may create a website and sell only online. Others may use an already established small businesses as a platform to introduce their product. As an example a bakery in Fairfield, CT. in addition to selling its own baked goods, operates as a platform for those wishing to introduce their local honey, and homemade jams, jellies, relishes, salsas and other similar products to the public and attract an already establish potential customer base.

Similarly, a consignment business, in reality, operates as a platform for those wishing to sell their personal goods to the public without the complicated and expensive process of creating a retail establishment.

Daycares now are using online video surveillance to allow parent monitor their children at the daycare center from their place of work. These monitoring applications are written by the third party vendors, using the daycare as a platform. Similar apps can be created and sold to its customers to increase its revenue streams and allow parent for remote interaction with their children at the daycare center.

Additional research and creative ideas by those engaged in small business research and consulting are needed to popularize the Platform Strategy for small businesses. These were just a couple of ideas, as remote to the real cases as might be.

Potential Significance and Impact of This Proposal:

- a. Encourages small businesses to develop core or distinct competencies for creating and maintain a competitive edge over those who are not utilizing Platform Strategies. It will transform them from merely selling products or services more often as just another “me too”.
- b. Increases their rate of engaging in creative and innovative activities and probability of longer-term viability.
- c. Creates greater consulting opportunities to small businesses.
- d. Creates greater opportunities for new research streams and scholarly activities in the field.
- e. May make the study of small businesses a more attractive major at the undergraduate level.
- f. May attract a greater share of public and private research funds for publicizing and promoting Platform Strategies for Small Businesses.
- g. Offers greater opportunities for enhanced collaboration between small businesses (to the best of my knowledge there is little research evidence in this area, but I could be unaware).

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Should Your Business Have a Telephone (Land-line and/or Cell)? Perhaps Not!

Matthew Sonfield, Hofstra University

Abstract

This paper examines the extreme retailing strategy of a business providing no opportunity for telephone contact to or from existing and potential customers. Would such a strategy ever make sense for a small business? In outlier situations, where a target market exists with a desire for the ultimate in trendiness, exclusivity, and cachet, such a “No Phone” strategy may prove feasible and profitable. Examples of such strategies, theoretical bases, implications, and limitations are offered.

Introduction

Common sense says that all businesses should provide as many methods as possible for a current or prospective customer to be able to contact the business. And the most basic and historically logical method would be the telephone. One of the first actions when a new business is established is to obtain a telephone number and listing. Generally, this would most likely be quickly followed by setting up a website and email address, and then social media connections such as Facebook, Instagram, and Twitter.

Thus, the idea that a business can achieve success without a telephone (land-line or cellular) would on the surface seem ludicrous and nonsensical. Yet, for a small segment of the retail economy, such a business strategy can lead to greater sales volume and profitability.

This paper focuses upon this retailing phenomenon – specifically certain types of very “chic” businesses catering to a small but profitable target market consisting of potential customers, generally young and relatively affluent, who seek a certain trendy, exclusive, under-the-radar, and cachet-enhanced retail experience.

Examples

“Trendy” and/or “exclusive” products or services with “cachet” can be of particular interest to a variety of demographic target markets. For example, *National Geographic Expeditions* offers 24-day “Around-the-World” group tours, utilizing an airplane which is privately chartered exclusively and solely for the group, at a per-person price of \$80,000 or higher (National Geographic Expeditions, 2016). For a rather more modest expenditure on something with perhaps equal distinction but totally dissimilar, one can obtain “trendiness” by adhering to the “Paleolithic Diet,” which is based on only those foods presumably to have been available to Paleolithic humans (2.5 million to 10,000 years ago), including vegetables, fruits, nuts, roots, and some meats and organs. Excluded foods would include dairy products, grains, sugar, legumes, processed oils, salt, alcohol and coffee. While a number of companies have jumped on

this trend and will sell you recipes or pre-packaged ingredients for this diet, the frugal aspiring Paleolithic can learn the rules of the diet and find all the acceptable items in any supermarket. Traveling around the world on a private jet may well impress your friends and boost your ego; and eating like a caveman (or cavewoman) may be good for your health (although this is debatable), and heighten your self-esteem, and perhaps your “trendiness.”

However, the concepts of “trendiness” and “cachet” have different meanings to different demographics and market segments. This paper focuses “trendiness” and “cachet” as perceived by a small but economically-comfortable and generally-urban clientele.

In New York City, some boutiques, restaurants, and cocktail lounges have chosen to not include the telephone as a mode of contact with their customers. For example, *Han Kjøbenhavn* is an especially chic boutique, with a product line of clothing and accessories. Located in the trendy lower section of Manhattan, its website displays its products and its location, but no telephone number (Han Kjøbenhavn, 2016). A few other southern Manhattan boutiques also adhere to this marketing strategy. (Telephone contact with suppliers and other businesses – but not with customers - may be maintained.)

A no-telephone strategy also seems to work for a number of Manhattan restaurants, clubs, and cocktail lounges. The website of *Two Hands Bar & Restaurant*, also in southern Manhattan, states “No reservations, walk-ins only” and “No phone, email only” (Two Hands, 2016). Certainly an aura of exclusivity and under-the-radar consumption! Similarly, *Virgola* with both east and west Greenwich Village locations for its “Oysters and Italian Wine Bars,” provides its addresses but no telephone numbers or even email addresses (Virgola, 2016). And the *Raines Law Room* cocktail lounges, with two Manhattan locations, also list no telephone numbers and its websites state “walk-ins are encouraged” (Raines Law Room, 2017).

Each of the above examples caters largely to financially-comfortable urbanites in their late teens, twenties, and thirties, and satisfies their needs as discussed below. Clearly the strategy of these businesses is not to eliminate the financial or personnel time costs of a telephone line, but rather to enhance “cachet.”

Of course, certain areas and demographics of New York City are more “trendy” than are most other American urban areas, but Small Business Institute members from other localities may also be aware of similar current business strategies or opportunities for such strategies existing in their home cities and towns.

Theoretical Bases

The academic literature in Marketing provides some theoretical bases for this seemingly counter-intuitive “No Phone” marketing strategy. Most relevant are the theories of “atmospherics,” “servicescape,” “trendsetters,” and “early adopters.”

“Atmospherics” is a marketing term first used by Philip Kotler in 1973 (Kotler, 1973). Kotler introduced the concept that a total product or service is comprised of much more than its tangible entity, but also includes services, warranties, packaging, advertising, financing, pleasantries, images, and more. Although the idea of “No Phone” would have been unsustainable in 1973, the arrival of other forms of contact and communication (web, email, social media) over the decades since then allow today’s most “trendy” retailers to consider this “No Phone” strategic option as a component of a trendy “total product.”

A related theory is “Servicescape,” developed by Booms and Bitner in 1981 (Booms & Bitner, 1981). Here the focus is on the *physical environment* surrounding the product or service offered by the retailer. Factors include both the external environment (such as landscape, exterior design, signage, parking, etc.) and the internal environment (such as interior design and decor, display cases, layout, ambience, etc.). Here too, if Booms and Bitner were developing this concept in 2017, they would most likely take account of additional environmental factors, including available modes of communication to and from the physical business itself.

Readers interested in further and additional aspects of the conveyance of image, exclusivity, and cachet might wish to pursue Rayburn’s (2013) model of the “consumer’s retail atmospheric perceptions,” Stein’s and Ramaseshan’s (2016) discussion of “customer experience touch points,” Turley’s and Chebat’s (2002) analysis of “atmospheric design and shopping behavior,” and Ballentine et. al.’s (2015) investigation of the effect of atmospherics on fashion retailing. These studies (see *References*) and other academic research analyses probe this phenomenon further and more deeply than is appropriate for this conference paper’s objectives.

Also related to a “No Phone” marketing strategy are the concepts of “trendsetters” and “early adopters,” which refer to early customers of a product or service, who receive satisfaction from being “ahead of the curve” and being part of a new movement. Just as the “speakeasies” during American Prohibition (1920-1933) conveyed cachet and exclusiveness by often having no external signage or other identification, today’s trendsetters and early adopters enhance their egos by patronizing boutiques, restaurants and lounges which, lacking a telephone listing, become new and exclusive. Here too, a lengthier discussion of these marketing concepts are beyond the objective of this paper, but those who wish to pursue this subject can look at Allenby et. al.’s (1996) discussion of “trendy” retail fashion marketing, and Breazeale’s and Lueg’s (2011) typology of the shopping behavior of American teens.

Limitations and Implications

Obviously, most urban, suburban and rural localities in America, and their retail locations, are not as trendiness-oriented and cachet-oriented to the extreme as the southern end of Manhattan (Greenwich Village, Tribeca, Soho, High Line, etc.). Certainly 99% of American small retail product and service providers would lose a sizable portion of their business sales volume and profits if they were to eliminate the opportunity for telephone contact with their current and potential customers.

But *product differentiation*, *service differentiation*, and *niche marketing* are valid and proven retail marketing strategies and, if the opportunity exists in sufficient strength, then differentiating for an *extreme* niche may be a successful strategy. If a retailer sees a potential target market which desires extreme trendiness and cachet, and if those potential customers are sufficient in number and financial strength, then that retailer might choose to study successful examples such as those discussed earlier in this paper and then test out a “No Phone” strategy.

How might a retailer attempt to implement such a strategy? Or how might a consultant to a retailer formulate the advice and guidance to be offered? An entrepreneur might identify a locale and existing target market where a new venture might prosper from a “No Phone” strategy. While a businessperson with an existing retail operation might be wary of eliminating his or her business telephone listing, he or she might consider a new and separate retail location where such a strategy might work. If a “No Phone” strategy turns out to have a negative impact on sales, then it is certainly easy to add a phone line. A strategic change in the other direction (eliminating an existing phone line in an existing retail operation) is a more radical and risky strategic move.

And a “No Phone” strategy seems to be only a valid alternative for *small* retail operations. For larger and/or multiple-location businesses with broader target markets, it is unlikely that a “No Phone” strategy could be successful. Such a strategy requires a small, narrow, and extremely-oriented target market.

Conclusion

This paper has presented an *extreme* retail strategic option – a “No Phone” business strategy. Such a strategy can only be successful in truly outlier contexts – where a potential group of customers seeks the ultimate level of trendiness, exclusiveness, and cachet. While such a strategy would be inappropriate and unprofitable for the vast majority of small business owners and entrepreneurs, it is still of value to be aware of the examples provided in this paper, and of the broader concept of “thinking outside the box” with regard to business strategy. One’s business strategy will always be strengthened if he or she is aware of all the strategic options, even if some of those options are not realistic or feasible at the present time in the present context.

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**Entrepreneurship Elsewhere:
Examining the Entrepreneurial Characteristics of Eastern Kentucky Adolescents**

David Snow, University of Pikeville and the Kentucky Innovation Network
Justin Prater, University of Pikeville and the Kentucky Innovation Network

Abstract

Entrepreneurship is known as a legitimate academic discipline and significant contributor to economic development. Eastern Kentucky is known for its high levels of poverty and unemployment. This research examines the entrepreneurial attitudes of high school seniors and their preferences to remain in or leave Eastern Kentucky. Findings indicate few students scored in the high level of enterprising tendency and the entrepreneurial characteristics of need for achievement, calculated risk-taking, and creative tendency. Findings also indicate those with a high level of enterprising tendency are more likely to leave Eastern Kentucky for education and career with no intention of returning.

Introduction

“Entrepreneurship Everywhere” is the current slogan for the United States Association for Small Business and Entrepreneurship (USASBE). This is one of the premier organizations for post-secondary teaching, research, and experiential learning in the entrepreneurship discipline. The reason for this motto is obvious. In many parts of the U.S. and the world, entrepreneurship is thriving. In 1975, only one hundred formal majors, minors, and certificates existed, but over the last twenty years’ entrepreneurship has emerged as a mainstream discipline (Lee et al., 2005; Torrance et al., 2013). According to Kuratko (2014), over 1,000 schools offer majors in entrepreneurship and over 2,200 universities teach at least one course in entrepreneurship. Along with this growth, an increase in business plan competitions, technology commercialization programs, product development activities, and startup company internships has occurred (Duval-Couetil, 2013).

Entrepreneurship education is now also widely offered in secondary schools. With organizations such as Junior Achievement (JA), the Kauffman Foundation, the Young Entrepreneurs Academy (YEA), the Network for Teaching Entrepreneurship (NFTE), and university-based programs, millions of students each year are taught entrepreneurship (Frazier, 2014; Hamilton, & Hamilton, 2012; Lorz, Mueller, & Volery, 2013). Entrepreneurship education at the secondary and post-secondary levels has been shown to positively impact students’ self-efficacy, desire to attend college, academic success, attitude toward entrepreneurship, intention to become entrepreneurs, business skills, and desirability by employers (Abu Talib et al., 2012; Brown, Bowlus, & Seibert 2011; Hernandez & Newman, 2009; McNally, Martin, & Kay, 2010; NFTE, 2011; Studdard, Dawson, & Jackson, 2013).

It is known entrepreneurship is integral in the efforts of innovation and economic development (Acs & Audretsch, 2003; Audretsch & Keilbach, 2004; Baumol, 2002; Hessels & van Stel, 2011; Morris, Neumeyer, & Kuratko, 2015). Research has specifically examined entrepreneurship as an effective strategy for economic development in rural areas as well (Jaafar, Dahalan, & Rosdi, 2014; Mojica, Gebremedhim, T., & Schaeffer, 2010; Robinson, Dassie, & Christy, 2004). Entrepreneurial startups are typically born as small businesses. The majority of small business creations remain classified as small businesses throughout their lifespan (Clayton et al., 2013). Even though these organizations employ less than five hundred employees each, the economic contribution is significant. In 2011, there were 28.2 million small businesses. Small businesses comprise 99.7 percent of U.S. firms, are responsible for 63 percent of net new private-sector jobs, and employ 49.2% of all private-sector workers (Audretsch & Link, 2012; SBA, 2014).

Eastern Kentucky

Eastern Kentucky sits in the central region of the Appalachian Mountains. Consisting of such a vast area, the Appalachian Mountains run from southern New York to northern Mississippi in eastern North America and include 420 counties in 13 states. Appalachia is classified into northern, southern, and central regions. Historically, communities in Appalachia have lagged behind the rest of the country and Central Appalachia is the poorest performing of the three regions (Bauman, 2006; Stephens and Partridge, 2011). Fifty-four counties in Kentucky are classified as Appalachian (see exhibit 1). The easternmost of these are well known for their high levels of economic distress, unemployment and poverty (Heflin & Miller, 2012; Tickamyers & Tickamyers, 1988; Ziliak, 2015). Coal has been the major industry in the area for over one hundred years. However, the coal industry has experienced many booms and busts over the decades.

The instability of coal demand and the lack of industry diversification have contributed to the depressed economy of the region (Black, McKinnish, & Sanders, 2005; Epstein et al., 2011). In 1964, President Lyndon Johnson famously declared his “War on Poverty” from a home in Eastern Kentucky’s Martin County (Lowrey, 2014; Torstensson, 2013). Although Central Appalachia is one of the poorest regions in the country, it is not from a lack of monetary infusion from state and federal agencies. In fact, over the past five decades Eastern Kentucky has received over 9 billion dollars in financial aid and remains behind in economic development, educational attainment, wages, employment levels, and standard of living (Baumann, 2006; Gebremariam et al., 2012; Hansen & Yukhin, 1970; Jung, Cho, & Roberts, 2015; Santopietro, 2002).

Exhibit 1



Because of the perceived lack of opportunity for each younger generation as it reaches early adulthood, and the factual conditions of a poorer performing economy, Eastern Kentucky has and continues to see an outward migration (Green, 2015; Hansen & Yukhin, 1970; Lichter et al., 2005; Pugel, 2016; Sanders, 1969). From the period between 2010 and 2015, some counties in Kentucky have seen an increase in population as high as 8%. However, some counties in Eastern Kentucky have seen declines higher than 6% with many of the counties in the 4-5% range (US Census Bureau, 2015). As a means of reversing this trend and improving the future prospects of this region, it is proposed a committed effort to entrepreneurship education at all levels needs to occur.

Given that Eastern Kentucky does not have a thriving entrepreneurial ecosystem, there are a couple possibilities offered as explanations. One reason may be residents of this region are not inherently or educated to be entrepreneurial. Entrepreneurship education is not mandated by the Kentucky Department of Education. Also, this region does not have any active chapters of Junior Achievement or the Young Entrepreneurs Academy, which are available elsewhere in the state. One reason may be entrepreneurial intentions do exist in these citizens. However, those possessing the wherewithal choose to move to more prosperous communities. Therefore, the purpose of this exploratory research is to (A) measure the enterprising tendency of high school seniors to see if they currently possess the mindset to be entrepreneurial, and (B) determine what proportion of these adolescents plan to move away from Eastern Kentucky.

Methodology

The instrument used for this research was the GET2Test created by Sally Caird (Caird, 2013). This is a revision of the original GET Test created to measure enterprising tendency (Caird, 1991). This instrument is well known and has been used by other researchers (Caird, 1991; Ishiguro, 2014; Katundu & Gabagambi, 2014; Mayer et al., 2014; Mazzarol, 2007; Pizarro, 2014; Sethu, 2012). This instrument reliability (Cronbach $\alpha = .7$) is sufficient for the purposes of this study. The survey examines five characteristics shown to be important qualities for entrepreneurs: need for achievement, creative tendency, calculated risk taking, locus of control,

and need for autonomy (Caird, 1991). The GET2 Test includes 54 items. The need for achievement, creative tendency, calculated risk taking, and locus of control are measured by 12 items each. The need for autonomy is measured by 6 items. Half of these items represent positive entrepreneurial statements, and the rest of them represent negative entrepreneurial statements (Ishiguro, 2014).

The survey was administered to 287 seniors attending Eastern Kentucky high schools. The survey was administered in four Eastern Kentucky high schools from four separate counties. This was done to acquire a sample more representative of the region and not one specific school in one particular county. The method used may be considered convenience sampling. At the time this research was conducted an attempt was made to elicit participation from additional schools to generate a larger sample size. However, the four high schools were the only ones immediately available to participate.

A generalization may be made that rural high schools are poorer performing than urban or suburban high schools. However, the four schools in this study rank favorably in the state of Kentucky (see table 1) ranging from the 77th percentile to the 97th percentile. Fifty-four surveys were eliminated from analysis because they were not completed in full. The remaining 233 surveys were analyzed. Demographic data was collected to make the connection between student’s enterprising tendency levels and their preferences to begin employment and/or seek a college education. Questions asked if students planned to attend college immediately after high school, planned to seek employment immediately after high school, and if they planned to pursue these activities outside of eastern Kentucky.

Table 1 2014-2015 Rankings				
County	School	Overall Score	Percentile in KY	Classification
Pike	Pikeville Independent	80.4	97	Distinguished
Floyd	Allen Central	79.1	96	Distinguished
Johnson	Johnson Central	73.2	82	Proficient
Martin	Sheldon Clark	72.4	77	Proficient

*Kentucky Department of Education, <https://applications.education.ky.gov/src/>

Results

Measurements for each of the five criteria and for the composite score of enterprising tendency are classified into three levels: low, medium, or high, based upon survey scoring. For the measure of enterprising tendency, scores from 44-54 are high (very enterprising), 27-43 medium (somewhat enterprising), and 0-26 low (likely prefer guidance from superiors). For the individual characteristics of Need for Achievement, Creative Tendency, Calculated-Risk

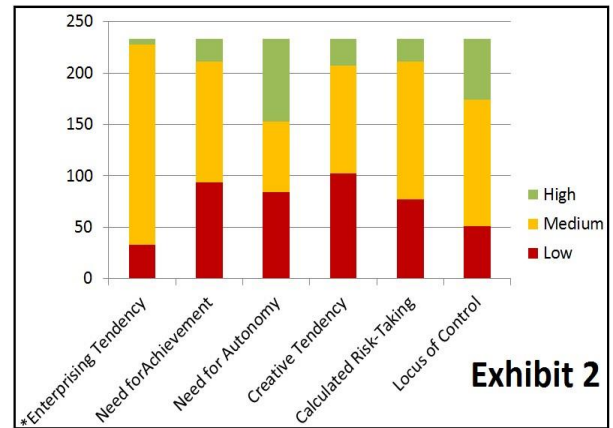
Taking, and Locus of Control, the maximum score is 12 with 10-12 the high range and 0-6 the low range.

For Need for Autonomy, the maximum score is 6 with the high range 4-6 and 0-2 the low range.

Table 2 and Exhibit 2 display the results of the students.

As you can see, only 5 of the 233 respondents scored in the high range for enterprising tendency. This equates to only 2.15% of the entire sample. Other noteworthy scores of low proportion of the sample in the high range include Need for Achievement at 9.44%, Creative Tendency and 11.16%, and Calculated Risk-Taking at 9.44% of the sample. Also important to recognize are the proportion of scores in the low range for Need for Achievement at 40.34%, Need for Autonomy at 36.05%, and Creative Tendency at 43.78% of the entire sample. It is pertinent to take note of the creative tendency scores. Timmons and Spinelli (2004) argue that creativity is integral to the concept of entrepreneurship and is particularly relevant in the teaching of entrepreneurship. Personal creativity is the precursor of innovative behavior and thus a central dimension of enterprising potential (Athayde, 2009).

Table 2 Enterprising Tendency Scores						
	High		Medium		Low	
	Number	Percent	Number	Percent	Number	Percent
Need for Achievement	22	9.44	117	50.21	94	40.34
Need for Autonomy	80	34.33	69	29.61	84	36.05
Creative Tendency	26	11.16	105	45.06	102	43.78
Calculated Risk-Taking	22	9.44	134	57.51	77	33.05
Locus of Control	59	25.32	123	52.79	51	21.89
Enterprising Tendency	5	2.15	195	83.69	33	14.16



The mean score for Enterprising Tendency is 31.9223 with a standard deviation of 5.4235. The distribution is uni-modal and fairly symmetrical, displaying a nearly normal condition (see exhibit 3 and table 3).

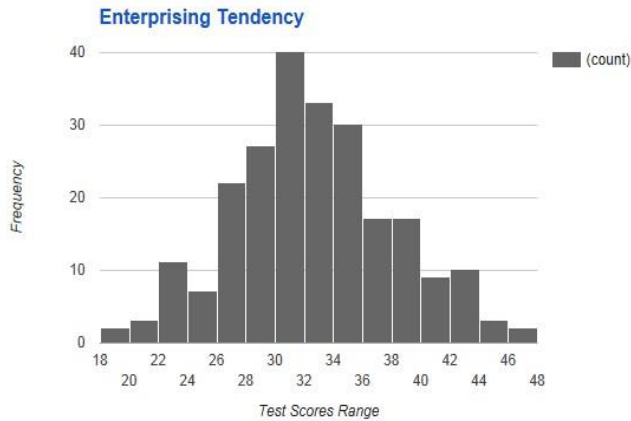


FIGURE 3

	M	SD	N
Need for Achievement	6.9072	1.8223	233
Need for Autonomy	2.9800	1.2169	233
Creative Tendency	6.8876	1.9205	233
Calculated Risk-Taking	7.0981	1.9521	233
Internal Locus of Control	8.0494	1.8060	233
Enterprising Tendency	31.9223	5.4235	233

TABLE 3

Concerning the demographic information, of the 233 respondents, 114 were male and 119 were female. The ages ranged from 17 to 19 with 17 = 64 students, 18 = 145 students, and 19 = 24 students. When asked if they planned to attend college after high school, 201 answered Yes. When asked if they planned to go to work after high school, 94 answered Yes. Overlap was present concerning these two questions in that 77 plan to find employment and go to college after high school. Also interesting is that 14 answered No to both the question of going to work after high school and going to college after high school. It appears these individuals plan to do neither.

One of the primary goals of this research was to determine if and how many of the participant's desire to move away from Eastern Kentucky. When asked if they planned to leave Eastern Kentucky after high school, 98 answered Yes, 107 answered No, and 28 answered maybe. This is up to 54% who may leave the area after finishing high school. When asked if they planned to return to Eastern Kentucky, all 98 answered No. Another statistic of note is of these 98 who do not intend to return, 4 were from the high enterprising tendency group of 5, 89 from the medium range group of 195, and 5 from the low enterprising group of 33. This is 80%, 46%, and 15% respectively of each group (high, medium, and low) who plan to leave and not return. This appears to indicate those with higher enterprising tendencies (medium to high) are more likely to want to leave eastern Kentucky than those with lower (low to medium) enterprising tendencies. Therefore, an ANOVA was performed to test this assumption. When comparing the group of 98 who plan to leave with the group of 107 who want to stay, the results indicate a significant difference is not present (see Table 4). A p-value less than .05 indicates there is a significant difference among the groups. The students who answered "maybe" in regard to leaving the region were not included.

	SS	df	MS	F	p
Between:	0.716	1	0.716	0.025	0.874
Within:	5,758.375	203	28.366		
Total:	5,759.090	204			

Table 4

Since data was collected to record the number of males and females taking the survey, and information was gathered to ascertain the respondents' propensity to leave (see table 5), comparisons were made among the two major categories of groups (stay or leave) and their subsets (male or female). Enterprising tendency was higher for the group wanting to leave Eastern Kentucky than the group wanting to stay. Enterprising tendency was higher for the males from both groups than for the females from both groups.

Number	233	114	119	98	50	48	107	50	57
Category	Entire Group	Male	Female	Plan to Leave	Male	Female	Plan to Stay	Male	Female
Enterprising Tendency	31.92229	32.04002	31.77682	32.26409	32.64524	31.8829	32.14572	32.5787	31.71273
Need for Achievement	6.90717	6.81569	6.98532	6.98313	6.80357	7.16270	6.85926	6.95000	6.76852
Need for Autonomy	2.98004	2.97054	2.98817	3.02302	3.10060	2.94544	3.10613	3.17130	3.04097
Creative Tendency	6.88761	7.09657	6.69475	7.13353	7.51310	6.75397	6.87905	7.06250	6.69560
Calculated Risk-Taking	7.09808	7.08605	7.02990	7.01637	7.10417	6.92857	7.07674	7.12037	7.03310
Locus of Control	8.04939	8.07117	8.07869	8.10804	8.12381	8.09226	8.22454	8.27454	8.17454

Table 5

However, these scores are not statistically significant and simply indicate the group as a whole does not rank highly in the five characteristics of enterprising tendency or enterprising tendency itself. The only significant difference in scores occurs in the category of creative tendency. This is evident when comparing the mean score of males who plan to leave (7.51310) to mean score of females who want to stay (6.69560). ANOVA was performed to test for significance between these groups (table 6). A p-value less than .05 indicates there is a significant difference among the groups. The p-value is .035. There appears to be a difference between the males who plan to leave (7.51310) and the females who plan to leave (6.75397). ANOVA was also performed to test for significance between these groups (table 7). A p-value less than .05 indicates there is a significant difference among the groups. The p-value is .055

	SS	df	MS	F	p
Between:	17.801	1	17.801	4.541	0.035
Within:	411.599	105	3.920		
Total:	429.400	106			

Table 6

	SS	df	MS	F	p
Between:	14.113	1	14.113	3.760	0.055
Within:	360.301	96	3.753		
Total:	374.414	97			

Table 7

Discussion

The other primary goal of this research was to measure the entrepreneurial attitude of high school seniors in Eastern Kentucky. The results of the survey show the majority of the respondents are in the medium range with very few in the high range. Some of the contributing factors to this are the rather high proportions in the low ranges of Need for Achievement and Creative Tendency, and low proportions in the high ranges of Need for Achievement, Creative Tendency, and Calculated Risk-Taking. The high range for enterprising tendency is 44-54, the medium range is 27-43, and the low range is 0-26. The mean for this sample is 31.9223 which is in the lower end of the medium range. The standard deviation is 5.4235. These findings indicate the enterprising tendency (entrepreneurial mindset) of high school seniors, at least the participants in this study, is not high.

However, entrepreneurship can be taught. Recognizing an opportunity, solving a problem, developing an appropriate solution for the problem, constructing a business model, acquiring the necessary resources, starting the venture, and growing the business are skills (i.e. competencies) anyone can learn (McGuigan, 2016; Morris et al., 2013). Research has shown an entrepreneurial mindset and entrepreneurial abilities can be fostered through education (Martin, McNally, & Kay, 2013; Rauch & Hulsink, 2015; Schenkel, D'Souza, & Braun, 2014). An important distinction to state here is the difference in business education, knowledge and skills, versus entrepreneurial education, knowledge, and skills. All the participating high schools are rated as either proficient or distinguished by the Kentucky Department of Education. Two of the schools are in the 96th and 97th percentile. All of these schools teach business courses. However, business education and entrepreneurship education are not synonymous (Morris et al., 2013; Morris & Kaplan, 2014). Entrepreneurial experience has been shown to contribute to the development of human capital and enhance skills and abilities which positively impact future career opportunities (Burton, Sorensen, & Dobrev, 2016; Parker, 2013; ToftKehler, Wennberg, & Kim, 2014).

So, what can be done to ameliorate this condition? It seems prudent to suggest that entrepreneurship education should become an integral component of the K-12 curriculum because it is action-oriented and contributes to the development of capabilities which serve to enhance one's ability to navigate the world and are beneficial throughout one's career (Krueger, 2009; McEwen & McEwen, 2010; Studdard, Dawson, & Jackson, 2013). This already occurs

in metropolitan areas. The rural areas, especially Central Appalachian Eastern Kentucky, need to adopt similar practices and policies in order to prevent further population and economic decline.

Limitations and Future Considerations

An increase in sample size, including a larger selection of high schools, may provide a more accurate representation of the attitudes of high school seniors in this region. Another relevant demographic question to ask is if the respondents have considered starting a business. Additional research may be conducted by teaching an entrepreneurship program to a group of high school students including pre and post surveys to see if enterprising tendency increases and by how much. Additional research may be conducted comparing the survey results of a group of Eastern Kentucky high school students to the results of a group of metropolitan Kentucky high school students for possible differences. Many instruments exist to measure entrepreneurial attitude. Research utilizing other surveys and tests could yield different results.

So What

The results of this study affirm the observations and assumptions of the researchers. The majority of high school seniors tested do not possess an entrepreneurial mindset and do desire to leave the region. These insights have been considered a call to action. It has been proven entrepreneurship education affects students' entrepreneurial attitudes, entrepreneurial competencies, and desire to become entrepreneurs (Abu Talib et al., 2012; Harris et al., 2008; Morris et al., 2013). It has also been proven entrepreneurship positively impacts economic development, even in rural areas (Ghio et al., 2015; Mojica, Gebremedhim, T., & Schaeffer, 2010) and is a powerful driver of job growth (Decker et al., 2014). Therefore, an entrepreneurship program has been constructed, partnerships developed, and resources allocated to teach a ten-week entrepreneurship program to seven high schools in far Eastern Kentucky. Ideally, entrepreneurship curriculum will become compulsory throughout K-12 education. This is not thought to be a panacea, but it is a start in a positive direction for this region. Many other policies and changes must be enacted to support education, entrepreneurship, and economic development if long-term substantive improvement is to be achieved.

Conclusions and Implications

To summarize the findings of this research: entrepreneurship contributes to economic development. Eastern Kentucky is desperate to implement measures to stimulate economic development. The region has highly ranked high schools teaching business courses, but they do not teach entrepreneurship. The students surveyed do not rate highly for enterprising tendency, need for achievement, creative tendency, calculated risk taking, locus of control, or need for autonomy. Entrepreneurship education is shown to positively impact academic success, attitude toward entrepreneurship, intention to become an entrepreneur, business skills, and desirability by employers. It is logical to teach entrepreneurship in Eastern Kentucky at the K-12 level as one initiative in an attempt to improve the mindset of the youth. This will aid in the

formation of an entrepreneurial ecosystem to enhance economic development in the region by enlightening each successive generation to the possibilities of creating their own opportunities for career in their home towns, as opposed to the continued migration of young adults to other communities for education, career, and contributions to society.

In conclusion, this research has provided results important to the fields of entrepreneurship, education, and economic development as they pertain to rural areas with traditionally non-diverse economies, similar to the conditions of Central Appalachian Eastern Kentucky.

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Academic Education in Small Business Management: The Case of the First Program in Israel

Shaiké Marom, Western Galilee College
Robert Lussier, Springfield College

Abstract

The first academic program in Israel with a concentration in small business management, as part of bachelor's degree in management, was launched with accreditation by the Council for Higher Education of Israel in 2016. The objective was to provide an education that will increase the success of entrepreneurs and small businesses, in known aspects that are not implemented by government and policy makers. The article provides details on a unique methodology and considerations that served to design the structure and content of the program and courses. This methodology and design could serve as a benchmark for similar programs elsewhere.

Key words: Entrepreneurship education, Small business management, Bachelor's degree in management, concentration in small business management, Development of entrepreneurial education program, Small and medium-sized enterprises,

Introduction

Small and Medium-size Enterprises (SMEs) have been recognized by governments worldwide for their contribution to the economy stability and growth, export activity, employment and new job creation, and social cohesion and development (Campbell & Heriot, 2011; Morrison, Breen & Ali, 2003; OECD, 2004; Sánchez-García et al., 2013). Unfortunately, the failure rate of small businesses is high globally. Since entrepreneurship leads to economic growth, there is a need for more successful entrepreneurs to grow economies, while decreasing the failure rate that waste valuable resources.

According to the Small Business Authority of Israel (SBAI, 2016), as of 2015 there were about 502,000 active SMEs in Israel, constituting more than 99.5% of the total businesses in Israel, accounting for 50% of the workforce in the private sector, and for 50% of the country's' GNP, created about 77% of new jobs in the private sector and about 15% of exports (SBAI, 2016). Thus, SMEs are a major part of the country economy. Out of the total number of SMEs, about 75% employ up to four people, 14% employ 5 to 20 people, and the rest employ more than 20 people.

SMEs in Israel have low survivability (SBAI, 2016). During 2015 there was around a 3% growth rate, as a total of 54,000 SMEs opened; however, at the same time about 44,500 SMEs were closed (DBI, 2016). The five-year survivability rate of small business in Israel stands about 58%, which is significantly lower than the average in the OECD (SBAI, 2016). This low survivability is attributed to various barriers facing the sector of SMEs. Those barriers can be separated into two categories – external and internal.

External barriers are those factors that cannot be influenced directly by the owner of small business, but rather by government institutions that are setting various regulatory conditions and other institutions. The main external barriers faced by small businesses in Israel include a high level of bureaucracy and regulatory and Institutional constraints, availability of credit and financial resources, barriers to public sector tendering, high taxation and complexity, burdensome tax regulation and tax levels, low transparency and accessibility to information, and lack of sufficient social security arrangements for the self-employed. Most of those issues are subject to government policy with regard to the SME sector, and the individual owners have little if any direct influence over them.

Internal barriers are those factors that are highly dependent on the owner-manager. Those factors, which strongly affect the success or failure of the small business, include industry experience, management experience, marketing experience, level of education and professional financial controls (Marom & Lussier, 2014).

Those findings provide a clear indication that one way to increase the survivability level of small business is to take action to increase the overall management knowledge of the owner-manager. There are two parties that should be interested in increasing the management knowledge of the owner and managers of small businesses – the individual owner or owner to be and the government. Owners would probably be the most interested party in acquiring management knowledge through which they can assure higher rate of success and reduce the risk of business closure. For small business owners, there is no incentive to invest resources – capital, time, energy, and other personal costs if there is a high probability of failure.

Policy makers and government institutions form the other interested party in providing owners with management skills, through which they can push toward higher survivability rate of SMEs; contributing to the growth of the sector that has an important role in the national economy. There are three channels through which such goal can be advanced – training, advising, and educating. The Small Business Authority of Israel (SBAI), which is the main government agency tasked to support the SME sector, is conducting both advising and training programs. The 2015 annual report (SBAI, 2016) reveals that the agency has provided nation-wide advising and training to 25,000 entrepreneurs and small business, comprising of 11,500 entrepreneurs, 9,500 micro businesses, 1,900 small business and 2,000 medium-size businesses; spending about \$ 50 Million.

The Government of Israel is also allocating significant budgets in support of higher education. For the 2015-2016 academic year, the higher education support budget stands at \$2.5 Billion (CHEI, 2015). The Council for Higher Education of Israel (CHEI) is responsible for the allocation and use of that budget, via its 'Planning and Budgeting Committee' (PBC). However, as far as education programs are concerned, the CHEI deal mainly with accreditation and quality assessment and assurance rather than initiating new programs to teach management skills to the SME sector.

Given the importance of wide knowledge in management of small businesses to increase their chances of success, it is crucial to direct efforts in providing the required knowledge. The advising and training provided by the SBAI is limited in coverage and would normally deal with current issues facing the business, as well as relating to the specific short time interval during which such aid is provided. This aid is very limited in its impact over time, due to today's turbulent business environment driven by globalization and technology. Therefore, a much more effective route would be to provide SME owner-managers with management skills so that they can rely on their own knowledge and develop action plans suited to the changing environment. Such wide management knowledge would best be acquired through academic programs.

Israel ranks third in the world in the number of academic degrees per capita (20% of the population). The academic system in Israel is quite large with about 62 academic institutions - universities and colleges, serving a population of 8 million people. The country ranks fifth among OECD members in expenditure on educational institutions as a percentage of GDP, spending 7.3% of its GDP (OECD, 2014).

Around 15 academic institutions run programs in business management, with some variations and some specific concentrations. However, none of them had any programs in management that focuses on developing SME management skills. This situation reflects a contradiction between the importance of the SME sector, making up 50% in the economy including GDP and jobs, however with no small business management training in academic studies.

Literature Review

Entrepreneurship education has grown tremendously during the last 50 years as a result from the recognition of the important role that entrepreneurship and small businesses play in national economies (Kuratko, 2005; Pittaway & Penaluna, 2013; Solomon, 2007). It is estimated that today some 1,600 schools in U.S. provide entrepreneurship education, while offering more than 2,200 small business management and entrepreneurship courses (Charney & Libecap, 2000; Kuratko, 2005; Solomon, 2007). Those are provided through diverse range of educational programs from a single elective course to bundle within concentration, to two-year and four-year degree programs (Solomon, 2007). Traditionally, entrepreneurship education has developed within business schools being the main subject area for such education, although the differences between large corporation and small business management have been recognized (Davis et al., 1985; Solomon, 2007).

The growth in emphasize and popularity of entrepreneurship education has produced a lot of media attention including various ranking surveys attempting to serve a community of stakeholders. For example, the Princeton Review has published a survey on top schools for entrepreneurship studies for 2016 that rank the best 25 undergraduate and 25 graduate schools for entrepreneurship studies, out of more than 300 schools surveyed (Princeton Review, 2016). The survey lists Babson College, Brigham Young University and University of Houston as top 3

for undergraduate schools respectively; and Harvard University, Babson College and University of Chicago as top 3 for graduate schools respectively.

Can entrepreneurship be taught?

A fundamental issue and on-going debate has been the question of whether entrepreneurship can be taught (Solomon, 2007). Many scholars have argued that entrepreneurs cannot be created through education, although some education can contribute to the skills of born entrepreneurs (Adcroft et al., 2004; Henry et al., 2005; Solomon, 2007). Those arguing that entrepreneurs are born, not made, claim that the unique characteristics of entrepreneurs, such as creative skill, chaotic thinking and energy and passion towards the creation and implementation of new ideas; cannot be acquired through education (Garavan & O’Cinneide 1994; Henry et al., 2005; Solomon, 2007). Others pointed out that although the entrepreneurial and managerial domains are not the same, there are some overlapping areas that can be taught (Ireland, Hitt & Sirmon, 2003; Kuratko, 2005; Kuratko & Hodgetts, 2004). Thus, there is no consensus whether entrepreneurship can be taught and what constitutes effective entrepreneurship education (Kuratko, 2005; Pittaway & Cope, 2007; Solomon, 2007).

Program Curriculum

Consequently, there is also a lack of consensus on the content of entrepreneurship education; and thus little uniformity exists between the various programs (Henry et al., 2005). Given the understanding that entrepreneurship education is not the same as business education (Solomon, 2007), it is argued that entrepreneurship education should aim at providing entrepreneurial skills and promote entrepreneurial behavior (Solomon, 2007). Such goals call for studies on opportunity identification, feasibility analysis, innovative tactics, new venture planning, succession planning for family businesses, financing and operating, market development, and creative strategies; together with experiential learning such as behavioral simulations, interviews with entrepreneurs and student business start-ups (Crispin et al., 2013; Kuratko, 2005; McMullan et al., 1985; Shepherd & Douglas, 1997; Solomon, 2007; Sonfield & Lussier, 2014).

Pedagogy

In addition to entrepreneurship content, there is a need to design effective teaching techniques (Solomon, 2007). What is needed is "a more proactive, problem-solving and flexible approach rather than the rigid, passive-reactive concept and theory-emphasized functional approach" (Plaschka & Welsch, 1990, p. 62). In general, the approach toward entrepreneurship education should be based on action, practice and participation (Neck & Greene, 2006), as well as active learning outside of the classroom (Heriot, Cook, Matthews & Simpson, 2007; Heriot, Cook, Jones & Simpson, 2008), aimed at promoting individual thinking and creativity that eventually will help to develop their right brain entrepreneurial skills (Gorman et al., 1997; Kirby, 2004; Heinonen & Poikkijoki, 2006). In this respect, 'old school' education which is based on highly structured lectures, literature reviews and examinations would actually stultify the development

of entrepreneurial attributes (Gibb, 2002; Kirby, 2004; Heinonen & Poikkijoki, 2006; Sogunro, 2004). Some schools have adapted a more proactive learning methods including learning by doing participating (Heinonen & Poikkijoki, 2006). However, it remains unclear to what extent such methods contribute to produce graduates that will become successful entrepreneurs (Pittaway & Cope, 2007).

Distinction between Small Business and Entrepreneurship

The concepts of small business and entrepreneurship are not the same although there is considerable overlap between them (Carland et al., 1984). Frequently, the term entrepreneur is equated with small business; however, this is not the case (Gibb, 1996; Kirby, 2004). While small business owners focus on providing family income and may not grow through their business lifetime, entrepreneurs are characterized by their goals of growth and profit achieved through strategic planning (Stewart et al., 1999). In the same token, not all new businesses are entrepreneurial in nature, and not all owner-managers are entrepreneurs (Kirby, 2004). Innovation, which is at the core of entrepreneurs, is one factor that serves to distinguish entrepreneurs from small business owners (Carland et al., 1984).

Carland et al. (1984) have suggested the following definitions to distinguish between Small Business and Entrepreneurship:

"Small business owner: A small business owner is an individual who establishes and manages a business for the principal purpose of furthering personal goals. The business must be the primary source of income and will consume the majority of one's time and resources. The owner perceives the business as an extension of his or her personality, intricately bound with family needs and desires."

"Entrepreneur: An entrepreneur is an individual who establishes and manages a business for the principal purposes of profit and growth. The entrepreneur is characterized principally by innovative behavior and will employ strategic management practices in the business."

From the discussion above, it is understood that the terms "entrepreneur" and "small business manager" are not the same, and that entrepreneurs play a different role and have to possess different skill set than a small business manager. While establishing the distinction between small business and entrepreneurship, it is evident that the question of whether entrepreneurship can be taught, does not apply to small business management. In fact, there is clear evidence that education, including planning and other managerial knowledge, had a positive effect on the success of the small business. (Marom & Lussier, 2014; Simpson et al., 2004).

With the global recognition of the importance of SMEs contribution to economic growth and employment, and the rapid growth in entrepreneurship education in the U.S. and other countries, one has to question why the Israeli higher education system has not followed the lead to provide

more SME courses and degree programs. The program emphasize has been on small business management rather than on entrepreneurship education although some aspects of the later have been included.

Objective and Rational

In 2015, the Western Galilee College (see table 1) rose to the challenge by establishing the first program in Israel to offer a bachelor's degree in business management with a concentration in SME management.

The objective and rational for establishing a SME concentration included:

- a. The recognition of the importance of the SME sector.
- b. The need to increase the success rate for small businesses.
- c. The need to bridge the gap between academic programs and the needs of SMEs.
- d. To fulfill an additional role of academy beyond its educational mission in actively engaging communities and society for mutual benefits.
- e. To create a knowledge center for small businesses in Israel.
- f. To establish joint activities with other stakeholders in the SME sector.

To establish a program offering a major in management with a concentration in SME management, the College prepared an elaborated design of the degree program. In November 2015 the Council for Higher Education of Israel approved the program, and the first cohort with 21 students started studies in the February 2016 semester.

Table 1. About Western Galilee College

Western Galilee College (WGC) leads the northern region in Israel as a center for academic excellence, advancement, and opportunity. Established in Akko, the college is at the heart of the rich cultural heritage of the Galilee. The college values high academic standards, and supports a culturally diverse and intellectually dynamic community.

The Sir Harry Solomon School of Management was established with the vision of empowering the Galilee, by educating and providing the region with skilled management professionals. Shaping leaders in a culture centered on excellence and innovation, this competitive program imparts graduates with the academic theory and practical experience needed to succeed in a globally competitive marketplace.

Design of the Program: Principles and Content

4.1 Program Framework

The design of the bachelor's degree program with concentration in small business management took into consideration three main aspects: 1) requirements by the Council for Higher Education, 2) content that contribute to the success and survivability of small businesses, and 3) pedagogical and other consideration.

Adhere to requirements by the Council for Higher Education: The design had to follow the guidelines of the CHEI with regard to the structure of concentration within a bachelor's program. Accordingly, the weight allocated to the specialization courses was set to 25 points out of 120 credit point to complete the degree. The students have to study seven courses within the specialization, with three credit points each, and one seminar course of four credit points; to be accredited for the concentration. Additionally, the regular practicum course, with four credit points, is done in small businesses. Thus, the effective total points for the specialization are 29 with is about 25% of the total degree points (Table 2).

Table 2. Structure of concentration program

Courses	Credit Points
Core Curriculum in Management	83
SME Concentration Courses	21
SME Seminar Course	4
Practicum in SME	4
General Studies	8
Total points for Bachelor's Degree	120
Total SME concentration points	29

4.2 Content of the specialization courses:

Methodology: Special attention has been given to the design of the specialization courses and their content, with the understanding that this sets the foundation of success of the whole program. Therefore, a special methodology was used in order to assure that the goals of the program are achieved through the courses that have been designed. Aiming to achieve higher success and survivability of SMEs, the starting point was the list of barriers to, and critical success factors of, small business. This list served for a process of reverse thinking, somewhat similar to 'reverse engineering', to come up with the required subject areas and content of the

courses that will help to overcome barriers and foster success factor. The conceptual framework of this methodology is depicted in figure 1.

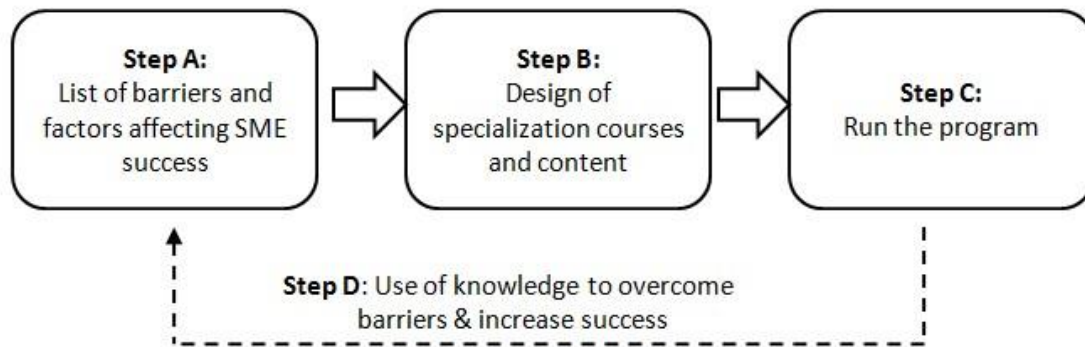


Figure 1. Methodology of Program Design

We constructed a list of barriers and factors that have been found to be good predictors of success or failure of small businesses in Israel (Marom & Lussier, 2014). Using this methodology - output to input reverse design, we constructed this plan of courses and their content. The process of design is depicted in figure 2 and the end result of planned courses is listed in table

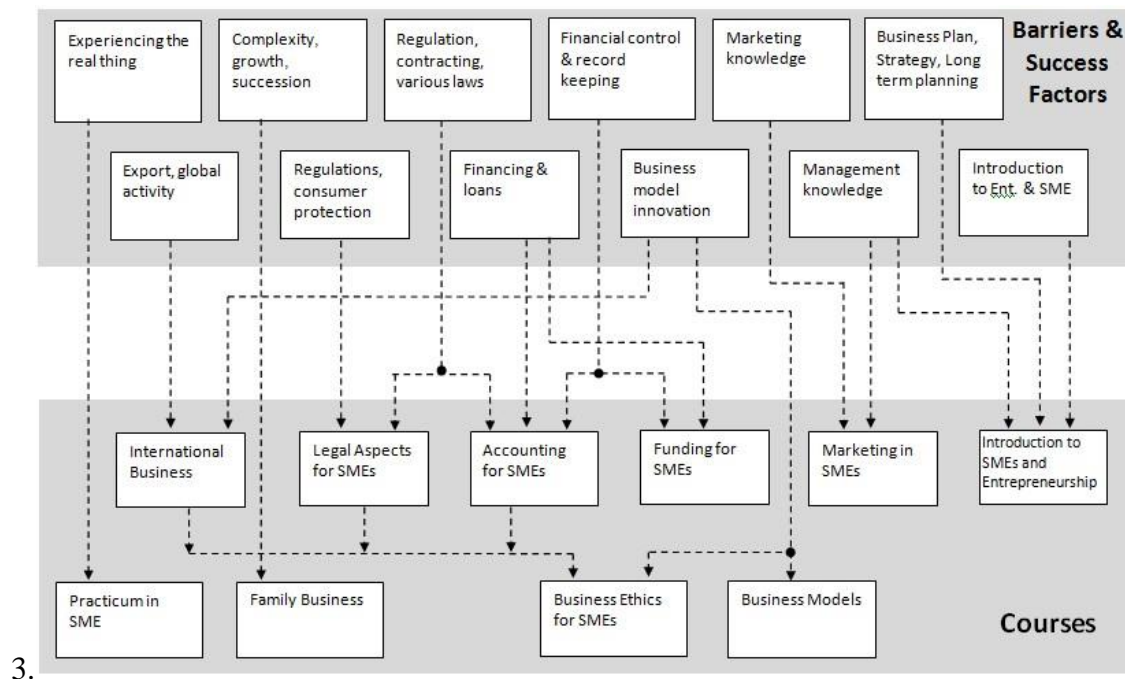


Figure 2. Using the reverse methodology to design courses

Table 3. List of courses for specialization in SME management

Course	Deal with barriers / Knowledge to boost success
Introduction to Entrepreneurship and Small Business	characteristics, barriers, business plan, innovation, competitive edge, etc.
Marketing for SMEs	marketing plan, target markets, forecasting, e-commerce, customer relations, social networks, etc.
Funding for SMEs	sources of financing, debt or equity, startup capital, loans, bank financing, government loans, etc.
Small Business Accounting	accounting, bookkeeping, costing, pricing, cash flow, financial performance, tax issues, etc.
Legal Aspects for SMEs	legal forms, regulations, contracts, tax, corporate law, labor law, consumer protection laws, etc.
Business Models	business model innovation, freemium, long-tail, sharing economy, disruptive innovation, etc.
International Activity	internationalization, export, international commerce, cooperation, procedures, etc.
Family Business	managing the complexity, vision and growth, long term planning, succession planning, etc.
Business Ethics for SMEs	integrity and ethics, social responsibility, reputation, stakeholders dialog, natural environment, etc.
Practicum in SME	applying the knowledge and gaining experience in a SME

4.3 Additional Design Considerations

The design of the program took into consideration the following aspects:

Pedagogical approach: The program utilizes active learning and experiential learning to engage students in higher-order thinking to develop knowledge, skills, and attitudes (KSA) to successfully manage SMEs. The program is designed to use various active/experiential learning methods including small group discussion and task, case study, class discussion, simulations learning cell, structured debate, and a practicum to apply the KSA developed in the classroom setting while gaining experience in a SME.

Additionally, most of the courses include guest speakers to promote integration of academic content with 'real world' inputs. Invited guest speaker come from the various stakeholders of the SME sector, including entrepreneurs, small business owners, association, small business administration, financial institutions, and others.

Up-to-date global technology content: The content of the courses has been design to account for the modern business environment, aiming to equipped students with relevant knowledge that is highly relevant and useful once they graduate and work in SMEs. Thus, the content of the various courses address issues stemming from globalization, technology – computers, Internet, smartphone, applications; social networks, e-commerce, digital banking, modern business models – such as freemium, long-tail, sharing economy, collaborative consumption, blade & razor, customization, as well as disruptive innovation, business model innovation, open innovation and more

Practicum: The practicum is aimed to provide real-world hand-on experience enabling the student to get acquainted with the actual activities and scenarios in small business management. Students will be assigned to small businesses during their third year of the program. During the practicum students will visit the business to conduct observations, interviews, and watch various activities. Following visits to the business, student will provide reports on their findings and lessons learned. Additionally, students are required to engage in small group discussion to share their experience. Each group of students will have a supervisor from the staff of the program

Cooperation with Stakeholders: Being the first academic program in the country that deals with promoting small business management skills, it was highly important to have the support and involvement of various stakeholders within the SMEs sector; sharing the same interest of promoting the sector. Thus, cooperative relationships have been established with various associations including the branch of small and medium sized industry within the Manufacturers Association of Israel (MAI); LAHAV - the umbrella organization for independent businesspeople that represents the self-employed and small and medium businesses; and the Federation of Israeli Chambers of Commerce (FICC). Other stakeholder parties have also been engaged in the activity including financial institutions such as Bank Hapoalim, Israel's largest

bank. Those stakeholders have also served as an excellent vehicle promoting the program, recruiting students, and funding scholarships.

Staff: Lecturers with strong SME industrial and business managerial experience have been recruited to teach in the program to provide 'real world' experience to contribute to a high quality of teaching and learning (Plaschka & Welsch, 1990).

Research: The concentration program in SME management will serve also as a platform for academic research in this field. Such research will draw on the activities of the department with the involvement of students mainly through their activity in the seminar and practicum.

Conclusion and Implications

Small and medium sized businesses in Israel form an important component within the national economy, responsible for around 50% of the GDP and jobs in the private sector. Therefore, there is a national goal to promote growth of this sector to boost the economy and create more new jobs. However, this goal is not being accomplished because SMEs in Israel continue to exhibit low survivability with less than a 3% adjusted growth rate due to the large number of businesses that fail. In fact, Israel has the lowest five-year survivability rate among the OECD member countries. This low survivability is attributed to multiple barriers that small businesses are facing; including regulatory barriers as well as factors that depend on the owner-manager of the business. Therefore, management education of SME owners and managers is a critically important success factor for small businesses that is not being implemented by government and policy makers. Thus, colleges and universities can help fill this gap by offering more SME management educational programs that will contribute to local communities and nationwide economic growth.

Despite having comprehensive academic education in Israel, with a large number of institutions and management studies, there has not been a single management program that focuses on small business management. Thus, the Western Galilee College (WGC) stepped up and established the first program in Israel offering a bachelor's degree in business management with concentration in small business management, which has been accredited by the Council for Higher Education of Israel.

A systematic methodology has been used to devise the courses and contents for the SME concentration program. The methodology used, as a starting point for the design, the known barriers and failure parameters of small businesses in Israel, as found in previous research (Marom & Lussier, 2014). This research identified specific subject areas that if included in the educational program, will provide owners and managers-to-be knowledge, skills, and attitudes to cope effectively with the various difficulties of starting and managing a successful SME.

The same concept and methodology may be helpful to academic institutions in other places, to set up similar programs for education on entrepreneurship and small businesses. In using this

methodology elsewhere, it is essential to have a precise and specific knowledge about the various factors that affect the success of such businesses at the target location and business and political environment. Additionally, other design considerations that have been used in the WGC case, could serve as guidelines for design elsewhere. Those considerations can include the structure of the concentration program, pedagogical approach, up-to-date content, a practicum, cooperation with stakeholders, staffing and inclusion of research activity.

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The boardroom diversity policies of smaller public companies in Europe: A comparative study of the proportion of female directors and accounting executives within German and UK boardrooms

Juliane Mann, Crowe Horwath LLP
Andrew Holt, Metropolitan State University of Denver

Abstract

Gender diversity within corporate boardrooms now faces increased scrutiny by stakeholders within many jurisdictions, and countries have implemented programs designed to increase the proportion of female directors in large public companies. While the implications of these policies have been studied, the diversity policies of ‘smaller’ public companies are unexplored and the subject of this paper. The paper conducts a comparative analysis of two national diversity initiatives, the Equal Participation Law in Germany, and the diversity requirements within the UK Corporate Governance Code. While compliance with all of these requirements is only mandatory for larger public companies, smaller entities may do so on a voluntary basis. This study focuses on the boardroom diversity policies of ‘smaller’ public companies across five industrial sectors in Germany and UK, including micro, small and medium sized entities as defined by the EC.

The duty to report on boardroom diversity levels was introduced by the 2010 German and UK corporate governance Codes. As a result, financial statements published in 2011 were the first to include such data, and diversity information from this period was compared to the most recent data for each company. In total, boardroom diversity data for a total of 242 UK and German public SMEs was hand collected from financial statements published in 2011 and 2014. The comparative analysis suggests that the UK’s approach for promoting boardroom diversity has been more successful in enhancing the level of female representation within management boards. In terms of sector specific diversity, the Financial Services, Software & Computer Services and Media sectors provide the highest proportion of female executive positions in both countries. In summary, in contrast to the German legislative approach, the UK’s voluntary initiatives for increasing gender diversity appear to have had a greater influence on boardroom diversity within small public SMEs.

Introduction

Public companies throughout Europe are facing increased scrutiny over the level of gender diversity within their boardrooms. In 2003, Norway was one of the first countries to introduce policies designed to increase the percentage of women in corporate boardrooms, and several other European states now mandate, either on a legislative or voluntary basis, for greater female representation within the boards of public companies. While these initiatives are admirable, most target the very largest public companies, and do not apply to smaller and medium sized public-listed enterprises (SMEs). As a result, it is no surprise that the majority of the existing literature

(Ansón, 2012; European Commission, 2012; European Commission, 2015; Fagan and Menéndez, 2012; Holst and Kirsch, 2015; Seng, Fiesel, and Rütgers, 2013) focuses on boardroom diversity within large public companies. In contrast to prior work, this present study investigates the comparative gender diversity policies of small and medium sized public companies within two countries, Germany and the UK. In Germany, legislative gender quotas have been imposed on large public companies, while in the UK, larger public entities need only disclose information about their boardroom diversity policies and gender targets. In order to obtain a better understanding about the overall efficiency and differences between national gender diversity policies, the paper starts by comparing the policies adopted in Germany and the United Kingdom (UK). While small and medium sized public entities in both countries are not required to abide by the requirements imposed on their larger counterparts, these smaller entities are the proving grounds for qualified, up-and-coming executives – both female and male. However, little is known about the level of gender diversity within their boardrooms, especially with regard to the number of women holding accounting-related executive positions. This paper provides much needed data on these issues, by reviewing the current level of gender diversity at 242 smaller public companies, including 165 and 77 from the UK and Germany, respectively.

Literature review

The European Commission (EC) has been particularly active in demanding more women in corporate boardrooms. In 2011, Viviane Reding, Vice-President of the EC, and EU Commissioner for Justice, Fundamental Rights and Citizenship, urged EU public companies to support a voluntary commitment to increase female representation on boards. This voluntary initiative, entitled the “Strategy for Equality between Women and Men”, was published in September 2010, and aimed at increasing female participation in corporate boardrooms to 30% in 2015, and 40% in 2020 (European Commission, 2012). While the EC wished to encourage voluntary compliance by public companies, the regulators made it clear that more stringent diversity measures would be introduced should the voluntary approach fail to deliver the intended results.

In 2015, the findings of the EC’s annual “Gender Equality” report showed that female representation on the boards of the largest EU public companies had only reached 22.7%, below its original 30% target (European Commission, 2016). Because of this poor diversity performance, the EC has threatened to impose a European-wide gender quota Directive for large public companies, and a meeting was held in December, 2015 to vote on this new regulation. In a rather surprising move, certain EU member states that welcomed the original 2010 voluntary diversity agreement, voted against the new Directive and its initiatives for EU-wide boardroom quotas (Holst and Kirsch, 2016).

As recent developments show, the EC has been very active in fostering gender parity in boardrooms, especially when compared to regulators in other national jurisdictions. Many reasons can explain the EC’s active stance on diversity. According to the EC (2012), although

56% women undertake a tertiary education in Europe, many of them fail to reach high-ranking executive positions. For example, in 2012, females provided 45% of the total EU labor force, but held only 14% of total directorships on the boards of the largest EU publicly quoted companies (European Commission, 2012). While this percentage increased to 23% in 2015 (European Commission, 2016), there is ongoing political pressure for further action on boardroom diversity in Europe, and certain EU member states have undertaken their own initiatives to foster gender representation.

Norway – The European Pioneer of Gender Diversity

Research conducted by the EC (2012) suggests that Scandinavian countries lead the way in increasing the number of women on corporate boards. Norway has been particularly successful, and along with a France, Belgium, Italy and the Netherlands, has chosen to enact laws to improve gender balance on company boards. Norway was the first country to introduce such legislation in 2003, and this established a 40% target for gender diversity on corporate boards. The Norwegian legislation was originally voluntary, but became mandatory in 2006. All Norwegian public limited companies, and a range of other entities, must have a minimum female or male representation on their boards of 40%. The penalties for non-compliance are stiff, as an entity may be dissolved for failing to comply. As a result, Norway achieved its 40% goal in two years after its boardroom diversity law was enacted (European Commission, 2012). While it was originally thought that there were insufficient numbers of suitable qualified Norwegian woman to reach this target, Norwegian companies utilized a number of novel approaches to simplify the search for qualified women (Seng, Fiesel, and Rütgers, 2013).

Norway provides a clear example of how gender equality on company boards can be increased using hard targets and stringent sanctions. According to the EC's (2016), the representation of women on the boards of Norway's largest companies increased to 42% in 2012, and stood at 39% in 2015. Even though female representation levels may vary, it does appear that the diversity quota is now accepted as part of normal business practice (Seng *et al*, 2013). However, as no research has investigated whether increased boardroom diversity at Norwegian companies has affected shareholder value and corporate governance, it remains to be seen as to whether this change has benefited stockholders.

Other European countries have also utilized legislative 'hard-laws' to create a gender balance on corporate boards. France and Belgium passed binding quotas with sanctions in 2011 (EC, 2012). In Belgium, publicly listed and state owned companies are required to have one third of the 'minority sex' as board members. France requires companies listed on the stock exchanges as well as companies with over 500 employees to have a minimum of 20% female board members by 2014, and 40% by 2017. In France the sanctions for non-compliance are high, and include the nullification of board elections and the suspension of director benefits (EC, 2012).

Other European countries have introduced diversity quotas without sanctions. In the Netherlands, companies are required to achieve a gender representation of 30%, however for

non-compliant entities a “comply or explain” approach is utilized rather than stringent sanctions. Germany uses a similar method, which will be discussed in more detail later in this paper. However, the introduction of ‘hard laws’ has not been the only approach to increasing gender diversity, as a number of EU member states, such as the United Kingdom (UK), have enacted voluntary measures to achieve boardroom diversity. These voluntary approaches will be discussed in more detail in section 2.4, but the paper will firstly discuss the varying boardroom structures of European countries and how the ‘hard laws’ on boardroom diversity affect German companies.

One-tier and Two-tier Board Systems

Before reviewing the various legal requirements for boardroom diversity, it is important to acknowledge that there are national differences in how corporate boardrooms are organized and governed. Companies may have either a ‘two-tier’ dual board or a ‘one-tier’ unitary board structure. The characteristics of each governance approach are shown in Figure 1 (International Center for Journalists, 2016). The dual board system is mandatory for German stock corporations under §§ 33, 36(1) and 37(4) of the Stock Corporation Act (Aktiengesetz, 2015). It comprises a supervisory and management board. The supervisory board “appoints, supervises and advises” the management board members (Regierungskommission, 2015, p. 1), and its members are elected by the corporation’s shareholders at the annual general meeting (Regierungskommission, 2015).

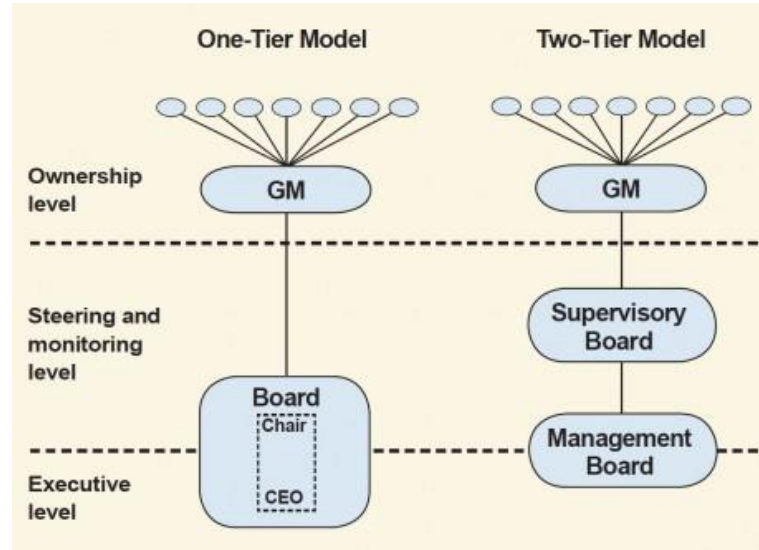


Figure 1: One-tier and Two-tier Board Systems

In contrast, the management board undertakes the daily operations of the company, and is responsible for the management of the entity. It is important to understand that no board member can hold positions on the management board and the supervisory board at the same time (Plessis et al., 2012).

A unitary board consists of both executive directors and non-executive directors, who serve together on one unified board. This one-tier system is prescribed for limited liability companies in the UK. The executive members engage, similar to the management board, in the daily management of the company, whereas non-executive directors (NEDs) fulfill the supervisory role on the board. Even if the two-tier system distinguishes between the managing and supervising board members further by placing them on two separate boards, it becomes apparent that the two board structures used in the UK and Germany are quite similar (Plessis et al., 2012).

Hard Laws - The Case of Germany

Germany is a clear example of an EU state that has driven European wide discussions to strengthen the female representation on corporate boards. Since 2001, the German government has been active in creating equal opportunities for women and men in the private sector. A voluntary agreement with key organizations in the German economy was designed to increase the amount of women in decision-making positions. However, according to Seng *et al* (2013) this agreement only resulted in a small increase in female participation within senior positions in the private sector. The Deutsches Institut für Wirtschaftsforschung (2016) identifies that in 2015 women held 19.7% of total supervisory board positions and 6.3% of executive directorships at the 200 largest German companies. However, as approximately 42% of total German workers are females, the amount of women in higher management positions was comparatively under representative. Seng *et al* (2013) explains that the proportion of women in decision-making positions in Germany varies inversely with the size of the entity, so the proportion of women actually *decreases* when the size of the company studies *increases*. Thus, Seng *et al* (2013) found that the percentage of female executives and non-executives in Germany are highest in small companies with a headcount of up to 50 employees, and declines in firms with more than 500 employees.

Germany prepares for a Gender quota

In 2009, the FDP and CDU/CSU ruling parties with the German Parliament pledged to boost female representation in decision-making positions, such as the management and supervisory boards of German corporations. However, in 2011, the German Chancellor Angela Merkel initially disagreed with plans to introduce a gender quota for German boardrooms. Merely a few months later, she changed her opinion on this issue, and supported the former Federal Minister of Family Affairs, Senior Citizens, Women and Youth, Kristina Schröder (CDU) on the launch of the 'Flexi-Quota' regulation (Seng *et al*, 2013). This regulation required publicly traded companies with co-determination to set their own women quotas for the management and supervisory boards and publish these targets. Companies not adhering to their own quotas would face monetary penalties. However, the opposing parliamentary parties, SPD, Bündnis 90/Die Grünen and Die Linke, favored a national fixed gender quota, rather than a variable voluntary initiative. As a result, in March, 2015, the majority of the German Parliament finally agreed upon the draft law that established a quota of 30% for supervisory boards. Many parties were

saddened about the low percentage adopted, calling the quota a “Quötchen,” and asking “Why so tentative?” (Deutscher Bundestag, 2015, p. 2).

Finally, in May, 2015, the Law on Equal Participation of Men and Women in Private-Sector and Public-Sector Management Positions (*Gesetz für die gleichberechtigte Teilhabe von Frauen und Männern an Führungspositionen in der Privatwirtschaft und im öffentlichen Dienst*) was enacted (Deutscher Bundestag, 2015). According to Article 3 of the Basic Law of the Federal Republic of Germany “Equality before the law” (German Law Archive, 2015), the country is required to “promote the actual implementation of equal rights for women and men and take steps to eliminate disadvantages that now exist” (sentence 2). Sentence 3 of Article 3 demands that “no person shall be favored or disfavored because of sex, [...]” As a result, the law is targeted towards both women and men, as establishing a ‘women only quota’ would violate the German Constitution (Papier and Heidebach, 2011).

The new German legislation has three main requirements:

- (1) A fixed gender quota of 30% for the supervisory board;
- (2) A voluntary commitment for entities to determine gender targets for supervisory boards, management boards and top management; and
- (3) the amendment of statutory law for the public sector (EAF Berlin and KMPG AG, 2015).

This study focuses on compliance with the first two legislative elements, and the next two sections reviews these requirements in more detail.

Fixed Gender Quota of 30% for Supervisory Boards

The 30% gender quota for the supervisory boards of publicly listed companies is mandatory for those entities subject to the Co-Determination Act, the Coal, Steel and Mining Codetermination Law, or the Codetermination Supplementary Act. Co-determination requires that employees must hold 50% of the positions on a company’s supervisory board, with the remainder be held by members elected by the shareholders. Only large companies with more than 2,000 employees must comply with the gender diversity quota, which means that, according to FiDAR (2016), 103 companies are affected by the legislation. Compliance with the quota is required for all director re-elections and deployments of supervisory board seats on or after January 1, 2016. The sanction for non-compliance is the so-called “empty seat”, whereby the next seat available for appointment will remain empty until it is taken by a member of the underrepresented gender.

German Gender Targets

The 2015 German Law on Equal Participation of Men and Women also requires public companies *and* those companies subject to Co-Determination to determine gender targets for the supervisory board, management board, and the two management levels below the management board. The relevant co-determination law for this part of the Act is the *One-Third Participation*

Act, which requires that, where a company has more than 500 employees, its employees must hold at least 33% of the positions on its supervisory board. Unlike the 30% gender quota discussed above, private limited companies must *also* set gender targets in order to adhere to the requirements of the One-Third Participation Act. About 3,500 companies are affected by this legislative requirement (EAF Berlin and KMPG AG, 2015). An interesting aspect of this legislation is that a target minimum does not exist, so companies can choose to set their female representation target at 0%. Furthermore, unless the proportion of women or men on a company's board is above 30%, the entity cannot set its target below the current percentage of female or male board members.

For example, if Company A has a current female representation of 20% on its management board, it is not allowed to set a goal of 18% for the next fiscal period since this is less than its current proportion of women. Conversely, if Company B has currently a proportion of 30%, Company B can set itself a target of 25% for the next term since it has already achieved the 30% target. However, when Company B met its target of 25%, the company cannot go below 25% again (similar to Company A).

Companies were obligated to set their gender targets by September 30, 2015, and must achieve them by June 30 of 2017. After this first initial round of target setting, the next term can be extended to five years.

Unlike Norway, Germany has less stringent sanctions for non-compliance with its gender requirements. Other than the “empty seat” penalty, where a company fails to set targets it is in violation of its reporting requirements the German Commercial Code (§§ 334 HGB), and subject to financial penalties (EAF Berlin and KMPG AG, 2015). As the German legislation was only recently introduced, it is presently unclear if it has a positive effect on boardroom diversity in Germany.

Voluntary gender boardroom initiatives in the UK

Unlike Norway and Germany, the UK has adopted a different approach for fostering gender parity in corporate boardrooms. Instead of new legislation, the UK has used voluntary initiatives to encourage companies to increase gender diversity via the adoption of ‘best practice’. In October 2015, the Lord Davies Report (2015), announced that the very largest UK companies listed on the FTSE-100 had increased female representation on their boards to an average of 26.1%, and had eliminated all-male boardrooms. In 2011, the representation of women on the boards of FTSE-100 companies was only 12.5% on FTSE 100 boards, and as a result, the Davies Review (2011) initiated a voluntary target of 25% for FTSE-100 companies to achieve by 2015. Due to this success in fostering diverse boardrooms, companies were encouraged to achieve a minimum of 33% female directors by 2020 (Davies Review, 2015).

While this recent UK success in using voluntary initiatives is commendable, it has a long history. In 1999, the UK government asked academics at Cranfield University to determine how many

women occupied directorships on the boards of UK FTSE-100 companies (Sealy, Vinnicombe, and Singh, 2008). The results of this study aided discussions about gender diversity, and helped to highlight that women were sparsely represented on the boards of the UK's very largest public companies. Since its 1999 study, Cranfield University now monitors the boardroom diversity practices of over 2,000 companies listed on the main London Stock Exchange. This annual monitoring shows a slow but steady increase in female representation at the majority of larger UK public companies (Sealy *et al*, 2008). However, most of the women on UK boards are appointed as non-executive directors (NED), and between 2000 and 2007 women held only 3.6% of total executive board positions. UK companies adopt a single board system, and the UK Corporate Governance Code (Financial Reporting Council (FRC), 2016) recommends that the boards of large companies should be comprised of a majority of independent non-executive directors. Many companies have more non-executive directors than they do executive board members, so there are fewer opportunities for females to attain executive board positions. For example, Sealy *et al* (2008) observe that many company boards only have two executive positions, whilst the non-executive directorships have increased. As a result, women find it much easier to gain entrance to boardrooms as NEDs rather than executive directors.

Although the proportion of women on the boards of large UK public companies has increased, Sealy, Doldor, and Vinnicombe (2009, p.12) concluded that under “the current rate of change, it will take more than 70 years to achieve gender balanced boardrooms on the UK's largest 100 companies”. As a result, the UK government appointed Lord Davies to issue a review on how to make the participation of women on boards easier. The subsequent ‘Davies Report’ (Davies Review, 2011), encouraged companies to set targets for the years 2013 and 2015 to ensure that talented women had access to the top positions in UK companies. The recruitment industry aided this project by agreeing on a voluntary Diversity Code, which was introduced in June 2011 (European Commission, 2012). The Code gives detailed information on how recruiters should find qualified women for boardroom positions, and is supported by the ‘30% Club’, a non-profit organization promoting gender diversity on corporate boards in the UK. Other voluntary corporate initiatives, such as the “FTSE-100 Cross-Company Mentoring Scheme”, have also helped to enable senior female managers to gain entrance into board memberships (European Commission, 2012).

The UK's approach for tackling boardroom diversity has increased the representation of female board members using voluntary initiatives instead of legislative measures. While the success of this approach in the UK is clear, it is unclear whether such an approach is suitable for all jurisdictions. As a result, more research is needed before it can determine whether a quota with stringent sanctions, a quota with no sanctions, or setting voluntary targets has the most success in fostering boardroom diversity. Each approach has its drawbacks and advantages. However, as long as diversity is prescribed as part of ‘best practice’ in terms of corporate governance, companies will strive to attain a diverse boardroom. As a result, it is perhaps unsurprising that

both Germany and the UK have incorporated boardroom diversity requirements into their national Corporate Governance Codes since 2011.

Diversity requirements within national Corporate Governance Codes

Germany and the UK

Article 20 of the EU Accounting Directive (Directive 2013/34/EU) requires all public-interest entities to include a corporate governance statement in a separate section of the management report. This statement must include:

- details about the national corporate governance code(s) that the entity has complied with;
- essential information about an entity's corporate governance arrangements, such as its:
 - internal control and risk management systems;
 - the shareholder meeting and its powers;
 - shareholders' rights; and
 - administrative, management and supervisory bodies and their committees;
- explanations of the reasons for any departure from a national corporate governance code.

While the UK requires public companies to present their corporate governance statement within the annual report and accounts, other EU Member States, including Germany, allow the required information to be provided on a company's website.

According to §161 of the German Stockholder Act (Aktiengesetz, 2015), public companies must issue a compliance statement in regards to compliance with the German Corporate Governance Kodex (German CG Code). Firms are required to utilize an 'comply or explain' approach, and describe why the boards did not adhere to any of the specific recommendations in the German CG Code. The UK Corporate Governance Code 2016 (UK CG Code) is the German equivalent of the Kodex, and its requirements apply to certain types of public listed companies that have a premium listed equity shares. These listed companies must report on how they have applied the main principles of the UK CG Code in their annual report and accounts and if they have not applied them, they must explain their reasons.

In 2010, the German and UK CG Codes both introduced reporting requirements for companies with regard to their policies and targets on boardroom diversity. In Germany, three recommendations for gender diversity were introduced:

“4.1.5: When filling managerial positions in the enterprise the Management Board shall take diversity into consideration and, in particular, aim for an appropriate consideration of women.

5.1.2: [...] When appointing the Management Board, the Supervisory Board shall also respect diversity and, in particular, aim for an appropriate consideration of women.

5.4.1: [...] The Supervisory Board shall specify concrete objectives regarding its composition [...] These concrete objectives shall, in particular, stipulate an appropriate degree of female representation.” (Ansón, 2012, p.36)

The diversity requirements of the German CG Code did not change until the Equal Participation law was implemented in 2015. The German Code now incorporates the requirements of the new law (Regierungskommission, 2015), although Werder and Turkali (2015, p. 1367) found that 25% of companies did not “appropriately consider women when making executive board appointments” as they failed to comply with the general diversity recommendations for the management board.

In the UK, boardroom diversity requirements were introduced in the 2010 UK CG Code, as “[...] The search for board candidates should be conducted, and appointments made, on merit, against objective criteria and with due regard for the benefit of diversity on the board, including gender” (Ansón, 2012, p.37). As a result, UK companies were encouraged to recognize diversity when making board appointments. The 2012 UK CG Code introduced further diversity requirements, including that companies should explain their board’s policy and targets on boardroom diversity. As in Germany, large public companies must either comply with these requirements or explain the reasons for failing to follow them. Unlike the German Code, the UK CG Code even justifies why diversity in the boardroom is important to good governance. In the preface to the UK Code (FRC, 2016) it is stated that board effectiveness can be achieved with constructive and challenging dialogue which can be enabled through diversity and the elimination of ‘groupthink’. According to the FRC’s (2015) annual report, 98% of FTSE-100 companies now include information about boardroom diversity within their annual report and accounts, and 85% of those companies provide a clear policy on the matter of boardroom diversity.

Prior studies and research focus

While a number of research studies have investigated gender diversity within the corporate boards of large European public companies (Erkut, Kramer, and Konrad, 2008; Heidemann, Landherr, and Müller, 2013; Seng, Fiesel, and Rütgers, 2013), very little is known about the boardroom diversity of smaller public entities. Many of these smaller entities are newly listed on national capital markets, employ very few employees, and often provide the first directorship opportunity for female executives. In order to provide further insight about the boardroom diversity policies of smaller public companies, this study focuses on small and medium sized public companies, as defined by the European Commission’s size thresholds criteria. These smaller entities are the proving grounds for qualified candidates to acquire the skills necessary for boardroom positions in larger companies, and it is important to determine whether there are sufficient numbers of female executives within this type of entity. For the sake of simplicity, small and medium sized public companies will be referred to as SMEs throughout this research, although it must be remembered that the study does not review the diversity policies of privately-held SMEs.

Research about the diversity policies of SMEs is extremely rare, and as result, little is known about the level of boardroom diversity in such entities, and what type of boardroom positions women currently hold. Statistics published in 2016 identify that 68.7% and 54.3 of women in Germany and the UK, respectively, are employed in finance and accounting-related positions (Catalyst, 2016). While these numbers indicate high level of diversity within the finance and legal professions, Seng, Fiesel, and Rütgers (2013) identify that only 8% of directors on management boards of German companies in the finance sector are women. This data suggests that many women holding executive board positions members may have an accounting or finance background. The 2020 Women on Boards campaign (2011, p.1), a national diversity campaign in the United States, states that each member of the board “must be able to read, understand, and offer suggestions and comments on financial statements”, which suggests that women with an accounting background make perfect candidates for an executive position as a Chief Financial Officer (CFOs). Do women actually hold senior accounting and finance positions within the boardrooms of smaller public companies? Furthermore, do women merely hold directorships on supervisory boards or non-executive director positions (NED), or are they reaching management and executive board positions? In order to provide more information about these areas of concern, this project research addresses the following research questions:

1. What is the level of boardroom diversity within small public companies in the UK and Germany?
2. What is the proportion of female executives on the boards of these smaller entities?
3. What proportion of female directors have an accounting background, and do they hold senior accounting or finance-related positions?

While finding answers to these questions will enhance our understanding about the current state of boardroom diversity, it is as important to ascertain whether there are comparative differences in national levels of gender diversity. As a result, the paper explores the differences between the boardroom diversity approaches of German and UK SMEs. These two countries provide an interesting basis for a comparative study, as the jurisdictions have adopted differing regulatory approaches for promoting boardroom diversity, as was explained in the literature review.

Methodology

One of the advantages of researching Germany and UK public companies is that both types of entities are required to publish financial and corporate governance information with a national registrar of companies. Both countries mandate that all public entities publish their annual reports, with the level of disclosure determined by the overall size of the entity. In terms of diversity, Germany enacted a hard law, the Equal Participation Act, which requires large public companies to achieve a 30% gender quota on supervisory boards, and requires diversity targets for public and private companies. In the UK, the 2010 UK Corporate Governance Code introduced a requirement for all companies with a Premium listing of equity shares to acknowledge boardroom diversity when making appointments to the board. While smaller public entities in neither country are not required to comply with these new national diversity rules, the

increased focus on diversity may act as incentive for smaller entities to either establish, or revise, boardroom diversity policies.

As the diversity requirements of the *2010 UK Corporate Governance Code* were effective for financial reporting periods that started on or after from 30 June September 2010, and the German Corporate Governance Code first mentioned diversity in 2010, this paper analyzes boardroom diversity using information obtained from financial and governance statements prepared by small public companies during 2011 and 2014. As a result, the paper uses an event study methodology to ascertain whether the levels of gender diversity amongst small public companies was affected as an indirect result of national diversity regulation being imposed on their larger brethren.

In order to identify our population of smaller public companies, the European Commission’s size company reporting thresholds for SMEs were used to identify micro, small, and medium sized public companies (European Commission, 2015). These thresholds are shown in Figure 2, and utilize three criteria to determine company size: turnover, balance sheet total and average count of employees. If an entity’s employee numbers *and* at least one of the other two criteria are below a reporting threshold, the company is deemed to be that size of entity.

THRESHOLDS (Art. 2)			
Enterprise category	Headcount: Annual Work Unit (AWU)	Annual turnover	Annual balance sheet total
Medium-sized	< 250	≤ €50 million <small>(in 1996 € 40 million)</small>	≤ €43 million <small>(in 1996 € 27 million)</small>
Small	< 50	≤ €10 million <small>(in 1996 € 7 million)</small>	≤ €10 million <small>(in 1996 € 5 million)</small>
Micro	< 10	≤ €2 million <small>(previously not defined)</small>	≤ €2 million <small>(previously not defined)</small>

Figure 2: European Size Threshold (Art. 2 of 2003/361/EC)

In accordance with Article 6 of 2003/361/EC (European Commission, 2015), the determining information must be taken from the consolidated financial statements, where the entity is the parent for a group of companies. An entity is not required to meet all three criteria, and any data points outside of these thresholds renders a company to be a “large” company. For example, Company X has 45 employees during the year, and a turnover of 12 million Euros and a balance

sheet total of 7 million Euro. Company X qualifies as a small entity since the number of employees is below 50, and the balance sheet total is below 10 million Euro. Conversely, if Company Y has 230 employees, but an annual turnover and annual balance sheet total above the threshold of 50 million Euro and 43 million Euro, respectively, then Company Y is not a SME.

Companies using foreign currencies other than the Euro (i.e. Pound Sterling, US Dollar) were converted to ensure comparability with the EU size threshold. As the sampling was conducting in November 2015, the exchange rates used were from November 23, 2015 using information from the European Central Bank (European Central Bank, 2015). The exchange rate for companies preparing their financials in U.S Dollars was 1USD/0.94EUR, and 1GBP/1.42EUR for companies using Pounds Sterling for their annual accounts.

In order to identify the target population of German and UK ‘smaller’ public companies, it was decided to focus on specific populations of companies operating with five specific industrial sectors: Alternative Energy, Beverages, Financial Services, Media, and Software & Computer Services.

In terms of identifying UK companies for each of these sectors, the London Stock Exchange offers a specific market for smaller public companies – the Alternative Investment Market (AIM). Companies listed on the AIM market are relatively small, and are typically new initial public offerings (IPOs). Furthermore, AIM listed companies do not have to comply with the diversity requirements of the UK Corporate Governance Code. In total, data for 165 ‘non-large’ public companies were available on the AIM market for the five sectors.

To identify the German companies, information had to be collected from several regional stock exchanges since the German market for small and medium-sized stock corporations is significantly smaller than that of the UK. These regional stock exchanges included Munich, Stuttgart, Hamburg-Hanover, and Berlin, as well as the main market in Frankfurt. In total, 77 German ‘non-large’ SMEs were analyzed.

Thus, in total, 242 companies were available for analysis. For each entity, the annual reports and accounts for 2011 and 2014 were obtained from FactSet, Companies House in the UK, the Bundesanzeiger (German equivalent of Companies House), or the company’s website. In a number of instances, some of this information was unavailable, as companies had ceased trading or had merged with other entities. In total, 344 usable financial statements were available for the 242 German and UK SMEs. As is shown in Table 1, this provided 263 data points for the UK and 81 for Germany.

The smaller number of German entities relates to the fact that the majority of German companies are privately owned, rather than publicly listed. For instance, according to Lang (2007), only 80 SMEs are listed on the main German Entry Standard and General Standard Indices on the Frankfurt Stock Exchange. In contrast, the UK’s AIM market included 918 and 885 SMEs in 2011 and 2014, respectively (London Stock Exchange, 2016).

Table 1. Total Financial Statements Analyzed by Company Size

Germany	Count of Annual Reports	United Kingdom	Count of Annual Reports
Medium	56	Medium	144
Small	14	Small	83
Micro	11	Micro	36
<i>Grand Total</i>	<i>81</i>	<i>Grand Total</i>	<i>263</i>

Table 2 illustrates the total number of financial statements analyzed for various sizes of companies in each of the five sectors. Between the 2011 and 2014 reporting periods, a number of companies lost their SME status or moved up or down in size due to growth or contraction. As noted was above, a number of companies did not publish financial statements in certain years due to a cessation of trading or no longer trading as a separate entity.

Table 2. Financial Statements Analyzed by Sector

Sectors and Company's size	2011	2014	Grand Total
Alternative Energy	18	10	28
Medium	12	8	20
Small	4	2	6
Micro	2		2
Beverages	6	8	14
Medium	4	5	9
Small	2	2	4
Micro		1	1
Financial Services	55	55	110
Medium	29	24	53
Small	14	14	28
Micro	12	17	29
Media	29	29	58
Medium	15	14	29
Small	11	9	20
Micro	3	6	9
Software & Computer Services	63	71	134
Medium	39	50	89
Small	21	18	39
Micro	3	3	6
Grand Total	171	173	344

The relevant diversity information for each company was hand-collected by the researchers. For UK companies, boardroom diversity was analyzed with reference to the total number of non-executive and executive directors. In Germany, diversity levels were assessed with reference to female representation at each level of the dual board governing structure. For each female director, information was compiled about their title, position and professional background. In addition, information was collected about each company's diversity policy, and whether it established gender targets for its boardroom.

Findings

Immediately before the results were analyzed, it was hypothesized that the level of boardroom diversity for SMEs would be similar to that of large public companies and that the majority of female directors would hold positions on supervisory boards or have non-executive positions. This is a common finding from prior studies of boardroom diversity at large public companies, but the results from this present study of 242 UK and German SME did not always agree with this theoretical expectation.

Table 3 illustrates that the proportion of female board members on the boards of UK SMEs increased between 2011 and 2014. More specifically, the total numbers of non-executive and executive directors increased by 1.37% and 0.25%, respectively. Surprisingly, at the smaller UK public companies analyzed, females represented a greater proportion of total executive directors than they did non-executive board members.

Table 3. Female Representation on the boards of German and UK public SMEs

% of Women on the boards of UK public SMEs

Year	2011	2014	% Change
Non-Executive Female Directors	4.60%	5.97%	1.37%
Total Number of Non-Executive Directors	326	385	
Executive Female Directors	9.72%	9.97%	0.25%
Total Number of Executive Directors	288	321	

% of Women on the boards of German public SMEs

Year	2011	2014	% Change
Supervisory Board	1.89%	2.46%	0.57%
Total Number of Supervisory Board members	159	122	
Management Board	1.16%	2.99%	1.82%
Total Number of Management Board members	86	67	

In Germany, the proportion of female directors was very low in both 2011 and 2014 for both supervisory and management boards, respectively. In contrast to the UK, the percentage of females on management boards was much lower in Germany, although it did marginally increase between 2011 and 2014. As a result, women held only less than 3% of the total supervisory and management board positions at the German SMEs sampled.

To assess whether boardroom diversity increased between 2011-2014 period, a sample of companies who retained their size during the period and filed two sets of annual statements were analysed for each country. This sample included 79 UK SMEs and 28 German companies. As Table 4 illustrates, the amount of seats for non-executive directors in the UK increased from 212 to 217 over the years, with more women holding non-executive positions. However, the amount of executive seats between 2011-2014 in these companies, although the total proportion of executive women increased.

Table 4. Change in the percentage of Women on the Boards of UK and German public SMEs 2011-2014

**Boardroom Diversity for all UK SMEs
(79 companies)**

Year	2011	2014	% Change
Non-Executive Directors	4.72%	6.45%	1.73%
Total Number of Non-Executive Directors	212	217	
Executive Director	10.26%	12.23%	1.98%
Total Number of Executive Directors	195	188	

**Boardroom Diversity for all German
SMEs (x=28)**

Year	2011	2014	% Change
Supervisory Board	0.95%	3.13%	2.17%
Total Number of Supervisory Board members	105	96	
Management Board	0%	3.85%	3.85%
Total Number of Management Board members	53	52	

Conversely, the amount of seats in the sampled 28 German SMEs decreased from 2011 to 2014, however 3.31% of women held supervisory board positions in 2014. The biggest percentage change at both UK and German SMEs was in year 2014 for the management board. Even with

one seat less in the same year, the German SMEs reached a proportion of 3.85% women holding positions on the management board. In comparison, there were no women on the management boards of these companies in 2011. Nevertheless, these results show little change considering that only 2 of 52 total executive positions at German companies were held by women in 2014.

In addition to analyzing the total number of female directors within the overall sample of Germany and UK SMEs, the separate results for micro, small and medium-sized SMEs were analyzed to determine if size was a contingent factor that may explain female representation in boardrooms.

Table 5 provides the results sorted by size of company and year. Naturally, the percentage proportions are dependent on the overall amount of seats available for each size of company. For UK small-sized firms, women represented 14.84% and 14.44% of executive directorships in 2011 and 2014 respectively. For non-executive directorships, women held a higher proportion of seats in the medium and micro sized entities, whereas at small SMEs, women only held 3.85% (2011) and 3.81% (2014) of non-executive positions. Even with the drop of executive directorships in small sized firms over the time period, it has the highest representation of women.

Within the sample of German SMEs, the total number of board seats was much smaller than that provided by the UK sample. At German medium-sized companies, 2.56% and 0% of supervisory and management board positions, respectively, were held by women in 2011. A bigger increase was achieved in 2014, where women held 3.85% of the upper management positions in medium sized firms. In contrast to the UK, women held no directorships on either the supervisory or management boards of small German SMEs.

Table 5. Female representation compared with total number of board seats

UK						
2011	<i>Non-Executive Positions:</i>					
	Company size	Total Positions	Men	% Men	Women	% Women
	Medium	192	183	95.31%	9	4.69%
	Small	104	100	96.15%	4	3.85%
	Micro	30	28	93.33%	2	6.67%
	<i>Executive Positions:</i>					
	Medium	164	153	93.29%	11	6.71%
	Small	101	86	85.15%	15	14.85%
	Micro	23	21	91.30%	2	8.70%
2014	<i>Non-Executive Positions:</i>					
	Medium	238	222	93.28%	16	6.72%

	Small	105	101	96.19%	4	3.81%
	Micro	42	39	92.86%	3	7.14%
	<i>Executive Positions:</i>					
	Medium	194	177	91.24%	17	8.76%
	Small	90	77	85.56%	13	14.44%
	Micro	37	35	94.59%	2	5.41%
Germany						
2011	Supervisory Board Positions:					
	Company size	Total Positions	Men	% Men	Women	% Women
	Medium	117	114	97.44%	3	2.56%
	Small	21	21	100%	0	0%
	Micro	21	21	100%	0	0%
	Management Board Positions:					
	Medium	65	65	100%	0	0%
	Small	11	11	100%	0	0%
	Micro	10	9	90%	1	10%
2014	Supervisory Board Positions:					
	Medium	89	87	97.75%	2	2.25%
	Small	21	21	100%	0	0%
	Micro	12	11	91.67%	1	8.33%
	Management Board Positions:					
	Medium	52	50	96.15%	2	3.85%
	Small	11	11	100%	0	0%
	Micro	4	4	100%	0	0%

While size of company appears to influence boardroom diversity, it was also important to analyze whether diversity levels differed between industrial sectors.

Table 6 below illustrates the diversity results for UK companies in each of the five sectors analyzed. The results highlight that the Media sector had the highest proportion of female executive directors at 14.15%. The Financial Services and Software & Computer Services sectors had 9.79% and 9.69% female representation, respectively. The poorest diversity performers were the Alternative Energy and Beverages sectors, who only had 2.33% and 0% female representation in their boardrooms, respectively. In summary, based upon the UK data, boardroom diversity does appear to vary by industry, as well as the size of company.

Table 6. Executive Directorships in UK Sectors

Industry	Total Executives Directors	Total Female Executives Directors	% of Female Executive Directors	% of Male Executive Directors
Alternative Energy	43	1	2.33%	97.67%
Beverages	8	0	0%	100%
Financial Services	194	19	9.79%	90.21%
Media	106	15	14.15%	85.85%
Software & Computer Services	258	25	9.69%	90.31%

Table 7 provides more detail about the sector-by-sector results by breaking the boardroom diversity results down by the size of companies sampled. None of the micro-sized entities within the Financial Services and Software & Computer Services had female executive directors, but similar-sized entities within the Media sector had 23.53% female representation within their boardrooms. For small entities within the Financial Services industry, women held 26.79% of total executive directorships. At medium-sized companies, the proportion of female executive directors was below 10% for both Service industries and 12.96% for the Media sector.

The observed diversity differences between the sectors were expected, especially since the Media sector employs a significant number of females. However, it was surprising to see high levels of female representation within the boards of micro-sized entities in the Media sector, which does indicate that these smaller public entities do provide women with an excellent opportunity for career advancement as senior executives. Furthermore, it suggests that such entities may be capable of providing the supply of suitably qualified female directors that larger UK public companies will need to comply with national diversity initiatives.

In terms of the Financial Services sector, the results indicate that a more women are reaching boardroom positions at small, rather than medium or micro-sized SMEs. However, the low level of female representation on the boards of medium-sized firms in the finance sector could suggest the existence of a ‘glass ceiling’ that prevents greater boardroom diversity at financial firms of a certain size.

Table 7. UK Sectors with greatest proportion of female executive directors

UK SMEs				
	Total Executive Directors	Female Executive Directors	% of Female Executive Directors	% of Male Executive Directors
Financial Services				
Medium	101	4	3.96%	96.04%
Small	56	15	26.79%	73.21%
Micro	37	0	0%	100%
Total	194	19	9.79%	90.21%
Media				
Medium	54	7	12.96%	87.04%
Small	35	4	11.43%	88.57%
Micro	17	4	23.53%	76.47%
Total	106	15	14.15%	85.85%
Software & Computer Services				
Medium	172	17	9.88%	90.12%
Small	82	8	9.76%	90.24%
Micro	4	0	0%	100%
Total	258	25	9.69%	90.31%

Due to the differing board structures in the UK and Germany, this sector-by-sector analysis is discussed in two different sections. The first section looks at the number of executive directorships held by females in each sector for UK companies and the second illustrates boardroom diversity in sectors of German SMEs.

In contrast to the UK, the highest proportions of executive women at German companies were found in the Alternative Energy and Software & Computer Services sectors. As Table 8 illustrates, the proportion of female directors was relatively small, reaching only 3.70% of the total board in the Alternative Energy sector, and 3.33% in the Software industry. Men still represented 100% of the management board in the Beverage, Financial Services and Media industry, which is very different from the UK results. As expected, women were not present in top executive positions in the Financial Services sector, which agrees with the findings of Seng *et al* (2013).

Table 8. Management Positions in the German Sectors

Industry	Total Executives Directors	Total Female Executives Directors	% of Female Executive Directors	% of Male Executive Directors
Alternative Energy	27	1	3.70%	96.30%
Beverages	14	0	0%	100%
Financial Services	43	0	0%	100%
Media	9	0	0%	100%
Software & Computer Services	60	2	3.33%	96.67%

Table 9 illustrates the sizes of German company and their proportion of female executive directors by sector.

Table 9. German Sectors with highest proportion of executive women

German SMEs				
	Total Executive Directors	Female Executive Directors	% of Female Executive Directors	% of Male Executive Directors
Alternative Energy				
Medium	25	0	0%	100%
Small	-	-	-	-
Micro	2	1	50%	50%
Total	27	1	3.70%	96.30%
Software & Computer Services				
Medium	44	2	4.55%	95.45%
Small	12	0	0%	100%
Micro	4	0	0%	100%
Total	60	2	3.33%	96.67%

In Germany, no women held executive positions in medium or small sized entities in the Alternative Energy sector. However, one woman was an executive director in a micro sized business. As there is a smaller number of German SME companies in this industry, it reduces the chances for women to partake in the energy sector and eliminate the ‘group think’ phenomena. Two women were on the management boards of medium sized software and computer service companies, which suggests, that similar to the UK, more women held executive management positions at medium and small sized companies.

Besides identifying the representation of female executives, it is also of interest to identify how many companies had more than one female executive on their board. This is of more importance for German companies due to the dual board structure. As previously discussed, board effectiveness is influenced by overall levels of boardroom diversity, rather than the presence of a token female board member. Therefore, the research identified whether companies had more

than one female executive board member. Table 10 shows the results for the UK and German SMEs.

Table 10. Total number of female executives on the management boards of UK and German public SMEs

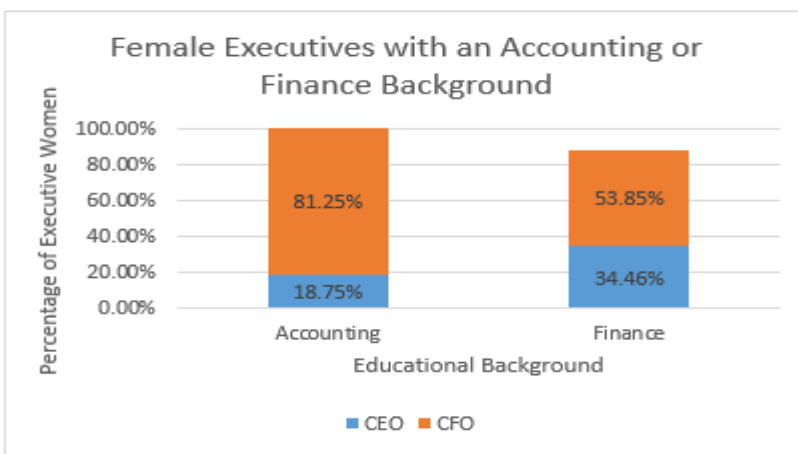
UK	Total number of female executives	Medium	%	Small	%	Micro	%	Total	%
	<i>2011</i>								
0	54	84%	32	75%	12	86%	98	81%	
1	9	14%	7	16%	2	14%	18	15%	
2	1	2%	4	9%	0	0%	5	4%	
Total	64	100%	43	100%	14	100%	121	100%	
<i>2014</i>									
0	63	81%	23	68%	21	91%	107	79%	
1	13	17%	9	26%	2	9%	24	18%	
2	2	2%	2	6%	0	0%	4	3%	
Total	78	100%	34	100%	23	100%	135	100%	
Germany	Medium	%	Small	%	Micro	%	Total	%	
	<i>2011</i>								
0	31	100%	7	100%	6	86%	44	98%	
1	0	0%	0	0%	1	14%	1	2%	
2	0	0%	0	0%	0	0%	0	0%	
	31	100%	7	100%	7	100%	45	100%	
<i>2014</i>									
0	23	92%	7	100%	3	100%	33	94%	
1	2	8%	0	0%	0	0%	2	6%	
2	0	0%	0	0%	0	0%	0	0%	
Total	25	100%	7	100%	3	100%	35	100%	

The executive boards of UK SMEs were more diverse than their German counterparts in both 2011 and 2014. In 2011, 19% of UK companies had one or more executive women on their boards, while in Germany only 2% of companies achieved this. In 2014, 21% of UK companies achieved this target, while only 6% of German companies did. However, the majority of companies in both countries did not have any female executive board members.

In terms of the number of female executives on different sizes of company, size played a role in shaping diversity levels at UK companies in both years. Things were very different in German SMEs, where none of the sampled companies had more than one woman on the management board.

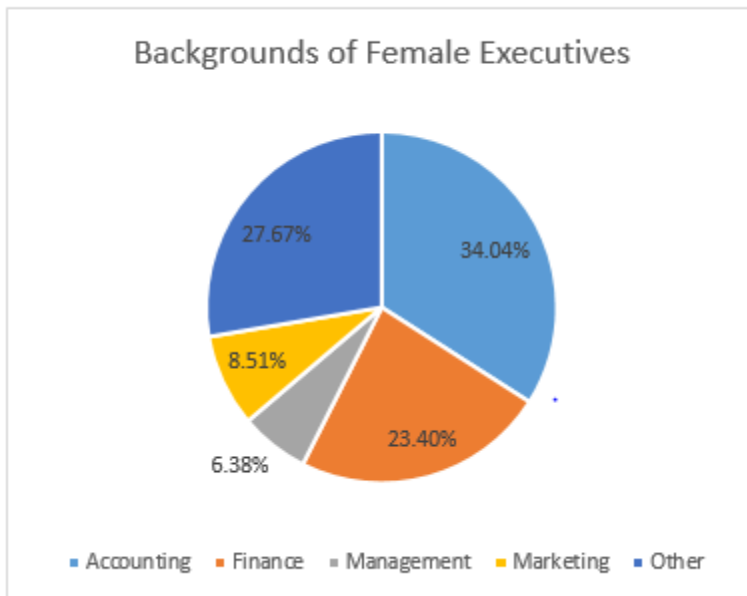
The study also investigated the background of female board members, particularly executive members. Female directors came from a number of different women backgrounds, including Theology, Marketing, Law, Chemistry, Management, Media, Finance, and Accounting. As a result, the study wanted to identify the number of female directors that had finance and/or accounting backgrounds or qualifications, and whether these women attained finance-related executive positions.

Figure 3: Female Executives with a Background in Accounting or Finance



As Figure 3 demonstrates, only women with an accounting background were appointed to a Chief Executive Officer (CFO) or Chief Executive Officer (CEO) position, or equivalent. An accounting background was determined by either having fellowships with certain accounting associations or the director holding accounting certifications. A total of 81% female directors who held such designations were employed as a CFO. Outside of the CFO and CEO positions, the study also explored the full range of backgrounds that female executive directors had. Figure 4 illustrates the backgrounds for the 47 female executives studied.

Figure 4: Female Executive Backgrounds



As expected, the majority of the women held an accounting background, with 23.40% having an expertise in finance. Of the other directors, 8.51% and 6.38% had experience in marketing and management, respectively. The ‘other’ category includes Theology, Chemistry, Law and Media, and represents the relevant expertise and experience for the remaining 27.67% of female executives.

Conclusion

A number of European nations are now tackling the issue of boardroom diversity in one form or another. Whether the fostering of boardroom diversity is through legislation or voluntary initiatives, most of this pressure is focused on large public companies. As a result, relatively little is known about the boardroom diversity policies of micro, small, and medium-sized public companies. In most jurisdictions, the diversity policies of these smaller public companies are overlooked, even though they provide the supply of female executives that the larger companies now require.

This study analyzed boardroom diversity at 242 UK and German smaller public SMEs during 2011 and 2014 to analyze overall levels of female participation in corporate boardrooms. The results indicate that the level of female representation on the boards of German public SMEs was significantly lower than the UK. In addition, in contrast to the results from previous studies of large public companies, both UK and German public SMEs had a greater proportion of female executive rather than non-executive directors. This research also suggests that women in the UK have easier access to decision-making positions than their counterparts in Germany.

For board positions at micro and small-sized firms, the proportion of female executives was greater than expected. Additionally, companies in certain industry sectors, including Financial

Services, Software & Computer Services and Media, had higher levels of female participation on their boards. In contrast, companies in other sectors, such as Beverages and Alternative Energy, appeared to adopt lower levels of overall gender diversity. It was also found that the majority of women (81.25%) with a background in accounting were appointed as CFOs, whereas the rest (18.75%) held positions as CFOs. Overall, the majority of women holding executive positions at German and UK public SMEs had accounting-related experience or qualifications.

The results of this research suggest that further regulatory or voluntary measures may be needed to promote boardroom diversity within the smaller SMEs operating in both Germany and the UK. In Germany, the new legislative requirements primarily target larger entities, so there is little incentive for smaller public entities to recruit an increased number of female directors. In the UK, voluntary diversity initiatives appear to have trickled down to the smaller listed SMEs on the AIM market, resulting in 20% of UK smaller public companies studied having at least one female director. In contrast, only 4% of the German public SMEs studied had one or more female board members. Whether the implementation of German Equal Participation in September 2015 will have a positive influence on the boardroom diversity policies of this type of entity remains to be seen.

As has become evident, there are several tools for countries to increase the representation of women on boardrooms, but until further research particularly focusing on small and medium-sized firms becomes more readily available it will remain a mystery if a trickle-down effect is noticeable and if specific regulations boost the talent pool of qualified women to reach decision-making positions. As Seng et al (2013, p.30) state: “The variety in approaches to address the situation, ranging from voluntary systems, soft targets to those with serious legal penalties, clearly reflects the diversity of European cultures and the absence of a ‘one-size-fits-all’ – solution”. Whatever the approach used, should the talent pool of qualified women not be utilized by smaller public companies, the future looks bleak for greater boardroom diversity at their larger counterparts, as the supply of experience female executives will simply not exist.

Research Limitations

A limitation of this work relates to the small number of German publicly listed SMEs that could be analyzed. Unlike the UK, the majority of smaller German companies are privately held, so only a limited data set of companies could be used for each of the sector comparisons. As a result, the results are potentially skewed by variations in the data, which limits the way in which the researchers could generalize from the results.

In addition, some entities did not produce financial statements for both 2011 and 2014, as they were either not in business, ceased trading, had changed their company status, or their annual reports were unavailable. Due to this missing data, it was impossible to undertake a longitudinal analysis of the changes in boardroom diversity for some companies.

Areas for further research

This present study represents just one attempt at researching boardroom diversity within SMEs. This study focuses on publicly traded SMEs, and as equally important are the diversity policies of privately-held SMEs. While data availability may prevent this type of study in certain jurisdictions, it is crucial to know whether the boards of small privately-held entities include female directors, as these women may progress to senior management positions in smaller public entities.

In terms of expanding the current study, different analysis countries or sectors could be used, which would enrich the knowledge of comparative differences in boardroom diversity. Furthermore, the study could be replicated using information obtained from the latest corporate governance sections of companies. As of 2015 reporting periods, all of the German publicly-listed SMEs within this study are required to set targets for their board and management level according to §3 of the Stock Corporation Act (Aktiengesetz, 2016). As a result, it would be interesting to see what targets the German companies set, how they want to achieve those, and what explanations they use for setting targets of 0%.

While the majority of prior boardroom diversity studies have focused on gender, future research could be conducted about other elements of diversity, such as ethnicity or age of the board members. Further investigating could also be conducted about the number of women holding chairman positions, or of the amount of women on the appointment committee, and if any correlation exists between gender diversity on the appointment committee and the diversity of new board members. A study about female representation on the audit committee could also be undertaken. An investigation could also be made as to whether greater female representation on a company's board influences approach to corporate social responsibility.

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Small Business Owner Entrepreneurial Profile in the Guanajuato State, Mexico

Judith Banda Guzmán, Guanajuato University (México)

Robert N Lussier, Springfield, College (USA)

Abstract

The purpose of this exploratory descriptive research study was to identify the small business owner entrepreneurial profile in the Guanajuato State, Mexico. The methodology included telephone and personal interviews with a sample of 303 small business owners. Descriptive statistical analysis was used to identify four descriptive profile characteristic variables. Finding revealed that the profile means are as follows. (1) The owners are 34.31 years old. (2) They have 8.86 years of industry experience. (3) They have 6.23 years of management experience. And (4) 47.2% have bachelor degrees and 26.4% have high school diplomas. Implications for research and small business owners and their stakeholders are discussed.

Introduction

Small and Medium Enterprises (SMEs) play a significant role in income generation, contribute to employment, and poverty reduction. In Mexico SMEs include 99% of the business, contribute 52% of the Gross National Product (GDP), and generate 72% of the formal labor force (Secretaría de Economía, 2011). Around 60% of the successful entrepreneurs own and manage family businesses (Beuter, 2014). The best way to reduce poverty and create employment opportunities is to promote economic growing through increased SMEs (ONUDI, 2013). However, in Mexico the rate the business success is 25 to 30 percent, which is lower than the global average of around 40 percent (Fernández, 2010).

The success of a small business is based on managerial decision making (García, 1994). However, in Mexico, when making decisions to start a new venture, 29 percent of entrepreneurs do not estimate the investment required to execute the startup. Thus, the business startup is piecemeal, based on reactionary decisions and intuition (KPMG, 2013). Cronje, Toit Du and Motlala (2000) found that a principal cause of failure in small business is a poor management. In the absence of a formal business strategy, the business is managed based on the owner's personal characteristics and beliefs - Entrepreneurial Orientation (EO) (Engelen et al., 2016).

Banda and Lussier (2015) and Robles, Banda, and Lussier (2015) found that the profile of the entrepreneur is a factor in the success of the greenhouse owner/managers in the state of Guanajuato, Mexico and stated the need for further research to better understand the profile of successful entrepreneurs. Therefore, understanding the characteristics of the profile of business owners is an important area of research for those who want to start a new business, those who advise and assist them, lenders and investors, and for government policies to support startups (Dennis and Fernald, 2001). The objective of this exploratory study was to describe the characteristics to the entrepreneurial profile of small business owners in Guanajuato State, Mexico.

Literature Review

Small business owners need to have an entrepreneurial mindset to succeed in the marketplace (Parmer, 2014). In Mexico, the younger generation has an entrepreneurial mindset at the age of 20 to 25 years old; as compared to the average age of 40 years of American entrepreneurs (Fernández, 2010). Although having an entrepreneurial mindset and orientation (EO), most Mexican entrepreneurs start with limited knowledge about how to start and operate a new business venture. Their previous business management experience is almost nonexistent (Secretaría de Economía, 2014), as only 2 of 10 entrepreneurs have had previous experience (Banco Interamericano de Desarrollo cited by CNN, 2011). Some 48 percent of entrepreneurs have a bachelor degree, but usually not in business, (Observatorio PyME, 2002), and when applying for financing resources they do not work with any type of business consultant for help. Although there is access to a college education in Mexico, and some business programs, there is limited entrepreneurial training (Fernández, 2010).

Islam, Aktaruzzaman and Muhammad (2011) and García, Crespo, Martí and Crecente (2007) found that owners personally participating in the operations of the firm has a positive effect on the success of the business. Therefore, the willingness to stay in the business and to be capable of defining the market clearly, also positively influences the success of the business (Islam, et al., 2011; Van Praag, 2003).

Van Praag (2003) studied the success characteristics or survival of small business. The results indicated that the level of business risk varies with age, industry experience, experience in the labor market in general, years of experience in one's line of work, motivation and enthusiasm influence success in a significant way. Ivancevich, Lorenzi, Skinner, and Crosby (1997) indicated that the motivations of the entrepreneur include: independence, personal and professional growth, a superior alternative to the typical job position, to obtain higher income, and finally for security reasons, which are contributing factors to business success.

Research supports the findings that a successful small business profile includes the following characteristics: age (Islam, et al., 2011; Lussier and Halabi, 2010), the level of education (Chawla, Khanna and Chen, 2010; Islam, et al., 2011; Lussier and Halabi, 2010; Simpson, Tuck and Bellamy, 2004; Van Praag, 2003), enjoyment (Simpson, et al., 2004; Van Praag, 2003), experience in management and time directing the organization (Chawla, et al., 2010; Islam, et al., 2011; Lussier and Halabi, 2010), as they are correlated with the success of the business.

Method

The research methodology was survey research. The questionnaire included four of 15 variables used in the Lussier (1995) Business Success versus Failure Prediction Model that was previously validated (Lussier and Halabi, 2010). The four variables are: industry experience, management experience, education, and age. The survey instrument was translated into Spanish by a

professional and the questionnaire was piloted tested for accuracy in translation. See Table 1 for an explanation of the four variables analyzed in this study.

Table 1. Entrepreneurial Profile Variables

Industry experience (inex): Businesses managed by people without prior industry experience have a greater chance of failure than firms that are managed by people with prior management experience.

Management Experience (maex). Businesses managed by people without prior management experience have a greater chance of failure than firms that are managed by people with prior management experience.

Education (educ). People without any college education who start a business have a greater chance of failing than people with one or more years of college education.

Age (age). Younger people who start a business have a greater chance to fail than older people starting a business.

Sampling and Data Collection

A random sample of small businesses were selected within 27 municipalities including Leon, Celaya, Irapuato, San Francisco del Rincon and others in 23 municipalities in the Guanajuato State, Mexico. A total of 303 businesses from a variety of industries completed the questionnaire, with a response rate of 66 percent. For data collection, survey research was used. The questionnaire was answered by phone and personal interviews were conducted with the managers or owners of small businesses.

Statistical Analysis

SPSS software was used for data analysis. Descriptive statistics were run for each of the four entrepreneurial profile variables of the owners of the 303 small businesses in the sample.

Results and Discussion

See Table 2 for the results of the sample profile. Descriptive statistics for the sample means and standard deviations includes: Age ($m = 34.31 / s.d. = 8.05$); Years of industry experience of owners ($m = 8.86 / s.d. = 9.76$); Years of management experience of the owners ($m = 6.23 / s.d. = 7.34$). The educational level of the manager or the owners are 47.20 percent hold bachelor degrees, 26.4 percent have a high school diploma; see Table 2 for the other levels of education.

Table 2. Descriptive Statistics Profile (N = 303)

Variable	Mean	Std. Deviation
Age of owner	34.31	8.05
Years of industry experience of owner	8.86	9.76
Years of management experience of the owner	6.23	7.34
Education	Frequency	Percentage
Grade school	51	16.8%
High school	80	26.4%
Bachelor degree	143	47.2%
Master degree	24	7.9%
PhD	5	1.7%

The importance of small business success contributing to economic growth is well documented in the literature. Thus, understanding business success is a critical issue in Mexico, and globally. Additionally, research supports the importance of the entrepreneurial profile contribution to the success to small business. According to the Mexican government, with the importance of small business, there is a need for better education of entrepreneurs (Secretaria de Economía, 2011).

This study has implications for researchers; educators; entrepreneurial startups and those that advise and assist them; those who provide capital for their ventures; their suppliers; and government policy makers. These stakeholders can encourage would be entrepreneurs to get some industry and management experience, and provide business training/education before starting a new venture. While gaining such experience, they will improve the odds of starting and operating a small business as they age. These stakeholders can also use these profile variables to help them assess the odds of the success of the small business. If stakeholders use these variables to assess a firm's potential for success, society can benefit in direct and indirect ways via the maximization in the allocation of limited resources (entrepreneurial capital, investments and loans, government aid, and so forth) toward higher potential businesses.

Like all research, this study has limitations and there is a need for further research. Although the entrepreneurial profile variables can help lead to the success of a new and ongoing small business, the measures are subjective. A stakeholder can't say you need to be 34 years old, with 9 years of industry experience and 6 years of management experience, and have a college degree to be a successful entrepreneur. More research is needed to better understand objective measures of the successful entrepreneurial profile.

As stated, this is an exploratory study using descriptive statistical analysis providing limited understanding of four of the entrepreneurial profile variables. The profile variables can be expanded in future studies, such as the owner/manager's enjoyment of running the business (Simpson, et al., 2004; Van Praag, 2003). Further research using inferential statistics is needed to better understand the relationships among the entrepreneurial profile variables of age, industry experience, management experience, and education with other dependent and independent variables, such as gender and the industry of the small business.

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BEST PRACTICES

BuildIng a Collaborative Effort of Training and Education in Sustainable Food System for the 22nd Century through Urban Agriculture Programs

Kathleen Liang, North Carolina A&T State University
Marlene McCauley, Guilford College

Justification of the Best Practice

The collaborative effort between Guilford College and North Carolina Agricultural and Technical State University through urban agriculture practices is considered a best practice because (1) it offers a combined experiential-learning, service-learning, and entrepreneurial leadership training opportunity that is based on community characteristics – particularly serving refugees and new immigrants - in an urban environment responding to emerging issues of food security and food justice, (2) it provides education and training to include the functions and interactions of life sciences and social sciences with respect to farm, food, and energy issues, (3) it gives young generation the platform to become agents of positive change in their communities and families, and (4) it creates a sustainable program for existing and new residents in Greensboro, North Carolina to promote and engage in urban agriculture development, as well as developing a model for urban permaculture in other communities.

Background and Overview of the Sustainable Food Program in Guilford College

Guilford College was established in 1837 as New Garden Boarding School in North Carolina to provide a “guarded” education for children and friends in an environment shaped by the Quaker testimonies. As Quaker society changed and the school grew more diverse, Guilford became an official college in 1888 and is the fourth-oldest degree-granting institution in North Carolina.

The campus sits on a beautiful 300-acre wooded area that’s well over a century old on the edge of a thriving metropolitan area (pop. 1.4 million). Unlike liberal arts colleges situated in small towns, Guilford College offers internship and work opportunities nearby. Guilford’s **sustainability features** include the largest collection of solar panels for heating water on any college campus and a 3-acre small permaculture farm that grows produce for dining hall. The Department of Environmental and Sustainability Studies at Guilford College provides students with a range of knowledge, skills and values essential to effective professional and social engagement that advances and improves understandings of sustainability, food systems, and human relationships to the environment within diverse cultural communities. The Department of Environmental and Sustainability Studies at Guilford College offers 2 majors (Environmental Studies, Sustainable Food Systems), and 3 minors (Environmental Studies, Cape Fear River Basin, and Sustainable Food Systems). Faculty teaching in Environmental Studies have diverse backgrounds in history, political science, geology, and more. The Sustainable Food Systems is a new major/minor, which will start offering courses in the Spring of 2017. Besides offering courses in food systems, one of the most unique curricula at Guilford College is the 3-acre urban

permaculture farm. The Sustainable Food Systems major/minor emphasizes sustainability, food justice, and food advocacy. It incorporates experiential-learning and service-learning by working on this farm and/or with local/regional/national/international community partners. This farm is almost 5 years old, and grows almost 35 different varieties of crops. It provides a learning laboratory as well as a source of more than 10,000 pounds of produce each year. It offers fresh fruits, vegetables, and herbs to the dining hall, a student-operated farmers market, a growing Community Supported Agriculture program, two local groceries, and nearby restaurants. It is also a popular site for work-study students, small research projects, and a wide range of volunteers.

Collaboration between Guilford College and North Carolina A&T State University

North Carolina A&T State University is the largest historical black university in the US, and it has been a strong leader within the 1890 Land Grant institutions to produce/support high quality and the highest number of graduate students from underrepresented groups in the US. North Carolina A&T State University is a partner of one of the largest centers in supporting sustainable agriculture and food systems, the Center for Environmental Farming System (CEFS). CEFS is a 3-way partnership between North Carolina State University, North Carolina A&T State University, and North Carolina Department of Agriculture. More than 40 faculties from both institutions have participated in research and extension projects through CEFS. There is also a Kellogg Endowment to support CEFS services and functions in promoting sustainable agriculture research and extension programs. Recently North Carolina A&T State University completed the process to re-organize academic programming in 2016 to award undergraduate and graduate degrees that support careers of the future, meet the objectives of preeminence, cultivate/enhance collaboration in curriculum and interdisciplinary research, and increase competitiveness of academic programs. North Carolina A&T State University is only 6 miles from Guilford College, which provides an excellent opportunity for faculty and students to jointly develop and implement food system project to support sustainable agriculture in the long term. North Carolina A&T State University has several integrated programs in grant-funded centers, such as NSF-funded Center for Research Excellence in Science and Technology for Bioenergy and Center for Energy Research and Technology to support faculty and students to participate in research and extension projects. Several courses are offered at North Carolina A&T State University, such as *Seminar of Sustainable Agriculture*, to introduce students in College of Agriculture and Environmental Sciences various topics in practices, policies, and implications.

These courses can also offer undergraduate students from both Guilford College and North Carolina A&T State University to develop collaborative learning, exchange information and share experiences. Despite North Carolina's well-positioned location for extensive year-around food production, no formal program exists in our region to fulfil the gaps of interdisciplinary training for students to work jointly across agriculture, food, and entrepreneurship disciplines.

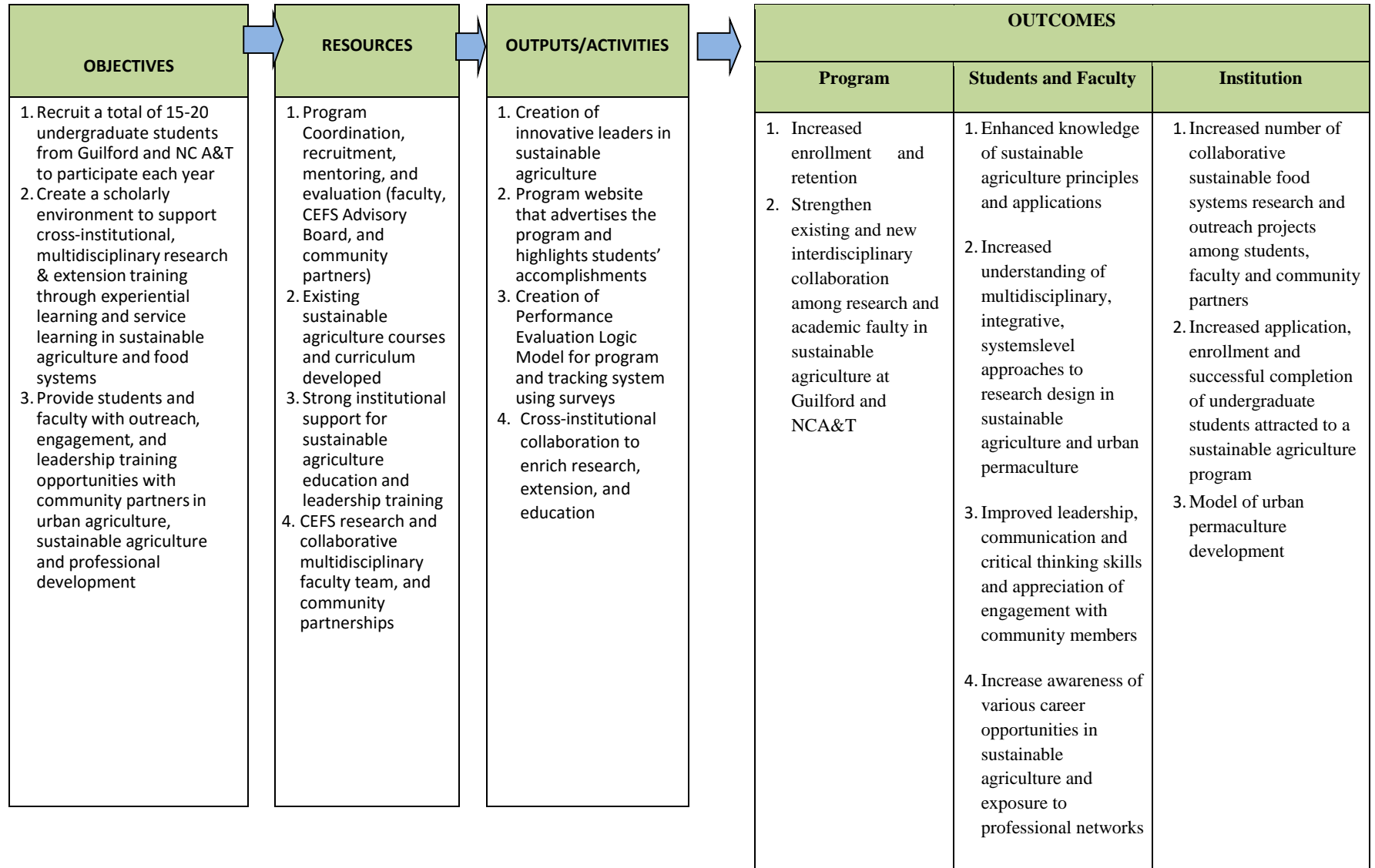
North Carolina A&T State University has strong and sufficient resources to offer support to Guilford College faculty and students engaging in experimental sciences, field research, engineering, entrepreneurship, agribusiness, management, information technology, and computational systems. Guilford College can share their state-of-the-art permaculture farm to design and implement experiments, practices, and strategies to test theories in production, innovation, management, operation, human resource, value chain, distribution, marketing, finance, and risk analysis. Specific strategies designed and proposed for this collaboration include:

1. Sharing courses and projects to offer collaborative learning opportunities in sustainable agriculture, food systems, and entrepreneurship.
2. Encouraging faculty and students to participate in collaborative workshops and seminars.
3. Recruiting and training undergraduate students from Guilford College and North Carolina A&T State University to jointly work on sustainable urban food system issues using the 3acre farm through partnerships with campus dining service, local restaurants, refugee resettlement programs, and new immigrant communities in Greensboro, North Carolina.

Expected Outcomes and Evaluation

This proposed collaboration between Guilford College and North Carolina A&T State University is designed to establish an innovative strategy to incorporate research, experiential learning, and service learning to educate future leaders in sustainable food systems and entrepreneurship by linking the historic strengths and collaborations between North Carolina A&T State University and Guilford College. The specific goal of our proposed approach is to develop a multidisciplinary education/training opportunity in sustainable agriculture and entrepreneurship to link the curricula in two institutions. Students will receive support and guidance from faculty members in both institutions to participate, engage, contribute, and lead in integrated projects involving social and biological sciences through contents, field works, and dissemination. The outcomes of this proposal will (1) broaden existing scopes of undergraduate education for students to immerse in integrated topics through actual research and extension activities that truly reflect the complexity of sustainable agriculture and food issues; (2) develop innovative leaders to have strong skills in critical thinking, problem solving, communication, ethics, professionalism, and teamwork in a multidisciplinary environment; and (3) increase the number, quality, and diversity of students in sustainable agriculture and food systems through mentoring, shadowing, and other leadership training opportunities. Consistent evaluation will be designed and implemented using the logic model adapted by the Kellogg Foundation (Logic Model attached)

Program Logic Model Evaluation



The Value of Mentoring in Student Team Consulting and Service-Learning

Ron Cook, Rider University
Diane Campbell, Rider University

This best practice will describe the role that volunteer business/entrepreneur mentors can play in student team consulting (STC) or service learning (SL) environments. The presenters will define mentoring, describe what the mentors can do, what they can't do, and how mentors have benefited the student teams.

It is likely that most students involved in either SL or STC engagements have not done this type of activity before. Therefore, this inexperience, coupled with the experiential nature of the projects and the interaction with actual clients, can cause additional anxiety/stress among the students. A mentor can help relieve some of this worry.

Takeaways from this session will include the explanation of the roles and what makes for a good mentoring environment.

A Study on the Correlation between Instructor and Peer-Reviewed Scores in a Graduate Business Course

Heather Donofrio, University of West Florida
Melissa Brode, University of West Florida
Jennifer Benjamin, University of West Florida

Most academic researchers are familiar with the concept of peer review through the assessment of journal articles via other experts in the field. The idea behind the peer review is to increase the quality and reliability of the research material through a rigorous review and critical examination of the content (Spier, 2002). Student peer review of classmate's work is a byproduct of the professional, journal process where faculty assess each other's work.

The University of West Florida (UWF) MBA Program uses the student peer review process as part of a graduate business course. In the class, students conduct a case analysis and develop defensible recommendations and solutions. In addition to completing a written case analysis, students must orally present and defend their findings. The oral presentations are conducted as a team with groups assigned by similar organizational case assignment.

The non-presenting teams evaluate the presenting team's oral presentation using a rubric with a Likert scale across categories that encompass a variety of non-verbal and verbal categories. Each presenting team's scores are tabulated and results are provided in aggregate as feedback.

Anecdotal evidence of virtual classes versus face-to-face classes led instructors to conclude that students were being harsher on peer reviews in virtual classes. Speculation was that the anonymity of the virtual review led to deindividuation and freed the students to behave in ways they would not without that anonymity (Chang, 2008). Using an online pedagogical tool which employs instructional videos and provides support for customized rubrics and recorded personal peer review--instructors are creating a virtual learning environment that more closely simulates a face-to-face class, potentially helping to re-define face-to-face learning.

The research presented will compare the efficacy of the peer reviewed oral presentations scores versus faculty scores employing an interactive video platform in one class and a paper rubric in a second section of the class. The scores between the student peer reviews and instructors will be compared in the two different settings measuring student/instructor correlations.

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Practical Online Marketing for Startups

John Batchelor, University of West Florida
Christian Garabedian, University of West Florida
Cameron Smith, University of West Florida

Entrepreneurship is often referred to as the parent of innovation (Meyers, 1986) because it serves as an innovative change agent that moves organization and society forward (McClelland, 1976). Entrepreneurial orientation is often defined as a multidimensional construct which characterizes entrepreneurial behavior as including innovation, aggressiveness, and a proactive nature (Covin & Slevin, 1989). Further, entrepreneurial orientation is positively associated with marketing competency and organizational performance (Smart & Conant, 1994). Thus, one could conclude that to increase performance, an entrepreneur should be competent in marketing. Building upon this, we outline how a new venture with an entrepreneurial orientation can use online marketing to support the aggressive, proactive, and innovative nature and needs of startup entrepreneurs.

There are many, often complicated, steps an entrepreneur must take to establish their online presence such as registering a domain name, building a website, and creating Facebook, Twitter, and LinkedIn accounts. The examples previously given are pretty obvious. But what many startup entrepreneurs do not know is that there are many low cost or free tools, such as MOZ and SoHo, that can make this process much less time consuming and costly. Additionally, an online presence is not something that is created once and then left alone, it is something that requires constant attention and modification. Specific detailed recommendations are given on how to take a company from nascence to a robust online presence and maintain that presence once established.

Another necessary step in establishing an online presence for new firms is search engine optimization (SEO). SEO is a methodology of strategies, techniques, and tactics used to increase the number of visitors to a website by obtaining a high-ranking placement in the search results page of a search engine (SERP), such as Google, Bing, Yahoo and others (Beal, 2016). Without SEO, it is extremely difficult for consumers to locate a firm online. Many consumers use Google, Bing, and Yahoo to search for goods and services online. SEO is a set of techniques and procedures a firm can use to make it easier for them to be found by potential customers. Specific recommendations are given how to use SEO to increase a firms' organic and paid search engine rankings.

This paper concludes with recommendations on which of the aspects outlined herein should be performed by the entrepreneur and which should be outsourced. When outsourced methods are most appropriate, specific recommendations are given on which service providers should be used.

Systems Thinking in Entrepreneurship: Changing our Thinking and Improving Buy-In for Entrepreneurship Courses in the General Education Curriculum

Whitney Peake, Western Kentucky University

Obtaining buy-in for entrepreneurship as a general education course can present challenges across campus. In many environments, business school faculty face hostility with their proposals to general education curriculum committees. Entrepreneurship is no exception, since faculty across campus may argue that the focus is too heavily weighted towards applied skills and less on theoretical underpinnings and macro-oriented outcomes. Over the past year, faculty in the Center for Entrepreneurship and Innovation at Western Kentucky University championed the addition of the basic entrepreneurship course (ENT 312 – Entrepreneurship) to the general education curriculum by introducing a systems-thinking approach. The course maintained its traditional outcome of a feasibility analysis project (applied skills), but now integrates a new way of thinking about and communicating more traditional entrepreneurship material (conceptual focus).

Best Practices attendees will hear the story related to crafting and implementing a systems thinking approach in a basic entrepreneurship course that highlights the application (denial and revision) process and addresses necessary course revisions and conceptual framing. Participants will also receive materials created to integrate a systems thinking approach in basic entrepreneurship courses – a pedagogical innovation that will assist with the innovation aspect of AACSB accreditation. Attendees will receive a copy of the application, as well as materials and projects developed to highlight the systems thinking approach to entrepreneurship.

Connecting to the Real World: Incorporating Student Consulting Projects in Real Estate Programs

Ray Calnan, California State University, Northridge
Melanie Stallings Williams, California State University, Northridge

Abstract

Universities can face challenges in creating and implementing field based learning experiences that provide significant opportunities for students to develop and apply academic concepts that give meaningful assistance to small businesses, and that foster constructive relationships between universities and the larger business community. In creating a Master's in Real Estate program at California State University, Northridge, the challenges were addressed by incorporating industry professionals throughout the program and by tailoring the curriculum around the program's culminating experience, i.e. a student consulting project in real estate.

The culminating course, designed for students working in small teams, requires that students apply the knowledge, abilities, and skills learned in the program to a "real world" real estate problem. Examples of projects include a plan for repurposing an existing property, a development project, or a utilization plan for improved management of property. Students are required to prepare a collectively-written report with supporting documents and to present their plan to a faculty committee and project stakeholders. Individual performance is assessed through faculty observation of drafts, faculty meetings with the students, peer assessment, and assessment of individual assigned work. Although this is a team project, students accept individual responsibility for sections of the report and are individually assessed on their presentation skills, ability to effectively communicate, and ability describe and respond to questions during their presentation. Students provide logs of individual work and evaluate one another's contributions.

The project meets the university's needs for students to build on and demonstrate their mastery of program educational goals. The use of an applied "real life" graduate project prepares the students for careers in real estate and provides opportunities for service learning and community engagement.

Using collaboration between undergraduate and graduate students as a catalyst for experiential learning in a community-based environment

Amy Cardillo, Metropolitan State University of Denver
Christine Kuglin, Metropolitan State University of Denver
Andrew Holt, Metropolitan State University of Denver

Abstract

A desire for accounting entrepreneurship has prompted a U.S. urban university to incorporate practical application of taxation preparation into its tax curriculum. Students desiring to start their own small tax practice must possess knowledge of relevant accounting and tax laws and understand the regulatory interpretation dilemmas associated with preparing tax returns. The traditional university curriculum helps students acquire this knowledge in lecture-based classes. However, for the entrepreneurial-minded student, the traditional accounting curriculum does not adequately help with the development of the necessary skills needed to start a small tax practice. The ability to prepare actual tax returns, interview clients, and foster relationships between staff and community stakeholders are imperative for any tax practitioner but are difficult to address in the traditional classroom. Redesigning accounting and tax programs to incorporate the development of these skills is essential if universities wish to provide the educational opportunities necessary to meet the desires of a growing number of students. This paper provides further evidence from the integrated tax program offered by a U.S. university to demonstrate how the skills necessary for the success of small-firm tax preparers can be developed through holistic academic course offerings.

The program utilizes the American Institute of Certified Public Accountants (AICPA) tax curriculum model by incorporating two practicum-based learning courses, an undergraduate Volunteer Income Tax Assistance (VITA) class and a graduate Tax Site Leadership class, with three traditional classroom-based courses. This helps the students gain both the knowledge and application skills needed for running a small tax practice. This program also enables the students to develop a sense of civic duty by engaging with a wide range of stakeholders, providing the students with experiences that may shape their management style, increase ethical awareness, or encourage them to start their own small business.

Key Words: Tax Preparation, Small Business, Volunteer Income Tax Assistance (VITA), Integrated Undergraduate and Graduate Program, Holistic Approach, AICPA Model on Tax Curriculum.

Introduction

An Association of Accounting Technicians 2014 survey reports that 22% of accounting students wish to be entrepreneurs. With appropriate university-level knowledge and experienced-based training, students involved in a holistic approach to tax training will personally benefit by

obtaining the skills necessary to start their own tax firms. Additionally, a holistic approach to tax training creates a mutually beneficial relationship between the university and the community by helping the community address tax needs for its lower income citizens and helping the university educate and train the business leaders of tomorrow.

Each student starting his or her own small tax practice must possess knowledge of relevant accounting and tax laws and understand the regulatory interpretation dilemmas associated with preparing income tax returns. The acquisition of this regulatory knowledge is typically provided through lecture-based classes. The aptitude needed for entrepreneurship, such as the technical ability to prepare actual tax returns, communication skills to conduct client interviews, and practical experience of fostering relationships between staff and community stakeholders, is more difficult to address in a traditional classroom environment. This aptitude or practical knowledge is essential to the success of any tax practitioner and his/her small tax preparation business, but is difficult to achieve through the use of only traditional methods of university education. Redesigning the university-level accounting and tax programs to incorporate practical application of tax preparation and site management is necessary in order to help students develop these essential skills. This paper provides evidence from an integrated undergraduate/graduate tax program offered by a U.S. university to demonstrate how the skills necessary for the success of small tax preparers can be developed through holistic academic course offerings.

This holistic program utilizes the Model Tax Curriculum (MTC) favored by the American Institute of Certified Public Accountants (AICPA), emphasizing active learning approaches to help students achieve the desired accounting and tax knowledge needed to enter the accounting profession, whether as a business professional or an entrepreneur. The program serves a non-traditional, urban student body and incorporates two practicum-based learning courses, a Volunteer Income Tax Assistance (VITA) class and a Tax Site Leadership and Management class, with three traditional classroom-based courses. Students participating in the program not only obtain practical tax preparation and site leadership experience, but they are also encouraged to develop a sense of civic duty and engage with a wide range of stakeholders. These experiences further enhance the learning experience, helping to potentially shape management styles and increase ethical awareness.

This research presented in this paper contributes to accounting education best practices by documenting the process of transforming a traditional university classroom-based education into a holistic approach to tax education. The approach allows a student to gain a complete skill set of legal, technical and practical skills required to operate a successful small tax firm.

AICPA Model Tax Curriculum Application

The most recent review of the MTC in 2012, resulting in publication of the final report of the AICPA Tax Executive Committee in 2014, presented a model for helping accounting programs design and assess accounting curricula that will provide accounting students with a solid

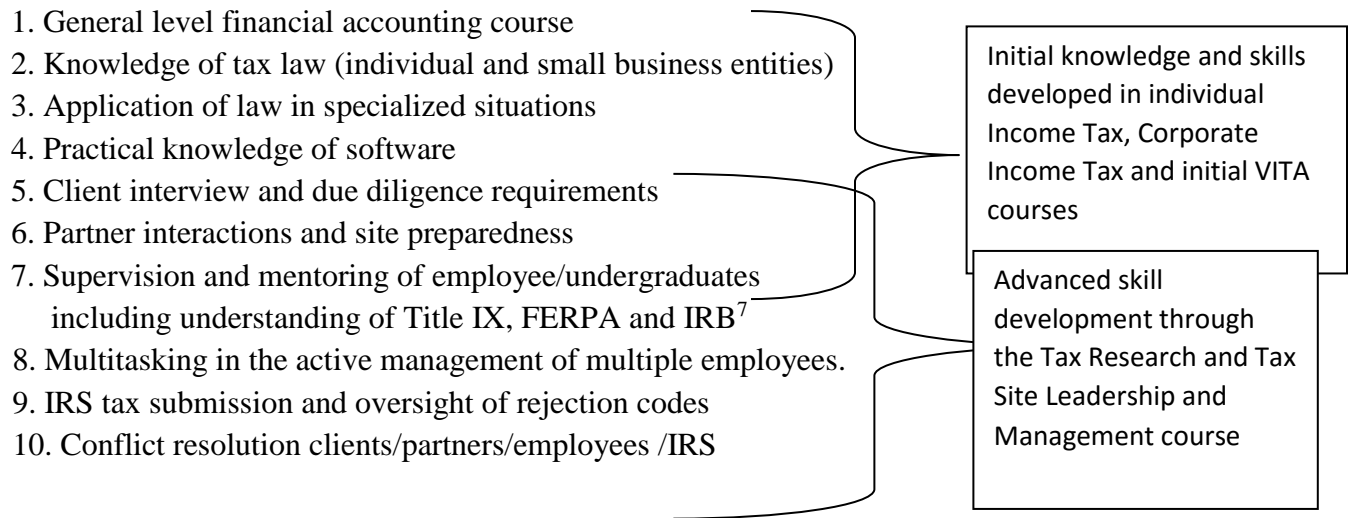
foundation in tax (Thomas J. Purcell III, et al., 2014) The final report also provided that the purpose of the MTC is not to create a standard program for all universities to follow, but rather, to set guidelines in program, not course, development that will ultimately attract students to careers in taxation. The Overall Learning Outcomes provided are as follows:

- Demonstrate knowledge of the components of the basic income tax formula for individuals and business entities, understand when income and deductions are recognized, and describe when they are excluded (or disallowed) or deferred.
- Explain the interrelationships and differences between financial accounting and tax accounting.
- Apply analytical reasoning tools to assess how taxes affect economic decisions for individuals and business entities.
- Demonstrate the ability to conduct tax research.
- Understand tax-related statutory, regulatory, and professional ethics obligations and identify tax-based community service opportunities.
- Explain basic tax policy considerations underlying common tax regimes.

(Thomas J. Purcell III, et al., 2014)

The experiential learning program described in this paper adds innovation by expanding upon the MTC's learning objectives through active development of the leadership and supervisory skills of the students. By progressing through a ten step process, students move through an integrated undergraduate / graduate program to obtain the knowledge and skills desired in the MTC and also obtain leadership and supervisory skills that will be beneficial for the student in his/her professional career.

The hierarchy of the skills development model is as follows:



This paper discusses the integrated program from the undergraduate level and graduate level, then presents evidence of the personal benefits achieved by students involved in the entire program.

Creating a Practicum-Based Undergraduate Tax Program with Skill Development for a Successful Small Business Tax Firm

The MTC outcomes are, at the undergraduate level, most commonly addressed in one course, the individual income taxation course offered in most university accounting programs. However, the MTC emphasis is that more than one undergraduate level course be offered to the students to help obtain the desired outcomes, and to further help integrate taxation education into the accounting program. The subject university has added a Volunteer Income Tax Assistance (VITA) course at the undergraduate level that helps enhance each outcome of the MTC. Additionally, the curriculum helps prepare students who wish to start their own tax firm. The VITA course allows undergraduate students the opportunity to prepare individual income tax returns for low-income and elderly members of the community, thus applying the knowledge they obtained from their classroom coursework, but also allowing them to gain practical experience. A student in the VITA program observed, “I noticed that the more we learn and work with clients, the better we become as accountants. Not only in the tax field but also in other accounting fields.” In order to offer this course, the subject university created community partnerships that, coupled with the Internal Revenue Service (IRS), allow students to work off campus and in the urban community they serve. The metropolitan setting allows the students to

⁷ Title IX addresses gender discrimination through Constitutional Amendments of 1972, FERPA (Family Rights and Privacy Issues), IRB (Institutional Research Board)

interact with the members of the community outside of their peer group, exposing them to diversity that they may not normally have encountered in the traditional classroom setting.

Hierarchy of skill development – undergraduate

The hierarchy of skill development begins at the undergraduate level with courses in principles of financial and managerial accounting, providing the students the basis of financial accounting knowledge necessary to recognize the prerequisite recordkeeping. After successful completion of this coursework, they are prepared for the individual income tax course. With successful completion of the individual income tax course, the students are equipped with the knowledge necessary to enroll in the VITA course. The VITA course then helps the students translate this classroom knowledge into actual tax preparation. The IRS sponsored VITA program requires students to (IRS.gov):

- Prepare only returns that are within their certification level(s) and within the scope of the VITA/TCE Programs.
- Certify in Volunteer Standards of Conduct.
- Complete Publication 5101, Intake/Interview and Quality Review Training.
- Provide high-quality tax return preparation to all taxpayers.
- Interview the taxpayer using Form 13614-C, Intake/Interview and Quality review, to determine if all income, deductions and allowable credits are claimed. Include the taxpayer when preparing the tax return.
- Refer customers with returns out of the scope of the VITA/TCE Programs to a professional return preparer.
- Ensure due diligence by advising the taxpayer that he/she is ultimately responsible for the information on the return. (IRS, 2014)

As the community partners, the university and the students wish to prepare as many returns as possible to help benefit the community, the VITA course at the subject university needed to begin student preparation for the course prior to the start of the semester. As time constraints between the start of the semester and the start of tax season do not allow for traditional classroom training of how to transition from studying tax law to implementing it with clients, out-of-classroom learning is mandatory. This requires the students to be engaged *prior* to the start of class if they wish to fully benefit from the experiential learning model. This also helps the students understand the preparation needed prior to tax season if any have a desire to open their own tax firm. As a result, the university faculty has utilized online videos to help facilitate this early learning.

YouTube as a Bridge to Skill Development

A set of required videos was developed to help to explain and develop tax preparation software skills (Taxwise), site client flow expectations, interview techniques, and teamwork requirements. This concept builds on the Substitution Augmentation Modification Redefinition (SAMR) Model (Puentedura, 2014) of utilizing technology to enhance the effectiveness and efficiency of instruction. SAMR is a technical taxonomy that allows implementation of Bloom's Digital Taxonomy in classroom instruction. These skills were not addressed in the individual income tax course but were especially important to success in the VITA course.

As VITA only operates in the spring semester, the students are emailed in early December with links to several course videos. The students are required to watch the videos and pass two IRS exams before their first day of class in January. The exams serve to measure whether students have watched all of the videos to prepare for the course. Without watching the tutorials, students would not know about the exams, how to register for the IRS exams or the required proof of passing.

Embedded in the videos are a far ranging set of topics that will bring the student to a basic level of knowledge and software skills needed to begin his/her first nights of tax preparation. One student stated his thankfulness from watching the tutorial videos, "Fortunately for us, we had videos and information about this course sent to us about two months before the first day of class".

Implementation of skill set – undergraduate

Tax Return Preparation

At the undergraduate level, interpersonal, technical and legal skill development begins at the start of the VITA course. For ten weeks, students apply their tax law knowledge, interpersonal skills and software proficiency to unique tax situations with diverse clientele and colleagues by participating in tax preparation. The students work directly with clients, performing interviews, tax preparation, and the quality review processes. These tasks are completed in the presence of the tax client, creating a stressful work environment, but also giving the student the opportunity to work on customer service, time management and communication skills.

Formative Assessment

Translating their knowledge learned from the classroom and skills learned from the pre-class videos into actual tax preparation is challenging. However, the students refine these skills over the course of the program and share their observations, successes and frustrations through weekly journals. Their thoughts are then shared in an online message board. From these postings, the students learn of new tax laws or how to deal with difficult clients and concerns over issues like identity theft and tax manipulation. One student noticed, "Not only does VITA teach me to handle different types of clients but it also makes me better at teamwork. I got much more patient with my colleagues."

Experiential courses have been shown to improve student's level of learning and related competencies (Boneck, Barnes, & Tillman, 2014). Students are expected to prepare accurate returns and make ethical decisions under pressure of client expectations and time restrictions. These skills are invaluable to the student wishing to open and operate a small business yet not easily taught in a classroom setting. Having students understand that their actions can have an impact on the world, as well as demonstrating the applicability of their education, increases the likelihood that knowledge will be retained and incorporated (Kickul, Griffiths, & Bacq, 2010)

Refining Tax Knowledge

Tax issues faced by the students in the program are becoming increasingly complex with multiple education credits, the due diligence requirements for the Earned Income Tax Credit, social security number/Individual Tax Identification Number discrepancies, the Affordable Care Act, residency status, and others. While the undergraduate students begin to develop their skills in communicating tax issues to their clients, which is the highest order in the tax curriculum taxonomy, they do not begin to see full development until the end of the tax season. The first weeks are spent on obtaining the initial confidence and communication skills needed to advise the clients and correctly prepare their tax returns. This is where the graduate students, discussed in the following section, help in the development of the undergraduate students. By the end of the semester, the undergraduate students have become much more comfortable with tax preparation, and have increased their tax knowledge. They also realize that their ability to communicate tax issues to clients and their colleagues increases their own comprehension. This is supported by an excerpt from a student's journal:

I was given the special opportunity to work with others. This gave me an even better understanding of what I had to do as a preparer. I completely agree with the saying: you learn better when you teach it.

Assessment of Results

As a final outcome of the course, the students must apply for a position in a hypothetical tax firm using their experiences in Individual Income Tax and VITA. This allows them to reflect on the skills they have attained over the tax season (Appendix One) as well as prepares students for the employment process. The students do understand the seriousness of their professional and ethical responsibility as tax preparers by the end of the tax season. This is supported by the following student comment:

It is never appropriate to make guesses on another person's tax bill. I would rather look like someone who is still trying to learn than a person who doesn't care about making it correct.

This experiential course also allows the students to not only apply the knowledge they have learned, it also allows the students to develop skills that are difficult to address in the classroom such as; providing a positive customer experience, experiencing real-time problem solving, applying time management skills, working in a team environment, and impacting the society in which they live. Preparing the returns of actual clients helps to further achieve the desired outcomes of the MTC by giving the students the opportunity to see, in application, the recognition, exclusion or deferral of income and deductions. It also gives the students an opportunity to explain their tax and accounting knowledge to the clients, and provides them the platform to conduct tax research when situations arise on a tax return about which they have limited knowledge. Additionally, integration of this service learning program “encourages linking the higher educational institution to the community through the use of the institutions’ precious resources [students] for some reciprocal benefit (Boneck, Barnes, & Tillman, 2014).” All of these skills developed in this practicum-based course will only further enhance the students’ ability to be successful in their post-collegiate careers.

Creating an Integrated Graduate/Undergraduate Program

To complete the practicum-based model for tax education, in 2014 the subject university also created a graduate level course, Tax Site Leadership and Management, to increase the productivity and effectiveness of the program as well as to help give entrepreneurial graduate students the opportunity to oversee an actual tax site. Student management of day-to-day activities was absent at the sites as it is at many VITA programs across the country. Currently only 20% of AACSB schools and 6% of non-AACSB schools with VITA programs rely on students for day-to-day management of sites (Blanthorne & Westin, 2015). “Maximizing the use of students rather than faculty to manage VITA has been recognized as a ‘best practice’ of successful programs” (Blanthorne & Westin, 2015, p. 27). In her report on page 28, Blanthorne further describes best practices as follows:

Basically, there is a student manger (usually a senior) to handle day-to-day activities – train volunteers on software, make appointments, schedule volunteers, and handle e-filing responsibilities. The student manager has an assistant (usually a junior) who then becomes the student manager the following year. Thus there is an experienced student manager in place at all times. The students handle the management duties by themselves and the faculty member serves as a consultant. In this manner, the students get management training experience and the programs run efficiently.

Offering this course allows integration of graduate-level accounting students into the undergraduate VITA effort to serve as site coordinator, thus turning over operations to students who possess the appropriate skills and professional maturity to manage a tax site. Allowing

practical tax-site management is invaluable to those wishing to open their own tax site in the future. Involving the graduate level students in the VITA program also demonstrates a higher-level commitment to the program for the undergraduate students.

Hierarchy of skill development – graduate

The hierarchy of skill development that began at the undergraduate level with courses in principles of financial and managerial accounting is expanded through the Tax Research and Tax Site Management and Leadership courses at the graduate level. Tax Research helps to further the graduate students' ability to research even more complex tax issues, helping to prepare them to oversee undergraduate students with limited exposure, if any, to tax research prior to enrolling in the VITA course.

Graduate students with VITA experience, or professional tax preparation experience, have developed the increased level of knowledge and skills to qualify as a VITA tax site graduate coordinator. The understanding of tax complexities transitions the insecurities and under-developed skills found for the undergraduate student to a new proficiency in the graduate student.

While participation in the undergraduate VITA program as a tax preparer is integral in the experiential learning process, leadership and supervisory skills were still not addressed. The desire for experiential curriculum to address these skills needed to develop and lead a tax business led to the development of the Tax Site Leadership course. The graduate students apply for a position as well and are subject to an interview process before being selected for the course. Prerequisites for the course are either the undergraduate VITA course or previous tax preparation experience in order to demonstrate tax knowledge proficiency. Detailed knowledge of tax preparation, client interview skills and tax law are essential for further growth in skill development.

The interview process for the graduate course begins during the prior year tax season. The process is competitive as there are only six to eight graduate student positions available each spring. The students in the graduate course must have sufficient skills to mentor the undergraduates and as well as interact with our diverse tax clients. Once the graduate students are selected, they become fully integrated as responsible members of the tax team. The graduate students' responsibilities include supervision of the tax site and mentoring of the undergraduate students. They are also required to start their spring course in the fall to learn all of the processes to prepare a tax site for a tax season. Together the students and the course instructor complete scheduling, review tax site preparedness, attend tax site coordinator training seminars, pass all required IRS exams to hold a coordinator position⁸, and create instructional materials needed for

⁸ The exams are similar to the undergraduate advanced exams but include supplemental exams on site coordination. Additionally, the students must research and write a paper explaining their understanding of

the undergraduate program. The students interact with the community partner to whom they have been assigned. This forms a foundational relationship for the upcoming tax season.

Trust and Communication

The graduate students are assigned an undergraduate tax team of ten to twelve students whom they will mentor throughout the tax season. They begin initial communications in December and follow-up over the winter break to ensure that their students are watching the videos and passing the required IRS exams. This relationship builds trust and confidence for both the undergraduate and graduate students as they develop their tax preparation and client communication skills at the different experience levels. One graduate coordinator had this to offer regarding her experience:

Being able to coordinate people is also something I learned from VITA. Leadership is a skill that we can learn as we grow. In VITA, when problems happened, my students looked at me as a resource and waited for a response from me. Staying calm and knowing where to look for answers are keys. I often had to research for a tax question in the program, which later on becomes a critical skill in my career.

The graduate students will gather and assess the students' weekly journals and report these results to the course instructor, adding their own comments and responses to the undergraduates' questions and concerns. Responding to technical questions posed by the undergraduate students, or helping the undergraduates deal with personal or client issues is required of the graduate tax-site coordinators. This involvement with the undergraduate students gives the graduate students practical supervisory and leadership training, as well as helps improve the overall performance of the tax site. Additionally, the ability to manage work-flow, undergraduate issues and technical questions helps develop the skills needed to grow a business. A graduate student coordinator who had participated in the VITA program as an undergraduate had this to offer:

As a graduate coordinator, I had more chances to work directly with other undergraduate students than with the clients. This experience gave me an opportunity to work on my leadership skill because I had to act as a leader in order to keep the group together and complete their tasks each night. Furthermore, as being one of the people that students went to for questions, it forced me to improve on my tax knowledge and expertise.

Demonstration of Expert Tax Knowledge

Not only are the graduate students applying their supervisory and leadership skills, they are also strengthening their tax knowledge as they must be available to answer technical questions posed by students and clients. As the tax preparation happens in real-time with the client present, the

student rights and privacy issues contained in Title IX and FERPA. They must also demonstrate they have knowledge associated in human subjects (IRB). This is similar to ethic requirements with Circular 230.

graduate student must be flexible, responding to the needs of the moment. This requires the graduate student to communicate effectively and efficiently, making timely and accurate decisions. The graduate students must be able to refer to authoritative literature to accurately assess a difficult tax question while teaching the undergraduate where to find the information and how to interpret it. The Tax Research course is a tremendous asset in facilitating this process.

Interaction with the IRS

In order to improve technical knowledge and client interaction, the graduate students also handle all IRS tax return submissions and review the rejection codes. They are responsible for resolving the rejection issues by either reviewing the returns to determine the errors or by contacting the clients for further information. They encounter diverse issues from business taxation to simple tax planning. Overseeing multiple returns and answering undergraduate student questions, tax knowledge rapidly increases over the initial experience in the undergraduate VITA course. Management and communication competence is vital for graduate students who are communicating between clients, undergraduate students and the course instructor.

Assessment of Results

As a final outcome of the Tax Site Leadership and Management course, the graduate students must submit all undergraduate grades to the course instructor and prepare a comprehensive report of the tax season. This includes the undergraduate student journals; suggested improvements for next year including new materials to facilitate smoother processes, and a self-reflection of challenges and accomplishments.

Program Benefits

Community

While the integrated experiential learning program focuses on the development of skills and knowledge of the students, it also seeks to foster student responsibility to society and his/her local community. Social responsibility is often a key element in the success of a small business entrepreneur, as a small business can only thrive through goodwill, competency, and interactions within the community (Berhofer & Swchwartz, 2015). An appreciation of the importance of social responsibility and community interaction is obtained through the experiential learning model as practical experience allows specialized skill development that is not available through the traditional classroom setting. A student who participated in the program, both as undergraduate and a graduate provided the following comments:

As an undergraduate student, I had more opportunities to interact with the clients because I helped to prepare and quality review the tax returns. This gave me a great chance to work on my customer service skill because dealing with different people from different backgrounds and cultures is a lot harder than it sounds.

The experiential learning program also immediately benefits the local community by providing tax preparation to low-income families and the elderly. At the tax sites, both on and off campus, the clients served at these sites leave with the knowledge that the students from the local, urban university prepared their return. This community / student interaction creates goodwill amongst the community, creating a positive image of both the university and its students. A client from one of the tax sites wrote:

I went to the [tax site] yesterday to try out the VITA program for the first time in filing my income tax for 2015. WHAT AN AMAZING EXPERIENCE! I was very impressed by how the program is arranged, by all the people who play a part to make it successful, and by the organization and planning needed to make such a program go so smoothly. The two college students who assisted me, were friendly and kind as they went through all the paperwork and they got the job done quickly. Kudos to them and to everyone involved with the VITA course!

The conclusion of the program provides well-trained, college-educated students to the hiring community. As 75% of all of the University graduates stay within the state (MSU, 2016), the practical tax experience helps provide the hiring community with students possessing the skills sets needed to be successful as an employee. One student who has completed the entire VITA program and who is employed locally provides:

While interviewing for jobs over the summer many interviewers asked about my VITA experience and at the job I ended up accepting, a manager who came from New York mentioned he ran a VITA program in his home state, and I think the fact we both participated in this program for multiple years helped me find mutual ground with him immediately.

Another student employed locally who participated in the program, both as an undergraduate then a graduate, offers this insight about her current career:

When I did VITA program, I also worked with people who have different ways of preparing a tax return, and I learned to respect the others' method instead of forcing others doing things my way. This has a profound influence on me. Working as a tax staff in public accounting right now, I am often told by different seniors and managers to do same things in different ways, none of which is my way. Having an open mind at work helps me to expand my knowledge and skills. ... I think in my career, I will have to deal with several difficult things, but knowing how to handle the situations calmly and graciously helps me to get through problems without getting too upset. Doing VITA program taught me to be patient with people and stay positive in difficult situations.

The program has also produced entrepreneurs, providing the community with another job-producing small business. An entrepreneur of the graduate program provides:

Being involved in the VITA program at the University has provided me with an exceptional learning opportunity. As I knew that I desired to be a small business owner, experiencing tax preparation at the VITA site provided me the knowledge needed to start my own business. I was able to see how the site ran and make adjustments as to how to improve my own business. I was able to improve customer service, giving me the ability to provide tax preparation service in a manner that my customers appreciate.

Student

Many of the community benefits can also be viewed as benefits to the students, as shown in the quotes above. All of the students who have been through the entire program who have responded to a request for results have expressed appreciation and gratitude for what they learned during the program and the impact it has had on them professionally. Below are some comments from student participants:

The VITA program was a great experience for me as both an undergrad/graduate student. From an undergrad stand point it reinforced the importance of acting like a professional, and mimicked many of the 'office dynamics' I now face working as a staff accountant for a local CPA firm. The program helped me make friends, get better at keeping a schedule, resolve problems, deliver unpleasant news in an empathetic way and many other things. From the view of a graduate student, I learned how to try and teach one concept many different ways, manage a large group of unique personalities, and gain confidence acting out of a position of authority when necessary.

Appreciation for technical knowledge was mentioned:

My knowledge of the numerous tax credits and how people attempted to manipulate them has helped me tremendously in my IRS compliance issues surrounding the various credits. Without the knowledge gained at VITA, I could possibly have been in violation of the due-diligence requirements. I appreciate the experience and what I learned.

Personal and professional skill development were also highlighted:

Participating in VITA has changed me personally, and has given me a great jump in starting my career. I have gained so much from this class. I have never been in a teaching assistant role, and never knew the extent of administration work it takes to even put the class together, let alone the learning content for students. Working with [the professor] at the VITA site on campus was an eye opener. My public speaking skills, not that they could be worse, have improved. I no longer dread presentations weeks in advance. I also feel that my management skills are better. I have learned so much.

Additionally:

VITA is a wonderful tax program for college students because it exposes students to real-life work experience while the students still get detailed instructions and close supervision from faculties [sic] and coordinators. With the way the program is constructed, students learn by doing tax returns and working in a professional environment. I think VITA has given me valuable experiences that I can hardly find elsewhere. Being a volunteer and a coordinator in two VITA seasons, I learned how to handle with[sic] the unknowns, deal with clients from different backgrounds, manage human resources and work quality, and work in team to accomplish the ultimate goal of the program.

The student testimonies above demonstrate the success of this experiential learning model. They receive the classroom instruction necessary to meet educational requirements, but then are also given the opportunity to apply their knowledge in a practical setting. Giving the students the opportunity to gain practical knowledge in addition to the classroom learning produces well-trained and educated students that will be better equipped for their professional future –either by working for others or opening their own tax sites.

Conclusion

The skills attained from the VITA course prepare students with both technical and professional skills that are inaccessible in a traditional classroom. Blanthrone supports the benefits from VITA by stating (2015, p. 29):

The consensus, both from the literature and from our respondents is that the VITA program affords students an exceptional experiential learning opportunity to enhance their academic experience with real-life considerations. The Pathways Report (2012) and the Model Tax Curriculum (AICPA 2014) clearly promote educational experiences like VITA.

In the first season of the subject university's tax preparation, the program had 38 undergraduates and two graduate students. Together, the students prepared over 900 tax returns and returned over \$1.7 million in refunds to the urban community. In 2015, the two sections of the course had 48 undergraduates enrolled and three graduate students in the program. The tax season results for 2015 are described in the Appendix to this paper. In 2016, the university offered four sections of the undergraduate course with approximately 60 undergraduate students and six graduate students serving as site coordinators. Five of these graduate students previously served as undergraduates on the VITA program during 2015, with the sixth student obtaining the necessary experience from working for a tax firm. Preliminary results show nearly 1,300 returns prepared for the local and campus community.

The graduate students from previous tax years presently hold the following job positions:

1. 2014 – the two students are now working for tax firms. One of these students now conducts the job interviews for recruiting internship students for this firm.
2. 2015 – Of the three students, one has started his own tax business, and two students work for a CPA firm.
3. 2016 – Of the six students, five are currently employed with local tax firms with the sixth finishing her graduate degree.

In summary, the program is clearly establishing a foundation for leadership and upward mobility in the tax profession. The students' increased abilities contributed substantially to the economic vitality of the urban community. To illustrate the impact, the graduate program had on a student who was the first to serve as an undergraduate and a graduate co-coordinator is text from her final journal entries:

I have acquired a variety of perspectives and skills as the first undergraduate and graduate student to complete the VITA Program. As an undergraduate I felt unprepared and nervous about dealing with clients. However, those uncomfortable feelings were eased by the assistance of my fellow students, the graduate coordinator and the course instructor. The constant encouragement and support, gave me with the confidence to always ask questions and believe in my abilities.

As a graduate student, I was better prepared from my previous experience. I was more comfortable with performing tax returns as well as interacting between my colleagues and clients. Additionally, I was able to learn more about the “other-side” of academics. Instead of emailing the professor, I was receiving the emails from students; instead of asking for help, I was the one lending help to undergraduate students.

My instructor was always there to support me with any questions I had regarding how to handle specific issues with students or tax related questions both inside and outside the classroom. She would follow my questions with a question to motivate me to think critically and come to my own conclusion. This process empowered me to believe in my decisions and learn from making both the right and wrong decisions. It also taught me to do the same with the undergraduate students I was working with.

The experiential learning program at the university provides a model curriculum that learning outcomes of the AICPA Tax Curriculum Model and also incorporates community involvement to benefit students, the citizens of the urban community, and the accounting profession. The

VITA program provides students the fundamental skills to start their own business or manage a tax firm as is demonstrated by the current employment of graduates from the program. The institution commits, financially, to its mission to “engage the community at large in scholarly inquiry, creative activity and the application of knowledge” by offering multiple sections and multiple degree levels of a community-based Volunteer Income Tax Program.

Appendix

Statistics from the 2015 Tax Season

VITA Client Statistics per Site

	Site 1	Site 2
Total Returns Prepared at Site	1188	3079
Clients' Refund Received	1085	2228
Clients' Amount Owed	103	423
Clients' with No Net Difference	N/A	428
Total AGI	\$23,485,424.00	\$64,000,549.00
Average AGI	\$19,371.96	\$20,786.00
Average Refund	\$1,966.62	\$1,854.00
Refund Range	\$0-\$10,337	\$1 -\$9900
Average Owed	\$689.98	\$969.00
Owed Range	\$6-\$5315	\$1-\$8500

Undergraduate Student Resume Requirements

Your final VITA journal will be in the form of a cover letter and resume. Below is a job description for an entry-level Tax Accountant. For your assignment, you are required to create a one-page cover letter and a one-page resume addressing the points below. Please only use your Individual Income Tax and VITA courses to describe why you would be the person for the position. You may refer to your previous journals to help you remember your work during the semester.

Tax Accountant

(<http://www.accountingjobstoday.com/cm/Job-Descriptions/tax-accountant2.html>)

- Maintain required level of technical knowledge.
- Prepare various federal and state income tax returns.
- Keep abreast of current developments in the tax area.
- Provide an information source in the tax area within the company.

Competencies

- Analytical – Synthesizes complex and diverse information; collects and researches data.
- Problem Solving – Identifies and resolves problems in a timely manner; works well in group problem solving situations; uses reason even when dealing with emotional topics.
- Technical skills – Assesses own strengths and weaknesses; pursues training and development opportunities; strives to continuously build knowledge and skills; shares expertise with others.
- Judgment – Displays willingness to make decisions; exhibits sound and accurate judgment; supports and explains reasoning for decision; includes appropriate people in decision-making process; makes timely decisions.
- Professionalism – Approaches others in a tactful manner; reacts well under pressure; treats others with respect and consideration regardless of their status or position; accepts responsibility for own actions; follows through on commitments.
- Dependability – Follows instructions, responds to management direction; takes responsibility for own actions; keeps commitments; commits to long hours of work when necessary to reach goals; completes tasks on time or notifies appropriate person with an alternate plan.
- Quality – Demonstrates accuracy and thoroughness; looks for ways to improve and promote quality; applies feedback to improve performance; monitors own work to ensure quality.
- Initiative – Volunteers readily; undertakes self-development activities; seeks increased responsibilities; takes independent actions and calculated risks; looks for and takes advantage of opportunities; asks for and offers help when needed.

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Headwaters Film Festival Experiential Learning Course

Debra Sea, Bemidji State University

At some point in their lives, students will plan and implement a large event – it may be for their job, volunteer work or their personal lives. The two-credit, junior level Headwaters Film Festival course at Bemidji State University is a unique, experiential learning opportunity. Twenty-five students apply their knowledge and skills to a real world situation – researching, planning and implementing the two-day Headwaters Film Festival for a live audience on the Bemidji State University campus.

Designed for Marketing Communication, Business Administration and Mass Communication students, the Headwaters Film Festival is in its third year of using small business and project management concepts and techniques. A successful film festival business has nine essential areas including: Programming, Entry Judging Management, Hospitality, Social Media Marketing, Promotions/Publicity, Hospitality, Development/Sponsorship, Logistics and Technical. For each area, students work on teams to research, create, revise and implement their plans. Students also research and create several budgets for their plan – no budget, low budget and dream budget for their area. Students pitch their plans and budgets to their enthusiastic classmates.

The responsibilities of each team are listed below with detail about last year's Headwaters Film Festival (2016). Note: This is an entirely student run festival – while the framework remains the same from year to year – the approach that the students take is completely different from year to year.

The Programming Team is responsible for the programming content and for being the masters of ceremonies (MCs). This includes creating themes and scheduling selected student entries and researching and discovering complementary content suitable for our audience. Programming includes international student films, local student films, guest speakers and popular feature length films. Last year our guest speakers were a Hollywood Producer (Figure 1) and staff from the Houston Film Festival/NASA Cinespace competition. Last year's feature length film was the new Star Wars movie -- before it was available on DVD.



Figure 1. Guest speaker, Hollywood Producer Jamie Holt with Programming Team MCs Leo Fitzgerald and Talaya Kautz.

The Entry Judging Management Team is responsible for developing a process and method for the class participants to judge the student entries to the festival. This team also schedules the student entries for the class judging sessions, manages the judging of the festival awards and manages the audience choice award.

The Hospitality Team makes sure that our audience is well taken care of with food, drink, entertainment and a decorated lobby. Last year our audience enjoyed popcorn, several types of candy, and lemonade in an outer space theme lobby with a Polaroid photo booth (Figure 2).



Figure 2. Unidentified audience member enjoys the Polaroid photo booth.

The Social Media Marketing Team plans, creates and implements a social media campaign that includes a live moderated Twitter wall, promoted posts and contests on Facebook. Last year, \$30 was used to purchase Facebook promoted posts and the team analyzed the results (Figure 3).

Your 5 Most Recent Posts						
Published	Post	Type	Targeting	Reach	Engagement	Promote
04/01/2016 2:16 pm	And we have a winner! Ryan Dup ay come get your prize at the Hea			138	15 7	Boost Post
04/01/2016 12:43 pm	DAY 2 of the Headwaters Film Fe st! Today we will be screening stu			26	0 1	Boost Post
03/31/2016 9:07 am	Today's the day! The Headwaters Film Festival premieres at 1pm on			51	1 6	Boost Post
03/30/2016 10:45 am	It's giveaway time! The film festiv al starts tomorrow and we want to			1.9K	138 113	View Results Boosted: \$10.00
03/28/2016 11:26 am	What side are you on? Come to t he Headwaters Film Fest April 1st			3.2K	147 92	View Results Boosted: \$20.00

Figure 3. Results of Facebook promoted posts.

The Promotion/Publicity Team works closely with the Social Media Team and the Development Team to promote the festival. They are also responsible for researching and selecting the festival “swag” (giveaways). Last year, the Festival was featured on the Bemidji State University website and made the front page of the local paper. Last year, the promotion team selected light sabers (that actually lit up!) as one of the swag items (Figure 4). The light sabers were promoted through social media and were definitely the hit of the festival. Many audience members came to the festival just to get a light saber.

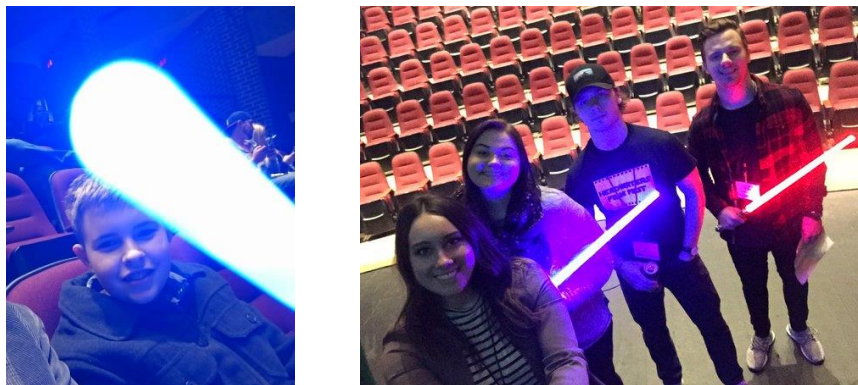


Figure 4. The light saber promotional item was a hit. Audience member, John Sewall and MCs Talaya Kautz, Jessica Dalen, Gerry Fitzgerald and Leo Fitzgerald brandish their light sabers.

The Development/Sponsorship Team offers university departments and the local businesses sponsorship opportunities. This team creates the sponsorship level sheet and criteria. Last year, the team focused on audience door prizes and tables for sponsors. They increased the number of sponsors by 54% - from 10 to 22.

The Logistics Team is responsible for ordering and receiving all of the goods and services that the festival needs. As a state university, there are many rules and many forms that need to be created and managed.

The Technical Team is responsible for setting up and troubleshooting the equipment that it takes to put on the festival in a space not designed for this purpose. This includes projection system (projector and screen), sound system (microphones and speakers) and Internet access for Skype guest speakers. Last year, much of the content of the film festival was broadcast live via Livestream.com to students and filmmakers who could not attend the festival (Figure 5). Showcasing their sense of humor, the technical team found a spoof video of the new Star Wars movie and started with that instead of the feature film. The audience was fooled at first and then they hooted and applauded – very appropriate since it was April Fools Day.

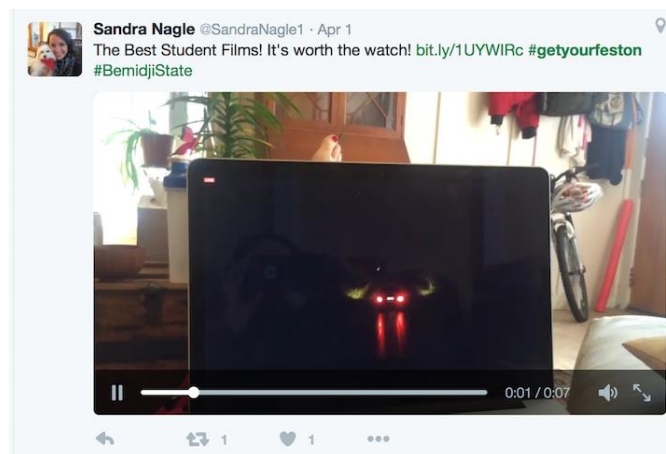


Figure 5. Online, off campus student, Sandra Nagle enjoys the Headwaters Film Festival via Livestream.com

The Headwaters Film Festival also expands the worldview of our students by bringing the best international student films to the Bemidji State University campus. The festival directly addresses one of Bemidji State University's signature themes – to increase international and multicultural understanding. Last year films were received from China, Taiwan, Singapore, Iran, Turkey, UK, Australia, Germany, Switzerland, Austria, Netherlands, and Denmark. Many of the films are subtitled (Figure 6) and before taking this class, many students have not watched a subtitled film. As the semester progresses, they become more comfortable with the subtitled

films. By the end of the festival, they don't notice the subtitles and express surprise when audience members comment on the subtitles.



Figure 6. “Finn” a film by Mariana Abdalla, in Danish with English subtitles.

As the instructor for the Headwaters Film Festival, my role is different than other courses in my department. I am a mentor to the students, helping them make sure that they get the most helpful and meaningful experience that they can out of the festival. The two days of the festival are an exercise in problem solving – many things go unexpectedly wrong and students rise to the occasion to solve problems. Students learn to be calm under pressure.

Student response has been enthusiastic. Last year the festival course filled the first week and had a long wait list. One student Hannah Wells, (BSU Grad) used her experience on the Entry Judging Management Team in an interview: “I was hired for the job a day later. My manager who interviewed me told me that she loved my hands on real-life experience planning the Headwaters Film Festival. A lot of the other applicants had the same type of degree but I stood out to her.”

Thank you for considering the Headwaters Film Festival course for entry into the Best Practices category. It truly is a transformative experience for the students. They put their heart and soul into this event, and I am honored to be their mentor and instructor.

Good Design is Good Business

Dave Moon, California State University, Northridge

Joe Bautista, California State University, Northridge

In order to add value by providing a positive “customer experience.”, there are a number of reasons why we think it’s a good idea to integrate design into your “small” business operation. There are many strong cases that support such a statement. We find that technology has really leveled the playing field for small business owners, to compete with Fortune 500 companies and other companies, with larger design and advertising/marketing budgets. Technology can add value and create a great customer experience, especially with today’s consumers having learned what “good” customer service is, and are inclined to demand a “great” customer experience. We don’t need to delve deeply into ways that consumers are lashing out about their poor or really “bad” customer experiences, mainly through social media. Technology, in the hands of more informed customers with mobile devices, has really pushed the “customer experience” boundary much further than we had ever anticipated.

From a business and organization’s perspective, “design” has long been welcomed, and this is the case even as early as the 1950s. Additionally, former IBM CEO Thomas Watson Jr. proclaimed, “Good Design Is Good Business” in a 1973 lecture at the University of Pennsylvania (“Good Design Is Good Business,” 2016). We suspect the word “design” had a different meaning back then, but “design” has really evolved. I don’t think the far-reaching extent of “good” design was imagined, even when Thomas Watson made his statement. Nevertheless, the one company that has leveraged the power of seamlessly merging product, business, and design is Apple. The Starbucks experience is another solid example. It has been argued that Nordstrom, with their unparalleled customer service, started the “customer experience,” but there are other scenarios and cases. In this session, we will review some of the ways that design can not only elevate your brand, but help you drive sales and revenue, as well. Through a series of well-planned steps, you can enhance the customer experience by integrating brand and design.

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SBDC BEST PRACTICES

Don't Just Generate Financial Statements, Turn them into Useful Tools

Jana Minifie, Texas State University
Rob Bristol, Profit Mastery

Abstract

Student consulting with Small Business Development Centers (SBDC), at Texas State University, has been limited to assisting clients with normal components within a business plan. In financial analysis, in the past, we simply assisted clients with generating 3-year income statements and balance sheets, and possibly a cash flow, for use in applying for loans or presentations to potential investors.

With the incorporation of Profit Mastery, students can now assist clients in developing financial statements that have practical use beyond outside funding. Profit Mastery teaches students to marry together an income statement and balance sheet to create 'management intelligence' and evaluate a business on 14 key metrics. In analyzing these metrics, the Profit Mastery Road Map shows where the client would be able to improve their operations and thus find 'internal funding' from operational efficiencies.

We have implemented this process this semester with one team of students and will expand to all teams spring semester. This session will provide information regarding the contents of the Profit Mastery curriculum and how to incorporate this financial training into courses with experiential learning and will demonstrate the benefits for the students, SBDC advisors, and clients.

Best Practices in Virtual Consulting: Lessons from a Florida SBDC at the University of North Florida Partnership

Lakshmi Goel, FSBDC at the University of North Florida

Janice Williams Donaldson, FSBDC at the University of North Florida

The Florida SBDC at the University of North Florida (Jacksonville) has actively worked with faculty over the years to provide small business consulting opportunities to students in various courses. One such course, E-Business Strategy, is offered in a purely online format as an elective in the MBA program at UNF. Students work with FSBDC clients in faculty-led semester long projects to craft e-business strategies for small businesses that often lack the expertise and resources to do so in-house.

Given the pressure for Universities to offer more online courses, the challenge with such service learning projects is to ensure that the experience is as meaningful for all stakeholders – students, faculty, clients, and SBDC consultants – in a purely virtual setting, as it is in the face-to-face format. Lessons from the EBusiness Strategy course suggest that additional thought and effort are required for success in virtual consulting. We observed six projects conducted in August – December 2016, by teams of 5-6 students each, resulting in more than 670 consulting hours. We offer the following as best practices based on our observations by modifying the “S.M.A.R.T” mnemonic acronym⁹ to **E-S.M.A.R. T**, for the context of virtual project goals:

- **Use Electronic channels:** Make use of communication, collaboration, and productivity tools to interface with different stakeholders, both online and offline.
- **Leverage Social presence:** Different communication media afford varying degrees of social presence¹⁰, or the degree of awareness of the other person in a communication interaction. By using a mix of virtual synchronous and asynchronous tools, communications can be made richer by choosing tools with the right degree of social presence for the type of communication needed. For example, email can be used to communicate reports, milestones etc., while Skype may be used for requirements gathering.
- **Define Metrics:** Defining success metrics at the start of the project is even more important in a virtual setting, so that progress can be tracked in a well-defined way that all stakeholders agree upon.
- **Be tool Agnostic:** Often, each stakeholder uses personal and enterprise hardware, software, database unique to their context. In face-to-face settings, it is possible to continue to collaborate without intervening technological media, while using different preferred tools. This is often not possible in a virtual setting, with stakeholders having to decide on common platforms for

⁹ Doran, G. T. (1981). "There's a S.M.A.R.T. way to write management's goals and objectives". *Management Review*. AMA FORUM. 70 (11): 35–36.

¹⁰ Short, J., Williams, E., & Christie, B. (1976). *The social psychology of telecommunications*. London: John Wiley & Sons.

collaboration and information sharing. Hence, it is important for stakeholders to be tool agnostic, often foregoing what they may be comfortable with in other contexts. Being tool agnostic also helps with project continuity in case one tool doesn't work.

- **Set "Real" istic expectations:** Virtual consulting may not carry the same degree of "realness", especially in the minds of students. Meeting clients face-to-face brings a sense of responsibility that may be absent in a virtual format. To make it "real", it is important to set expectations of performance at the start.
- **Track progress:** Intermittent milestones are especially important in a virtual setting to ensure that all stakeholders are "on the same page" through the duration of the project.

While some of these guidelines indeed apply to all projects, we found them to be salient to the success of the virtual consulting projects we observed. Given the trend towards more virtual consulting, we suggest that these best practices be kept in mind, especially for experiential projects that involve partnerships such as those between SBDCs and Universities.

Herding Consultants: Experiential Education at the Wharton SBDC

Erin McGowan, Wharton SBDC

Best Practice

The Wharton SBDC has developed a unique and highly effective “apprenticeship” model for service delivery to leverage the students, faculty and staff of the Wharton School. The Wharton SBDC engages close to 100 Wharton students each year in its consulting programs and collaborates with faculty to engage over 100 students a year in course projects that benefit local small businesses. The Wharton SBDC has enabled several generations of Wharton students to learn from and assist in meeting the challenges of Philadelphia’s leading entrepreneurs and has boosted the prospects of many of our high-growth and community-focused businesses.

Our Growth consulting program in particular forms teams of undergraduate and MBA consultants to advise local CEOs of fast growing companies under the guidance of experienced consultants. The CEOs receive a semester-long project to provide them insight into an important strategic question for their business. For the students, many of whom aspire to work for the top management consulting firms, this work provides them the experience needed to be effective in their post-graduation roles and rise in leadership positions.

Highlights of our program are:

- We are one of the largest experiential learning programs at the Wharton School
 - Through formal consulting and coaching engagements, consultants use their business skills and the tools they learn in the classroom to address the business challenges faced by our clients
 - Consultants meet professionals and leaders of the entrepreneurial eco-system
- Consultants work directly with the senior leadership teams of fast-growing businesses, turnarounds and start-ups
 - Consultants have the opportunity to structure the project from beginning to end, a responsibility usually held by partners in large consulting firms
 - Consultants build career experience
- We are committed to business and social impact
 - Our ability to find practical solutions to clients' problems contributes substantially to economic development in the region
- The hallmark of experiential education – learning by doing

FGCU SBDC Student/Small Business Readiness Program

Suzanne Specht, FSBDC at Florida Gulf Coast University
Claire Gorman, Florida Gulf Coast University

The FSBDC at Florida Gulf Coast University created a twist to the traditional student-led consultancy program-**the Student/Small Business Readiness Program**. The objective of the SSBR Program is to address critical skill gaps for new college hire success in the workplace. In particular, this program focused on skills identified as necessary by small business owners through a certificate program coordinated between FGCU Career Development Services (CDS) and FGCU Small Business Development Center (SBDC).

Need for such a program is evident, as in a Gallop survey, only 11% of business leaders in the United States strongly agree that graduating students have the skills and competencies their businesses need, highlighting the gap between higher education and workplace readiness (Gallop, Inc., 2014). Furthermore, in a December 2014 NACE survey more than 600 representatives from across 20 industries identified career readiness competencies considered essential to new college hire success. More than 43% of the respondent organizations were classified as small businesses. The results identified both hard/soft skills as essential with the competencies ranking as follows: professionalism/work ethic; critical thinking/problem solving; oral/written communications; teamwork/collaboration; information technology application and leadership. Such competencies are addressed by the SSBR Program (NACE, 2015). This SBDC Best Practice coordinates students' readiness with small business owners' needs.

Recognizing that long-term success in the workplace is dependent upon effective human resource management within an organization, this program combated inefficiencies in small businesses by providing 10-15 businesses owners with no-cost access to webinar training focused on HR issues. The online trainings through Global Classroom (an ASBDC partner) addressed job description design, best practices for interviewing, effective position marketing and managing millennials in the workplace. SBDC consultants were on hand to offer consulting throughout this program. This program was sponsored by a grant through a bank partnership.

Participants in the program included 30 full-time FGCU students in his or her junior or senior year, from a variety of majors. This past fall semester 2016, students participated in the semester-long SSBR Program with sessions hosted by staff from our Career Development Services. Each session provided discussion, examples, training exercises to enhance student abilities in the identified critical competencies for the small business owners.

As envisioned, the program focused on softer skill development and hard skills. Sessions covered a variety of important topics including: professionalism and work ethic; critical thinking and problem solving; oral/written communication; teamwork/collaboration; resume writing, employment search, application, and interview techniques. Sessions included techniques for professional email/phone etiquette, role plays and scenarios to challenge student problem solving ability and introduced students to potential situations that may arise in the workplace. Simultaneously, small business

owners were learning HR –related skills online. The students and the SBDC clients met on campus to coordinate a shadow/mentoring day exposing the students to small business workplaces. This session allowed students a first-hand look at day-to-day behaviors in the small business and provided a frame of reference for exploring employment in the future. This SBBR program concluded with a reception to recognize the program sponsor, students and small business owners. It was a huge success fostering job creation/entrepreneurship locally through this innovative best practice program.

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Prometheus Unbound: Reigniting the Spirit of Student Engagement

Tony Palamone, Indiana University of Pennsylvania SBDC

Richard Hoover, Indiana University of Pennsylvania SBDC

Abstract

Every semester approximately 25-30 millennials invest 10 or more hours a week to produce work for businesses without being paid, without receiving any course offset, and without even receiving college credit. Students consistently say they wish they could just pay the school and do our program and those who do well consistently say our program differentiated them in job interviews and help them triumph over students with higher GPA's and from more known schools in the job search.

This effort which we have been evolving over the last few years is known as the Agency. Students gain up-to-date experience across a variety of technical and leadership skills while providing businesses with marketing and other deliverables and collaterals. This flexibility allows the Agency to fit into a hole in the market as many small businesses cannot or do not hire an advertising agency to put on a marketing campaign, develop graphics, a webpage, a video or even establish a social media presence. As of yet the students have not charged, but the long term vision is to have the organization be able to provide some compensation for our students. Our experience will be presented and discussed.

Gannon University Small Business Development Center: A Three-Prong Approach to Working with Students

Margaret Horne, Gannon University SBDC

Gannon University Small Business Development Center connects with college students using a three prong approach: employment at the Center, working directly with clients and non-profit organizations through academic coursework, and developing and implementing educational programming.

The Center employs six to eight students annually which provide an opportunity for students to gain experience in effective communication, work ethics and teamwork. The students perform clerical/support tasks as well as consulting activities including market research, industry research and business plan review and development. Students develop marketing tools, including surveys and focus groups, online communications, social media strategies and website content. Students work directly with non-profit organizations related to market research and general analysis of operations.

An additional five to ten students are engaged annually to work with the Technology Business Accelerator participants to develop market research reports and industry analyses. The students are assigned clients, attend the eight sessions, meet with and support the client throughout the program, assist with the development of the pitch, and provide a market analysis report at the conclusion of the program.

The SBDC engages with Gannon professors and class teams to work directly with clients to develop marketing plans and perform feasibility studies as part of a course.

The SBDC partners with Mercyhurst graphic arts students each year to create logos for clients. The SBDC partners with Penn State Behrend by employing a Gannon University student to provide support at Innovation Commons, an open ideation and prototyping space staffed by skilled engineering and business students guiding innovators and entrepreneurs through early development stages.

Students are an integral part of the development and implementation of educational programs including our annual Women in Leadership Development (WILD) conference and the Small Business Initiative, a PA Department of Treasury event.

How Temple SBDC Leverages Resources within the University that Benefit Businesses in the Philadelphia Area

Eustace Kangaju, Temple University SBDC

The Temple University Small Business Development Center (SBDC) recognizes the great resource that lay in its students from many academic disciplines. How could students' expertise and energy be harnessed in a way that would:

1. Benefit SBDC clients through the provision of additional high quality services
2. Enhance student learning
3. Provide students practical real world experience into addressing business related issues that impact small business

The Temple SBDC had enjoyed great success with its use of student hires, who were found to be very good researchers, analysts, and workers. Based on our experience we developed multi-faceted plans to incorporate students further. The plans resulted in:

- 1) The Legal Clinic – Third year students, supervised by a practicing attorney as faculty from the Temple Beasley School of Law, provide legal consulting on business issues such as entity formation, leases and other contracts. Partnership with Beasley School of Law.
- 2) The Creative Department – Undergraduate students from Temple's various arts and designs majors, develop marketing collateral for SBDC clients. Students recruited from Tyler School of Art; School of Media and Communication.
- 3) The International Business Department- Undergraduate international business majors working in student teams with guidance from faculty and the SBDC International Business Consultant provide market research and export plans to clients. The Department also provides internship opportunities to individual students. Students have included doctoral candidates and post-docs from the life sciences. The Department also recruits student "ambassadors" on an event by event basis who work during SBDC trade conferences known as the Going Global Series. Partnership with Fox School Strategic Management Department.
- 4) Digital Marketing Experience through 5th Floor Analytics – where undergraduate students working in student teams undertake the development of a six-month digital marketing campaign for client businesses. Partnership with Fox School Marketing Department.

Feedback from clients, students, faculty, and SBDC staff over the years has been positive and student participation has provided the SBDC quality deliverables that it otherwise might not have met.

Best Practices in Face-to-Face Consulting: Lessons from a Florida SBDC at the University of North Florida Partnership

Diane Denslow, FSBDC at the University of North Florida

Janice Williams Donaldson, FSBDC at the University of North Florida

The University of North Florida has been participating in the Small Business Institute Program since 1973. As an expansion of this program, the FSBDC at UNF now provides live case studies for undergraduate and graduate classes in the Coggin College of Business. In 2015, the FSBDC at UNF provided 19 live case studies to the graduate Social Media Class (faculty member, Lakshmi Goel) and the undergraduate Entrepreneurial Marketing Class (faculty member, Diane Denslow). These entrepreneurs received more than 2,800 hours of consulting assistance. In 2016, the FSBDC at UNF provided 15 live case studies to the graduate Social Media Class and to the Small Business Consulting Class (faculty member, Diane Denslow). These entrepreneurs received more than 1,090 consulting hours.

SBDC Best Practices in Traditional, Face-to-Face Classroom Settings:

- Develop and facilitate strong working relationships with faculty interested in incorporating experiential learning in their courses.
- Assist in course design to best utilize the client experience and shorten the learning curve for faculty members.
- Offer a student manual or guide to explain the consulting process, client expectations and answers to frequently asked questions. Structure is important in this non-traditional learning experience.
- Require students to execute a Student Participation Agreement, ensuring confidentiality and reducing the opportunity for conflicts of interest.
- Identify appropriate clients, and screen the clients for scope and scale of project, client availability, client expectations, and potential to offer a valuable learning experience.
- Match clients with students based on students' skills, experience, knowledge and interests.
- Serve as a resource to the faculty member and the students, providing access to SBDC research tools and templates, participating as guest speakers in class, offering feedback on projects, and offering access to Subject Matter Experts.
- Expect the most from student consultants, emphasizing professionalism and treating them with respect.
- Schedule frequent touch-points between students, faculty member and SBDC consultant to minimize demands on client time while ensuring project quality.
- Document consulting through consulting hour logs and in-kind contribution forms.
- To further ensure quality, undergraduate students do not serve as primary consultants.

Instead, they support a primary SBDC consultant by providing research, financial projections, and other information. Close faculty supervision is also a must. Student team hours for undergraduate students are limited to no more than 100 hours per project.

The FSBDC at UCF SBI® Program

Eunice Choi, FSBDC University of Central Florida
Julie Kaufman, FSBDC University of Central Florida

The UCF College of Business ran the local Small Business Institute® (SBI) program for many years but ceased offering the course in 2006. The FSBDC at UCF saw the opportunities this service would present to its clients and undertook to relaunch and operate the program in collaboration with the UCF College of Business in 2009. Over the past eight years, the FSBDC at UCF has developed an innovative model of a successful SBDC-University partnership, implementing a number of programmatic best practices resulting from this collective effort.

FSBDC at UCF's leadership saw the SBI® program and its collaboration with UCF's College of Business as a natural fit and an effective way of enhancing the FSBDC's scope of services. The FSBDC sought to become more relevant to the College, increase its interaction with students, and enhance their job opportunities through real-life experience with local businesses. The SBI® program underscores UCF's commitment to the local business community and provides positive exposure for its students, the FSBDC at UCF, and the College alike.

The FSBDC at UCF provides a wide range of promotion, guidance, and support throughout each step of the SBI® program process. The Center recruits client companies across its eight-county Central Florida service area, highlighting the program's broad reach as another one of its defining strengths. The FSBDC markets the program directly using the Center's outreach efforts, various community connections, and its existing pool of clients. The FSBDC then vets these businesses and is also closely involved with student recruitment efforts across campus.

FSBDC employee consultants serve as Case Supervisors for the student teams, attending each class and offering guidance throughout the SBI® consulting venture both inside and outside of the classroom. The program has enrolled over 275 students and case study reports have covered diverse areas including market research, competitive analysis, feasibility studies, organizational development plans, marketing plans, customer surveys, strategic plans, financial analysis, and business plans.

The FSBDC at UCF SBI® program is strategically designed to maximize the opportunity for economic impact, which is part of the FSBDC mission. Whereas the national program offers both undergraduate and graduate levels, the FSBDC at UCF SBI® program is only offered as a graduate level course within the UCF College of Business in order to attract advanced students and provide a higher level of analysis and recommendations to participating clients. Additionally, the national program is open to businesses at all stages in their lifecycle, including pre-venture and start-up companies, but the UCF SBI® program only targets established firms with revenues of at least \$500,000 and a minimum of two years' operating experience. The hours spent as Case Supervisors provide the FSBDC consultants with additional consulting hours, as well as opportunities to follow up with the clients regarding further FSBDC services after the SBI® project is completed.

The FSBDC at UCF's SBI® program has been very well received by the Central Florida small business community and the National SBI® Director's Association. Since the FSBDC at UCF instituted its program in 2009, eleven student teams have been recognized as winners of the national SBI® Project of the Year (POY), including two first-place winners. These accolades reflect the program's quality and positive impact on the students and client companies alike. The advantageous partnership between the College and the FSBDC at UCF serves as a best practice and model strategically designed to offer an exceptional experience for all stakeholders involved.

WORKSHOPS

Channeling Entrepreneurs in Our Classrooms, Disciplines, and Communities

Bonnie Canziani, University of North Carolina at Greensboro

Dianne Welsh, University of North Carolina at Greensboro

Keith Debbage, University of North Carolina at Greensboro

W. Noah Reynolds, University of North Carolina at Greensboro

Debra Sea, Bemidji State University

Workshop Description

Entrepreneurship and self-employment are increasingly important parts of the U.S. economy. In response to this national trend, many universities are looking for ways to catalyze cross-campus entrepreneurship. The call to infuse colleges and universities with cross-disciplinary approaches to entrepreneurship has been heeded at many institutions (Welsh, 2014; Neck, et al, 2014). Best practices and lessons are emerging from the experiences of the faculty at the leading “entrepreneurship” campuses. This panel will present strategies from two universities: University of North Carolina Greensboro and Bemidji State University.

As Brews stated in a recent BizEd (2016) article, it is important that we modernize the curriculum to shape new learning models for students who upon graduation become the "creative core" of businesses in the future millennium. This includes faculty who have different perspectives and skill sets as well as finding entrepreneurial role models in unusual places. Like psychics trying to connect people with the spirit world, we in entrepreneurship education call upon existing entrepreneurs to communicate with our students. The proposed panel discussion spins off from the *entrepreneur in residence* concept of giving students access to live or virtual entrepreneur role models.

The focus of the discussion will be on how we strive to bring real entrepreneurs and stories either physically or virtually to students, so students can visualize more clearly the very personal successes and challenges of entrepreneurship and small business creation. This is exceedingly important when striving to spread entrepreneurship into disciplines outside the traditional business arena. Building support for entrepreneurship education in non-business departments across campuses means finding entrepreneurs who can speak to the heart of a discipline and its future graduates.

Finding entrepreneurs who are relevant to our disciplines takes effort. At UNC Greensboro we have pursued a variety of tactics. Through our entrepreneur in residence, we offer access to an expert who can work one on one with the campus instructors to help them define what entrepreneurship means in their respective fields and what good role models look like.

In hospitality and tourism, we have used an entrepreneur biography assignment to locate role models that are meaningful to students. In geography, efforts are underway to better integrate the urban and economic geography agendas of the Department of Geography with the elevated interests in entrepreneurship at the university. By focusing on “start-up communities”, innovation districts, and entrepreneurial ecosystems it becomes possible to channel student entrepreneurs in the classroom into the community and vice versa.

At Bemidji State University there is an initiative called the *Launchpad Bemidji Assignment*. Launchpad Bemidji conducts a weekly gathering of entrepreneurs, mentors, advisors, and others to educate, engage, and connect entrepreneurs. It is modeled after the 1 Million Cups initiative founded

by the Kauffman Foundation. Students in a cross-disciplinary *Media Production for Social Entrepreneurship* course attend at least two sessions during the semester and report back to their classmates.

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- Neck, H. , Greene, P. , & Brush, C. (2014). *Teaching Entrepreneurship A Practice – Based Approach*. Massachusetts, MA: Edward Elgar Publishing, Inc.

Panel members will consist of:

DIANNE H.B. WELSH is the Hayes Distinguished Professor of Entrepreneurship and Founding Director of the Entrepreneurship Programs at The University of North Carolina Greensboro. Dianne has held three endowed chair and started three entrepreneurship programs/centers. She is the 2015 Fulbright-Hall Distinguished Chair for Entrepreneurship for Central Europe. She has visited or lectured in 37 countries. Dianne is a recognized scholar in family business, international entrepreneurship, women-owned businesses, and franchising and has seven books and over 150 publications. Her newest books are *Creative Cross-Disciplinary Entrepreneurship*, published by Palgrave-Macmillan, and the 2nd edition of *Global Entrepreneurship and Case Studies in Global Entrepreneurship*.

BONNIE CANZIANI holds a Ph.D. from Cornell University in Hotel Administration. She is a faculty member at the University of North Carolina Greensboro, Bryan School of Business and Economics, publishing widely in the management of customer service relationships and global and diversity issues in hospitality, tourism, and related fields. She has contributed to significant curricular initiatives in sustainability, globalization, and entrepreneurship. Since 2001, Dr. Canziani has been involved in marketing and business research focused on the NC wine and grape industry. Other activities include website usability consulting for local/international companies and serving as a Coleman Fellow in Entrepreneurship at UNCG.

KEITH DEBBAGE is a Professor of Geography at UNC-Greensboro with research interests in urban economic development. His specific research interests include urban planning and economic development, and the geography of airline route networks and how they shape regional economies. Dr. Debbage is also the author of over 70 research publications in book chapters, contracted reports and various academic journals including the *Journal of Air Transport Management*, the *Journal of Transport Geography*, *Regional Studies*, *Tourism Management*, *Transportation Quarterly*, and *Urban Geography*.

Dr. Debbage has received numerous economic development grants and contract awards from the North Carolina Department of Commerce, GlaxoSmithKline, NewBridge Bank, the Piedmont Triad Partnership and others. Dr. Debbage was appointed in 2007 to the UNC Tomorrow Scholars Council by UNC President Erskine Bowles to develop the strategic plan for the UNC system. He has been quoted in *Business Week*, *New York Times*, *Wall Street Journal* and *USA Today* and has been an op-ed columnist for the *Greensboro News and Record* and the *Triad Business Journal* for much of the past decade. He received his Ph.D. in Geography from the University of Georgia in 1988.

DEBRA SEA is an Assistant Professor of Mass Communication in the College of Business at Bemidji State University. She has a professional background in technology, media production, marketing and entrepreneurship. Previously, she was Chief Operating Officer for ZuZu Media, Director of Media and Marketing for Ball Dermopath, and an Information Technology Project Manager for the City of Portland, Oregon. She has held the Project Management Professional (PMP) certification from the Project Management Institute since 2002.

Debra teaches online and in person and enjoys engaging students in a variety of courses including *Social Media Marketing*, *Advertising*, *Video Editing*, and *Media Production for Social Entrepreneurship*, *Headwaters Film Festival Experiential Learning Course*, *Media Ethics/ Law and Capstone*. Debra received an MFA in Film and Video Production from the University of North Carolina at Greensboro. She is an experimental filmmaker whose work has screened at prominent film festivals nationwide. Debra's research interests include media production for social entrepreneurship, social media (@debrasea), and experimental active learning pedagogies.

2016-2017 Human Resource Management Updates for Small Business

John Hendon, University of Arkansas at Little Rock
Timothy C. Dunne, Boise State University
LeAnne Coder, Western Kentucky University

Workshop Description

This workshop will consist of a group of invited panelists who will discuss the changes in Human Resource Management (HRM) practices that have occurred in the past year. A large number of changes have occurred with definitions of protected class individuals as well as the changing health care landscape, recruiting and selection processes, employee versus independent contractor classification, proposed changes to minimum wage and overtime rules and many other issues. Each of these issues has the potential to affect small businesses as well as larger corporations, but most small business owners and managers do not have good operational knowledge of them. This workshop will brief conference participants concerning the significant topics that consulting clients need to be made aware of.

The Program

The program will be broken down into discussion of various agencies and their regulatory changes, in addition to providing a briefing on Executive Orders issued by President Obama over the past four years. Large scale changes (or proposed changes) have been made in regulations controlling the National Labor Relations Act (NLRA), the Fair Labor Standards Act (FLSA), the Occupational Safety and Health Act (OSHA), the Office of Federal Contract Compliance Programs (OFCCP) and Title VII of the Civil Rights Act of 1964, along with some changes within the Department of Labor and other federal government agencies.

The session will provide faculty with the necessary information with which to avoid errors in recommendations resulting from student or faculty consulting projects.

Publish Don't Perish: Tips that Improve Your Ability to get Published

Robert N. Lussier, Springfield College

Who Should Attend and Time

Today, publish or perish is now required at even teaching colleges. As much as we love to teach, publishing clearly affects the position we can attain, tenure, promotion, and pay. The workshop is intended primarily for doctoral students and junior faculty. But even full professors can find it to be beneficial, and a professor can also give tips to other attendees. Attendees will learn how to increase their publication quality and quantity. Take-away tips relate to the following topics below that are covered during the workshop:

Format

It will be a presentation with a sharing and question and answer format. The workshop leader will cover the topics following the outline below. After the presentation of each topic, time will be allowed for questions and answers, so bring your questions. Others are encouraged to give tips and to answer and respond to other participant questions.

Topics

Foundations (developing a winning attitude and persistence—Ch 1)

Selecting Topics and Publication Sources (requirements, niche, selecting journals—Chs 2 + 5)

Matching Publication Sources (reviewers, referencing, formatting—Ch 6)

Time Management (finding the time to publish and to be more productive—Ch 7)

Multiplying Publications (coauthors, progression, mining your data, extending work—Ch 8)

Empirical Research (What to include in each part of your article—Ch 9)

Source

The workshop tips are taken from Dr. Robert Lussier's book: *Publish Don't Perish: The Top Secrets to Get Published*. The chapters in the topics outline correspond to the book chapters. For more information and to purchase PDP, visit www.Publishdonotperish.com and click view the table of contents.

Publish Don't Perish: The Top Secrets to Get Published

A limited number of *Publish Don't Perish: The Top Secrets to Get Published* will be sold at the conference at a discount price for SBI at \$20; regular price \$35, with shipping and handling.

To book Dr. Lussier to speak at a conference or university faculty institute, faculty development workshop, speaker series, doctoral seminar, and business events, email rlussier@springfield.edu

Publish Don't Perish: About the Workshop Leader

Dr. Robert N. Lussier has been a professor and the *Publish Don't Perish* expert for more than 20 years based on his bestselling books and being a prolific author of 440+ publications including refereed journal articles in *Entrepreneurship Theory and Practice (ET&P)*, *Family Business Review (FBR)*, *Journal of Small Business Management (JSBM)*, *Journal of Small Business Enterprise and Development (JSBED)*, *Journal of Management Education (JME)*, *Journal of Small Business Strategy (JSBS)*, *Academy of Entrepreneurship Journal (AEJ)*, *Business Horizons (BH)* and several other journals.

Over one million people globally have used his 12 textbooks *Human Relations 10e* (McGraw-Hill), *Management 7e* and *Human Resource Management 2e* with John Hendon (SAGE), *Leadership 6e* (Cengage), *Entrepreneurial New Ventures Skills 3e* (Routledge), *Research Methods and Statistics for Business* (Waveland) and others earning him an unsurpassed national and international reputation as an author and keynote speaker.

He has helped hundreds of institutions and individuals in over 75 countries get published. Presentation highlights include numerous universities including *ABMS University of Switzerland*, *Concord College*, *Guanajuato University of Mexico*, *Kaplan University*, *University of New Mexico*, and others. Sample professional association conferences including *United States Association of Small Business and Entrepreneurship (USASBE)*, *North American Management Society (NAMS)*, *Eastern Academy of Management (EAM)*, *Organizational Behavior Teaching Conference (OBTC)* and the *Small Business Institute® (SBI)*, awarded highest honor - Fellow) and others. His presentations inspire comments like:

"His workshops deliver results...PDP provides vital insights that every academic professional needs to know."

Dr. Carl J. Blencke, University of Central Florida

"Bob explains complex business topics in an easy-to-understand language while keeping his audience engaged and spell-bound."

Dr. Raj V. Mahto, Professor, University of New Mexico

"Dr. Lussier's Publish Don't Perish is truly a career changing book and workshop."

Dr. Christopher Achua, Professor, University of Virginia's College at Wise

"I really appreciated the opportunity to attend Dr. Lussier's workshop and to learn from his publishing and speaking expertise. He helped me to better understand how to publish and inspired me to continue to work hard on my PhD."

Daniela Hernandez Montero, doctoral candidate, Autonomous University, Mexico

Visit www.publishdonotperish.com to view Dr. Lussier presenting, find his full 70-page curriculum vitae (CV) in "About" and "Speaking Topics" based on his popular book: *Publish Don't Perish*.

To book Dr. Lussier to speak at a conference or university faculty institute, faculty development workshop, speaker series, doctoral seminar, and business events, email rlussier@springfield.edu

A Diversity and Inclusion Blueprint for Small Businesses, Nonprofit Organizations, and Corporate Allies

Patrick D. Walker, Lindenwood University
Nicole Roach-Walker, Webster University

Brief Workshop Description:

Small businesses, nonprofit organizations, and their corporate allies have a unique opportunity to transform communities in which they operate. Individually and collectively, their organizational design and mission provide a framework for competitive advantage in local business environments through diversity and inclusion. Building upon prior research in diversity and inclusion, this workshop will explore the theoretical conditions and provide a blueprint for small businesses, nonprofit organizations and their corporate allies who desire to achieve progressive, sustainable change and positive economic impact.

Workshop Learning Objectives:

By the end of the workshop, participants will be able to:

- Define diversity and inclusion;
- Discuss the “business case” and benefits for diversity and inclusion;
- Outline unique diversity and inclusion opportunities as a means for building business relationships through supplier diversity, community engagement, corporate social responsibility, and economic impact;
- Help executive leadership, board members, and volunteers explore diversity and inclusion and how it correlates to each organizational unit;
- Create a diversity and inclusion action plan.

Workshop Participant Outcomes:

To thrive in good markets and survive in tough times, small businesses and nonprofit organizations must seek competitive advantages across multiple platforms. Toward that end, diversity and inclusion provide several strategic options for organizational sustainability. These efforts must be carefully planned, nurtured, and measured to ensure success. This workshop is intended for individuals who are focused on how to best deliver services and products while navigating through the complexities of diversity and inclusion unique to managing small businesses, nonprofit organizations, and working with their corporate allies.

Take-away Benefits:

- Attendees will increase their diversity and inclusion awareness, acumen, and abilities;
- Attendees will understand how diversity and inclusion directly impact organizational strategy and positioning;
- Attendees will be provided with tools to develop and/or expand their organization’s diversity and inclusion platform;

Workshop Presenters:

Patrick D. Walker is an award-winning first generation college graduate, professor, business lawyer, management consultant, and member of several regional St. Louis boards which include the Empower Missouri, Community Council of St. Charles County, Nonprofit Missouri, YMCA – O’Fallon MO, and Youth In Need. Patrick has more than 20 years of expertise in educational and experience with helping organizations achieve the fundamental business ingredients of success as they navigate through critical management and legal decision-making processes and strive toward effectiveness, efficiency, and financial sustainability. Published in peer reviewed management journals, law journals, and conference proceedings, Patrick’s research explores interdisciplinary approaches to social entrepreneurship and enterprise development for nonprofit organizations and small businesses. Recently, Patrick received the 2016 Lindenwood University Professor of the Year Service Award for his work on and off the Lindenwood campus, including seminars for area nonprofit organizations and his efforts to establish the Diversity, Equity, and Inclusion Committee on campus. He also received the inaugural 2016 Symbol of Hope Award, a distinction given by St. Francis Community Services to an individual coming from humble means who has created large and positive impact in the community. In 2014, he was selected as the Emerson Electric Company Professor of the Year for teaching excellence.

Nicole (Nicci) Roach-Walker currently serves as Webster University’s first Associate Vice President for Diversity and Inclusion and Senior Director for Community Engagement. She also contributes as an adjunct faculty member, teaching leadership and diversity and inclusion courses. Nicole is the founder of Covenant Exchange, LLC. The organization’s mission, ‘Positioning women of culture for celebrated contributions’. Organizational programming includes a speaker series, leadership capacity courses, board development and placement and the popular PopUp Tea Time. She’s the host of Rethinking Possible Podcast and a guest contributor on Sparkman JobTalk Radio Show facilitating conversations on transformative leadership. In January 2012, Missouri Gov. Jay Nixon appointed Nicole as a member of the Missouri Community Service Commission with a mission to build stronger communities throughout Missouri. She is active with many civic organizations including; Regional Business Council Young Professionals Network; United Way’s Women’s and Charmaine Chapman Leadership Society; Opera Theatre of St. Louis Engagement and Inclusion Task Force; and Webster Groves Business Development Commission. Recently, Nicole was honored as a Delux Magazine Power 100 recipient.

Creating a Portfolio of Small Business Resources at a University

Dave Moon, California State University, Northridge

Deborah Cours, California State University, Northridge

Deborah D. Heisley, California State University, Northridge

Joe Bautista, California State University, Northridge

Paula di Marco, California State University, Northridge

Workshop Description

The panelists represent separate programs on a large, urban campus that provide students with real world experiences with client-based projects, often for local small businesses, start-ups and nonprofits. These programs include student consulting projects in the business school, including masters and undergraduate programs, connected to the university's Small Business Institute, Design Hub, a design studio course where student designers work with community partners to solve design problems through design thinking, and the Center for Visual Communication (VISCUM), a student operated and faculty managed full service creative agency in the Art Department. The panelist will describe other campus collaborations including production of commercials through the Film and Television program, and other engaged programs. The Office of Community Engagement helps connect campus resources on and off campus.

The panelists will describe the student learning benefits, which are well understood by the SBI audience. They will also describe the benefits and challenges of developing a more integrated system across university silos. Audience participation will be encouraged and noted to develop a record of best practices and action items.

How to Create and Run an SBI Program at Your University

Ron Cook, Rider University
Michael Harris, East Carolina University

Workshop Description

This session will discuss the nuts and bolts of to creating an SBI program and the value to all parties of doing so. Topics include what is an SBI project, the benefits of an SBI program, program delivery choices, the support needed, pitfalls to avoid, and the recognition/rewards from doing SBI.

Constructing an effective and sustainable research strategy for empirical studies that lead to successful professional development

Kathleen Liang, North Carolina A&T State University
Paul Dunn, University of Louisiana at Monroe

Workshop Description

The purpose of this workshop is to share a successful strategy to develop and expand the research agenda for young and mid-career academics. Very often young/new scholars in academic are inclined to design one research project at a time. However, it will be more effective and efficient to develop a robust research agenda instead of a research project. Led by a mentor and protégé team, we will present step-by-step how to:

- (1) Discover a research topic that is of interest to the scholar.
- (2) Identify a specific topic to focus on.
- (3) Use this specific topic to develop a list of research questions.
- (4) Follow the research questions to develop and expand a robust instrument.
- (5) Adopt innovative methods to collect data.
- (6) Continue to expand and refine the data collection process to improve the quality of data.
- (7) Complete analysis for a series of publications and other dissemination as research evolve.
- (8) Stagger existing results to develop new research subjects and new projects.

Workshop participants will receive copies of existing instruments as examples. We also encourage participants to bring their own research questions and/or instruments to share.

ABSTRACTS

Mentoring Programs Impact: A Study of a Small Business Association

Denise M. Cumberland, University of Louisville

Sharon A. Kerrick, Bellarmine University

Jason D'Mello, Loyola Marymount University

Brad Shuck, University of Louisville

Rajashi Ghosh, Drexel University

Abstract

The popularity of formal mentoring has grown substantially in recent years. Literature has demonstrated individual level benefits such as learning, career planning, enhancement of leadership and managerial skills from formal mentoring programs within work organizations. The purpose of this study, however, is to examine the strategic worth of formal mentoring programs by exploring if, and how, formal mentoring programs impact engagement in a small business association. The two main research questions that guided the study: 1) does psychological capital mediate the relation between mentoring and engagement? and 2) does quality of the formal mentor/mentee relationship mediate the effects of psychological capital on mentoring and member engagement?

A pretest-posttest design was used with a small business association that occurred over a one-year period. Ten pairs of twenty respondents were surveyed at both the beginning and end of the year. The results indicate that there was a significant difference for both psychological capital and mentor quality based on talking frequency, with higher scores for both variables if the mentor and mentee met or spoke more than six times. Furthermore, the frequency of talking had a significant impact on psychological capital and mentor quality measures for mentors. There was a significant increase in psychological capital over time when comparing mentors across low/high frequency talking over the year of the study. There were also marginally significant improvements in member engagement for mentees that had high talking frequency versus mentees that had low talking frequency. While the sample is small, these results suggest that small business association mentor programs may have as much, if not more impact on those who serve as mentors. Future research is warranted to obtain further insights on how psychological capital and engagement are impacted by mentor programs in membership organizations.

Keywords: Mentoring; Membership Association Engagement; Psychological Capital

Training and Educational Development for “Vetrepreneurs”

Denise M. Cumberland, University of Louisville

Abstract

Over the last decade, training programs have emerged to assist veterans in launching their own businesses. An initial search for information on entrepreneurship training programs for veterans, however, reveals that there has been no systematic research undertaken to summarize programs available and no comparison of what these various training efforts include. Additionally, there been no examination of whether these programs provide the requisite skills to engage in venture creation, result in the launch of veteran start-ups, and improve the odds of long-term venture success. The lack of empirical studies reporting on the assessment of these programs makes it difficult to judge the relevancy of the curriculum in meeting the nascent veteran entrepreneurs’ needs.

This article brings together a wide range of information on veteran entrepreneurial training programs offered by the public, nonprofit, and private sector in the U.S. Data were gathered through websites and other literatures. Concern about the lack of reported results of these programs is noted and a framework proposed for the systematic evaluation of learning outcomes that could be used across veteran entrepreneurial education programs.

Keywords

Entrepreneurial educational outcomes, Veteran entrepreneurial education

Exploratory Analysis of Business and Family Problems Facing Family Businesses

William McDowell, Middle Tennessee State University

Michael Harris, East Carolina University

Shanan Gibson, East Carolina University

Jerry Kudlats, Jacksonville University

Whitney Peake, Western Kentucky University

Abstract

Problems facing small businesses are myriad in nature and they frequently mirror their larger counterparts and include issues ranging from human relations to financial issues, management issues, or even production and operational issues. However, problems within family-owned firms add to this complexity by introducing the additional stresses of family involvement. The purpose of this paper is to capture and analyze the most pressing problems facing family businesses that deal with both the business aspect of the firm as well as the family dynamic issues that are inherent to the family business. Analysis of surveys of 493 family-owned firms found the primary business concern was the economic environment, followed by sales and marketing. In addition, the primary family-related concerns included long-term viability, succession and family conflict.

Table 1. Detailed Analysis of Small Business Problems		
<i>Problems</i>	<i>Frequency</i>	<i>%b</i>
1. Obtaining External Financing	6	1.4
1. Obtaining financing for growth	6	
2. Other general financing problems	0	
2. Internal Financial Management	47	11.2
1. Inadequate working capital	0	
2. Cash Flow Problems	9	
3. Other or General financial management problems	2	
4. Controlling margins/profits/expenses	34	
5. Collection of accounts receivable	2	
3. Sales / Marketing	138	32.9
1. Marketing Research	2	
2. Low Sales	5	
3. Dependence on one or few clients/customers	8	
4. Marketing or distribution channels	3	
5. Promoting/public relations/advertising	8	
6. Other or general marketing problems	8	
7. Changes in markets	19	
8. Increased competition	85	
4. Product Development	4	0.9
1. Developing products/services	3	

2. Other general product development problems	0	
3. Product line changes	1	
5. Production/Operation Management	38	9
1. Establishing or maintaining quality control	3	
2. Raw materials/resources/suppliers	17	
3. Other or general production/operations management problems	7	
4. Production capacity problem	7	
5. Becoming computerized	4	
6. General Management	22	5.2
1. Lack of management experience	2	
2. Only one person/no time	2	
3. Managing controlling growth	8	
4. Administrative problems	0	
5. Other or general management problems	7	
6. CEO overworked/overwhelmed	0	
7. Planning	3	
8. Leading	0	
9. Bench-marking	0	
7. Human Resource Management	11	2.6
1. Recruitment/selection	4	
2. Turnover/retention	3	
3. Satisfaction/morale	0	
4. Employee Development	3	
5. Training/development	0	
6. Other or general human resource management	1	
8. Organization Structure/Design	0	0
1. New Division	0	
2. Changing from custom programing to product	0	
3. Other or general organization structure/design problems	0	
9. Economic Environment	151	36
1. Poor economy/recession	149	
2. Other or general economic environment problems	2	
3. Stock market problems	0	
10. Regulatory Environment	17	4
1. Insurance	2	
2. Licensing/bonding	0	
3. Changes in federal/state regulations	2	
4. Other or general regulatory environment problems	10	
5. Creditability	0	
6. Taxation	2	

7. Copyright	0	
11. Export	0	0

Table 2. Detailed Analysis of Family Problems		
<i>Problems</i>	<i>Frequency</i>	<i>%b</i>
1. Finance	21	7.5
2. Conflict	50	18.0
3. Sucession	52	18.7
4. Work/life balance	36	12.9
5. Legacy	8	2.9
6. Long term liability	111	39.9

The relationships between family support, personal problems, and firm performance of Moroccan and Turkish women entrepreneurs: The country context.

Dianne Welsh, University of North Carolina at Greensboro
Esra Memili, University of North Carolina Greensboro
Eugene Kaciak, Brock University and Kozminski University
Caroline Minialai, CESEM HEM

Abstract

Drawing upon the institutional economics theoretical framework, we examine the relationships between women entrepreneurs' firm performance and the family financial and moral support and personal problems in the context of Morocco and Turkey. Country context is significantly related to women-owned businesses performance in three areas. Family financial support is positively related to firm performance in Morocco compared to Turkey. However, family moral support is related to worse firm performance in Morocco than in Turkey. Personal problems of women entrepreneurs are negatively related to firm performance in Turkey compared to Morocco. Implications and future research are discussed.

The Relationship between a Comprehensive Strategic Approach and Small Business Performance

Ralph Williams, Jr., Middle Tennessee State University
Joshua Aaron, Middle Tennessee State University
Scott Manley, Midwestern State University
Francis Daniel, Belmont University

Abstract

Small firm leaders are typically involved in daily business activities and often lack support staff to whom they can delegate managerial tasks. Related to the small business management paradigm, these leaders and business researchers alike seek insight into what management practices to employ as they balance operations, administrative, and human resource duties simultaneously. Strategic planning has been the focus of much scholarly attention. However, its effect on small business performance is unclear. We attempt to provide clarity by establishing a second order construct, comprehensive strategic approach, from three related management practices – goal setting, strategic planning, and financial ratio analysis. We find evidence that a comprehensive strategic approach will enhance and small business performance.

Restaurant Entrepreneurship at a Small Business Winery

Bonnie Canziani, University of North Carolina at Greensboro

Abstract

Wineries in many regions across the globe have expanded beyond their core product, i.e., bottled wine, to include both supplementary *merchandise* and supplementary *services*; one such service is the offering of food and dining experiences. This study draws from work in culinary tourism and consumer behavior in restaurants to identify factors useful for planning a new winery restaurant. The study reports consumer dining intentions with respect to a hypothesized winery restaurant which is located at a winery that respondents have previously visited, in order to help winery owners' restaurant planning efforts. In addition, the study examines the influence of established marketing constructs, i.e., *customer relationship* (wine club membership) and *product experience* (winery visit frequency and prior wine tourism food purchase history), on future winery restaurant visit and purchase intentions.

The winery studied has been in business for over fifteen years in a largely rural county in central North Carolina in the U.S. At the time of the study, food at the client winery was limited to deli-case style offerings (wrapped foods, snacks, and packaged gourmet items). All on-site events and festivals employed outside caterers. An electronic survey was used to collect consumer opinion data. A convenience sampling frame representing prior visitors to the winery comprised over 11,000 discrete email addresses. Cover letter text and a Qualtrics® survey link was provided to the winery to send out as a batch message, resulting in 1198 usable surveys.

Prior visitors sampled were middle-aged or older and roughly half were wine club members. A majority of visitors were from in-state and mean in-state visitor travel distance to the winery is about 63 miles. During their last trip to the winery, 83% of respondents bought food at the winery itself and 80% reported buying food at another location during the trip. In terms of consumer preferences, findings clearly reveal a preference for an independent midscale dining operation that a majority of respondents would visit 1 to 3 times a year.

Slightly more than half of winery visits (55.7%) are expected to convert to dining episodes; dining intention frequency mirrors current visitor patterns, i.e., people who *visit* the winery more frequently will reportedly *dine* more frequently in the restaurant. Therefore, findings support a theoretical relationship between product experience and purchase intentions. However, there were no findings of positive effects of wine club membership on consumer intentions to dine.

Ultimately, the decision to visit a winery restaurant can be tied to, if not dependent on, the decision to visit the winery or the wine region. Indeed, eating at the winery restaurant can be characterized as a supplemental purchase decision within a broad menu of services presented to guests during the winery visit or wine tourism trip. Findings in this study suggest that planners should take into consideration prior visitor data in estimating revenues, since prior visit frequency and food expenditures are seen to influence restaurant visit intentions and to impact expected average checks

for lunch and dinner. While findings are generated from a single study and restaurant project, developers can cautiously adopt similar methods to identify a suitable conversion rate of foot traffic to dining based on surveying current visitors.

**Some preliminary quantitative evidence from Tripadvisor reviews:
The bed-and-breakfast sector in Nova Scotia**

Jeffrey Young, Mount Saint Vincent University
Paulette Cormier-MacBurnie, Mount Saint Vincent University
Peter Mombourquette, Mount Saint Vincent University
Gary Sneddon, Mount Saint Vincent University

Abstract

The following paper examines small accommodations firms, specifically 191 B&B operations in Nova Scotia, Canada in terms of recent online reviews on Tripadvisor. In particular, the paper initially provides an overview of the bed-and-breakfast (B&B) sector in terms of numbers of B&Bs regionally as well as in the province as a whole, the average number of beds, the nature of operation – seasonal versus year round, participation in the Nova Scotia Approved Quality First program, and participation in the Canada Select star-rating program.

The B&Bs are then examined in terms of Tripadvisor's guest star-ratings provided in online reviews (Excellent, Very Good, Average, Poor, and Terrible). Online review scores are then examined for variation in terms of regional and operational basis. Preliminary analysis suggests no meaningful variation in terms of operational basis and seasonality, and B&Bs in Nova Scotia are providing very good accommodations and service with more than 95% of guest ratings in the Excellent and Very Good categories. Overall-rating scores are then examined for any relationships between them and participation in the Nova Scotia Approved Quality First program, and in the Canada Select star-rating program.

Means, standard deviations, and ranges are then provided for six selected review elements – Value, Location, Sleep quality, Rooms, Cleanliness, and Service. Scores on the foregoing elements are then examined for any relationships between them and the overall star rating provided by guests, and the overall star-rating provided by Tripadvisor (a proprietary measure).

Lastly, managerial response rates to reviews are examined for varying levels of guest star-rating.

Implications for owners of B&Bs are considered. Limitations of the current study and future directions for research are discussed.

**Are Survey Research Firms for Empirical Data Collection Worth the Cost?
A Comparison of Small Business Data Collected via Mail Survey Methods and a Survey
Research Firm**

Whitney Peake*, Western Kentucky University
LeAnne Coder, Western Kentucky University

Abstract

In the small business realm, reliable, cost efficient survey data is increasingly difficult to collect, and statistically valid response rates are more elusive than ever (Schoenherr et al., 2015). As such, researchers across disciplines are turning to Survey Research Firms for empirical data collection (Schoenherr et al., 2015; Smith et al., 2016). A recent report compiled by IBISWorld, contends that approximately 56% of market research revenue is generated via electronic means (Rivera, 2016), and academic research has not been immune to this trend. A substantial industry has emerged with online panel usage for online survey deployment (Smith et al., 2016). Despite this quick and efficient means of data collection, questions have arisen related to both sample integrity and data quality, particularly related to self-selection bias for the panelist pools (Smith et al., 2016). Although there are concerns, researchers are forging into this realm of data collection as a result of traditional respondent “survey fatigue” (Schoener et al., 2015).

Researchers have and continue to examine the quality of such data. To our knowledge, however, data collected via survey research firms for empirical analysis related to small businesses has not been analyzed for quality or comparability to other data sources or collection methods. Our objective is to examine the quality of the data collected via the survey research firm with mail and online surveys collected by the researchers. Further, we will compare both paper/online and Qualtrics Panels data to the most recent reports from the SBA to examine respondent generalizability.

In summer 2015, the researchers mailed an 8-page survey to 4100 small businesses in Kentucky via Chambers of Commerce, giving respondents both a paper and online survey option. Both introduction letters and reminder cards were sent as well, and costs came in at more than \$5000. Only 232 surveys were returned, and an even smaller number (149 observations) were from employer firms that had completed the entire survey. To provide a comparison, 262 observations were collected with the same survey during fall 2015 via Qualtrics Panels for a cost of \$6,500. For this data, we stipulated that respondents must be a small business owner, manager that specifically deals with human resources, or general managers in organizations that have 1 to 250 employees. The researchers obtained an additional grant for data collection, and purchased an additional 100 observations in summer 2016 via Qualtrics Panels, with the same stipulations. Qualtrics Panels observations, which were complete and usable, were \$26 per response; whereas, the complete and usable responses from the mail survey methods averaged \$33.56 per response.

Although the Qualtrics Panels responses were more cost efficient, on average, and were collected over a week long period each, there is skepticism in academia related to the reliability and validity of data collected by survey research firms. As such, we present an analysis of the data, comparing basic respondent characteristics and important constructs from the survey. On average, Qualtrics

respondents reported more employees on staff and presented a larger proportion of women than the paper and online surveys administered by the researchers.

However, there were no significant differences in any reports for the firm performance measures. We will likewise examine firm and respondent characteristics, such as industry, age, ethnicity etc. with SBA data to examine generalizability. Further, we will assess important differences in constructs for high performance work systems, innovation, organizational capital, regulatory focus, self-concept, and community involvement, and report our findings. Tests of difference, exploratory factors analysis, and confirmatory factor analysis will be employed to examine the aforementioned constructs.

Evaluating the Production Efficiency of New England's Oyster Aquaculture Industry

Ben Scuderi, University of Maine, School of Economics

Xuan Chen, University of Maine, School of Economics

Abstract

Oyster aquaculture in Maine and New England is a young and expanding industry that is dominated by small business owners. According a recent survey by the Maine Aquaculture Research Institute, over 80% of Maine oyster growers reported annual sales revenue of \$500,000 or less, placing them well below the \$750,000 small business size standard set by the U.S. Small Business Administration (Cole, Langston & Davis, 2017). This survey also found that 47% of respondents began oyster farming operations in 2012 or later. Massachusetts has a larger and more established oyster industry, yet the majority of operations can be classified as small businesses. The state of New Hampshire also has a small number of oyster farms, each of which was founded in the last three years.

Shellfish aquaculture is also a widespread practice in New England. In 2013, over 1500 leases, licenses and permits existed for place-based aquaculture of shellfish in New England (Lapointe, 2013). The value of shellfish production in this region has been estimated to be between \$45 and \$50 million, with oysters being by far the most valuable species (Augusto & Holmes, 2015). Oyster aquaculture is also an expanding industry. Increasing demand for high quality shellfish has led to favorable prices, and thus a continued expansion of shellfish aquaculture in New England over the past decade (Lapointe, 2013). In 2010, the state of Maine produced over 2.9 million oysters, with a value of over \$1.7 million (Maine DMR, 2012). Clearly oyster aquaculture is an important industry for this region, which has historically relied on its coastlines to provide food as well as economic opportunities.

Few economic studies have focused on oyster aquaculture, and of those that exist have mainly taken place in developing countries (J.-F. Huang, Lee, & Sun, 2013; J. F. Huang & Lee, 2014; Samonte-Tan & Davis, 1998). Coffen & Charles (1991) did perform an economic investigation of shellfish aquaculture in Atlantic Canada. These authors found that capital investment, labor and experience all play significant roles in determining oyster production output. To our knowledge, this study will be the first attempt to investigate production efficiency in New England's oyster aquaculture industry.

Oyster growers in New England primarily focus on producing high quality single oysters, sometimes known as "boutique oysters", which command premium prices from fine dining establishments and raw-bars (Rhodes, Garrison, Morse, Getchis, & Macfarlane, n.d.). Several different production methods are currently employed in this industry to raise oysters to market size (Morse, n.d.). Each of these methods involve different levels of capital and labor intensity. For example, the technique known as bottom planting consists of seeding an area with small oysters and allowing them to grow to market size on the ocean floor before returning to harvest them. This method requires relatively little capital or labor on the part of the grower, but tends to involve higher rates of oyster mortality than other methods. Survival rates can be improved by using costlier production techniques such as floating or bottom cages, oyster rafts, or other contained culture methods. While each oyster grower

has their own preferences, based on experience or convenience, no economic study has been dedicated to determining which of these production methods are most efficient. This analysis will seek to determine whether there are significant differences in productivity resulting from employing these different oyster production methods. We will also attempt to identify which factors, other than production method, are significant determinants of productive efficiency.

Economic studies of aquaculture industries frequently necessitate conducting a survey of aquaculturists. Often these surveys have been performed in person to minimize confusion and to ensure the collection of usable data (see Alam, Khan, & Huq, 2012; Coffen & Charles, 1991 and J. F. Huang & Lee, 2014 among many others). However, in-person interviews can be costly and time consuming, and thus often leads to small samples. To maximize potential response rate, we have chosen to employ a mixed mode survey format. Respondents were given the option to complete our survey either online or by mail, and those who participated were compensated for their time with a \$20 cash gift. This survey was sent to 530 oyster farming businesses located throughout Maine, New Hampshire and Massachusetts. Growers were asked about their production methods, as well as the inputs used in their oyster growing operations. Additional questions focused on demand for insurance as well as social networking among oyster growers. We have sent out three rounds of surveys by mail and email, and have received 142 completed surveys thus far, yielding a response rate of over 26%. Using this instrument, we are able to investigate many aspects of New England's oyster aquaculture industry, including production efficiency.

This paper will focus on identifying the factors that significantly contribute to production efficiency in the industry. A stochastic frontier production function (SFPPF) will be estimated to evaluate the productive efficiency of oyster operations. Frontier analysis was pioneered by Farrell (1957), and has since been modified to incorporate stochastic errors in production (Aigner, Lovell, & Schmidt, 1977; Meeusen & Broeck., 1977). SFPPF models have been employed extensively to analyze productive efficiency in agricultural as well as aqua-cultural settings (Iliyasu et al., 2014 and Sharma & Leung, 2003 both provide comprehensive reviews of the use of this method to study aquaculture industries). Our SFPPF model will allow us to investigate the relative contribution of different productive inputs to the overall productivity of each oyster farm. Additionally, we will be able to assess the potential impact of factors such as age, experience, and diversity of species in determining the productive efficiency of each grower.

This study will provide a tool that allows individual oyster growers to evaluate the technical efficiency of the production methods they are currently employing. This analysis will also have important policy implications. Assessing the relative efficiency of Maine's oyster aquaculture industry will allow policymakers to determine whether more resources need to be dedicated to education and outreach to improve outcomes in this industry. This information could play a critical role in helping Maine's oyster aquaculture business owners to continue to be successful.

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The Small Business Institute's Field Based Consulting and Knowledge Acquisition and Retention

David Lynn Hoffman, Metropolitan State University of Denver
David J. Bechtold, Metropolitan State University of Denver

Abstract

Higher education is being criticized for its costs, lack of transparency, and lack of relevance to the real world. Some articles question the value of higher education if it leaves students with unreasonable amounts of long term debt. The article distinguishes between explicit knowledge via traditional lectures and textbooks and tacit knowledge from direct experience, observation, and reflection. Research on explicit knowledge, specifically lectures, has found that this pedagogical method has the lowest retention rates. The paper argues that the Small Business Institute's field based consulting teaches via tacit knowledge, has greater potential for long term retention, and thus greater potential for long term application throughout a graduate's career.

Keywords: knowledge retention, field based consulting, field based consulting and knowledge retention.

Criticisms of Higher Education and Business Schools

Criticism of higher education is coming from many sectors including: parents, students, researchers, and legislators. Criticisms of higher education include: increasing costs, lack of transparency and accountability, and lack of learning. There has been a decline in student performance and literacy. Another study did not find any improvement in critical thinking and analytical skills from their higher education. There is little evidence that business schools enhance graduate's careers.

Conversely, there are some positives: college graduate's salaries are higher than non-college graduates and the mean salaries of AACSB school graduates are higher than those from non AACSB schools.

The Small Business Institute Program

The Small Business Institute (SBI) has been promoting field based consulting since before 1974. There are numerous documented benefits including: problem based learning, improved negotiation and networking skills, active learning. The students learn how to deal with moral, ethical, strategic, and operational issues in the real world.

The Brain and Knowledge Acquisition and Retention

The learning pyramid shows that the average retention from lectures was 10% or less compared to practicing and performing enhanced activities which raise rates to 75% or higher. Continual pedagogical questions are therefore: what to teach, how to teach it and how to assess what was learned – will they retain it later in their careers?

Research on the brain found that retention or memory occurs in several parts of the brain and is the result of different operations. Variables that affect retention include the student's prior knowledge of the material, whether they have any questions they would like answered in the course, the student's prior knowledge of the subject, and the amount of time between the learning and the test. In most

cases knowledge retention is tested at the end of the term.

Short term memory (STM) is used within a few seconds to a few hours and requires conscious maintenance to retain it for use. Long term memory (LTM) is the reactivation of memories and gains stability with the strength of the emotional connection, the relevance of the material to the student, and its connection to memories. STM and LTM may act together with both using different parts of the brain at different times. LTM and the movement of memories from STL to LTM requires “offline” brain activity such as sleep and rest to work.

Field Based Consulting and Knowledge Retention: A Call for Future Research

The SBI’s field based consulting has greater potential to create long term memory from the following factors: exposure to real world issues including ethical ones, emotional connections between the client and the students, and student reflection on how they would in the future deal with their client’s issues. In addition, the real-world issues also include unexpected issues such as possible bankruptcy that cannot be duplicated in the classroom.

Conclusion

The Small Business Institute is well positioned with its field based consulting to eliminate some of the criticisms of higher education. The authors argue that SBI graduates will retain their knowledge more than from other pedagogical techniques.

Students Perceptions of "The Coddling of the American Mind"

John Batchelor*, University of West Florida
Shanan Gibson, East Carolina University
Bob Kimball, University of West Florida
Gerald Burch, Tarleton State University

Abstract

Interaction and engagement are key in student learning (Taylor & Parsons, 2011) and most faculty go to great effort to develop classroom settings that encourage active learning through both collaboration and practice. Achieving this requires cultivating a classroom that is both intellectually challenging and psychologically comfortable – intimidating students is counter-productive. Coexisting with efforts to promote active learning is the fact that diversity among the student population is increasing (Bowman, 2010). While diversity has numerous positive outcomes (greater creativity, innovation, social acceptance and understanding), increasing diversity can also lead to less cohesiveness, less effective communication, increased anxiety, and greater discomfort for members of the community (Fine & Handelsman, 2010). In effect, creating an environment that is the exact opposite of an engaged learning community!

Campuses across the U.S. are now educating faculty and students on the purported prevalence of macroaggressions and triggers, and enacting policies aimed at protecting students from the psychological harm they supposedly inflict. The current study picks up where much of the popular media leaves off – asking students and faculty about their perceptions of this trend on college campuses, its potential outcomes, and whether or not it impedes learning.

Students and parents from two large southeastern universities were asked to read *The Coddling of the American Mind* (Lukianoff & Haidt, 2016) and respond to a confidential survey of their perceptions related to it. In addition, they provided demographic data for purposes of analysis. Findings indicate that students were consistently supportive of integrating provocative content into the classroom.

Internal Investigations Case Study - Time Sheet Irregularities

Mark Mulligan, Century Link
Doug Laufer*, Metropolitan State University of Denver

Abstract

There is a need to provide students with challenging assignments that escape the one-right-answer syndrome and require creative, critical thinking. The challenge is to provide students with materials that have real world relevance and engage students actively in the learning process. The case method is a pedagogy that provides a process by which students are actively involved in the learning process. The use of real-world based cases is an excellent vehicle in support of that goal.

An opportunity to successfully employ the case method and enhance student skills in critical thinking and communication arose due to the Association of Certified Fraud Examination's (ACFE) Higher Education Initiative guest lecturer program. A leading forensic accountant in the region spoke to an accounting class. The speaker discussed his career path and also presented details about various investigations he had conducted. To facilitate his presentation, the students, in advance of his visit, completed a case study that was based on one of his investigations.

The purpose of this conference presentation will be to share details on the case study utilized and the teaching pedagogy employed. The underlying case data and the case outcome (solution) will be available to conference participants.

Investor reactions to firm reputational signals

Tyler Skinner*, Middle Tennessee State University

Joshua Aaron, Middle Tennessee State University

Abstract

This research study assesses the relationship between diversity reputation and firm market performance. Event study methodology is used to evaluate market performance for firms listed on three separate diversity rankings. The lists we use are DiversityInc.'s Top 50 Companies for Diversity, Calvert Investments' Corporate Diversity Practices of the S&P 100 Firms, and DiversityMBA's 50 Best Companies for Diversity and Inclusion. The study tests the hypothesis that investors will react positively to the announcement of the inclusion of a firm ranked highly on these lists. Our findings aim to provide additional evidence that firms investing heavily in diversity measures will receive positive market benefits. Previous research has mostly focused on the DiversityInc. ranking. This study adds to the current literature with a more comprehensive analysis that incorporates the additional diversity reputation rankings that are listed above.

The Hidden Danger: When Workers Do Not Voice Safety Concerns

Denise M. Cumberland, University of Louisville
Megan Church-Nally, Bellarmine University
Sharon A. Kerrick, Bellarmine University
Whitney Martin, Pro-Quest Consulting

Abstract

Since the Industrial Revolution safety concerns have been paramount to workers. While fines, OSHA, and environmental laws are safeguards to prevent loss of productivity, injuries, and lives, workers also need to speak up early in the event of safety hazards and unsafe working environments. A study of a small southeastern metropolitan agency reveals, however, that this is not always the case. Field workers were significantly less likely to voice concerns on safety and did not view the organization as safe as the managers and officers. Moreover, the field workers did not feel they had the ability to escalate unsafe working conditions and did not believe managers promoted a safe working environment. Implications and recommendations are discussed.

Push and pull factors and Hispanic self-employment in the United States

Monica Fisher, University of Idaho

Paul Lewin, University of Idaho

Abstract

Existing literature recognizes the rapid and steady growth of Hispanic self-employment in the U.S. in recent decades, but few studies explain such growth. This study uses data for 2015 from the American Community Survey to identify the main push and pull factors driving Hispanic self-employment, drawing on theories from economics and sociology. We first predict the earnings of Hispanic workers in self-employment and wage work using a Heckman model that accounts for worker selection into self-employment. A structural profit model is then estimated including the predicted earnings differential along with a comprehensive set of control variables. We find human capital theory, disadvantage theory, and the sectoral earnings model highly useful for explaining Hispanic self-employment in the U.S. Other drivers of Hispanic self-employment include country or region of origin, the local opportunity structure (unemployment and college graduation rates), and family social capital. Ethnic enclaves are found to be relatively unimportant. Notably, our results suggest that if labor market discrimination against Hispanics is heightened, the growth rate of Hispanic self-employment is likely to rise considerably. We discuss policies and programs to support the success and contribution of Hispanic small business owners to their local communities and the U.S. economy.

Perceptions of Managers and Traditional Entrepreneurs in the Czech Republic

Dennis Barber, III, Armstrong State University

Shanan Gibson, East Carolina University

Michael Harris, East Carolina University

Rolínek Ladislav, University of South Bohemia

Abstract

The Czech economy has been in transition since the dismantling of the Soviet Union. Since 1991, the economy has transitioned from a centrally planned to market based economy. This transition has an impact on the perceptions of citizens about the role of government and institutions. Institutional and government support are important for stimulating entrepreneurial activity. However, this support must be tailored according to the perceptions of the citizens. This study investigates the student perceptions of Traditional Entrepreneurs and Business Managers. The data includes 66 responses from undergraduate students at a university in the south of the Czech Republic. 61% of the respondents were female. 68 have worked for a small business in the past and 41 have an immediate family who has owned a small business. The preliminary analysis shows that the Czech students believe that traditional entrepreneurs use a code of ethics when making decisions, are honest with customers, aim to make the world a better place and treat others fairly more often than a business manager.

BREAKFAST ROUNDTABLES

Entrepreneurship Summer Camp for High Schoolers

Lee Zane, Rider University
Ron Cook, Rider University

Roundtable Description

The entrepreneurship group at Rider University is considering offering a summertime, for-credit, entrepreneurship camp for high school students. The primary audience is rising juniors with a secondary audience of graduated seniors. Students would earn 3 college credits.

This approximately 2 weeks, on-campus, summer camp would emulate our freshman level Ent 100 – Introduction to Entrepreneurship class.

The goals are to 1) raise the profile of Rider University in the minds of high school students and their teachers/advisers/parents; 2) Encourage high school students to consider entrepreneurship as an academic area of study.

Discussion topics could include pros/cons of such a class, appropriate exercises for the audience, how to have high school students conduct market research in a compressed time frame, differences/similarities between current high school students and freshman, textbook/exams, what can go wrong.

Intended audience at SBI would be attendees who have experience in these types of programs and/or are considering doing this on their campuses.

Breakfast Roundtable - Teaching online - Tools and Assignments

Debra Sea, Bemidji State University
Dianne Welsh, University of North Carolina at Greensboro

Roundtable Description

Higher education is moving more online every year. Most of us use various Learning Management Systems (Blackboard, D2L, etc) for our in-person courses, while many of us also have a hybrid or an entirely online course already in our teaching load.

We've all been working to make our courses more interactive and to use online resources that are better than the “dead letter office” or correspondence course. What software tools are you using? What assignments have you tried that have worked well and even better – what assignments have flopped? How do you assess online work?

How can we increase the humanity of interacting with online students? Are there ways that you communicate with online students more effectively than just using the terse, text responses of a Learning Management System feedback textbox or email?

This breakfast round table invites participants to bring their experiences, examples of tools, assignment with assessment information to share in this interactive and informative breakfast round table.